2024

Reflections on the First 50 Years of Oregon's Pioneering Statewide Land Use Planning, 1973-2023

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REFLECTIONS ON THE FIRST 50 YEARS OF OREGON'S PIONEERING STATEWIDE LAND USE PLANNING 1973-2023

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OVERVIEW

In 2023, we celebrated the first 50 years of Oregon's statewide land use planning that was passed into law in 1973 with phased implementation starting in 1974. It is also time for a sobering assessment of the challenges ahead to 2050, if not to the centenary of SB 100 in 2073.

By way of background, through a stroke of good fortune, I was a student intern with two others on the joint legislative committee on land use in 1972 that drafted Senate Bill 100. This landmark legislation led to:

> Urban growth boundaries (UGBs see Figure 1) around every metropolitan area and cities including the smallest ones such as Lonerock with a 1970 population of 12 persons;
>
> The preservation of resource lands;
>
> Requiring forecasts of population, housing, public facility, and economic development needs; and
>
> Plans meeting those needs consistent with statewide planning goals.

My reflections are triggered by the anticipated publication *Toward Oregon 2050* edited by Megan Horst, published by the Oregon State University Press in 2024. It follows a tradition of assessments by scholars of Oregon's planning program. Gerrit-Jan Knaap and I wrote the first comprehensive theoretical and empirical assessment of Oregon's planning in *The Regulated Landscape* published by the Lincoln Institute of Land Policy. It was published in 1992, two decades after SB 100 was drafted. In 1994, Carl Abbott, Deborah Howe, and Sy Adler, of what is known now as the Nohad A. Toulan[1] School of Urban Studies at Planning at Portland State University, edited *Planning the Oregon Way: A Twenty-Year Evaluation*, published by the Oregon State University Press. I wrote a chapter for it titled "Oregon's Urban Growth Boundaries as a Landmark Planning Tool." Connie P. Ozawa edited *The Portland Edge: Challenges and Successes in Growing Communities* published by Island Press in 2004, although its focus was on metropolitan Portland. In 2012, Sy Adler wrote *Oregon Plans: The Making of an Unquiet Land-Use Revolution* which was followed in 2022 by *Planning the Portland Urban Growth Boundary: The Struggle to Transform Trend City*, both published by the Oregon State University Press.

[1] I was honored to have had Nohad A. Toulan as a member of my master and doctoral committees.

