The Failure of Metro's Future Vision

by Randal O'Toole

Executive Summary

Portland's Metro issued a "Future Vision" report in 1995, which led to the 1997 *Regional Framework Plan* or 2040 plan. Since then, the Portland urban area has suffered a severe decline in quality of life, including housing becoming unaffordable, traffic congestion increasing by 75 percent, more than a doubling of the homeless population, and a tripling of traffic fatalities. All of these are partly and some are almost entirely due to decisions made in the 2040 plan.

Now Metro is revising its Future Vision statement as a prelude to updating the 2040 plan. Yet the past has proven that visioning and planning don't work. The effects of events such as the 2008 financial crisis and 2020 pandemic on housing and transportation were unpredictable. Even if they weren't, the Portland urban area, which is home to more than 2 million people, is simply too complicated to centrally plan. Once the plan was written, special interest groups lobbied to keep it in place even after it had clearly failed, which means the plan made Portland less resilient in the face of economic shocks and changing social trends.

Metro should scrap visioning and long-range planning and instead concentrate on helping Portland-area residents and local governments solve today's problems today. This includes expanding the urban-growth boundary to make room for new housing and making roadway improvements that can cost-effectively relieve congestion. Rather than trying to change how people live, Metro should help people reduce the impacts of their housing and transportation choices, perhaps by offering incentives to build zero-energy homes or buy more fuel-efficient automobiles. Shifting from long-range planning to solving today's problems will help make Portland better able to adapt to an unknown future.

Introduction

Metro, Portland's regional planning agency, is updating its 1995 Future Vision Report.[1] This is the first step towards updating the agency's 1997 *Regional Framework Plan*, also known as the 2040 plan.[2]

The 1995 Future Vision Report included several "vision statements" and "action steps." These included, among others, "address public and personal safety issues," "a broad range of housing types affordable to all," "accessible employment centers throughout the region," "encourage a choice of neighborhood types, including new neighborhoods with suburban densities," "equitable economic progress for communities throughout the region," "honor diversity in a manner that leads to civic cohesion rather than a narrow separateness," and address "the presence of pockets of poverty."[3]

By these and other objective measures, the Portland area's quality of life has gotten worse since the development of the Future Vision Report and the 2040 plan. Moreover, many of the worsening problems can be traced directly to Metro's own plans and policies.

How Visioning Reduced Portland's Quality of Life

Between 1999 and 2022, Portland-area housing went from merely expensive to seriously unaffordable as median home prices grew by 5.5 percent per year while median family incomes grew by only 3.3 percent per year.[4] In

1999 a median family could pay off the mortgage on a median home in around 15 years. But in 2022 a median family could not afford to buy a median home without exceeding lending guidelines that limit homebuyers from spending more than 30 percent of their incomes on a 30-year mortgage, taxes, and insurance.

Rising home prices priced increasing numbers of Portland-area families out of the American dream of homeownership, reduced the quality of housing for many, and increased wealth inequality. In 1999, 41.3 percent of blacks in the Portland urban area owned their own homes, well below the 66.4 percent rate for whites. By 2022, instead of becoming more equitable, black homeownership declined to 32.8 percent. White homeownership also declined, but only to 62.5 percent, increasing the gap from 25 points to 30 points.[5] Declines in homeownership were accompanied by a decline in housing quality: in 1999, 47.5 percent of blacks in the Portland area lived in single-family detached homes, the kind of home most Americans prefer, but by 2022, it was only 37.5 percent.[6]

Metro was the primary cause of this decrease in housing affordability through its minimal expansions of the region's urban growth boundary. Between 2000 and 2023, the Oregon portion of the Portland urban area's population grew by 29 percent, but the land available to house that population grew by only 8 percent.[7] This artificial land shortage made it impossible for home builders to meet the demand for "new neighborhoods with suburban densities" that most homebuyers prefer.

Metro thought that it could meet housing demand by "building up, not out," that is by building more multifamily housing, particularly in mid-rise and high-rise buildings. Yet most Americans regard multifamily housing as less desirable than single-family housing.

Mid-rise and high-rise housing is not only less desirable, it costs much more, per square foot, than low-rise housing due to the need for lobbies, hallways, concrete fire barriers between floors, elevators, and steel framing to support it all.[8] There isn't much point in building "a broad range of housing types" if that means building housing that costs more and that most people don't want.

