
CHAPTER 4. HOUSING NEEDS ANALYSIS

This chapter provides the technical analysis to assess the housing needs of the City of Coburg through the 20-year planning period (2010-2030). Previous studies have indicated that the amount of residential land available for development within Coburg's current Urban Growth Boundary is insufficient to meet future development needs. Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies intended to provide for the housing needs of residents.

At a minimum, local housing policies must meet the requirements of Goal 10. Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. Goal 10 defines needed housing types as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." This definition includes government assisted housing and mobile home or manufactured dwelling parks as provided in ORS 197.303 and ORS 197.475 to 197.490. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single family residential use; and
- Government-assisted housing.

With a current population of approximately 1,103 residents, Coburg does not meet the population threshold for these statutory requirements; however, Goal 10 requires all incorporated cities to address housing need in their comprehensive plans. The housing needs analysis in this chapter therefore addresses these housing types. In 1996, the Oregon legislature passed House Bill 2709 which is now codified as ORS 197.296. It essentially requires jurisdictions to analyze and provide for needed housing. According to DLCD staff, Coburg is not bound to the full requirements of ORS 197.296. The City, however, is bound by many overlapping requirements of Statewide Planning Goal 10 and other Administrative Rules.¹⁴ The analysis that follows also assumes that Coburg will have sewers available to serve the population and employment forecasted for the period 2010 – 2030.

Housing Needs within the Overall UGB Expansion Process

This portion of Coburg's Study (2010) covers the need for additional housing within Coburg's UGB. This step will outline the types and densities of residential development anticipated and required within the UGB over the planning period. The Housing Needs Analysis addresses all Goal 10 housing requirements, as well Goal 14 goals related to the efficiency of housing provision. Housing needs are estimated using a Housing Needs Model. The steps in the full process of the UGB Expansion study are:

¹⁴ *Planning for Residential Growth Workbook, DLCD, pg. 4*

Chapter 3. Buildable Land Inventory: Inventories all types of vacant, potential infill, potential redevelopment and environmentally constrained land within the existing UGB for residential, commercial, and industrial development.

This Section Chapter 4. Housing Needs Analysis.

Chapter 5. Economic Opportunities Analysis: Estimates need for commercial and industrial land based on historic and current trends related to employment projections and local economic potential. Identify size and characteristics of employment land needs. Address requirements of Goal 9.

Chapter 6. Supply and Demand Comparison: Determines whether there is a deficit or surplus of buildable land for residential, commercial, and Industrial needs.

Chapter 7. UGB Expansion Areas Study. Identifies and assesses areas where urban expansion should take place based on expansion criteria per Goal 14, ORS 197.298 , and OAR 660-0024-0060, including (but not limited to) the efficiency of service provision; economic, social, environmental, and energy impacts; compatibility with surrounding uses, as well as other information provided in the previous steps.

Methods

While Coburg is not required to comply with all provisions of ORS 197.296, this analysis will closely follow the methodology described in the DLCD report *Planning for Residential Development*, referred to as the “workbook.” The workbook describes the steps in conducting a housing needs analysis¹⁵:

- Identify relevant national, state, and local demographic trends that will affect the 20-year projection of structure type mix.
- Describe the demographic characteristics of the population, and household trends that relate to demand for different types of housing.
- Estimate the number of new units needed.
- Determine the types of housing that are likely to be affordable to the projected households.
- Estimate the number of additional new units by structure type.
- Determine the density ranges for all plan designations and the average net density for all structure types.
- Evaluate unmet housing needs and the housing needs of special populations (Goal 10 needs).

While the housing need analysis presented in this chapter follows the methodology described in the *Workbook*, it does not include as much detail as an analysis that would be required under ORS 197.296. Additionally, the housing needs assessment in this chapter is based on the assumption that Coburg will develop a sanitary sewer system and that it desires to provide

¹⁵ *Planning for Residential Growth Workbook, DLCD, pg. 26-31*

housing that meets the needs of individuals that are currently employed in Coburg, families, and seniors. These assumptions are consistent with goals and policies documented in the *Coburg Comprehensive Plan*.

A Housing Needs Model

To facilitate this analysis, a Coburg-specific Housing Needs Model was created using a model designed by demographer and housing specialist Richard Bjelland.¹⁶ The model utilizes demographic and other data inputs to generate a set of future housing need estimates. This Coburg specific model is designed to address the housing need requirements set out in Oregon's Statewide Planning Goal 10. Bjelland's methodology is demographically driven as opposed to historic construction extrapolations, which most previous housing needs analyses relied upon. His models have been stipulated by Oregon's Department of Land Conservation and Development (DLCD) for use in approved work plans by several Oregon cities and the choice for assessing housing needs by several major regional planning efforts and organizations such as the Center for Housing Research, who have responsibilities for defining housing needs for counties and cities in several states.

The Coburg model utilizes 2000 Census Bureau demographic data for the City of Coburg. The model looks at several different types of housing and predicts the tenure split between rental and owner housing units as well as the needed rental and purchase price points. Data is presented and entered into a set of interconnected spreadsheets or "templates" that make up the model. The results from the model are then used to address the affordable housing needs of the City. The residential land needs module included in the model estimates the land needs by land use designation for the additional housing units indicated by the model. Additional adjustments to the model inputs are made to account for the recognized growth between the time period of 2000 and 2010, and to account for a number of local housing dynamics.

Step 1. Relevant National, State, and Local Demographic and Economic Trends and Factors

The first step in a housing needs assessment is to identify relevant national, state, and local demographic and economic trends and factors that affect local housing markets.

National Housing Trends

As a general trend, there continues to be a need for greater diversity in housing types to respond to changing demographics. For generations, married couples with children dominated housing markets and caused the suburbs to grow explosively. But today those families comprise fewer households, as the traditional family structure continues to change.¹⁷ Today's fastest growing households are:

- Young professionals
- Empty nesters
- Single parents
- Couples without children

¹⁶ Bjelland Consulting

¹⁷ U.S. Census Bureau. *U.S. Census Bureau, "America's Families and Living Arrangements: 2009" (March 2009).*

- Senior citizens

This new demographic is creating additional demand for apartments, condominiums and townhouses. In addition, the Joint Center for Housing Studies of Harvard University's *The State of the Nation's Housing, 2009*¹⁸ report provides the following additional details on the current state of housing.

Downturn in Housing Market. In the last several years, the housing market has experienced a significant downturn, with many properties going into foreclosure and sales, sale prices, and construction starts all being adversely affected. Real home equity decreased by 41 percent from their quarterly peaks during the housing boom to the last quarter of 2008. Existing median home prices fell by 27 percent (and at least 40 percent in 26 metropolitan areas), while new home sales declined by 70 percent, and existing home sales by 33 percent.

Recession. Problems emanating from the housing market triggered instability in the banking system. Amid fears about the strength of banks and severe losses of both housing and stock wealth, consumer confidence plunged, and households slashed their spending and cut their net borrowing in 2008. With that, the broader economy lurched into a recession.

Household Debt. The number of households paying more than half their incomes for housing jumped by almost six percentage points between 2001 and 2007, from 13.8 million in 2001 to 17.9 million in 2007. While homeowners led this growth, the share of renters with severe burdens remained much larger, nearly twice as high as that of owners. Generally, those who are experiencing affordability problems had low-incomes. In 2007, nearly three-quarters of severely cost-burdened households had low incomes. Indeed, fully 51 percent of low-income renters and 43 percent of low income owners paid more than half their incomes for housing.

Affordability pressures have continued to increase as employment losses have mounted. Fully 5.7 million jobs were lost from the December 2007 peak through April 2009, and another 11.0 million Americans were either working part-time involuntarily or had stopped looking for work altogether. A recent Federal Reserve report estimates that of the trillions of dollars in real home equity cashed out between 2001 and 2007, homeowners used \$874 billion to pay off non-mortgage debt—in effect rolling consumer debt into their home loans. Unlike consumer debt, mortgage debt cannot be discharged through personal bankruptcy. Furthermore, a total of about 3.2 million homeowners entered foreclosure in 2007 and 2008.

Government Programs. The federal government provided additional funding in 2008 and 2009 to help state and local governments deal with foreclosed homes. With the help of the Neighborhood Stabilization Program and an additional \$11 billion in housing bond authority, state and local entities are now developing strategies to acquire, renovate, and sell foreclosed one- to four-unit properties. The federal government has also provided funds to redevelop public housing, a tax credit for homebuyers, and an opportunity for homeowners who are up to 5 percent underwater on their mortgages to refinance at lower interest rates.

Based upon these conditions, the following is a brief summary of key national housing trends and future outlook:

Mortgage Dynamics. As an outcome of the housing downturn, it is anticipated that stricter caps on mortgage payment-to-income ratios and thorough verification of income will likely remain in place and may restrict the market for those with lower incomes or previous credit problems.