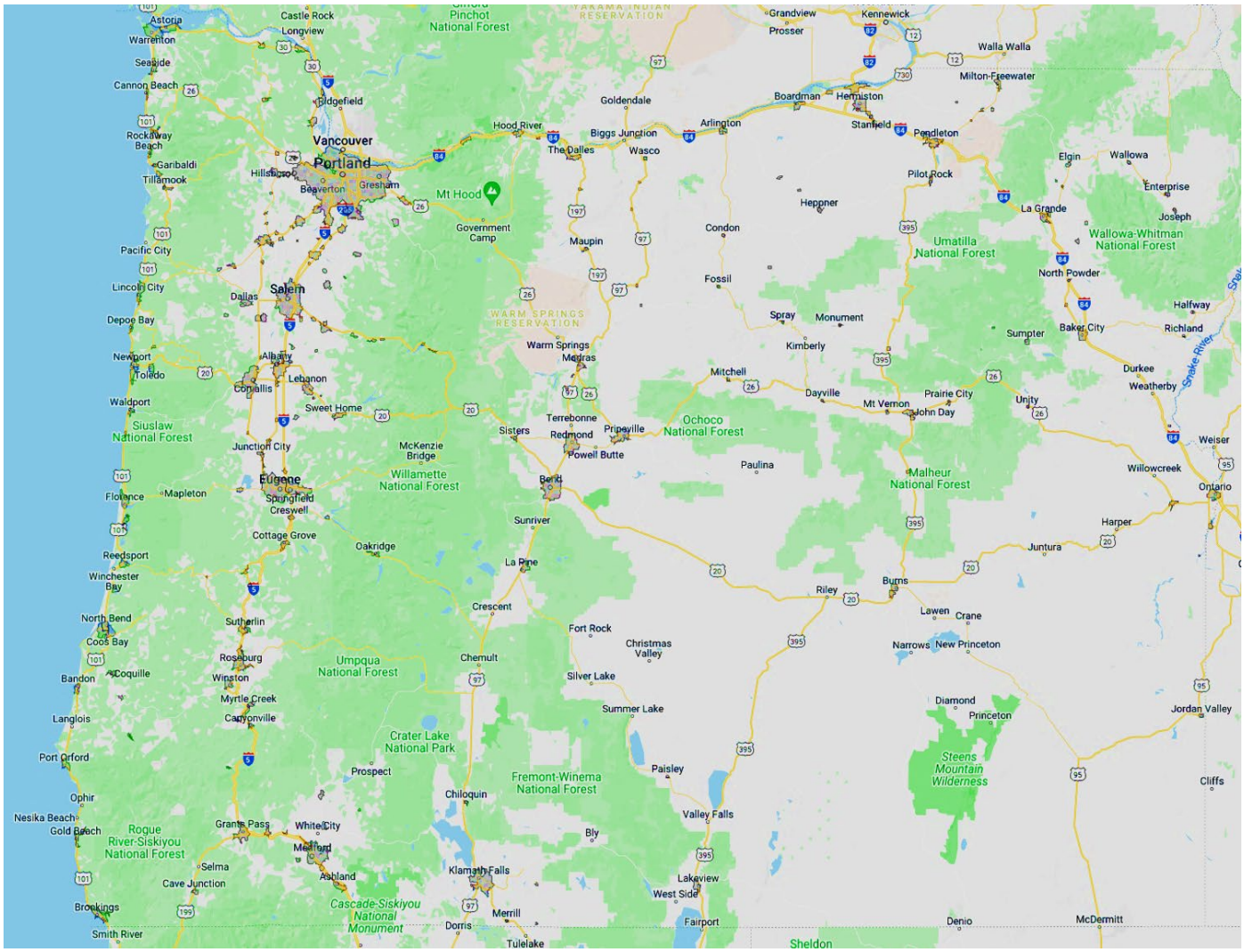


Figure 1. Oregon's Urban Growth Boundaries
This figure delineates Urban Growth Boundaries (UGBs) in the state of Oregon. Oregon land use laws limit development outside of urban growth boundaries. The line work was created by various sources including the Oregon Department of Land Conservation and Development (DLCD), the Oregon Department of Transportation (ODOT), Metro Regional Council of Governments (Metro), county and city GIS departments, and the Oregon Department of Administrative Services - Geospatial Enterprise Office (DAS-GEO). UGBs are lines drawn on planning and zoning maps to show where a city expects to experience growth for the next 20 years. UGBs were established under Oregon Statewide Planning Goals in 1973 by the Oregon State Legislature (Senate Bill 100).
Source: Dept. of Land Conservation and Development, retrieved March 28, 2022, from https://data.oregon.gov/dataset/Urban-Growth-Boundaries/652w-9hjf.

The genius behind SB 100 was Hector McPherson (Figure 2), an unassuming first-term state senator from Lynn County whose profession was farming. All he wanted to do was farm, but he knew farmers could not compete with urban sprawl. While there were certainly many champions of SB 100, they would not have been champions without McPherson's wisdom. Fast forward 40 years to 2013 when, in celebration of its 40th anniversary, I had the great honor to share my research about Oregon's successes and challenges to the Land Conservation and Development Commission (LCDC) in Salem. An even greater honor was seeing McPherson again. He passed away in 2015 at the age of 96.

Figure 2
Hector McPherson Jr., undated
Source: Oregon Historical Society Research Library, oral history interview with Hector Macpherson, Jr., retrieved December 14, 2022, from https://staff.digitalcollections.ohs.org/sr-1121-oral-history-interview-with-hector-macpherson-jr

In these reflections, I offer an over-arching perspective of key accomplishments spanning the period from the 1960s into the 2020s and noting key challenges for Oregon toward 2050. Indeed, the first fifty years of SB 100 may turn out to have been the easiest.

Oregon's concerns about rapid growth and urban sprawl leading to SB 100 had focused mostly on the Willamette Valley. This narrow band of land, roughly 110 miles long and 40 miles wide comprising 5,800 square miles, is less than half the size of Belgium and is home to about 70 percent of the state's population. By 2020, the Willamette Valley's population density exceeded that of most European countries. It is also the state's leading agricultural producer.

During the 1960s, growth was spilling into Willamette Valley farmlands. Between 1964 and 1969, the Census of Agriculture showed that the Valley lost nearly half a million acres or nearly a fifth of its farmland base. That amounted to 3.3 acres of farmland for every new resident or nearly 10 acres of farmland for every new home.[2] These trends are illustrated in Table 1. Partly in response to these trends, the legislature adopted Senate Bill 10 in 1969 which mandated land use plans among all cities and counties in part to reign in urban sprawl and preserve Oregon's resource lands. By 1971, only about 40 percent of Oregon's planning jurisdictions had completed mandated plans.

In 1972 there were concerns among legislators that urban sprawl would overrun the Willamette Valley. As a senior at Portland State University, I joined two graduate urban studies students as interns on the joint legislative land use committee that wrote SB 100 ("ten times better" than SB 10 was the mantra). We were asked by its chief sponsor, Senator Hector McPherson, a Republican farmer from Linn County, to interview rural county commissioners and their planning directors to learn why they weren't submitting plans. Two reasons came forward: lack of sufficient funds to make plans consistent with state law and no consequences for not planning. Indeed, most commissioners told us privately they wanted land use planning, but they needed the state to provide the resources as well as a "devil made us do it" political backstop.

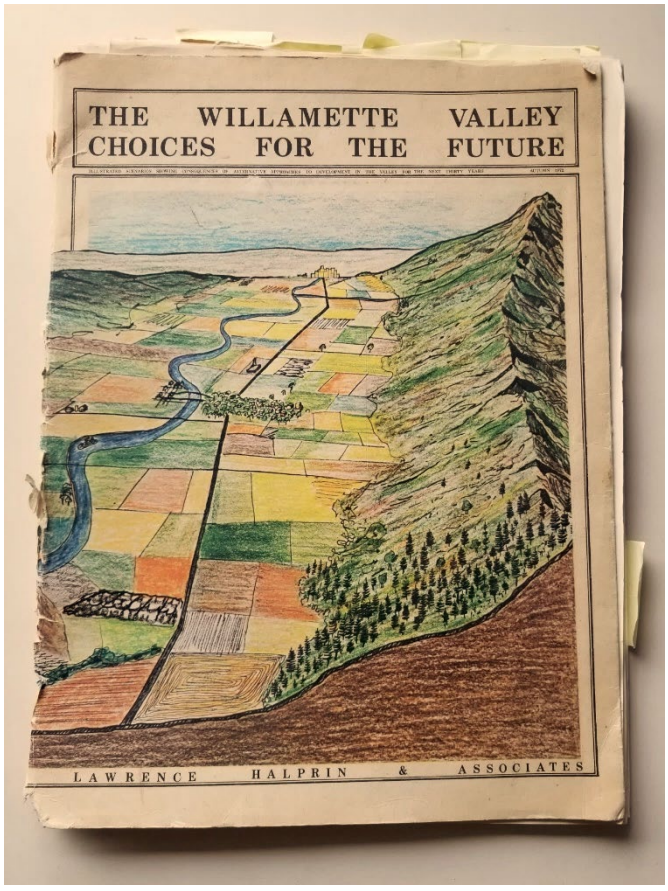
[2] These numbers and their implicated trends were not known to this detail at the time, but the trends were very visible.

