



TO: Clark County Council
FROM: Oliver Orjiako, Director
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DATE: April 5, 2023
SUBJECT: Issue Paper 2: Forecasting Population and Jobs

Purpose

This memorandum is intended to provide the Clark County Council background information for a discussion with its cities and towns on establishing the population and job planning assumptions for the 2025 through 2045 periodic update.

Introduction

Growth Management Act Requirements - Clark County and its cities are required to periodically review and update their comprehensive plans and development regulations. The Washington State Growth Management Act (GMA) requires that counties and cities complete a periodic update at least every ten years (RCW 36.70A.130). Clark County adopted a comprehensive plan in 1994, 2004, 2007, and 2016. The 2016 periodic update covered the timeframe for 2015-2035. RCW 36.70A.130(5) b, requires that Clark County and its cities take action on or before June 30, 2025, to review and, if necessary, revise their comprehensive plans and development regulations to ensure the plans and regulations comply with the Growth Management Act.

Background

The purpose of the 2025 periodic update is to comply with the requirements of Chapter 36.70A RCW, which mandates a review and update to the county's Urban Growth Areas (UGA) as needed. The UGAs must be sized to accommodate 20 years of population and employment growth through 2045. Not only are the UGAs sized to accommodate a 20-year supply of housing, but also the full range of services that accompany urban development, such as: medical, government, institutional, commercial, service, and retail uses. In addition, this growth must be supported by the necessary infrastructure and public services. The county and its cities have identified the appropriate level of services necessary to accommodate the increase in population and jobs. Any improvements needed to maintain the level of service must be identified and programmed for funding.

The following statutes relate to GMA population projections:

RCW 43.62.035 authorizes the Office of Financial Management (OFM) to prepare 20-year growth management (GMA) population projections for all counties in Washington every five years. The projections are developed within the framework of expected state growth and are to provide a reasonable range of high and low growth for each county. The statute also specifies the population estimates that must be used to develop the ten-year growth rates that determine which counties must comply with GMA requirements.

RCW 36.70A.110 and RCW 36.70A.115 require that local governments ensure that their planning policies and regulations are consistent with OFM population projections.

RCW 36.70A.130 requires full updates to Comprehensive Plans and growth forecasts and associated UGA reviews at minimum every 10 years.

Considerations in selecting countywide growth forecast

Population

Regulations adopted by the Washington State Department of Commerce are intended to guide local governments in making population forecast and allocation decisions. Specifically, WAC 365-196-310(4) notes that GMA requires countywide forecasts to be within the OFM range but identifies a number of factors for consideration in making a choice within that range: *“(A) Population forecasts from outside agencies, such as regional or metropolitan planning agencies, and service providers.*

(B) Historical growth trends and factors which would cause those trends to change in the future.

(C) General implications, including:

(I) Public facilities and service implications. Counties and cities should carefully consider how to finance the necessary facilities and should establish a phasing plan to ensure that development occurs at urban densities; occurs in a contiguous and orderly manner; and is linked with provision of adequate public facilities. These considerations are particularly important when considering forecasts closer to the high end of the range. Jurisdictions considering a population forecast closer to the low end of the range should closely monitor development and population growth trends to ensure actual growth does not begin to exceed the planned capacity.

(II) Overall land supplies. Counties and cities facing immediate physical or other land supply limitations may consider these limitations in selecting a forecast. Counties and cities that identify potential longer term land supply limitations should consider the extent to which current forecast options would require increased densities or slower growth in the future.

(III) Implications of short term updates. The act requires that twenty-year growth forecasts and designated urban growth areas be updated at a minimum during the periodic review of comprehensive plans and development regulations (WAC 365-196-610). Counties and cities should consider the likely timing of future updates, and the opportunities this provides for adjustments.

(D) Counties and cities are not required to adopt forecasts for annual growth rates within the twenty-year period, but may choose to for planning purposes. If used, annual growth projections may assume a consistent rate throughout the planning period, or may assume faster or slower than average growth in certain periods, as long as they result in total growth consistent with the twenty-year forecasts selected.”

1. Population Forecast

In determining the size of UGAs, counties are required to utilize the official population projections issued by the Washington State Office of Financial Management (OFM). These projections include three distinct ranges: low, middle¹, and high. The population projections are prepared for a 20-year timeframe with an incremental update every 5 years. The most recent projections by OFM for counties were released on December 20, 2022. The population projection is from 2020 to 2050. Clark County’s population forecasts for 2045 are as follows:

HIGH	791,809
MIDDLE	698,416
LOW	576,151

(Source: <http://ofm.wa.gov/pop/gma/>)

In accordance with RCW 43.62.035, the **Middle** range represents OFM’s most likely estimate of a county’s population. The RCW says in part: “the middle range shall represent the office’s estimate of the most likely population projection for the county”.