¹⁸ <http://www.jchs.harvard.edu/publications/markets/son2009/index.htm> (access March 26, 2010)

- Citing continuing uncertainty on the future strength of demand for housing as a result of the potential length of the recession, the Joint Center for Housing Studies has released two new household projections. The high series projections that as many as 14.8 million units could be added nationally between 2010 and 2020. The lower series assumes a more modest 12.5 additional units nationally in the same time frame.
- Echo boomers, people between the ages of 25 and 44, are continuing to enter the housing market and comprise a larger number of households. As a result, the Joint Center for Housing Studies estimates that the echo boomers will help keep demand strong for the next 10 years and beyond, bolstering the markets for rentals and starter homes. Because their income is less than the preceding baby-bust generation, it is anticipated that the echo-boomers may have a higher demand for more affordable housing types, such as multifamily apartments, townhomes and manufactured homes.
- The Joint Center for Housing Studies notes that the large and diverse echo-boom generation, coupled with immigration, will increase the minority share of households. Under the Center's low series projections, it is anticipated that minorities will fuel 73 percent of household growth in 2010–20, with Hispanics leading the way at 36 percent. As a result, the minority share of households is projected to increase from 29 percent in 2005 to 35 percent in 2020. The Center anticipates that minorities will add to households across the full spectrum of family types, which may result in changes in household size trends. As the number of minority and foreign-born households grows, the housing industry will increasingly serve groups with lower homeownership rates, incomes, and wealth than traditional buyers. Ethnic identification of some minorities and cultural preferences of recent immigrants will also challenge housing suppliers to tailor their marketing to a more diverse population.
- As the baby-boom generation continues to age, the demand for retirement housing and assisted living facilities is anticipated to increase. A study by the National Association of Home Builders (NAHB) and the MetLife Mature Market Institute (MMI)¹⁹ showed that while most baby boomer consumers prefer to stay in their current home as they age, an increasing number (3 percent, compared to 2.2 percent in 2001) will opt for an age-restricted community designed to attract “active adults” with a heavy emphasis on lifestyle.
- In addition, as the baby boomers and older generations begin to turn over their homes to younger households, adjustments to the existing stock are likely, both through remodeling and pricing. The first wave of change will occur in the inner suburbs of large metropolitan areas where people now in their 70s and 80s are concentrated, then fan out to the outer suburbs as the baby boomers start to downsize.
- In response to concerns over carbon emissions and dependency on foreign oil, more effort and consumer interest is expected in upgrading the existing stock with energy-efficiency improvements, as well as increased interest in more compact forms of residential development. Because of past population and employment dispersion, which saw increased job growth outside of central cities in 68 of 75 of the nation's largest

¹⁹ *Housing for the 55+ Market: Trends and Insights on Boomers and Beyond*

<http://www.metlife.com/assets/cao/mmi/publications/studies/housing-for-the-55-plus-market.pdf> (Accessed on December 15, 2009)

metropolitan areas, efforts to reduce auto use will likely focus on providing transit-oriented and mixed-use development so that workers can live closer to their jobs as well as to non-work destinations.

State and Regional Housing Trends:

A number of national factors identified in *The State of the Nation's Housing 2009* will affect housing trends in Oregon and Lane County.

Downturn in Local Construction. According to the US Census Bureau, as reported by the National Home Builders Association, the Eugene Springfield Metropolitan Area saw a 61 percent decrease in Single Family building permits between February 2008 and February 2009. This is greater than the decrease seen at both the national (50 percent) and state (58 percent) levels. Multi-family housing permits were down 81 percent in the Eugene-Springfield metropolitan area, up 18 percent in Oregon and down 53 percent nationally.

Relatively High Levels of Housing Cost Burden. According to the 2007 Oregon Housing and Community Services Department's 2007 Needs Analysis Study, Lane County had a 77.1 percent "Rate of Burden." This means that 77.1 percent of residents in Lane County earning 30-60 percent of the county's median income, and pay more than 30 percent of their income for housing costs.

State Demographic Trends impact housing. According to Oregon's 2006-2010 Consolidated Plan²⁰, "Oregon's changing population demographics are having a significant impact on its housing market." The Study, which includes a detailed housing needs analysis, identified the following population and demographic trends that influence housing needs within the State:

- Growth - Oregon is the 11th fastest growing in the United States;
- Housing cost increases;
- Declining median and adjusted incomes (less than those of 1999);
- Aging;
- Increasing diversity; and
- Decreasing affluence.

Renter/Owner Split. The State of Oregon *Analysis of Impediments to Fair Housing Choice* report²¹ completed on *May 27, 2005*, also provides background information on the state's and Lane County's housing supply and demographics. According to this study, statewide, 64 percent of occupied housing units were owner occupied and 36 percent were renter occupied in 2000. Compared to the United States as a whole, Oregon had a slightly lower percentage of owner occupied units (64.2 percent for Oregon vs. 66.2 percent nationally) and a slightly higher percentage of renter occupied housing units (35.8 percent vs. 33.8 percent). In Lane County, 62.3 percent of occupied housing units were owner occupied and 37.7 percent of occupied housing units were renter occupied.

In Lane County, median rental values were not affordable to very low- income households (those earning 50 percent of median county household income). The median rent in Lane County in 2000 was \$604; the very low-income households could afford to pay a rent of up to \$462 a month without being cost burdened.

²⁰ http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml (Accessed on March 26, 2010)

²¹ Analysis of Impediments to Fair Housing Choice, BBC Research & Consulting, May 27, 2005, www.oregon.gov/OHCS/.../2006-2010FairHousingActionPlan.doc (Access on December 15, 2009)

Higher Rates of Mobile Homes. Statewide, 10.3 percent of the housing stock was mobile homes in 2000. Comparatively, 7.6 percent of the total housing stock nationwide was mobile homes. In Lane County, 11.2 percent of the housing stock was mobile homes in 2000. Mobile home are particularly vulnerable to fair housing issues because of park closings, a lack of services, increases in pad rental fees, etc. In Oregon, households over the age of 65 occupy a disproportionately high number of mobile homes. In 2000, senior households comprised 21 percent of total households in Oregon. However, seniors living in mobile homes accounted for 32.4 percent of mobile homes households. The State of Oregon’s proportion of seniors living in mobile homes was 11 percentage points higher than the national percentage (21.4 percent). In 2000, senior households living in mobile homes comprised 36.0 percent of mobile home households in Lane County.

Affordability Issues. No counties in the State of Oregon had median home values that were affordable to very low-income households. While the median home value in Lane County in 2000 was \$136,000, the very low-income households could afford a median home value of up to \$68,316 without being cost burdened.

Demographics Shifts in Oregon. Richard Bjelland, former State Housing Analyst at the Housing and Community Services Department of the State of Oregon, presented an overview of demographic changes taking place in Oregon, contained in a 2006 Presentation “Changing Demographics: Impacts to Oregon and the US”²². Some of Mr. Bjelland’s findings are:

- Oregon’s minority population is growing quickly;
- Oregonians are becoming less rural;
- Homeownership decreases as the size of the community increases;
- Homeownership increases as age increases (until about age 75);
- Minority ownership rates are lower than for whites; and
- Hispanic owners are younger ages than non-Hispanic residents.
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Population Forecast

In order to begin to understand what sort of housing will be needed to accommodate Coburg’s future population, there must be assumptions made about what that population will be. Table 4.1 provides a summary of population forecast data presented in Chapter 2. According to the currently adopted coordinated 20-year population forecast, Coburg is expecting considerable population growth – 5.32 percent annual average growth between 2010 and 2030. The anticipated growth is based on a number of factors that have uniquely affected Coburg including the latent demand that has built over the last 20 years because the City did not have a wastewater system. The forecast estimated Coburg’s population in 2010 to be 1,103 persons, and its 2030 population to be 3,363 persons. This constitutes an increase of 2,260 persons in Coburg between 2010 and 2030.

Table 4.1 Population Growth 2010-2030

	2010 Coordinated Population	Adopted 2010-2030 AAGR	Coordinated Population UGB Total	Change 2010 - 2030
Coburg	1,103	5.32%	3,363	2,260
Lane County	333,350	0.88%		

²² www.ohcs.oregon.gov/OHCS/ISD/PPR/docs/OregonDemographics.pps (Accessed on March 26, 2010)

Step 2. Demographic Characteristics and Housing Trends

A clear linkage exists between housing trends demographic characteristics and housing choice. This is more typically referred to as the linkage between life-cycle and housing choice and is documented in detail in several publications.²³ Using historical or current demographic characteristics of Coburg, however, will probably yield inaccurate results. Not only are the demographic characteristics expected to change regionally, but new residents in Coburg will probably be more diverse in socio-economic and demographic characteristics than current residents.

In order to address this issue in the 2004 Coburg Study, Coburg's consultant used Public Use Microsample (PUMS) data from the 2000 Census to describe the relationship between selected demographic characteristics and housing choice.²⁴ This analysis identified several key relationships:

- Homeownership rates increase as income increases;
- Homeownership rates increase as age increases;
- Choice of single-family detached housing types increases as income increases;
- Renters are much more likely to choose multiple family housing types than single-family; and
- Income is a stronger determinate of tenure and housing type choice for all age categories.

A review of recent data from the U.S Bureau of Census 2008 *Characteristics of New Housing*²⁵ was used to identify national trends in the characteristics of new housing. Nationally, several shifts in the characteristics of housing are highlighted by the Bureau:

Larger single-family units on smaller lots. Between 1978 and 2007 the median size of new single-family dwellings increased 45 percent, from 1,700 square feet to 2,456 square feet in the Western Region²⁶. The average single-family house completed in 2008 had 2,519 square feet, 764 more square feet than in 1978.

The average single-family home sold was built on a lot of 18,433 square feet. On average, lot sizes were the largest in the Northeast at 44,781 square feet, and were the smallest in the West at 10,062 square feet

Larger multifamily units. The average multi-family units completed and built for sale was 1,550 square feet. This was 190 more square feet than in 1999. Between 1994 and 2002, the median size of new multiple family dwelling units in the Western Region increased 15 percent, from 920 square feet to 1,055 square feet. Moreover, the percentage of units with less than 600 square feet decreased from 6 percent to 1 percent, while the percentage with more than 1,200 square feet increased from 11 percent to 30 percent. 78 percent of multi-family units had less than 1,400 square feet, up from 69 percent in 2007.

²³ This linkage is identified in the DLCD Workbook. It is described in detail in *Households and Housing: Choice and Outcomes in the Housing Market*, Clark and Dieleman, Center for Policy Research, 1996.

²⁴ ECO used the 1% Public Use Microsample (PUMS) data set for this analysis. A description of the PUMS data can be found at www.census.gov/.