Table 1
Loss of Willamette Valley Farmland per New Resident and Household, 1964-1969

Year	Farmland	Population
1964	2,423,288	1,280,044
1969	1,971,077	1,418,836
Change	(452,211)	138,792
Percent	-19%	11%
Farmland acres lost per new resident		**-3.3**
Farmland acres lost per new household		**-9.8**

Source: Arthur C. Nelson from Census of Agriculture for 1969 published in 1972 and interpolations of population from the Census of Population, 1960 and 1970. Counties include Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington and Yamhill.

Later in 1972, then Governor Tom McCall issued Lawrence Halprin & Associates' *The Willamette Valley Choices for the Future*. This included a statewide "road show" from Kiwanis Clubs to high schools making the case to preserve the Valley through scenario analysis. Figure 3 is an image of my well-worn copy. *Choices for the Future* elevated the legislative debate in 1973 on the need to protect Willamette Valley farmland from urban sprawl. During the 1973 legislative assembly, some argued that Oregon needed to choose between agriculture and growth. In SB 100, Oregon chose both. Implementation strategies arose through what I call the "Oregon Contract" in which important landscapes are preserved and development facilitated—and even made easier—inside urban growth boundaries (UGBs). Oregon's planning program survived several statewide ballot measures since and is now firmly entrenched in the state's laws and culture.



My reflections will describe the Oregon Contract as it arose since Senate Bill 100, characterize Oregon's planning as "Smart Planning" that is distinct from growth management and "smart growth," assess outcomes over fifty years with respect to preserving Willamette Valley farmland as well as accommodating urban development within UGBs, and outline how the Oregon Contract might be re-envisioned.

Figure 3. Author's copy of *The Willamette Valley Choices for the Future* (Lawrence Halprin & Associates 1972).

THE OREGON CONTRACT

The culture of planning in Oregon is framed with what I have called the "Oregon Contract," like the social contract construct in political philosophy. The Oregon Contract puts property owners and development interests, and especially new residents, on notice that urban development broadly defined[3] is not allowed on resource lands and is instead steered into areas within UGBs where it is facilitated. Creating the contract was rocky.

SB 100 was adopted in 1973 and for the next several years the Land Conservation and Development Commissioned (LCDC) wrestled with creating the framework and then crafting planning rules. This was not a pleasant process especially since the LCDC kept "moving the goal posts"—a term often used after many of its meetings—during the middle to late 1970s. While LCDC clearly wanted to shut down open spaces from any development, development interests kept pressing the case for the need to meet market demands. A breakthrough came when an alliance emerged between conservationists and development interests. Developers said they'd support UGBs and resource land preservation if development within UGBs was made easier than the current process that was often dominated by NIMBY (not-in-my-backyard) interests. The bargain included requiring zoning land up-front to meet market needs during the planning horizon (20 years) thereby reducing much of the need for zone changes. It also included "clear and objective" standards so developers knew what was expected through a kind of checklist. Those breakthroughs in the late 1970s were followed in the early 1980s by the Land Use Board of Appeals (LUBA)—the nation's only land use appeals tribunal—and new laws requiring: (a) local government to make land use decisions within 120 days; (b) appeals to LUBA to be resolved within 120 days; and (c) appeals from LUBA to the Court of Appeal to be resolved also within 120 days. On paper, this made Oregon "open for business" inside the UGBs. As I will show below, the Oregon Contract seems to have worked. But first a perspective of Oregon planning as the nation's quintessential "Smart Planning" paradigm.

OREGON PLANNING AS "SMART PLANNING"

SB 100 was a national pioneer in statewide growth management efforts (DeGrove 1984, 1992; Nelson and Duncan 1995; Weitz 1999) as well as a leader in advancing smart growth (Downs 2005; DeGrove 2005; Ingram et al. 2009). However, despite being its champion, I'm personally not enamored with the term "growth management" because conceptually one's initial impression is stifling markets when procedurally it is just the opposite. The alternative term "smart growth" is characterized in literature as a set of laudable but ever-changing principles albeit without over-arching goals (Downs 2005). I prefer the term "Smart Planning" as a better characterization of what Oregon does. In Oregon, Smart Planning has seven aspirational goals:

- Preserve and provide public goods;
- Provide common goods;
- Maximize the use of infrastructure to minimize costs;
- Maximize positive land use interactions and minimize negative ones;
- Equitably distribute the benefits and burdens of change;

[3] This term is broadly applied in Oregon meaning essentially any development that is not otherwise needed to support resource-based land uses. Allowances are made for small scale development in "exception" areas that were already committed to non-resource use before full implementation of SB 100, recreation, and resort areas, and very few others.

- Elevate the quality of life; and
- Preserve choices for future generations.

Overarching these aspirational goals[4] is the engagement of citizens in the planning process. Allow me to summarize the aspirational goals.

Provide Public and Common Goods

Because they are intertwined, I am combining public and common goods in this subsection. Oregon's Smart Planning protects many kinds of public and common goods.

Public goods are non-rival, meaning that no matter how many people may use them, no one is deprived of their benefits. Air comes to mind. They are also non-excludable, meaning that no one can be deprived of their benefits even if they cannot pay for them. National defense is one example, as are lighthouses, streetlights, clean air, and knowledge. In local land use planning, examples of public goods are scenic views and vistas, and historically, culturally, and scientifically important sites and landscapes, among others.