¹ RCW43.62.035 uses the term “Middle” but OFM has used the term Middle and Medium interchangeably.
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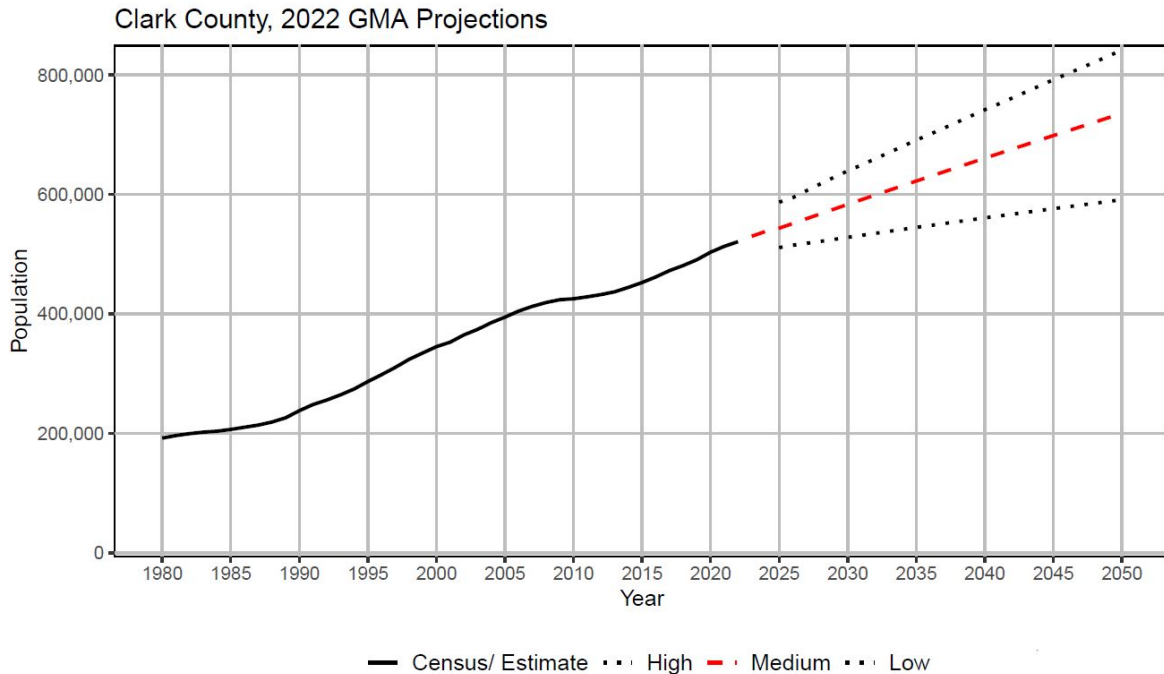
In 2018 OFM's Forecast and Research division published the *County Growth Management Population Projections by Age and Sex: 2010-2040*² that states the following:

“The GMA medium series is considered the most likely because it represents a future based on assumptions that have been validated with past and current information. However, assumptions may not hold true if factors influencing population growth change. The high and low series reflect general uncertainty bands for growth over the next 30 years. These assumptions are based on the historical high and low migration patterns for each county and current factors affecting the economic base and attractiveness of specific areas in the state. The alternative series represent the fundamental unpredictability of long-range projections. They should be considered for planning purposes if the social and economic environment impact on demographic trends predicted in the middle series does not hold.”

Within each county, population planning targets for cities, towns, and unincorporated areas are worked out among the affected local jurisdictions as part of the regional, city and county planning process. Clark County and its cities and towns have adopted the Community Framework Plan (vision for growth) and Countywide Planning Policies (CWPP) to guide the development of the 20-year plan.

Historically, the OFM middle forecast has tracked well with Clark County growth since 1990. Clark County's official total population estimate in 2022 was 520,900 persons, which is less than 1% above what OFM had projected it would most likely be five years before in its 2017 middle forecast, and less than 1% *below* what OFM had projected it would most likely be 20 years ago in its 2002 middle forecast. The OFM forecasting has performed well over the short and longer term past and does not exhibit a trend of consistently under or overestimating growth.

