Portland: Smart Growth’s Bad Example

City officials and planners from all over the world are traveling to Portland, Ore., for a first hand look at the municipal pioneer of Smart Growth (also known as the New Urbanism), the latest fad in urban planning. Smart Growth promises less congestion, less air pollution, reduced infrastructure costs, more affordable housing and protection of open space through six basic policies:

- Increasing urban densities through the use of urban-growth boundaries which restrict development on rural lands bordering cities, and minimum density zoning which limits development to either multifamily dwellings or multibusiness complexes.
- Emphasizing mass-transit especially rail transit, rather than highway construction.
- Spending highway dollars to make driving unattractive via “traffic calming,” — reducing the number and width of driving lanes and speeds with barriers or other obstacles.
- Planning land use to ensure that neighborhoods and businesses are oriented around transit and are pedestrian-friendly.
- Imposing architectural design codes that discourage driving and promote walking and transit.
- Instituting a regional government to ensure that local governments follow these policies.

While urban mayors “ooh” and “ah” over Portland’s light rail, and planners thrill to the region’s urban-growth boundaries and transit-oriented development, residents see the dark side to Smart Growth: rapidly increasing congestion, higher housing prices and more development of urban open spaces. Portland proves that Smart Growth does not work.

Smart Growth: Clogging the Roads, Polluting the Air. Portland’s regional government, called Metro, anticipates that area population will increase 75 percent by the year 2040. Yet it plans to increase highway capacity no more than 13 percent while it adds 90 miles of rail transit lines to the 30 miles already built.

Actual highway capacity will increase less than 13 percent when the reduced capacity resulting from traffic calming is considered. The city of Portland spends $2 million a year erecting speed bumps and reducing the number of traffic lanes, including eliminating turn lanes on major streets. The result is a significant increase in congestion.

To increase transit ridership, particularly along the rail corridors, Portland and surrounding cities are promoting transit-oriented developments: high-density buildings that combine housing, offices and retail stores. Planners hope that residents will walk to the grocery and take transit on longer journeys.

Smart Growth advocates insist that these policies will reduce traffic congestion because more people will travel by foot, bicycle or transit. However, if density is doubled, congestion will decline only if people reduce the number of miles they drive by more than half. But not even the most optimistic Smart Growth planners in Portland think this will happen. As Figure I shows:

In 1990, 92 percent of all the trips taken in the Portland area were by auto, while 3 percent were by transit and the rest were by walking or bicycling.

Metro officials project that even with planned changes, by 2040 Portlanders will still drive for 88 percent of their trips and use transit for just 6 percent.

The 88 percent projection is probably optimistic because Portland planners have consistently overestimated the number of people who will ride the area’s light rail lines. Even if it is accurate, if the population grows by 75 percent, 67 percent more trips will be taken by car than in 1990. With a mere 13 percent increase in road capacity, traffic congestion will increase significantly.
Metro planners predict that the number of miles of congested roads will more than triple.

Such congestion must be acceptable to Metro since its Regional Transportation Plan states “congestion signals positive urban development.” Would the public agree?

Congestion also signals an increase in air pollution; Environmental Protection Agency data show that the worst air pollution is found in the densest cities and urban areas. Metro admits that its plan will increase smog by 10 percent.

**Smart Growth: Housing No One Wants at a Price Few Can Afford.** Metro plans to increase population density by two-thirds. Twenty-four cities and three counties must meet population density targets through rezoning. Some neighborhoods of single-family homes have been rezoned for multi-family housing. If your house burns down in one of these neighborhoods, you will be required to replace it with an apartment or condominium.

Metro persuaded many suburban officials to endorse the plan by arguing that higher densities would lower infrastructure costs, including water, sewer and schools. Yet it costs far more to rebuild higher-capacity infrastructure in built-up areas than to build infrastructure on vacant lands. Portland and neighboring cities are providing millions of dollars of infrastructure subsidies to developers who will build the high-density, mixed-use designs that Smart Growth calls for.

Metro’s plan has led to a huge surplus in apartment and multi-family housing and a major shortage of single-family housing. For example, Beaverton Round, a transit-oriented development on the light rail line, received $6 million worth of infrastructure subsidies and $3 million worth of tax waivers. But the developer could not find any tenants and went bankrupt. The city agreed to provide another $3.4 million to finish the development, but the developer says that is not enough and is seeking a larger subsidy.

Meanwhile, single-family home prices have gone through the roof. In 1989, the National Association of Home Builders rated Portland one of the 50 most affordable housing markets in the country (out of nearly 200 studied). But since 1996, Portland has ranked among the five least affordable housing markets. The simple reason is that Portland’s urban-growth boundaries have led to a sevenfold increase in land prices.

**Smart Growth: Forcing the Development of Open Space.** The Natural Resources Conservation Service considered more than 98 percent of Oregon to be rural open space in 1992. [See Figure II.] The 1990 Census found that urbanized areas covered less than 0.5 percent of the state, while metropolitan Portland occupied only 0.25 percent. Rural open space is in no danger.

What is in danger is urban open space. To meet Metro-mandated population targets, Portland-area communities are rezoning 10,000 acres of prime farm lands, golf courses and other open areas to high-density development. Portland has even sold some parks to developers on the condition that they build high-density residential housing.

**Smart Growth: Turning Portland into Los Angeles?** Portland-area residents voted in 1992 to give Metro these planning powers on the promise that it would save Portland from becoming like Los Angeles, arguably the most congested city in America. Los Angeles also has the nation’s worst air, densest metropolitan area and among the fewest miles of freeways per capita. But after reviewing statistics for 50 major U.S. urban areas, Metro concluded that Los Angeles “displays an investment pattern we desire to replicate” in Portland.

Planners are turning Portland into the congested, polluted, high-cost place citizens thought they were voting to avoid. Portland provides a lesson for city officials elsewhere: Smart Growth is the sensible policy only if their goal is to turn their cities into Los Angeles.

*This Brief Analysis was prepared by Randal O’Toole, senior economist with the Oregon-based Thoreau Institute and a visiting scholar at the University of California at Berkeley.*

*Note: Nothing written here should be construed as necessarily reflecting the views of the National Center for Policy Analysis or as an attempt to aid or hinder the passage of any legislation.*