Common goods are non-excludable, meaning no one can be deprived of their use, but they are rivalrous, meaning that if more people use them than is sustainable, everyone is harmed. *Tragedy of the Commons* (Hardin 1968) in which overgrazing commonly owned fields comes to mind. In planning, examples of common goods are public roads, parks, public safety, and schools, among others.[5]

A challenging part of planning is addressing land that confers both public and private goods, such as farmland, forestland, rangeland, and related landscapes. While agricultural land uses have many classical private goods features such as growing apples to meet market demand efficiently, they also produce such public goods as wildlife habitat and biodiversity, protection of natural resources including soil, water, and air quality, pollination of crops, flood control and extreme weather mitigation, carbon storage, and human physical and mental well-being, among others.

Maximize the Use of Infrastructure to Minimize Costs

Infrastructure is expensive to construct and maintain. All too often, local governments arrange their land use patterns to underuse infrastructure, thereby raising costs on everyone. Oregon's Smart Planning maximizes the use of new and existing infrastructure, which reduces present and future public costs. Savings can be used to help finance other government goods and services, including economic development, or reduce taxes and fees, or various combinations.

Maximize Positive Land Use Interactions and Minimize Negative Ones

Zoning was invented in large part to separate land uses deemed incompatible with one another. The famous *Euclid v. Ambler* case in which the U.S. Supreme Court determined that zoning was a constitutional exercise of the police power dealt in part with a city wanting to separate new subdivisions from noxious industrial activities nearby. While there is ample evidence showing that certain land uses impose negative externalities on others, land uses can also be complementary in ways that modern planning and zoning codes do not appreciate fully. Oregon's Smart Planning takes a fresh look at land uses to maximize positive land use interactions.

[4] I have been informed as well by David E. Ervin et al. (1977).

[5] Many of these goods can be provided by the private sector and the use of some can be managed through pricing schemes such as toll roads, congestion pricing, and use fees. Their provision, financing, and management is based on public policy choices.

Equitably Distribute the Benefits and Burdens of Change

Planning that is socially just will find ways in which to fairly distribute the benefits and burdens of change equitably among constituents. Indeed, the American Institute of Certified Planners (AICP) Code of Ethics requires planners to:

> Seek social justice by identifying and working to expand choice and opportunity for all persons, emphasizing our special responsibility to plan with those who have been marginalized or disadvantaged and to promote racial and economic equity. Urge the alteration of policies, institutions, and decisions that do not help meet their needs.[6]

This is potentially revolutionary if carried out fully. Oregon may be alone among the states in advancing this aspirational goal through planning that requires addressing the needs of all Oregonians and not just those of certain economic, social, or racial/ethnic classes.

Elevate Quality of Life

Research shows that mixed land uses, higher densities, and improved transportation and land use accessibility elevate quality of life in such ways as improving personal and public health, enhancing economic resilience, creating sense of community, and advancing well-being among others. My review of Community Preference Surveys conducted by the National Association of Realtors since 2004 reveals that while roughly half of American households want to live in walkable communities with a mix of housing opportunities, only a fifth do (Parolek with Nelson 2020). In other words, our planning and development institutions are underserving tens of millions of households. In this respect, Oregon's Smart Planning is a national leader in creating mixed-use, walkable communities with a range of housing choices. Research shows that doing so advances quality of life.

Preserve Choices for Future Generations

It is not a stretch to characterize Oregon's Smart Planning as meeting "the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland 1987: 47).[7] This is the very definition of sustainability. Decisions to convert land from one use to another may foreclose future options. In Oregon, this was laid bare when decisions were made to convert prime farmland into low density subdivisions, thereby removing that land from the supply of farmland available to meet the needs of future generations (see Table 1 above).

Figure 4 illustrates how Oregon's 19 statewide planning goals align with Smart Planning aspirational goals.

I next offer a sweeping view of Oregon's 50 years of Smart Planning successes.

[6] See https://www.planning.org/ethics/ethicscode/.

[7] With others, I had the great personal privilege of spending a week with the Hon. Gro Brundtland on a study tour of Norway in 2009.

SMART PLANNING ASPIRATIONAL GOALS MATRIX

Oregon Planning Goal	Preserve & Provide Public Goods	Provide Common Goods	Minimize Infrastructure Costs	Maximize Land Use Interactions	Advance Social Equity	Elevate Quality of Life	Preserve Future Options
Goal 1 Citizen Involvement	■	■	■	■	■	■	■
Goal 2 Land Use Planning	■	■	■	■	■	■	■
Goal 3 Agricultural Lands	■		■				■
Goal 4 Forest Lands	■		■				■
Goal 5 Natural Res, Scenic/Historic, Open Spaces*	■		■	■		■	■
Goal 6 Air, Water and Land Resources Quality	■		■			■	■
Goal 7 Areas Subject to Natural Hazards			■			■	■
Goal 8 Recreational Needs	■	■	■	■	■	■	■
Goal 9 Economic Development			■	■	■	■	
Goal 10 Housing			■	■	■	■	
Goal 11 Public Facilities and Services		■	■	■	■	■	
Goal 12 Transportation		■	■	■	■	■	
Goal 13 Energy Conservation		■	■	■			
Goal 14 Urbanization		■	■	■	■	■	
Goal 15 Willamette River Greenway	■						■
Goal 16 Estuarine Resources	■		■	■			■
Goal 17 Coastal Shorelands	■						■
Goal 18 Beaches and Dunes	■						■
Goal 19 Ocean Resources	■		■	■			■

Figure 4. Illustrative Alignment of Oregon's 19 Statewide Planning Goals with 7 Smart Planning Aspirational Goals
*The full title is "Natural Resources, Scenic and Historic Areas, and Open Spaces."
Note: Readers are free to make their own alignments of Oregon's 19 statewide planning goals with the seven Smart Planning aspirational goals.

FIFTY YEARS OF EFFECTIVE SMART PLANNING

While Oregon's statewide planning system aims to achieve multiple outcomes, I will focus on performance relating to two keystones of the Oregon Contract: the preservation of Willamette Valley farmland and accommodating development within the Portland metropolitan UGB.