²⁵ <http://www.census.gov/const/www/highanncharac2008.html>, 06/11/09

²⁶ NHBA website <http://www.nahb.org/page.aspx/category/sectionID=130> Single family square footage by location 4/23/09

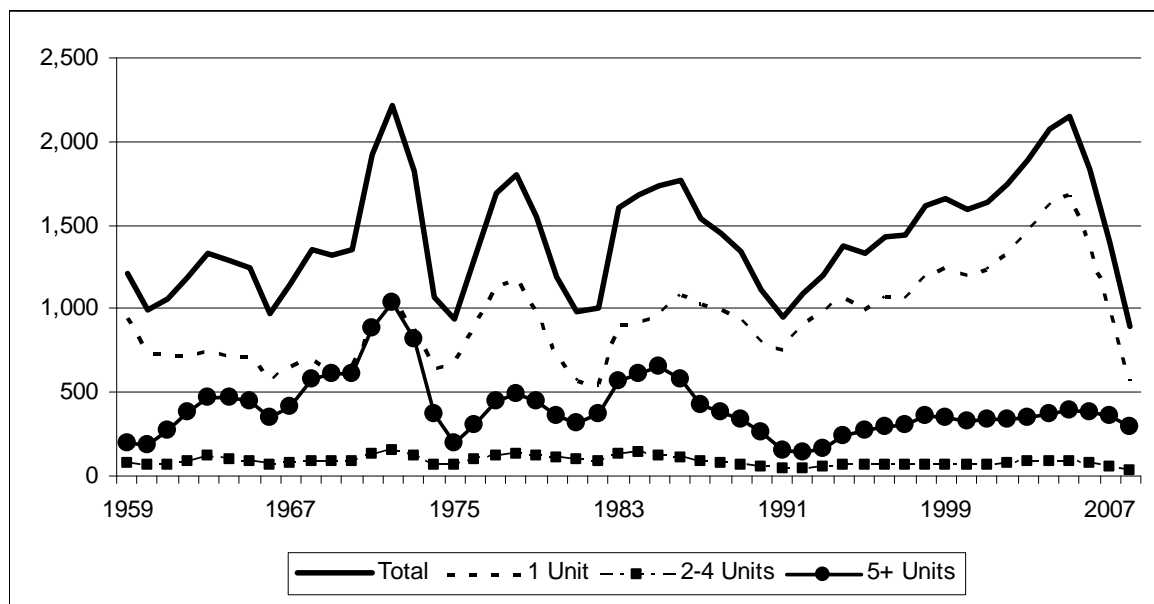
Larger multi-family complexes. There was an increase in the number of larger multifamily complexes: 69 percent of multi-family units were in buildings with 20 or more units, up from 61 percent in 2007 and only 30 percent in 1986.

More multifamily units are built as for sale units. Attached single-family homes accounted for 15 percent of all new single-family homes sold, up from 10 percent in 1998. In addition, 34 percent of multi-family units completed were built for sale, up from 18 percent in 1998; this is an increase of over 25 percent.

Increase in sales price. The average sales price of new single-family homes sold was \$292,600. In 1998, the average sales price was \$181,900. This is a price increase of over 60 percent.

Figure 4.1 presents national historic annual census data on “New Privately Owned Housing Units Authorized by Building Permits in Permit-Issuing Places.” New construction has exhibited consistent historic fluctuations since 1959. Most recent trends point to a gradual rise in new construction starting in the early 1990s, followed by a dramatic decrease in construction beginning in 2005 until the present. History suggests that new construction will pick up again, though the current poor housing market suggests that new construction will decrease further before it increases again.

Figure 4.1: U.S. New Privately Owned Housing Units Authorized by Building Permits in Permit-Issuing Places.



Housing Choice – Trends

Land use and housing preferences are a reflection of underlying values and interests, and it is also important to consider those values and interests when addressing housing needs. A study conducted in 2004 by Smart Growth America and the National Association of Realtors revealed the following:

Smart Growth Communities. Americans favor smart growth communities with shorter commute times, sidewalks, and places to walk more than sprawling communities. Half of

Americans (51 percent) say being within walking distance to stores and restaurants is important when thinking about where to live. Nearly as many Americans place importance on being within walking distance to schools (46 percent) and public transportation (46 percent)

Close to Work. A limited commute time is, for most Americans, an important factor in deciding where to live. Being within a 45-minute commute to work is rated highest among a list of fourteen priorities in thinking about where to live (79 percent) “very” or “somewhat” important), followed by easy access to highways (75 percent) and having sidewalks and places to walk (72 percent). The study also found that Americans are more likely to see improved public transportation and changing patterns of housing development as the solutions to longer commutes than increasing road capacities.

Diversity. Two-thirds (65 percent) of Americans want to live in communities that have people at different stages of life – single adults, families with children, and older people. Also of importance to close to half of Americans (47 percent) is the racial and ethnic diversity of a place. Diversity of incomes is important to 45 percent, and four in ten (38 percent) say a mix of housing types is important in deciding where to live.

Affordability. In a series of questions, people rated their own communities. While the public is generally satisfied with their communities, sizable segments find them lacking in important areas. Half of Americans (49 percent) thinks there is too little housing for people with low incomes in their communities. And, four in ten (39 percent) think there is too little housing for people of moderate incomes in their communities.

Mobility and Access. At least four in ten would also like to see more public transportation within walking distance (46 percent “too little”), more places to bike (46 percent), more shops or restaurants within walking distance (42 percent), more places to walk or exercise for fun (40 percent) in their communities.

The tables below²⁷ show the demographic segment of the community that are typically served by different housing types:

	Typical Unit Size	Lot Size/ Density	Demographic
Large lot single family	2,000 to 3,000 sf, 3-4 bedrooms, 2-3 bath	6,000 sq. ft. to 10,000 sq. ft.	Families, Move-up buyers
Small lot single family	1,500 to 2,500 sq. ft., 3-4 bedrooms, 2-3 baths	3,000 sq. ft. to 5,000 sq. ft.	Families, First-time buyers, Move-down buyers, Empty-nesters, Retirees
Townhouse, duplex, triplex	1,000 to 2,000 sq. ft., 2-3 bedrooms, 2 baths	2,000 sq. ft. to 4,000 sq. ft.	First-time buyers, Move-down buyers, Empty-nesters, Singles
Cottage development	600 to 1,200 sq. ft., 1-2 bedrooms, 1-2 baths	1,200 sq. ft. to 5,000 sq. ft.	Singles, Couples, Move-down buyers, Empty-nesters, Retirees
5+ multifamily (single-level with enclosed parking)	1,000 to 1,500 sq. ft., 2-3 bedrooms, 2 baths	15-25 du/acre net	First-time buyers, Move-down buyers, Empty-nesters, Retirees
5+ multifamily (garden style with surface)	700 to 1,500 sq. ft., 1-3 bedrooms, 1-3 baths	15-25 du/acre	First-time buyers, Singles, Couples, Moderate income

²⁷ Community Housing Strategies: Market Innovation, Local Choice, The Housing Partnership, November, 2005

parking			families
Mid-rise condominiums (stacked dwelling units with structured parking)	500 to 1,000 sq. ft., Studio-2 bedrooms, 1-2 baths	25+ du/acre	Singles, Couples, Young Professional
High-rise condominium	800 to 2,500 sq. ft., 1-2 bedrooms, 1-3 baths	25+ du/acre	Singles, Couples, Move-down buyers, Retirees

	Typical Unit Size	Lot Size/ Density	Demographic
5+ multifamily (garden style with surface parking)	700 to 1,500 sq. ft., 1-3 bedrooms, 1-2 baths	15-25 du/acre	Singles, Couples, Low income families
Mid-rise condominiums (stacked dwelling units with structured parking)	500 to 1,000 sq. ft., Studio-2 bedrooms, 1-2 baths	25+ du/acre	Singles, Couples, Young Professional
High-rise condominium	800 to 2,500 sq. ft., 1-2 bedrooms, 1-2 baths	25+ du/acre	Singles, Couples, Retirees

This data suggests that Coburg will need to expand the type of units available within its housing stock to meet the demographics it wishes to attract and retain within the City. However, it is also important to note that when looking at higher density housing, there are potentially two different market motivations at play; price and lifestyle. Some options, such as small lot housing, are attractive primarily on price; buyers might prefer a larger lot, but cannot pay the higher price that large lot housing commands. Other options, such as cottage clusters, are aimed at people attracted to the lifestyle of the neighborhood. Thus, in considering new zoning regulations for higher density housing, will be important to consider what housing types are more likely to attract lifestyle versus price conscious buyers and renters.

Population Age Groups

The table that follows compares age groups of the City of Coburg, Lane County and the State in 1990 and 2000 based on Census data. All three show positive population growth overall. Coburg's population growth patterns vary from the patterns of the County and State, which is not surprising given Coburg's small population and historic growth dynamics. Coburg differs most significantly with individuals under 20, and over 65. Whereas the State and County are seeing decreases in proportions of residents under 20, Coburg reported an increase of roughly 5 percent in the 1990's. And while the State and Oregon saw either a small loss or small gain in the proportion of residents age 65 and over, Coburg saw a significant (8 percent) decrease among residents 65 and older. This may be due to older residents in Coburg either passing away or relocating to locations with more senior care facilities.

Although the City of Coburg experienced significant decreases in its proportion of residents aged 65 and older, it still had a median age of 37.9 years, which is older than Lane County's 36.6 and the state's 36.3 median age. This is likely due in part to Coburg's slightly higher percentage of residents in the 45-64 age range.

Table 4.4: Change in Age Groups, 1990 – 2000

AGE – CITY of COBURG						
	1990	Percent of total	2000	Percent of total	Percent Change	Percent of Total Change
TOTAL	763	100.0%	969	100.0%		
Under 20	195	25.6%	297	30.7%	52.3%	5.1%
20 to 44	293	38.4%	322	33.2%	9.9%	-5.2%
45 to 64	132	17.3%	250	25.8%	89.4%	8.5%
Over 65	143	18.7%	100	10.3%	-30.1%	-8.4%
Median age			37.9			
AGE –LANE COUNTY						
	1990	Percent of total	2000	Percent of total	Percent Change	Percent of Total Change
TOTAL	282,912	100.0%	322,959	100.0%		
Under 20	78,778	27.8%	8,4921	26.3%	7.8%	-1.5%
20 to 44	115,618	40.9%	116,404	36.0%	0.7%	-4.9%
45 to 64	51,438	18.2%	78,680	24.4%	52.0%	6.2%
Over 65	37,078	13.1%	42,954	13.3%	15.6%	0.2%
Median age			36.6			
AGE – STATE of OREGON						
	1990	Percent of total	2000	Percent of total	Percent Change	Percent of Total Change
TOTAL	2,842,321	100.00%	3,421,399	100.0%		
Under 20	80,2516	28.2%	944,004	27.6%	17.6%	-0.6%
20 to 44	1,115,537	39.3%	1,227,675	35.9%	10.1%	-3.4%
45 to 64	532,944	18.8%	811,543	23.7%	52.3%	5.0%
Over 65	391,324	13.8%	438,177	12.8%	12.0%	-1.0%
Median age			36.3			

Between 1990-2000, the greatest increase in population in Coburg, Lane County and the state was in the 45-64 age group, reflecting an increase in the “baby boom” generation. These data are now almost a decade old. This means that these individuals are either at retirement age or will be soon. The decrease in the percent of total for persons aged 20-44 in Coburg and Lane County (-5.2 percent and -4.9 percent respectively) is consistent with the State’s decrease of -3.4 percent.