○ ² Link to the [Growth management population projections](#)

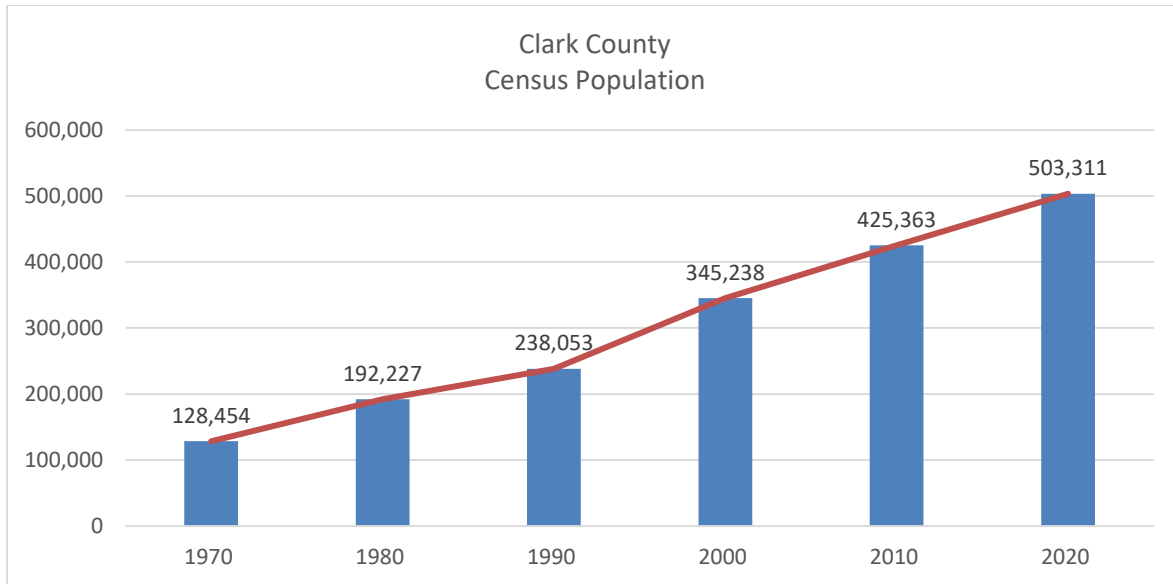


Choosing an appropriate population projection range is extremely important. Selecting a range that is too high or too low can lead to serious problems. For example, because UGAs are sized in accordance with the adopted population forecast, choosing a forecast that significantly underestimates population growth can lead to UGAs that are too small, a shortage of developable land and upward pressure on housing and land prices. Alternatively, selecting a range that significantly overestimates population growth can require costly and unnecessary infrastructure upgrades. Because the GMA requires local governments to develop detailed funding plans for urban services, selecting a range that is too high can result in collection of excessive taxes and fees, and excessive and wasteful infrastructure spending.

GMA requires forecasts and UGAs to be reset every 10-years, effectively ensuring 20-year land supplies will be added to before they run out.

2. Historical Growth Trends

Clark County has historically experienced healthy population growth increases; ranked as the first or second fastest growing county in the Portland/Vancouver metropolitan area. In the last decade alone, the county's population has increased by 18 percent. The graph below shows the county's census population from 1970 through 2020.



HB 1220 Requirements

In 2021, the Washington legislature changed the way communities are required to plan for housing. House Bill 1220, amended the Growth Management Act (GMA) as codified in RCW 36.70A.020, RCW 36.70A.030, RCW 36.70A.070(2), and RCW 36.70A.390. RCW 36.70A.020 instructs local governments to “plan and accommodate” for housing affordable to all income levels. Other objectives of the bill are to promote a variety of residential densities and housing types and encourage the preservation of existing housing stock.

The RCW 36.70A.070 now requires jurisdictions to identify local policies and regulations that result in racially disparate impacts, displacement and exclusion in housing, and to begin to undo racially disparate impacts, and exclusion in housing. In addition, the law requires jurisdictions to identify areas at higher risk of displacement and establish anti-displacement policies including:

- Preservation of historic and cultural communities
- Investments in housing for lower income segments
- Equitable development initiatives and land disposition policies
- Inclusionary zoning and community planning requirements
- Tenant protections

Updating the housing element will be a substantial part of the periodic update to the county’s comprehensive plan and development regulations. Commerce has developed

countywide housing need projections by income band (units for moderate, low, very low, and extremely low-income households), along with projections of need for emergency housing, emergency shelters, and permanent supportive housing. The specific number of housing units in various categories to be planned for and accommodated depends on the local countywide population forecast selected, and how the population is allocated among local jurisdictions.

Employment

Once the County selects a population to plan for, the local state employment economist will prepare an analysis that will provide a range of employment options for Council consideration.

Next Steps

Once the countywide population and job forecast numbers are determined, the next step is to collaborate with the cities in setting the population, housing, and job planning assumptions (allocation) for each jurisdiction and return to the Clark County Council.