Todd Litman (2016) catalogs numerous criticisms of smart growth and growth management efforts offered by libertarians and economists. As a class of scholars, they tend to assume that all landscapes are the same and every person has the same preferences, being large homes on large lots away from things. In the Oregon context, most of their criticisms focus on UGBs stifling growth, elevating housing prices, thwarting home ownership, and limiting housing choices. They also seem to assume that farmland preservation is not important except as a source of future low density urban sprawl. The evidence prior to the COVID-19 pandemic does not appear to support their assertions, as will be shown here.

Astute economists know that markets differ because of their geographies, economies, and social and political structures. For instance, it is incorrect to equate the Dallas-Fort Worth "Metroplex" with its wide-open plains stretching hundreds of miles in all directions to southern California communities that are hemmed in by an ocean, an international border, mountains, and extensive federal land ownership. The nation is not one monolithic housing market as many simple-minded economists seem to assume but rather a mosaic of different markets shaped by the forces noted above among many others. This was established long ago by Jesse M. Abraham, William N. Goetzmann, and Susan M. Wachter[8] (1994) who found the U.S. housing market clustered into the Northeast, the South excluding Texas, Texas, the Midwest, Los Angeles-San Francisco (LA-SF), and the rest of the West Coast. Housing economists who fail to recognize this may have their work questioned accordingly.

Given differences in housing market structures, I assess how metropolitan Portland—the state's largest metropolitan area and the focus of much of SB 100's concerns—compares to other major west coast metropolitan areas in terms of growth. In Table 2, we see that metropolitan Portland had the second fastest growth rate of any major west coast metro from 2010 to 2019 (before the COVID-19 pandemic), behind the Seattle metropolitan area. It also added more people than the larger metropolitan areas of Oakland, San Diego, San Francisco, and San Jose. So much for metropolitan Portland's UGB stifling growth.

Next, consider housing prices. In Table 3, we see that metropolitan Portland's housing prices are the second lowest among the largest west coast metros (only Riverside-San Bernardino-Ontario has lower prices) and house prices increased at the third lowest rate (behind Los Angeles and Sacramento). So much for metropolitan Portland's UGB raising housing prices relative to the Abraham-Goetzmann-Wachter LA-SF cluster.

What about incomes needed to buy homes? After all, housing prices are a false indicator of the ability of a household to own a home. Table 4 table shows the percent of median household income needed to buy the median priced home among largest west coast metros as of March 2021. While Seattle fares just a touch better than Portland, both are the most affordable in terms of income to house price ratio.

[8] I was privileged to have served as a special advisor to Susan M. Wachter when she was Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development in 2000. Together we helped pioneer the housing-plus-transportation cost (H+T) concept of measuring housing affordability, exploring new frameworks for regional governance, and the New Markets tax credit program among others. She gave me special license to develop many new research ideas that I have pursued in the decades since.

Table 2
Growth and Growth Rates of Major West Coast Metropolitan Areas, 2010-2019

Major West Coast Metropolitan Area	Population 2010	Population 2019	Population Change	Percent Change
Seattle-Tacoma-Bellevue, WA	3,449,241	3,979,845	530,604	15%
Portland-Vancouver, OR-WA	**2,232,181**	**2,492,412**	**260,231**	**12%**
Oakland-Berkeley-Livermore, CA	2,565,526	2,824,855	259,329	10%
Riverside-San Bernardino-Ontario, CA	4,242,424	4,650,631	408,207	10%
Sacramento-Roseville-Folsom, CA	2,153,613	2,363,730	210,117	10%
San Diego-Chula Vista, CA	3,103,212	3,338,330	235,118	8%
San Francisco-San Mateo CA	1,525,204	1,648,122	122,918	8%
San Jose-Sunnyvale-Santa Clara, CA	1,841,556	1,990,660	149,104	8%
Los Angeles-Long Beach-Anaheim, CA	12,838,417	13,214,799	376,382	3%

Source: Census Annual Estimates of the Resident Population for Metropolitan Statistical Areas in the United States and Puerto Rico: April 1, 2010, to July 1, 2019.

Table 3
Home Prices in the Largest West Coast Metro Areas, 2019-2020

Major West Coast Metropolitan Area	Median Home Price	% 1-Year Change, 2019-2020
San Jose-Sunnyvale-Santa Clara, CA	$1,160,000	16.2
Riverside-San Bernardino-Ontario, CA	$393,000	13.4
Seattle-Tacoma-Bellevue, WA	$525,000	12.8
San Diego-Chula Vista, CA	$620,000	11.5
San Francisco-San Mateo CA	$930,000	9.5
Portland-Vancouver, OR-WA	**$420,000**	**9.3**
Los Angeles-Long Beach-Anaheim, CA	$710,000	8.1
Sacramento-Roseville-Folsom, CA	$446,000	7.6

Source: https://www.kiplinger.com/article/real-estate/t010-c000-s002-home-price-changes-in-the-100-largest-metro-areas.html

Table 4
Largest West Coast Cities Income to Ownership Cost Ratio, 2021

Metro	State	HH Income	Home Price	Mortgage, Taxes, Insurance	Percent Income Needed
Los Angeles	CA	$62,142	$950,000	$4,387	84.7%
San Francisco	CA	$112,449	$1,335,250	$6,077	64.9%
Oakland	CA	$73,692	$699,998	$3,334	54.3%
San Diego	CA	$79,673	$747,999	$3,483	52.5%
San Jose	CA	$109,593	$899,000	$4,228	46.3%
Riverside	CA	$69,045	$499,900	$2,361	41.0%
Portland	**OR**	**$71,005**	**$475,000**	**$2,348**	**39.7%**
Seattle	WA	$92,263	$629,925	$2,950	38.4%

Source: https://www.realtyhop.com/blog/realtyhop-affordability-housing-index-march-2021/

We need to remind ourselves about what drives housing prices. The best predictor of housing demand is growth. For instance, Lonerock, which may be the smallest Oregon city with a UGB, may also have the state's most affordable housing stock because it has no growth. I call this the first "duh" principle in housing economics. The best predictor of housing prices is income: as income rises, the willingness and ability to buy a more expensive home increases. I call this the second "duh" principle in housing economics.