Average Household Size

In the 1980s, traditional families (married couple, with one or more children at home) accounted for 29 percent of all households in Oregon. In 1990 that percentage had dropped to 25 percent; which further decreased to 23 percent in 2000. It is projected that household size will continue to fall, but probably not as dramatically. The average household size has decreased over the past five decades and is likely to continue decreasing. The average household size in Oregon was 2.60 in 1980, 2.52 in 1990, and 2.51 in 2000. The direct impact of decreasing household size on housing demand is that smaller households means more households, which means a need for more housing units and of different variety.

Table 4.5 shows average household size for estimates by tenure for Lane County and Coburg in 2000. The data show that Coburg’s average household size was 2.64 persons in 2000. Moreover, the data show that household size depends on tenure—renters have smaller households than homeowners.

Table 4.5. Average household size. Lane County and Coburg, 2000	
Year	Person Per HH
Lane County (2000 Census)	
Average Household Size	2.42
Owner-Occupied units	2.52
Renter-Occupied units	2.25
Coburg (2000 Census)	
Average Household Size	2.64
Owner-Occupied units	2.75
Renter-Occupied units	2.21

Inconsistent with national and state trends, household sizes in Coburg actually increased from 2.52 in 1990 to 2.64 in 2000. This increase is related, at least in part, to the City’s restriction on lot size and the fact that the majority of dwellings built between 1990 and 2000 were single-family detached. A Buildable Lands Inventory developed by the Lane Council of Governments (LCOG) in 1997 used a household size assumption of 2.3 persons; the City’s initial Transportation System Plan (TSP) used an average household size of 2.24 persons per household. Estimates by the Portland State Population Research Center put Coburg’s 2008 average persons per household figure at 2.51. The population estimates generated for Coburg’s County coordinated forecast by consultants Johnson and Reid applied the 2000 Census figure of 2.64 persons per household. The housing needs model therefore utilizes this same figure.

Persons in Group Quarters

Group quarters include facilities such as assisted living facilities, dormitories, correctional institutions, group homes, boarding houses, military facilities, juvenile institutions, and psychiatric hospitals. Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically backed out of the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, one assumes that any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Group quarters, however, require land and are typically built at densities that are comparable to multiple-family dwellings.

The 2000 Census indicates none of Coburg’s population residing in group quarter facilities at that time. The fact that no group quarters existed in Coburg in 2000 does not mean that group quarters will not be constructed in the future. Based on shifts in demographics, the key area where one would expect changes in group quarters would be in nursing homes. A private non-profit treatment center for alcoholism and drug abuse, owns over 15 acres of land in Coburg upon which it is proposing a new treatment facility campus. Serenity Lane hopes to build

capacity for an initial 100 beds, eventually growing to accommodate 150 beds on the site. Residents will be considered to be living in group quarters, but they are not included in the Housing Needs Analysis because they are short term residents, not permanent. The BLI has accounted for the land requirements of the proposed care facility. Based on Coburg's demographic trends and recent interest in senior care facilities, it is assumed that approximately 50 persons will reside in group quarters in Coburg by 2030.

Coburg's Existing Dwelling Units

ORS 197.296 requires an evaluation of the housing type mix and density of residential development during the past five years or since the last periodic review, whichever is longer. While Coburg is not bound to comply with this requirement, an evaluation of recent development trends is useful in developing a better understanding of development trends in the local housing market.

Table 4.6 shows dwelling units by type in Coburg in 1990 and 2000 as reported by the U.S. Census Bureau (Census). It also shows the number of housing units added between 2000 and 2008 as estimated through building permits filed with the City. According to the Census, Coburg had 311 dwelling units in 1990 and 387 dwelling units in 2000—a net increase of 76 dwelling units. More specifically, Coburg added 94 single-family detached units during this period, four multiple family units—and lost 21 mobile/manufactured units. According to local building permit data, Coburg added 28 single-family detached homes and six manufactured homes between 2000 and 2008. The percentage of single-family detached dwelling units increased from 70 percent in 1990 to 80 percent in 2000 and then 81 percent in 2008. The Census and local data suggest that housing development in Coburg after 1990 was almost exclusively single-family detached housing types on larger lots. Housing types that are affordable to lower income households (multifamily, mobile/manufactured) decreased both in number and as a share of all housing. It is assumed that significant housing growth will not occur until the wastewater treatment facility is completed in 2011 or 2012.

	1990 Census		2000 Census		Building Permits	New DU 00-10*	Total Units 2010	
	Number	%	Number	%	00-08	Number	Number	%
Housing Units								
Single-family detached	217	70%	311	80%	28	31	342	83%
Single-family attached	2	1%	2	1%		2	4	1%
Multiple family	26	8%	30	7%			30	7%
Mobile/Manufactured**	66	21%	45	12%	6	-16	35	9%
Total housing units	311	100%	387	100%	41	17	411	100%

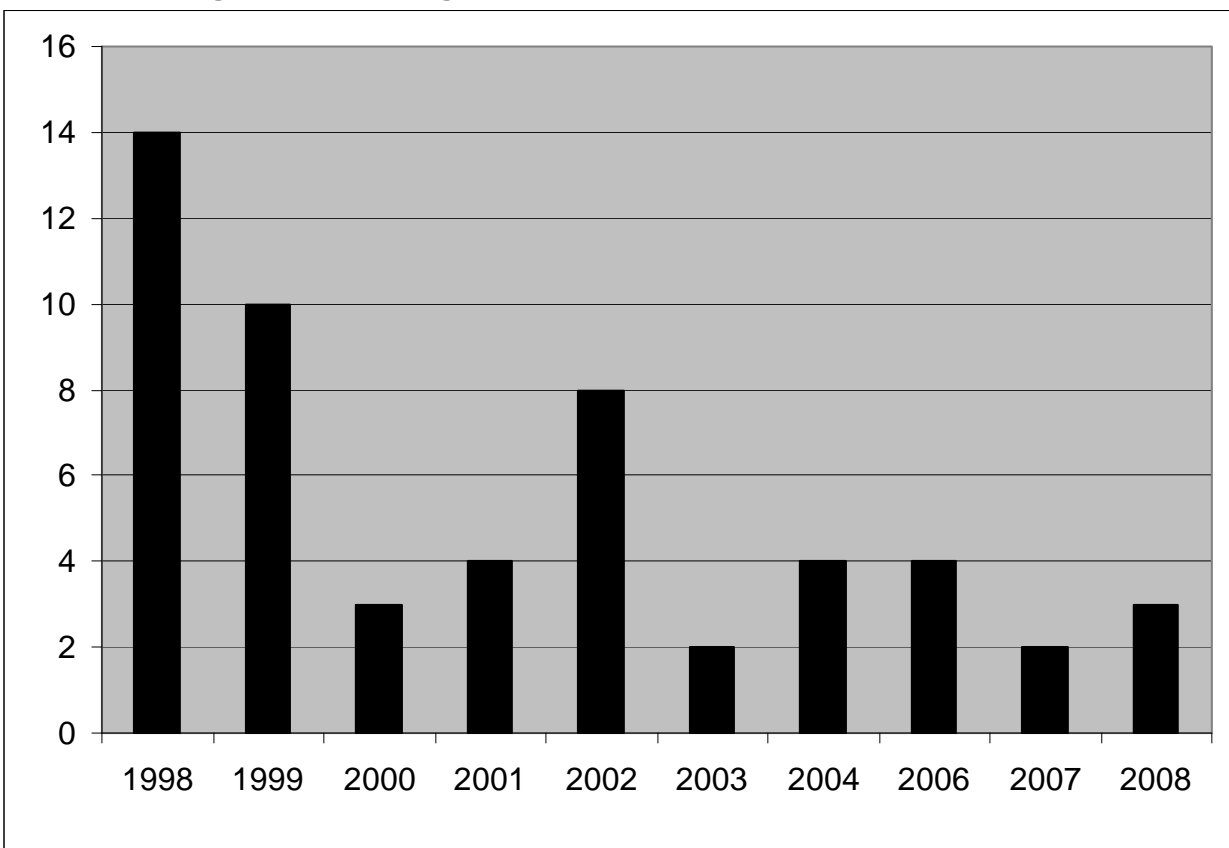
Source: US Census of Population and Housing, City of Coburg Building Permit data up to December 2008

**Accounts for demolition and removal permits over the decade and a conservative projection for construction in 2009*

***Includes Manufactured Homes in Parks and on Individual Lots (these are distinguished in the Housing Needs Model)*

Figure 4.2 shows building permits issued for new residential construction in Coburg annually between 1998 and 2008. The data show that only 54 permits were issued in Coburg between 1998 and 2008. Moreover, the number of permits issued varies from year to year, with the largest number issued in 1998 (14) and fewest issued in 2003 and 2007 (2).

Figure 4.2. Building Permits Issued, 1998-2008



The average net density of single-family residences for which permits were issued between 1998 and 2008 was 3.8 dwelling units per net residential acre. This is slightly less than the 3.9 dwelling units figure reported in the 2004 Housing Needs Analysis.²⁸ The results are not surprising; recent residential development in Coburg has occurred at very low densities. This is partly because Coburg has a 10,000 square foot minimum lot size in the residential zone which is needed to serve residences with septic tanks.

Vacancy Rates

Determining the number of housing units needed in Coburg for the planning period requires assumptions about vacancy rates. A vacancy rate represents the percent of units that can be expected to be vacant at any given moment. Vacancy rates are cyclical and are a result of the lag between demand and the market's response to demand in additional dwelling units. Vacancy rates vary by whether a housing unit is owner or renter-occupied. Analysts consider a 2 percent-4 percent vacancy rate typical for single-family units; 4 percent-6 percent is typical for multifamily residential markets. For this study a 2.5 percent vacancy rate was used as a base assumption for owner occupied units and 5.0 percent vacancy as a base assumption for rental units. These are the same rates used in the 2004 Study.