Metro was not solely responsible for the rise in homelessness since 1997, but it is likely that many are homeless due to Metro's policies that made housing unaffordable. According to the Department of Housing and Urban Development, Oregon homeless numbers reached record levels in 2024, and it is likely that most of those homeless people are in the Portland area. Oregon homeless numbers nearly doubled between 2007, the earliest year for which estimates are available, and 2024. Although Oregon ranks 27th in population among the 50 states, it ranks eighth in homeless numbers.[9]

Another major cost of Metro's 2040 plan was traffic congestion. According to the Texas Transportation Institute, between 1997 and 2022, the amount of time the average Portland-area auto commuter spent sitting in traffic increased by 75 percent from 40 hours per year to 70. The institute estimated that the dollar cost of congestion per auto commuter rose from $927 in 1997 to $1,616 in 2023. This congestion contributed significantly to greenhouse gas emissions: the institute estimated that the amount of fuel wasted in Portland-area traffic almost doubled from 17 million gallons per year in 1997 to nearly 33 million gallons in 2022.[10]

These increases in congestion were due to Metro's decision to spend most of the region's transportation capital dollars on transit infrastructure rather than highway improvements. Metro's goal was to reduce auto usage by increasing transit usage, but this failed.

According to census data, in 1980, before Portland began building light rail, 9.8 percent of Portland-area workers took transit to work. In 2000, shortly after Metro adopted the 2040 plan and two light-rail lines had opened, this had fallen to 7.7 percent. By 2019, after the region had built four more Metro-planned light-rail

lines, the Westside Express, and streetcar lines, transit's share of commuting was still just 7.7 percent.[11] In essence, rail transit failed to get any commuters to switch from driving to transit. The pandemic made things even worse: as of 2023, just 3.4 percent of Portland-area workers commuted by transit.[12]

The Orange Line, Portland's latest and, at $1.5 billion, most-expensive light-rail project, proved to also be the least productive. The line increased the number of miles of light rail by 14 percent, but the first year after the line opened saw only a 6.5 percent increase in light-rail ridership. Moreover, that was accompanied by a 3.4 percent decrease in bus ridership, so overall light-rail-plus-bus ridership grew by only 0.3 percent. Worse, ridership of both bus and rail fell during the next several years so that, by 2019, bus-plus-light-rail ridership was 4.6 percent less than it had been before the Orange Line opened.[13]

Metro's light-rail plans undermined the 1995 Future Vision goal of "accessible employment centers throughout the region." TriMet's route structure is mostly aimed at bringing people to and from downtown Portland, a structure affirmed by each new light-rail line. But an analysis of census data showed that, prior to the pandemic, only 11 percent of Portland-area workers worked downtown. While transit carried 28 percent of those downtown workers to and from their jobs, it served less than 5 percent of workers in the rest of the urban area. Thus, transit doesn't work for 95 percent of people who don't work downtown.[14]

As of February 2025, five years after the pandemic began and three-and-a-half years after driving had fully recovered from the pandemic, TriMet ridership was still only two-thirds of what it had been before the pandemic, mainly because of the decline of downtown Portland as a job center.[15] Metro and TriMet's downtown-centric orientation failed to adapt to changing transportation patterns.

Despite the Future Vision report specifically stating that Metro should make safety one of its priorities, Metro's plans failed to improve public safety.[16] In the early 2010s, after nearly 40 years of declining traffic fatalities, fatalities began to significantly increase. All this increase took place in urban areas, as rural fatalities were less in 2022 than they had been in 2010.[17] In the Portland tri-county area, fatalities grew by 157 percent from a low of 63 in 2010 to 162 in 2022. In the same period, pedestrian fatalities more than doubled from 23 to 52.[18] None of Metro's plans have done anything to relieve this problem.

Finally, to pay for its plans, Metro helped make Portland one of the most heavily taxed urban areas in the country.[19] Taxes spent on light rail could have more productively been spent on many other things. Tax-increment financing and other taxes were used to subsidize Metro's mid-rise and high-rise housing. Affordable housing taxes needed to partially compensate for high housing costs also ended up subsidizing mid-rise housing. Greenspace taxes were used to put a greenbelt around Portland in case the urban-growth boundary wasn't enough to densify the region. Metro planning itself was paid for out of some of the highest solid waste disposal fees in the Northwest.

Why Visioning Fails

Thanks to Metro's 1995 Future Vision and 2040 plan, the Portland area today is less affordable, more inequitable, and more congested than ever before. Now Metro wants to extend that record with a new vision and new plan that is likely to make all the same mistakes.

The scoping statement for Metro's 2025 Future Vision update says the vision should "incite excitement and dreaming about our region," "be aspirational and supported by a plan that is actionable," "combine rigorous analysis and inclusive community engagement," "open difficult conversations and grapple with tough questions," "reflect the unique attributes of the region," and "embody regional coordination." These vague concepts hide major flaws with the visioning and planning process.