Which leads me to be biggest unresolved question in housing policy: Do we want cheap homes or homes of value? The best way to get cheap homes is to flood the market with housing. The best way to create valuable homes is to constrain supply so that prices rise even if it's beyond the reach of most households. Oregon aims for the middle between meeting market demand with supply in locations that are the most sensible from its policy perspectives but still by keeping the lid on price increases, at least to some extent.

Combining incomes and prices leads to what the National Association of Home Builders, with Wells Fargo, call the Housing Opportunity Index (HOI), which is another way to look at housing affordability. It is defined as the share of homes sold in a metro that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria (see the link in Table 5). Table 5 compares change in the HOI from 2012-2021 for the major west coast metropolitan areas. As seen by the negative numbers for the column labeled “Housing Opportunity Index Change 2012-2021”, all metropolitan areas lost ground. At the absolute bottom of the list of large metros is Portland-Vancouver-Hillsboro. Yes, it has become less affordable, but it has become less affordable at a slower pace than all other major West Coast metropolitan areas which together comprise the LA-SF and balance of West Coast housing markets based on Abraham, Goetzmann, and Wachter. Also notice that metropolitan Portland’s rate of house price increases was 9th out of 11 while its change in income was 3rd out of 11. So much for metropolitan Portland’s UGB stifling housing affordability relative to its West Coast peers.

How does all this convert into home ownership rates? Home ownership rates for the eight largest West Coast metropolitan areas are shown in Table 6 and the 12 largest cities in Table 7. Table 6 shows that metropolitan Portland is tied for the second highest percent change in home ownership (behind Sacramento) while Table 7 shows the city of Portland had the third highest home ownership rate among the largest cities (behind Bakersfield and San Jose). So much for metropolitan Portland’s UGB stifling home ownership relative to its West Coast peers.

Table 5
Housing Opportunity Index Change in Rank, 2012-2021

Metropolitan Area	Median Price Change 2012-2021	Median Price Change 2012-2021 Rank	Median Income Change 2012-2021	Median Income Change 2012-2021 Rank	Housing Opportunity Index Change 2012-2021	Housing Opportunity Index Change 2012-2021 Rank from Worst
Los Angeles-Long Beach-Glendale, CA	147%	5	21%	10	-78%	1
Anaheim-Santa Ana-Irvine, CA	115%	11	23%	8	-65%	2
San Diego-Carlsbad, CA	123%	10	25%	6	-63%	3
Oakland-Hayward-Berkeley, CA	212%	1	30%	5	-59%	4
San Francisco-South San Francisco, CA	138%	8	39%	2	-59%	5
Riverside-San Bernardino-Ontario, CA	167%	3	22%	9	-54%	6
Sacramento CA	183%	2	20%	11	-51%	7
San Jose-Sunnyvale-Santa Clara, CA	167%	4	44%	1	-51%	8
Seattle-Bellevue-Everett, WA	139%	7	31%	4	-43%	9
Tacoma-Lakewood, WA	140%	6	24%	7	-38%	10
Portland-Vancouver-Hillsboro, OR-WA	**125%**	**9**	**33%**	**3**	**-31%**	**11**
NATIONAL	99%		23%		-20%	

Source: The NAHB/Wells Fargo Housing Opportunity Index: Complete History by Metropolitan Area (2012-Current) https://www.nahb.org/news-and-economics/housing-economics/indices/housing-opportunity-index

Table 6
Homeownership Rates for the 8 Largest Metropolitan Areas, 2015 to 2021

Metropolitan Area	2015 Q1	2021 Q1	Change %
Sacramento-Roseville-Arden-Arcade, CA	60.5	66.0	9.1%
Portland-Vancouver-Hillsboro, OR-WA	**59.4**	**63.4**	**6.7%**
San Francisco-Oakland-Hayward, CA	52.5	56.0	6.7%
Riverside-San Bernardino-Ontario, CA	58.9	61.9	5.1%
Los Angeles-Long Beach-Anaheim, CA	50.2	48.3	-3.8%
San Diego-Carlsbad, CA	53.1	50.6	-4.7%
Seattle-Tacoma-Bellevue, WA	60.0	56.0	-6.7%
San Jose-Sunnyvale-Santa Clara, CA	58.0	51.1	-11.9%

Source: https://www.census.gov/housing/hvs/data/rates.html

Table 7
West Coast Largest Cities Home Ownership Rates 2019

City	Homeowner Rate 2019
Bakersfield, CA	59.4%
San Jose, CA	55.2%
Portland, OR	**53.8%**
Sacramento, CA	48.7%
San Diego, CA	46.5%
Fresno, CA	46.3%
Anaheim, CA	46.1%
Seattle, WA	43.9%
Oakland, CA	41.3%
Long Beach, CA	39.2%
San Francisco, CA	37.1%
Los Angeles, CA	36.5%

Source:https://learn.roofstock.com/blog/lowest-homeownership-rates

Considering the West Coast housing markets, one could conclude that despite Oregon's planning—or more likely because of it, metropolitan Portland performs best overall in meeting housing demand based on objective metrics.

What about housing choices? A common charge leveled by libertarians is that Oregon's planning restricts housing choices. To the extent that housing is steered away from resource areas to prevent negative externalities that undermine the productivity of resource lands (see Nelson 1992), and to the extent that higher density housing occurs inside UGBs commensurate with market demand, these assertions are accurate. But the libertarian perspective seems to assume that all households want the same thing, being a large single-family detached home on a large lot away from things, perhaps free-and-clear and with unlimited means to maintain those homes. The housing market is not that simple-minded.