²⁸ Coburg Study, 2004, ECONorthwest

Existing Residential Zoning

Coburg currently has two exclusively residential zoning designations, Traditional Residential (TR) and Traditional Medium Residential (TMR). Other zones, including the Central Business District (C1), allow residential uses as well.

The TR zone accommodates the majority of Coburg's existing housing stock. According to the Buildable Lands Analysis presented in Chapter 3, there are a total of 168 acres of TrR land in Coburg. Of that total, approximately 38.3 acres is currently buildable. Lands within this zoning designation are currently held to the following requirements:

- Minimum Lot Size: (For Single Family detached and manufactured home on lot)
 - Properties not served by sanitary sewer: 10,000 sq ft. (4.4 (DU/acre)
 - Properties served by sanitary sewer: 7,500 sq ft (5.8 DU/acre)
- Minimum Lot Size for Duplex:
 - Properties served by sanitary sewer: 8,000 square feet (10.9 DU/acre). Duplexes are also only allowed on corner lots within the TR zone.
- Lots created through a land division, or site development including four or more dwelling units, must meet a minimum density of 65 percent of the maximum density permitted within the zone. This regulation has a number of exceptions.

The TMR zone currently constitutes only 2.6 acres in Coburg. None of this land has been developed and therefore it is all part of the City's BLI. The TMR zone is also not reflected in the City's Comprehensive Plan designations. Lands within this zoning designation are currently held to the following requirements:

- Minimum Lot Size: (Properties not served by sanitary sewer)
 - Single Family: 10,000 sq ft. (4.4 (DU/acre)
 - Two Family (Duplex): 12,000 sq ft (7.3 DU/acre)
 - Three Family (Tri-Plex): 16,000 sq ft. (5.4 DU/acre)
 - Four Family (Four-Plex): 20,000 sq ft. (4.4 DU/acre)
- Minimum Lot Size: (Properties served by sanitary sewer)
 - Single Family: 3,350 sq ft. (4.4 (DU/acre)
 - Two Family (Duplex): 6,700 sq ft (13 DU/acre)
 - Multi-Family: 10,000 sq ft. (13.1-17.4 DU/acre)
- Currently no structures with more than four units are allowed in the TMR zone.
- Permits accessory dwellings; manufactured homes on individual lots; group home, not to exceed five unrelated individuals; residential Homes; and residential facilities not to exceed 15 beds.
- Lots created through a land division, or site development including four or more dwelling units, must meet a minimum density of 80 percent of the maximum density permitted within the zone. This regulation has a number of exceptions.

Step 3. Estimate the Number of New Units Needed

An estimate of new units needed is determined, by calculating the expected population growth and the planned persons per household expected within the planning period. The housing needs model makes adjustments based on the number of residents anticipated to be living within “Group Quarters” in the City. Table 4.7 shows the outcome of that analysis.

2010 Population	2030 Population	20 Year Growth	Persons per Household	New Units
1,103	3,363	2,260	2.64	888*

** Reflects adjustments for group quarters, vacancy rate, and removed dwelling units*
Source: Lane County Coordinated Population Forecast, June 2009

The number determined by the model is 888 new dwelling units. This is a general calculation of total unit need. More detail is addressed in Step 4.

Step 4. Needed Housing

Step four of the housing needs assessment is an estimate of housing need by income and housing type. This is where the Housing Needs Model becomes most useful in the analysis because it incorporates Census income and age data and income distribution of future households in Coburg. Goal 10 requires communities to encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

The total amount a given household spends on housing is referred to as cost burden. Total housing expenses are generally defined to include payments and interest or rent as well as utilities, and insurance. HUD guidelines indicate that households paying more than 30 percent of their income on housing experience “cost burden” and households paying more than 50 percent of their income on housing experience “severe cost burden.” Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

Table 4.8 shows housing costs as a percent of income by tenure (e.g. owner-occupied or rental units) for Coburg households in 2000. The data show that about 28 percent of Coburg households experienced cost burden in 2000. The rate was much higher for renters (43 percent) than for homeowners (24 percent). Approximately 11 percent of Coburg’s households were “severely” cost burdened in 2000.

Table 4.8: Owner and Renter Costs as a Percentage of Household Income, Coburg 2000

Percent of Income	Renter		Owner		Total	
	Costs by Number	Costs by Percent	Costs by Number	Costs by Percent	Costs by Number	Costs by Percent
Less than 20%	26	40%	112	45%	138	44%
20%-30%	11	17%	79	31%	90	28%
30% - 40%	9	14%	29	12%	38	12%
40% - 50%	4	6%	10	4%	14	4%
50% or more	15	23%	21	8%	36	11%
<i>Total</i>	65	100%	251	100%	316	100%
Cost Burden	28	43%	60	24%	88	28%

Source: (2004 Study ECONorthwest) 2000 Census

Household income in Coburg has generally increased, although it has not kept pace with housing prices or rents. More households are spending in excess of the recommended 30% of their income on housing. In addition, until recently, housing cost was increasing at a significantly greater annual rate than household income.²⁹

Table 4.9 shows wage levels by industrial sector and housing affordability estimates for Coburg. The data indicate that the average hourly wage for covered employment in Coburg is nearly \$16.50. A household income at this level could afford approximately \$853 per month for rent or a mortgage of about \$85,322. The data show some variation by sector, however, the majority of jobs (about 68 percent) are in the “Manufacturing and Wholesale Trade” sub-category. It is important to note that the data in Table 4.9 represent average pay per worker. According to the 2000 Census about 12 percent of households had no workers, 30 percent of households had one worker, 45 percent had two workers, and 13 percent had three or more workers. Thus, nearly 60 percent of households have multiple incomes.

Table 4.9. Number of Jobs, Average Wage and housing affordability Thresholds, Coburg 2006

Sector/Industry	Jobs	Avg Annual Pay	Est. Hourly Wage	Est. Affordable Housing Thresholds	
				Rent	Own
Construction	240	\$43,558	20.94	\$1,089	\$108,895
Manufacturing & Wholesale Trade	2,257	\$37,200	17.89	\$930	\$93,000
Retail Trade	377	\$24,110	11.59	\$603	\$60,275
Services	357	\$21,700	10.43	\$543	\$54,251
All Other*	85	\$22,613	10.87	\$565	\$56,533
Total	3,316	\$34,129	16.41	\$853	\$85,322

Source: Oregon Employment Department; analysis by LCOG

*It was necessary to group certain industries into larger categories to comply with confidentiality rules.

Household Income in Coburg

Determining the types of housing that are likely to be affordable to the projected household is based on household income. Higher income is correlated with higher rates of ownership and single-family housing.³⁰ According to the Census, the median household income in Coburg was greater than in both Lane County and the State overall (Table 4.10). Per capita income for all

²⁹ Planning for Residential Growth Workbook, Appendix C, page C-2

³⁰ Ibid, page C-12

three geographies was fairly similar, though Coburg was closer to Oregon as a whole than Lane County.

Table 4.10. Median Household and Per Capita Income, 2000

Area	Median Household Income	Per Capita Income
Coburg	\$47,500	\$21,696
Lane County	\$36,942	\$19,681
Oregon	\$40,916	\$21,587

Source: 2000 Census

According to the 2000 Census, the median household income within Coburg was \$47,500, and \$36,942 for Lane County. Coburg's higher household and per capita incomes likely explain the City's 2000 Census home ownership rate of (82 percent), higher than Lane County (64 percent) and the state (63 percent). Additional factors that may contribute to this dynamic include:

- Local land use regulations limiting opportunities for multi-family housing.
- Coburg's attractive small town atmosphere and small town amenities within such close proximity to the Eugene-Springfield metropolitan area, which draws individuals capable of paying a premium.

Existing Housing Types and Tenure

To understand what will be required to meet future housing needs requires making determinations about the types and tenure of housing units to be added. Table 4.11 presents the estimated 2010 percentages for each housing type by tenure generated by using rental and ownership proportions from the 2000 Census.

Table 4.11: Estimated Existing Housing Tenure and Type 2010

Housing Type	Rental	Ownership	Overall Percentage
Single-family detached	29.2%	100%	85%
Single-family attached	4.5%	0.0%	1%
Multi-family	33.7%	0.0%	7%
Mobile/Manufactured in park	32.6%	0.0%	7%
Total	100%	100%	100%

The Census identifies 295 owned units and 67 rental units within Coburg in 2000. This is an approximately 80/20 owner/rental split. Housing in Coburg is predominantly single-family units (85 percent). As noted in table 4.9, all owned units in Coburg are single-family units. Of all rental units, the largest percentage are three to five unit structures (33.7 percent), followed by manufactured homes in parks (32.6 percent) and single family units (29.2 percent). Duplex units make up only 4.5 percent of the rental stock within Coburg's UGB. As expected, there is a much higher frequency of ownership among single family units, and a much higher frequency of renting among multi-family units.

Existing Types and Tenure by Income

Tables 4.12 and 4.13 present a best estimate summary of the number of households that are renters and owners within each income bracket in Coburg. The figures are based upon year 2000 Census owner/renter proportions. Income brackets are broken down by percentage of household median income.

Table 4.12: Percentage of Existing Owned Housing by Price and Type (2010)

Price (% Household Median Income)	Units	Single-Family Detached	Single-Family Attached	Multi-Family	Mobile/Manufactured in Park	Total
Lowest 21%	20	100%				100%
Low (21-42%)	18	100%				100%
Low-Mid (42-63%)	42	100%				100%
Mid-High (63-84%)	54	100%				100%
High (84-105%)	106	100%				100%
Highest (105%+)	82	100%				100%
Total	322	100.0%	0.0%	0.0%	0.0%	100%

Source: Lane County Assessor data, Template 6

Because homeownership generally requires greater financial means, and considering Coburg’s housing stock and development regulations, it is not surprising that existing homeownership in the City is isolated to single-family detached dwellings.

Table 4.13 shows the housing model’s breakdown of existing rentals by type and income. Information about rentals in Coburg is far more limited than for ownership units. The information presented in Table 4.13 is based on interviews and the information available, and generally reflects a pattern one might expect in a community like Coburg. The greatest number of rentals available to lower income households is in the category of “manufactured homes in parks” and “multi-family” units. Because rents and prices are directly related to land values, it stands to reason that higher density units will be more affordable. The higher rental rates are assumed to all be within the single-family detached category for the same reason.