First, no one can accurately predict the future. Since the 1995 Future Vision, the Portland area has been subjected to several "Black Swans" that few could predict, and whose effects no one predicted. These include, among others:

- The 2008 financial crisis, which significantly transformed housing markets;
- The 2020 pandemic, which led many people to move to lower-density areas and many jobs to move away from downtowns;
- The development and rise of smart phones, which by distracting both drivers and pedestrians may have contributed to the rise in traffic fatalities after 2010; and
- The rise in homelessness, which can be partly traced to the high cost of housing and which may in turn have contributed to the decline of downtown and the rise in traffic fatalities.[20]

Second, the dark side of visioning is that, since no one can know the future, the only way to be sure that our wonderful visions are fulfilled is to use the coercive power of government to compel them to happen. In this way, visioning practically demands centralized planning and regulation.

Third, even if the future could be predicted or Black Swan events never happened, an urban area as large as Portland's is too complicated to centrally plan. Portland currently has 2.1 million people including 1.1 million workers, plus however many more will be added in the future, all of whom need food, shelter, water, sewers, solid waste disposal, power, communications, and numerous other goods and services.

Instead of dealing with all these issues, Metro decided to simplify the 2040 process by focusing on one thing: reducing per capita driving. Metro's strategy for achieving this goal consisted of spending most of the region's transportation capital dollars on transit rather than roads and using coercive zoning and subsidies to increase urban densities so that more people would live near transit lines. Yet Metro already knew that this strategy would fail to improve the region's quality of life.

In 1994, Metro compiled transportation and population data for the nation's 50 largest urban areas and was surprised to find that the urban area with the highest population density and the fewest miles of freeways per million residents was Los Angeles. Metro didn't say so, but Los Angeles was also embarking on the construction of one of the nation's largest urban rail transit systems.[21]

"In public discussions we gather the general impression that Los Angeles represents a future to be avoided," wrote Metro. Yet "with respect to density and road per capita mileage [not to mention rail transit] it displays an investment pattern we desire to replicate" in Portland. Rather than see this disparity as a sign that there was something wrong with their plan, planners merely attributed it to a difference between "perception and reality."[22] Metro was correct, but the gap between perception and reality was in the minds of Metro planners, not the public.

Metro knew its plans would greatly increase traffic congestion. From 1990, they projected an 80 percent increase in population by 2040 that they would accommodate by expanding the urban growth boundary by only about 5 percent. This translated to a 70 percent increase in population densities, but they predicted that increase would reduce the automobile's share of travel by only 5 percent. The result, Metro predicted, would be a quadrupling of the number of miles of congested roads in the region.[23] This increased congestion would make it more difficult for people to get the goods and services they need to live in the region.

Metro's numbers were optimistic. The population density of the Portland urban area grew by 34 percent between 1990 and 2023. This, combined with billions of dollars of spending on transit, construction of scores of high-density housing projects along transit corridors, and a 75 percent increase in traffic congestion, reduced automobile's share of travel by less than 1.5 percent by 2019. By 2023, the automobile's share of travel had *increased* by nearly 0.5 percent over 1990 due to the decline in transit ridership.

Planners' perception that a 5 percent reduction in the automobile's share of driving would be worth a quadrupling of the number of miles of congested roads conflicted with reality in several ways. First, the 5 percent reduction was optimistic: even in congestion, the speed and convenience of automobiles greatly outweigh transit and other modes of urban travel.

Second, it is beyond belief that Metro planners could think that turning Portland into Los Angeles and quadrupling the number of miles of congested roads would improve the region's quality of life. Portlanders didn't want their region to become like Los Angeles precisely because they didn't want the traffic that has made Los Angeles known as one of the worst congested cities in the world.

Third, Metro planners told themselves that reducing per capita driving was essential to reduce greenhouse gas emissions and other pollution. Yet they failed to recognize that automobiles use more fuel and emit more pollution in congested traffic. Data compiled by the Department of Energy show that Americans living in dense cities do drive a little less than those living in low-density suburbs, but because they drive in more congested traffic, they end up using more fuel and emitting more greenhouse gases per capita than people living in lower densities.[24] Parsons Brinckerhoff, which did much of the transportation modeling for the 2040 plan, offered to refine its transportation planning models by including the effects of congestion on energy consumption and pollution, but Metro and other planning agencies weren't interested.[25]

Metro's gap between perception and reality extended to housing as well. Surveys have repeatedly shown that about 80 percent of Americans prefer to live in single-family homes.[26] In fact, at least 80 percent of the residents of a dozen states whose land-use laws have not artificially created housing shortages do live in single-family homes.[27] Yet Metro's 2040 plan projected that the number of Portland-area households living in single-family homes would decline from 65 percent in 1990 to just 41 percent by 2040.[28]