As I've shown (Nelson 2006, 2013; Parolek with Nelson 2020), the supply of single-family homes on large lots exceeds demand by tens of millions. On the other hand, the demand for smaller homes on smaller lots and attached "middle housing" homes—defined as townhouses, duplexes, triplexes, fourplexes, and homes in low-rise, one- to three-floor structures (usually without elevators)—exceeds supply by tens of millions nationally. The reason is that stated-preference surveys by the National Association of Realtors (NAR 2023) report that while somewhat less than half of American households want larger homes on larger lots in only drivable communities, the rest or more than half want smaller homes on smaller lots or attached homes in walkable communities. To what extent does Oregon meet the wider range of housing needs better than its West Coast neighbors? Table 8 based on census data offers some insights.

Table 8
Share of Change in Housing by Units in Structure, West Coast states and Nation, 2010-2020

	Share of Change in Housing Units, 2010-2020			
Unit Type	**California**	**Oregon**	**Washington**	**United States**
Single-Family Lots*				
Detached	50%	60%	62%	63%
Townhouse (TH)	8%	12%	9%	9%
Total Single-Family Lots	***58%***	***72%***	***71%***	***72%***
Middle Housing w/TH**				
Townhouse (TH)	8%	12%	9%	9%
2-4 Middle Housing	1%	2%	1%	-0%
5-19 Middle Housing	2%	3%	0%	8%
Middle Housing w/TH*	***11%***	***17%***	***10%***	***17%***
20+ Higher Density	42%	25%	33%	22%

*Includes detached homes and townhouses (TH) because they are on individual lots
**Middle housing includes townhouses and units in structures of 2 to 19 residential units (see text). Note that by adding TH there is double counting with single family lots so each concept must be considered separately.
Source: American Community Survey 5-year samples for 2010 and 2020.

Between 2010 and 2020, a bit more than 70 percent of the change in homes in Oregon, Washington, and the nation were single family detached or townhouse units on individual lots. For California, the figure is a bit less than 60 percent. Among West Coast states, Oregon generated the largest share of townhouses and other "middle" homes, being 17 percent compared to 11 percent for California and 10 percent for Washington, while matching the nation. About a quarter of the change in homes were higher density for Oregon compared to a third for Washington and 42 percent for California, and slightly more than for the nation at 22 percent. Moreover, Oregon's share of new "plex" housing leads its West Coast peers and the nation. These are ingredients for walkable communities.

On balance, Oregon appears to have broadened housing choices compared to its West Coast peers. So much for Oregon stifling housing choices relative to demand as revealed by NAR market surveys.

A final assessment addresses the extent to which housing demand is met. One way in which to measure this is to estimate the number of "missing households". The census defines a household as everyone living in a housing unit. It glosses over people living in the same housing unit who want to live in a home their own, such as children back from college who can't find or afford a place of their own, older persons in transition between life circumstances who can't find a place of their own, and older persons who cannot move into more appropriate housing for lack of supply and thus share their homes with others (such as grandchildren). Using headship rates for the year 2000 for age groups of 15-34, 35-44, 45-64, and 65 and over, Table 9 shows my estimates of missing households for all western metropolitan areas of more than 1.0 million persons. The Oregon side of the Portland metropolitan area has the second smallest percent of missing households (behind Tucson) suggesting on balance that is does a better job of meeting housing needs than nearly all such metropolitan areas,

Table 9
Estimates of Missing Households for Western Metros over 1.0 Million Population, 2021

Metro Area >1 million	Households 2021	Missing Households 2021	Percent Missing
Riverside-San Bernardino	1,441,602	(138,868)	-8.79%
Sacramento	879,647	(62,447)	-6.63%
Las Vegas	854,289	(60,000)	-6.56%
Phoenix	1,863,195	(106,429)	-5.40%
San Francisco-Oakland	1,719,049	(90,651)	-5.01%
San Diego	1,162,896	(59,635)	-4.88%
Los Angeles	4,452,780	(163,738)	-3.55%
Salt Lake City	443,798	(13,799)	-3.02%
Seattle	1,584,796	(43,906)	-2.70%
San Jose	670,900	(18,377)	-2.67%
Denver	1,192,117	(31,051)	-2.54%
Portland (Oregon side)	**825,777**	**(21,326)**	**-2.52%**
Tucson	433,148	(11,150)	-2.51%

Source: Arthur C. Nelson based on headship rates from the 2000 census applied to the 1-year American Community Survey sample for 2021.

There is another perspective I am compelled to share. The two most debilitating eras for financial institutions since the Great Depression were the "savings-and-loan bailout" of the late 1980s and the Great Recession of the late 2000s. Both instances involved American taxpayers bailing out financial institutions that were over-extended because they lent more money to developers and home buyers than the market could support. Over those financial shocks, Oregon fared best among the states in matching development permitting with market demand (Nelson et al. 2017). What was its reward for responsible behavior? Oregon taxpayers subsidized losses incurred by irresponsible states that allowed more development than their markets could sustain. In a sense, Oregon is entitled to a national IOU for being responsible in how it matches development permitting with market demand thereby preventing losses and saving national taxpayers from financial bailouts.

Let's circle back to Willamette Valley farmland trends. Recall that the major impetus for SB 100 was to save the Willamette Valley farms from being developed mostly into low-density suburban residential subdivisions.