Table 4.13: Percentage of Existing Rental Housing by Price and Type (2010)

Rent (% Household Median Income)	Units	Single-Family Detached	Single-Family Attached	Multi-Family	Mobile/Manufactured in Park	Total
Lowest 21%	14				100.0%	100%
Low (21-42%)	18			16.7%	83.3%	100%
Low-Mid (42-63%)	22			100.0%		100%
Mid-High (63-84%)	16	43.8%	25.0%	31.3%		100%
High (84-105%)	14	100.0%				100%
Highest (105%+)	5	100.0%				100%
Total	89	29.2%	4.5%	33.7%	32.6%	100%

Source: LCOG Estimates, Template 6

Additional Affordability Considerations

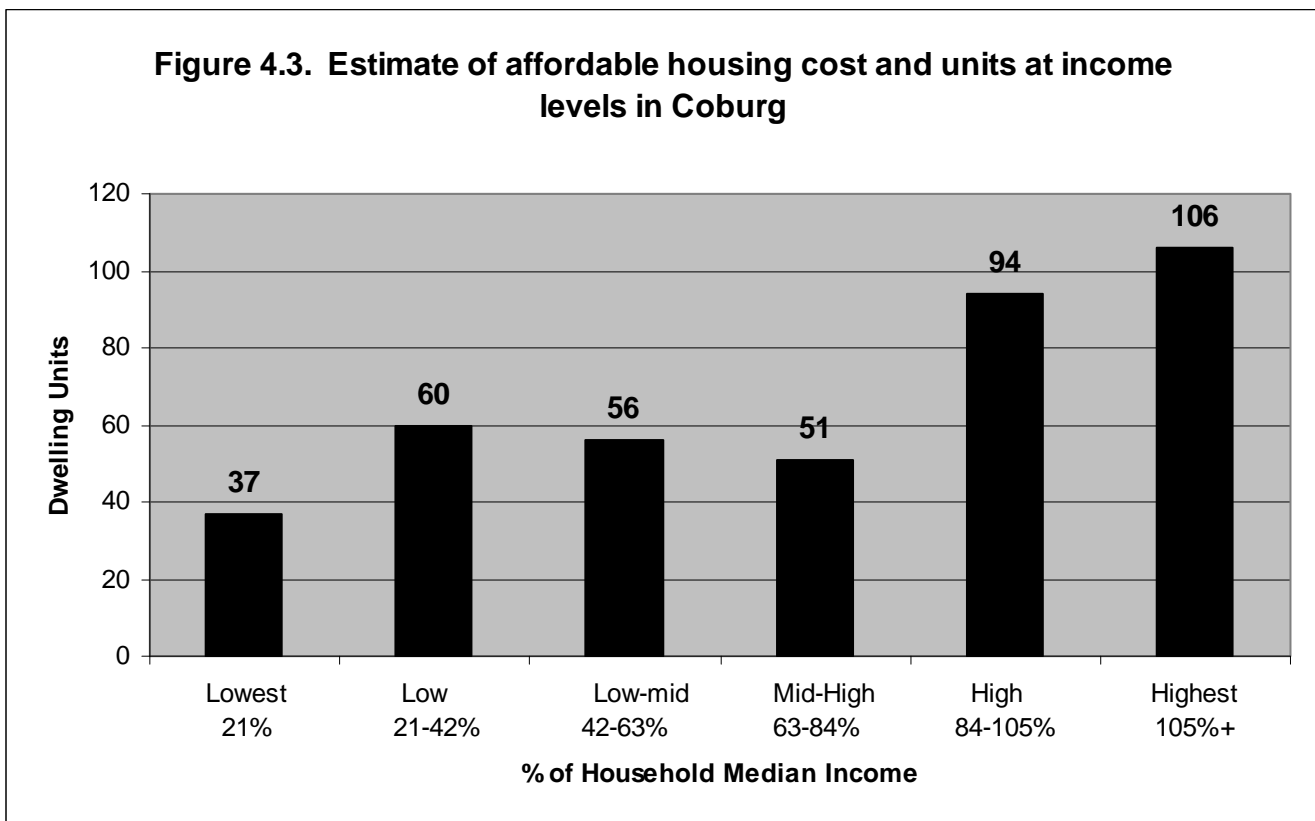
The housing needs model also provides some considerations for additional nuances of housing need. These include:

- An “Out Factor,” which represents needed adjustments to reflect households who could afford specific cost levels but chose a lower cost unit.
- “Tenant vouchers,” which accounts for an estimated figure of federal Section 8 (HUD) vouchers/ certificates or similar subsidies used to lower tenant paid rents.

Staff determined that Coburg’s currently has only one or two living units subsidized by “tenant vouchers.” The “Out Factor” was assumed to follow a very typical distribution, with the greater percentages of households of higher income choosing to rent/buy units less than they could feasibly afford, while those of lower incomes generally rent the maximum they can afford. These adjustments are critical for constructing an accurate depiction of Coburg’s housing needs.

Current Housing Needs

Figure 4.3 below presents model results for the estimate of affordable housing cost and units by income levels for Coburg in 2010 (using 1999 dollars). This is the type of housing needed to accommodate Coburg’s existing households at the beginning of the planning period. The income information is presented as a percentage range of median household income in Coburg



(2000 Census). The median household income in Coburg in 2000 was \$47,500.

Several points should be kept in mind when interpreting this data:

- Because all of the affordability guidelines are based on median family income, they provide a rough estimate of financial need and may mask other barriers to affordable housing such as move-in costs, competition for housing from higher income households, and availability of suitable units. They also ignore other important factors such as accumulated assets, purchasing housing as an investment, and the effect of down payments and interest rates on housing affordability.

- Households compete for housing in the marketplace. In other words, affordable housing units are not necessarily *available* to low income households. For example, if Coburg has a total of 50 dwelling units that are affordable to households earning 30 percent of median family income, 50 percent of those units may already be occupied by households that earn more than 30 percent of median family income.

The data in Figure 4.3 indicate that nearly a quarter of Coburg households can only afford housing prices and rents that are commensurate with a household income of 50 percent or less than the median (\$23,500). These individuals would be very hard pressed to find a single-family home in Coburg to rent. It would be impossible for them to own a home in Coburg.

Table 4.14 shows the results of the comparison of Coburg’s estimated current needed housing and its current inventory. It identifies either a surplus or a gap for each income category. The analysis suggests that there is unmet need in the lowest rental range, but even greater unmet need in the higher rental ranges, particularly the mid-high range. Not surprisingly, the most significant unmet need is for low priced ownership units

Table 4.14 Current Unmet Housing Needs 2010

	Rental % of Need met	Unmet unit Needs	Owner % of Need met	Unmet unit Needs
Lowest	84.2%	3	99.2%	
Low	90.4%	2	44.9%	22
Low-Mid	119.0%		109.7%	19
Mid-High	109.7%		149.3%	1
High	121.0%		129.8%	
Highest	20.7%	19	100.0%	

Source: Housing Needs Model, Template 7

The conclusion based on the data presented in this section is that Coburg currently has a deficit of housing that is affordable to households that earn less than approximately \$25,000 annually (1999 dollars), and may not be meeting the needs of individuals willing to pay for higher-end rental units.

Future Housing Needs (2030)

The ultimate goal of the Housing Needs Analysis is to develop an understanding for the future housing needs of Coburg. Once it is determined what the current housing dynamics are, assumptions can be applied to the future, and the results should provide a clearer picture for the way Coburg must prepare to accommodate housing growth. Table 4.13 presents a summary of some of the housing needs model factors already addressed in this analysis.

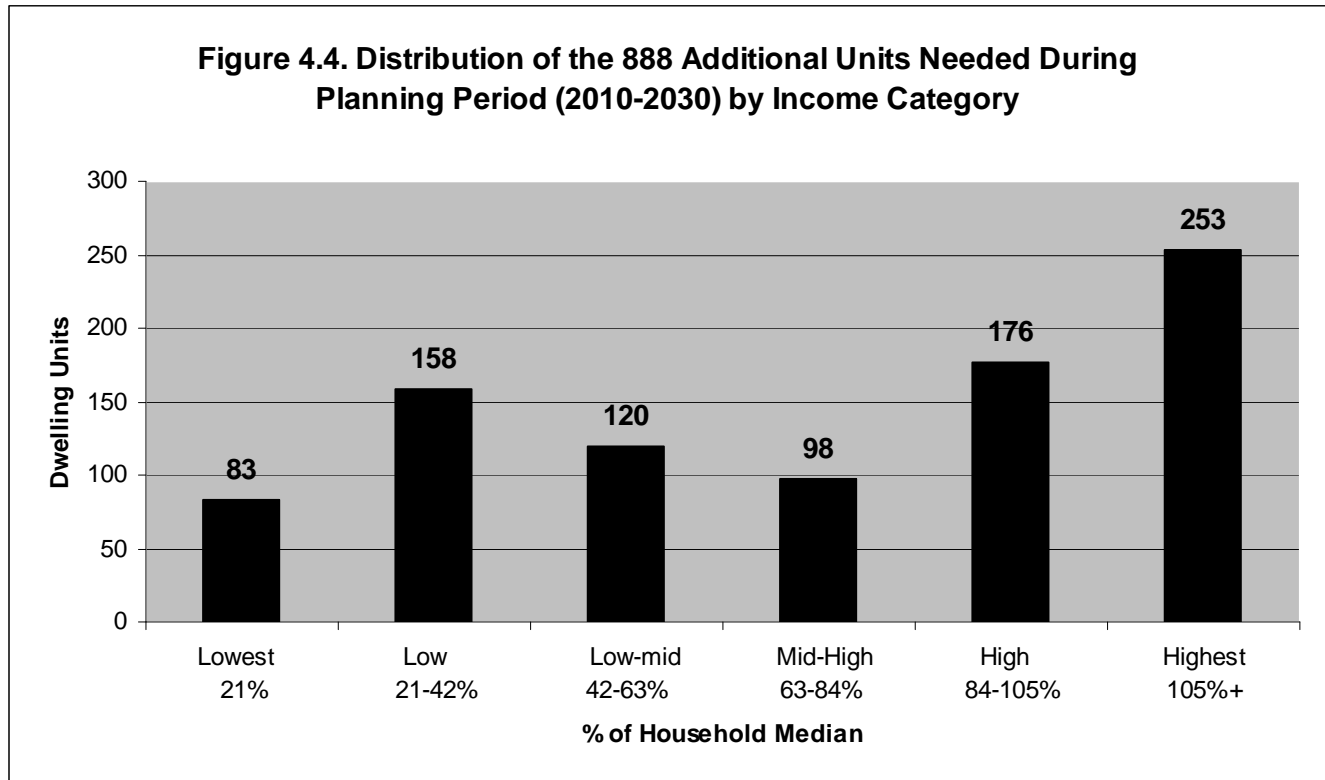
Table 4.15: Total Number of Needed Dwelling Units