Metro planners justified this because they believed that Millennials and younger generations would prefer walkable neighborhoods with access to transit over single-family suburbs, and that retiring Baby Boomers would leave their suburban homes for such walkable neighborhoods. One urban planner who received his Ph.D. from Portland State University, Arthur Nelson, predicted that the United States would have 22 million surplus suburban homes by 2025 while the country would need 26 million new apartments. Based on this work, the *Atlantic* trumpeted that suburbs would become "the next slums."[29] Nelson urged planning agencies such as Metro to prevent this by building high-density housing and discouraging new single-family homes, which is what Metro did.[30]

Nelson, whose only citation for his numbers is "author's analysis," couldn't have been more wrong. When the pandemic gave millions of people the freedom to work remotely, they didn't move to walkable neighborhoods in dense cities. Instead, they moved to low-density suburbs, small towns, and rural areas.[31]

Even before the pandemic, a 2018 Gallup poll found that at least 40 percent of people in all age groups who lived in dense cities would rather live somewhere else, while more people wanted to live in suburbs and rural areas than actually lived there.[32] A post-pandemic update of that poll found only small changes in where people wanted to live, so the pandemic didn't change people's preferences so much as it gave many an opportunity to live where they wanted to.[33]

Thanks to Nelson's inept analysis and the urban planners who believed him, rather than a surplus of single-family homes the United States now has a huge shortage. This shortage is particularly concentrated in Oregon, California, Washington, and other states where planning agencies like Metro have the authority to restrict the development of new single-family communities.

A fourth problem with government planning is that, once plans are written, special interest groups that benefit from a plan, no matter how bad it is, lobby hard to keep it in place. This makes it difficult if not impossible to fix those plans no matter how badly they turned out.

In 1997, Metro promised that growing up, not out, would keep housing affordable. It didn't. In 1997, Metro and TriMet promised that building light rail would take cars off the road and relieve congestion. It didn't. Yet Metro is still committed to densifying the region and constructing light rail to Vancouver and Tualatin. Visioning and planning effectively reduced the resiliency of the region to respond to economic shocks, social trends, new technologies, and even information showing that the plans aren't working.

Instead of Visioning

It may require a change to Metro's charter, but Metro should scrap visioning and long-range planning. Instead, it should develop and use expertise to help residents and local governments solve today's problems today. For example, Metro should:

- Greatly expand the urban growth boundary so cities and counties on the urban fringe can permit new greenfield housing developments that meet market demand, while letting developers determine whether that demand is for single-family suburban homes, new urban walkable communities, or other kinds of housing.[34] The 2020 census found that all of Oregon's urban lands occupy only 1.1 percent of the state, so expanding the boundary to keep up with population growth would be no threat to Oregon's farms, forests, or open space[35];

- Help the state Department of Transportation and local governments identify traffic bottlenecks and find the most cost-effective ways of relieving congestion[36];

- Coordinate federal, state, and local funds to allow TriMet to redesign its transit system so it can serve economic centers throughout the urban area as well as it has served downtown Portland[37];

- Rather than trying to reduce the number of people living in single-family homes and the number of miles of driving people do, Metro should help people reduce the *impacts* of their housing and travel choices by, for example, giving people incentives to build zero-energy homes or to buy more fuel-efficient cars[38];

- Create a revolving fund to give low-income people low-interest loans to buy cars, as research has shown that auto ownership gives people access to far more jobs and other economic opportunities, thus reducing poverty and income inequality[39]; and

- Develop and implement a data-driven system for identifying the causes of fatal and injurious traffic accidents and finding ways to make streets and highways safer.[40]

Instead of trying, and failing, to control the future, policies and programs like these will make it possible for Portland and its suburbs to be better prepared to adapt to that unknown future, whatever it may be.

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Notes

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3. *Future Vision Report* (Portland: Metro, March 4, 1995), pp. 8–10.

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5. 2023 American Community Survey table B25003B, tenure, black or African American householder; 2000 Census, table H011B, housing units by tenure, black householder; 2023 American Community Survey table B25003A, tenure, white householder; 2000 Census, table H011A, housing units by tenure, white householder.

6. 2023 American Community Survey table B25032B, units in structure, black or African American householder; 2000 Census table H011B, housing units by tenure, black householder.

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22. *Metro Measured* (Portland: Metro, 1994), p. 7.

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24. Stacy C. Davis and Robert G. Boundy, *Transportation Energy Data Book: Edition 40* (Oak Ridge: Department of Energy, 2022), tables 4-33, 9-20.

25. Michael A. Penic, "Addressing Congestion and Air Quality Issues Through Highway System Planning," presentation to the Preserving the American Dream conference, Washington DC, 2003, https://ti.org/pdfs/Penic.pdf.

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