In Table 10, I look at Willamette Valley farmland trends during two broad time periods: 1964-1982 before Oregon's land use laws were in full effect and 1982-2017.[9] The Valley lost farmland during both periods of time, but the rate of loss was halved after 1982 even though the period is about twice as long (18 years compared to 35 years). Land lost during the 1982-2017 period was mostly inside UGBs because it was planned for conversion anyway. Indeed, while the Valley lost 1.12 acre per new resident between 1964 and 1982, the rate fell nearly 80% during the much longer period, 1982-2017, to about a quarter acre per new resident.

[9] I would have preferred 1984 as the benchmark year between the two periods because that is when all plans were acknowledged by the LCDC as being consistent with statewide planning goals. However, since 1972, Census of Agriculture data are collected every five years. Nonetheless, 1982 is a reasonable benchmark because by the nearly all Willamette Valley plans had been acknowledged.

Table 10
Change in Willamette Valley Population, Land in Farms, Land in Farms Lost per New Resident, and Sales in Current Dollars

Period	Population Change	Land in Farms Change	Farmland Change per New Resident	Sales (2021$)
1964-1982	536,485	(603,461)	-1.12	$268,270,759
1982-2017	1,116,706	(279,597)	-0.25	$713,462,200
Percent Change		-54%	-78%	266%

Sources: Census of Agriculture, Census of Population

For an economic productivity perspective, Table 11 shows that the Valley's farm sales increased 2.7-fold (in constant 2021 dollars), from about $270 million growth 1964-1982 to about $715 million 1982-2017. Put differently, in 1982, the total value of farm goods sold was about $1.8 billion, rising to more than $2.5 billion in 2017, or about 40% more in inflation adjusted 2021 dollars. Moreover, while it is still losing farmland, the pace has fallen from 3.3 acres per new resident in the late 1960s (see Table 1) to a quarter of an acre since 1982. As the externalities of urban development in resource areas have been reduced (see Nelson 1994), the Valley's agricultural economy has been able to grow. In this respect, SB 100 has been able to facilitate growth and preserve farmland in the Willamette Valley. Having one's cake while eating it, too, comes to mind.

Remarkably, housing prices and home ownership have fared better in metropolitan Portland than its West Coast major metropolitan area peers, while also sustaining its farmland base and seeing it become more productive.

The bottom line is that Oregon has been able to accommodate growth, keep the lid on housing prices, facilitate home ownership, and meet overall housing needs better than its western peers. It has also preserved its farmland base, allowing it to become even more productive. And although metropolitan Portland has become a glamorous area in which to move, its housing affordability metrics as a whole are the best among its West Coast peers. Proactive efforts to facilitate the regional demand for urban development inside UGBs seem to be effective at attracting growth, keeping housing prices in check, and advancing home ownership.

Nonetheless, Oregon has more work to do to sustain these successes because the first 50 years were the easiest. Moreover, the benefits of SB 100 are not flowing to everyone. After 50 years, the time has come for Oregon to up-its-game in addressing far more complex but vastly more important concerns mostly relating to social change.

Table 11
Detailed Farmland, Population, and Productivity Changes

Year	Years Between	Population	Population Change	Population Change %	Land in Farms	Land in Farms Change	Land in Farms Change %	Land in Farms Change per New Resident	Sales (2021$ 000s)	Sales Change (2021$ 000a)	Sales Change (2021$) %
1964		1,280,044			2,423,288				$1,527,523		
1982	18	1,816,529	536,485	42%	1,819,827	(603,461)	-25%	-1.12	$1,795,794	$268,271	18%
2017	35	2,933,235	1,116,706	61%	1,540,230	(279,597)	-15%	-0.25	$2,509,256	$713,462	40%

Source: Census of Agriculture, Census of Population.

RE-ENVISIONING OREGON'S CONTRACT TO ADVANCE INCLUSION, EQUITY, AND SOCIAL JUSTICE

Building on its success managing Oregon's natural and built environments, the time has come to re-envision the Oregon Contract.

Allow me to go beyond celebrating the first fifty years of Senate Bill 100 to propose a new statewide initiative that I dub "Senate Bill 1000". As Senate Bill 100 was 10 times more important than Senate Bill 10 in meeting development needs and preserving important landscapes, its focus was mostly on the natural and built environments. The metaphorical Senate Bill 1000 would be 10 times more important than Senate Bill 100 because it would address the totality of Oregon's human service needs. Like the land use assessments made pursuant to SB 100, SB 1000 would require assessments of the human population along such dimensions as education, health, mental health, nutrition, senior services, substance abuse, housing/homeless, childcare, and so forth. Indeed, each of those topics and others would comprise statewide Quality Human Service goals.[10] While Senate Bill 100 is administrated by the Land Conservation and Development Commission, Senate Bill 1000 might be administered by something like the Commission on Quality Human Services.

The many scholars who have assessed Oregon's planning over the past 50 years are to be commended for celebrating its monumental achievements while also challenging us to up our game to make Oregon even more inclusive, equitable, and socially just over the next 50 years.

[10] I am indebted to David A. Johnson, former Executive Director of the Community Action Team for Northwest Oregon, and fellow PSU urban studies doctoral program colleague for many of these insights.

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Arthur C. Nelson, Ph.D., FAcSS, FAICP, is emeritus professor of urban planning and real estate development, and geography, at the University of Arizona where he designed the nation's largest and top-rated online Master of Real Estate Development program. He is also emeritus presidential professor of city and metropolitan Planning, and finance, at the University of Utah where he founded the real estate master's degree and planning doctoral degree programs as well as the Metropolitan Research Center. Previously, Nelson was founding director of urban affairs and planning for Virginia Tech's National Capital Region and prior to that served as professor of city and regional planning, and public policy, at Georgia Tech where he was also adjunct professor of law at Georgia State University. Nelson is the author of more than 20 books, more than 400 other publications, and is PI/Co-PI of more than $50 million in grants and contracts. He received the Ph.D. in Urban Studies with concentrations in regional science and regional planning from Portland State University in 1984.

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