Methodology	Total
2030 Coordinated Population Projection	3,363
2010 Group Quarter Population	50
2030 Population in Households	3,313
2030 Total Occupied Housing Units, Average Household Size (2.64)	1,255
2010 Number of Dwelling Units (2000 Census + new units (00'-10'))	411

Dwelling Units Removed from Inventory	9
2010-2030 New Dwelling Units Needed (Occupied)	853
2010-2030 New Dwelling Units Needed (All Units)*	888

*Based on a 5.0% renter vacancy rate, and 2.5% owner vacancy rate

Figure 4.4 below represents, in graph form, the distribution of the 888 additional dwelling units needed during the planning period (2010-2030) by income category:



The future distribution of units by housing need does not look dramatically different than the current distribution of needs for Coburg. The greatest need for future housing is in the highest income categories because these two categories contain all individuals earning above, and even those slightly below, median household income which, intrinsically, is a large portion of the population. The relative financial flexibility that individuals in these higher income categories possess, and the market dynamics that prevail in Coburg and the region, suggest that as long as sufficient acreage is set aside for these housing types, the housing needs of these residents will be met in the future. Figure 4.4 also reveals a significant need for housing units at price and rent levels that are significantly lower than the median household income.

Step 5. Additional Needed Units by Structure Type

Step 5 requires that jurisdictions identify how many of each type of unit the jurisdiction will need over the planning period. This is determined using a number of resources and methodologies. The Housing Needs Model is the main instrument utilized in assessing and calculating additional needs of this kind.

Future Housing Need by Type and Tenure

A very critical section of the Housing Needs model requires a set of assumptions about planned housing types. The inputs to this section of the model are subjective but are bound by intuitive assumptions regarding housing affordability. For example, one could make the subjective assumption that all of Coburg’s future housing will be single-family homes. This assumption, however, is tempered by the reality presented in Figure 4.4 above, which suggests that a significant portion of Coburg’s residents could not afford to buy or rent a single-family home.

The Study team, with the assistance of the TAC, and input from both the Planning Commission and City Council, developed a set of assumptions regarding the distribution of planned housing types by affordability and tenure for Coburg over the planning period (2010-2030). These assumptions are contained in their entirety in Template 12 of Appendix C, but are summarized as follows:

- **Rentals Units:**
 - Multi-family units are concentrated highest in the lower income ranges of the rental inventory.
 - The percentage of single-family detached homes increases as income increases.
 - All high-end rentals are single-family homes or duplexes.
 - The majority of manufactured homes in parks are lower rent.
 - Multi-family units will replace manufactured dwelling units within parks in providing the greatest number of lower priced units.

Table 4.16: New Needed Rental Housing Units by Type and Income, 2030

% of Median Household Income	Single-family detached	Single-family attached	Multiple family	Manufactured Dwelling Park Units	Total housing units
21%			38		38
21-42%	3	13	31		47
42-63%	8	14	12		34
63-84%	19	12	5		36
84-105%	18	4			22
105%+	65				65
	113	43	86	0	242

Source: Housing Needs Model, Template 14. Analysis by LCOG and TAC

- **Owned Units:**
 - The overwhelming majority of owned units will be single-family units.
 - The percentage of single-family home owners increases with increased income.
 - Single-family home ownership is expected to be mostly available to those making at least 65 percent of median income or greater.
 - Opportunities for ownership of units other than single-family homes (which currently do not exist in Coburg) will increase over the planning period. This will include duplex, triplex and four-plex units.

Table 4.17: New Needed Owned Housing Units by Type and Income, 2030

% of Median Household Income	Single-family detached	Single-family attached	Multiple family	Manufactured Dwelling Park Units	Total housing units
21%	0	16	29	0	45
21-42%	21	32	58		111
42-63%	22	51	13		86
63-84%	62				62
84-105%	154				154
105%+	187				187
	446	99	100	0	645

Source: Housing Needs Model, Template 14. Analysis by LCOG and TAC

Table 4.18 provides a summary of needed rental and owned units by type and tenure in Coburg. Of the 888 new needed dwelling units, approximately 63 percent are detached single family homes, 16 percent are single family attached (duplex) units, and 20.9 percent are multi-family units (3-4 units). This distribution of housing type is closely related to the density mix that Coburg will be trying to meet.

Table 4.18: Percentages of New Needed Housing Units by Type and Tenure, 2030

	Single-family detached	Single-family attached	Multiple family	Manufactured Dwelling Park Units	Total housing units
Rental Units	113	43	86	0	242
Owned Units	446	99	100	0	646
Total	559	142	186	0	888
% of Total	63.0%	16.0%	20.9%	0.0%	100.0%

Source: Housing Needs Model, Template 14. Analysis by LCOG and TAC

A further step in planning for Coburg’s housing needs is determining a forecasted distribution of new housing unit types by zoning. Template 17 within the Housing Needs Model provides the functionality to determine these distributions. Table 4.19 summarizes the model forecast for housing types by zoning for the planning period.

Table 4.19: New Needed Dwelling Units by Type and Zone, 2010-2030

Housing Unit Type	New Needed Units	LDR % of Type	MDR % of Type	HDR % of Type	CBD % of Type	MU % of Type	Total
Single-family detached	560	95.6%	4.4%	0.0%	0.0%	0.0%	100%
Single-family attached	142	17.3%	62.3%	5.9%	0.0%	14.4%	100%
Multiple family	186	0.0%	21.8%	29.3%	0.0%	48.9%	100%
Mobile/Manufactured	0	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Total	888	560	154	63	0	111	888

LDR, MDR and HDR: Low, Medium and High Density Residential, CBD: Central Business District, MU: Mixed Use
Source: Housing Needs Model, Template 17

Within the model, staff use standard zoning designation names and density ranges as identified by DLCDC.³¹ Low Density Residential (LDR) traditionally consists of density ranges between 2 and 6 dwelling units per acre. Medium Density Residential (MDR) traditionally consists of density ranges between 6 and 12 dwelling units per acre. And finally, High Density Residential (HDR) traditionally consists of density ranges above 12 dwelling units per acre.

Coburg's current residential zoning consists mainly of what would be considered LDR, Low Density Residential. Coburg's current LDR equivalent is its Traditional Residential (TR) zone. The corner lot provision allowing duplex units on specific corner lots within Coburg's TR zone does, however, allow for developments within the MDR range. Coburg's TMR zone allows for developments within all three categories.

Certain assumptions were made by staff and the TTAC about Coburg's future zoning dynamics in order to generate the information summarized in Table 4.19. These include the following: (as represented in the table)

- Coburg would institute, as recommended by the Coburg 2004 Study,³² separate medium, and high density zones.
- A low density zone would consist generally of single family units, with a limited share of duplex units (similar to what currently exists).
- A medium density zone would consist mostly of single family attached housing, cottage developments, with lesser proportions of tri and four-plexes, manufactured homes in parks and single family homes.
- A high density zone would consist mostly of tri and four-plex units, with some duplexes.
- A mixed-use zone would consist mostly of tri and four-plex units, with some duplexes.

Step 6. Needed Density Ranges and the Average Needed Net Density for All Structure Types

Calculating Housing Density

OAR 660-008-0010 requires that "sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection."

Density can be expressed in different ways including persons per square mile, units per acre, or floor area ratio. Residential density is typically expressed in housing units per acre and measured as net or gross. Net density is a units-per-acre density measurement that includes only land occupied by residential uses. In its calculation, it does not include streets, parks or other uses. Gross density, in contrast, is a units-per-acre density measurement that includes in the calculation, land occupied by public rights-of-way, recreational, civic, commercial, and other non-residential uses.

The Housing Needs Model uses a *gross* density figure in order to account for public facilities in its overall land need outcome.

³¹ Safe Harbor Goal 14 (OAR 660-024-0040)

³² 2004 Study recommended zoning (Table 4-20)

Housing Density Background

Coburg Crossroads Vision 2003

One of the City's first steps in its 2003 periodic work program was the development of a community vision. After an extensive public involvement process, the community vision that was developed from this process was reviewed and approved by the Council, and approved by DLCDC on December 9, 2003, and is reflected in the *Coburg Crossroads Community Vision*.

Town Planning Principles

Early in the process, stakeholders agreed to a draft set of town planning principles addressing a number of issues, including housing. The goals, policies, and actions agreed to in these Town Planning Principles addressed many key issues that would form the vision for community growth. Appendix D includes a summary of applicable goals and Policies that resulted from the 2003 visioning process.

Town Plan Map Alternatives Analysis

The Coburg community participated in a number of design charrettes to consider a town center, neighborhoods, schools, parks, civic buildings, and transportation facilities. Community consensus was found (see Map 8). The land need analysis that supported this town plan map included the following assumptions related to residential development:

- The average overall net density used was **8.7 units per acre**.
- The average overall gross density was **6.7 units per acre**.
- The average overall net density for new single family development used was **6 dwelling units per acre**.
- The average overall net density for new medium density multifamily development used was **14 dwelling units per acre**.
- The average overall net density for new higher density multifamily development used was **20 dwelling units per acre**.
- **70 percent** of the new development was assumed to be composed of single family units.
- **25 percent** of the new development was assumed to be composed of medium-density multifamily development.
- **5 percent** of the new development was assumed to be composed of higher-density multifamily development.

The Vision thereafter played an important role in shaping the Periodic Review of the goals and policies of the existing Comprehensive Plan and the Coburg Zoning Code.

Housing Density Background: 2004 Study

Another part of the Periodic Review process was the development of the 2004 Study. Study:

- The average **overall net density was 7.0 units per acre**.
- The average overall net density for new single family development used was **6 dwelling units per acre**.
- The average overall net density for new multifamily development used was **13.3 dwelling units per acre**.

- **63 percent** of the new development was assumed to be composed of single family units.
- **12 percent** of the new development was assumed to be composed of manufactured (mobile) homes.
- **25 percent** of the new development was assumed to be composed of multifamily development.

The 2004 Urbanization Study concluded that the residential zoning would need to be modified to meet targeted densities. This was also consistent with the Vision. The following residential zoning was recommended in the 2004 Study:

Table 4.20: Proposed Residential Zoning System

Zone	Housing Types	Lot Size Range	Density Range
Low Density Residential (R-L)	Single-family detached, Single-family attached, manufactured homes	6,000 sq. ft. – 10,000 sq. ft.	4-8 DU/net residential acre
Medium Density Residential (R-M)	Single-family attached, Single-family detached, manufactured homes, row houses, townhouses, condominiums	4,000 sq. ft. – 7,000 sq. ft.	6-10 DU/net residential acre
High Density Residential (R-H)	Row houses, townhouses, condominiums, apartments	2,500 sq. ft. – 5,000 sq. ft.	9-18 DU/net residential acre
Mixed-use residential (MUR)	A mixture of housing types on a single site: single family, multi-family manufactured	Variable	

Based on anticipated densities and the mix of housing, the 2004 Study estimated that Coburg would need 168 gross residential acres between 2002 and 2025. This would consist of 94 acres of low-density, 48 acres of medium density, 13 acres of high density, and 13 acres of mixed-use residential lands (see Map 9).

As a result, the Comprehensive Plan and Zoning Code made several amendments to increase density requirements..

Comprehensive Plan

On September 20, 2005, Comprehensive Plan/Map and Zoning Code amendments were adopted by the City. They were co-adopted by Lane County early in 2006. . Key policies affecting housing and land use included:

- Creation of a Traditional Residential Zoning Designation which provided for a variety of residential housing choices including low-medium density housing=
- Creation of a Medium Density Residential Zoning Designation which provided for a variety of residential housing choices including medium density housing
- Creating an overall density of 6.5 dwelling units per net acre for new housing.
- Maintaining small-town character by creating design standards for multi-family residential where no more than four dwelling units were allowed in any single structure.
- Mobile homes would be permitted to locate within designated Mobile Home Planned Unit Developments which shall be no smaller than one acre and no larger than three acres in area.

- Encourage the incorporation of limited mixed-use commercial/residential development in commercial zoning districts by providing incentives such as density bonuses.

A full copy of the Comprehensive Plan policies affecting housing is contained in Appendix D.

Oregon Density Safe Harbor (Goal 14)

The State released new Safe Harbors between the development of the 2004 and 2010 Studies. Cities may opt to use Safe Harbors when considering planned density and housing mix. Safe Harbors are intended to save jurisdictions (as well as the State) time and money by providing clear and predetermined standards that ensure consistency with statewide planning goals. The new Goal 14 Safe Harbor was the result of a rulemaking project that began in June, 2004. LCDC initiated this project to clarify Goal 14 and to reduce cost and litigation associated with the UGB process. The use of Safe Harbor is intended to provide a more streamlined and less contentious UGB update process.

It is important to remember that a Safe Harbor is, by definition, voluntary, and not a standard (see OAR 660-024-0010(4)). Coburg can choose whether or not to use the Safe Harbor, and there is no penalty for not using them. Whether using the Safe Harbor or not, Coburg must adopt an average UGB-wide residential density target for the planning period that is consistent with Goal 10 and Goal 14, and adopt measures likely to achieve that density.

The new Safe Harbors provide several options for addressing density and housing type. Following is a discussion of how the standard Safe Harbor option applies to the Study:

Option 1: Standard density Safe Harbor (OAR 660-024-0040 (8) (f))

The “standard” density Safe Harbor requires communities within Coburg’s population class (2,500-5,000 planned population) to meet a standardized housing mix for its *buildable* lands. This mix is 60 percent Low Density Residential (LDR), 20 percent Medium Density Residential (MDR) and 20 percent High Density Residential (HDR) (a 60/20/20 mix). In order to meet the Safe Harbor standards, this mix must be provided along with some portion of zoning allowing at least 8 units per acre, an overall average of at least 6 units per acre and a minimum of 4 units per acre (all applied to buildable lands only).

Looking forward using the Housing Needs Model, staff generated assumptions that resulted in a housing mix for buildable land of 60/21/19, which is slightly different than the 60/20/20 mix standard required by Safe Harbor option 1. Although the mix does not hit the Safe Harbor standard, Study sufficient evidence in the model and in the application of Goal 10 and Goal 14 principles exist to support the mix.

Goal 14 Summary

The Housing Needs Model uses the inputs introduced above to be collectively considered to estimate housing needs. Goal 14 requires a discussion of efficiency in providing for the housing needs of the community. The Safe Harbor Safe Harbors provided by the State were determined, by the TAC, Planning Commission and City Council not to be well-suited for Coburg. As a result, the Study Staff took this direction and applied the alternative State requirements identified by Goals 10 and 14 and developed an independent approach to meeting Goal 14 efficiency standards.

Planned Mix

Housing mix is a measure of the proportions of housing at specified density ranges. The City has determined to pursue a housing mix *for buildable lands* of 60 percent Low Density (4-6

dwelling units per acre), 21 percent Medium Density (6-12 dwelling units per acre) and 19 percent High Density (13+ dwelling units per acre). This determination is made because although recent development has been lower density, Coburg's historic densities are relatively efficient.

Appendix H illustrates different existing neighborhood and shows the current range of development patterns. Many of the existing neighborhoods achieve the medium density standards.

The overall density profile of Coburg should be maintained with adjustments made to accommodate a moderate increase in higher density housing to meet both efficiency and housing need standards. Table 4.21 contains a summary of Coburg's current housing mix, its planned mix (for buildable lands), and the estimated overall mix that would result.

Table 4.21: Coburg Existing, Planned and Overall Housing Mix

	LDR (2-6 Du/acre)	MDR (6-12 Du/acre)	HDR/MU (13+ Du/acre)	Total
Existing Mix*	65%	25%	10%	100%
Planned Mix**	60%	21%	19%	100%
Overall Mix	61%	22%	17%	100%

**Existing MDR represents corner lot-duplex provision in Coburg*

***Buildable Lands only*

The planned mix and resulting overall mix reflect a moderate increase in the proportion of higher density housing and a slightly less proportion of lower density housing. The High Density category includes a Mixed Use (MU) category. The 2004 Study process introduced ideas about the possibility of including mixed use zoning and development in Coburg (for undeveloped property on the north side of Pearl Street). Mixed Use is discussed further in Chapter 7 (UGB Expansion Analysis).

Planned Density

The planned density in Coburg will outline the densities necessary for specific housing types to meet the planned housing mix. The planned densities were determined by using existing policy documents including the Coburg Crossroads, the 2004 Study, Comprehensive Plan and Zoning Code. Further, although Safe Harbor standards are not being applied to this Study, the themes presented in Safe Harbor are applied to the density assumptions.

Table 4.22 summarizes the results of the planned net densities per density range and housing type used in the Housing Needs Model. For Low Density development, an average density of 5 units per acre is assumed. This figure is linked to the lot size minimum of 7,500 square feet. The assumption for Medium Density development is an average density of 10 units per acre. For High Density development an average density of 14 units per acre was assumed, and a slightly higher density of 15 units per acre was used for Mixed Use development. Table 4.22 also summarizes the average densities assumed per housing type. Based on these figures, the overall density for proposed buildable lands in Coburg would be approximately 6.6 units per acre (just over the 6.5 target outlined in the Comprehensive Plan).

Table 4.22: Coburg Planned Densities by Zone and Housing Type

	Planned Densities			MU	AVG
	LDR	MDR	HDR		
Single Family Detached Units	4.8	8			5.2
Manufactured Dwelling Park Units		8	8		8.0
Single Family Attached Units	10	10	12	12	10.3
Multi-Family Units		12	15	15	14.4
Density Overall Zone	5	10	14	15	6.6

Required Residential Land Need:

The Housing Needs Model’s calculation of the number of units by type, tenure, and density results in assumptions about current and future housing demand. This demand is utilized in Template 18 to generate a summary of total lands needed to accommodate residential growth. Table 4.23 is a summary of those figures.

Table 4.23: Coburg Housing Land Needs by 2030

	LDR	MDR*	HDR	MU	CBD	Total
Acreage Needed	112.0	15.4	4.5	7.4	0.0	139.2

***Buildable Lands only*

Additional Land Needs:

An additional percentage must be incorporated into long term land needs assessments to address public infrastructure such as transportation facilities, utility facilities (e.g. wastewater facility) and parks and open space.

Streets

Future development will require transportation access. Coburg’s existing streets occupy approximately 99 of the City’s overall 650 acres or about 15 percent of the total land. Future growth will require a similar percentage. Coburg has adopted policies to encourage “skinny” and “shared-use” streets and alleys to decrease the overall need for street infrastructure.

Parks

The Coburg Parks and Open Space Master Plan (POS) (2005) included a needs analysis which determined the City’s projected need. Using State and national park and recreation guidelines, target acreages were set for mini, neighborhood, and community parks. This number was set at 10.5 acres per 1,000 residents. With this target, it was determined that in 2005 the City had close to an adequate supply of mini and neighborhood park acreage with 1.7 acres of neighborhood park (target is 2.0) and 0.8 acres of mini parks (target is 0.7 acres). With no community park, the city is currently deficient in that area with the need for 8.4 acres identified. The 2005 POS analysis determined that the City would need an additional six acres of neighborhood park land, one acre of mini park land, and 26.6 acres of community park land, for a total of approximately 35 new acres to accommodate park needs. That translates into approximately two additional neighborhood parks, two to three additional mini parks, and a single community park. The POS identified locations for new parks and open space.

Schools

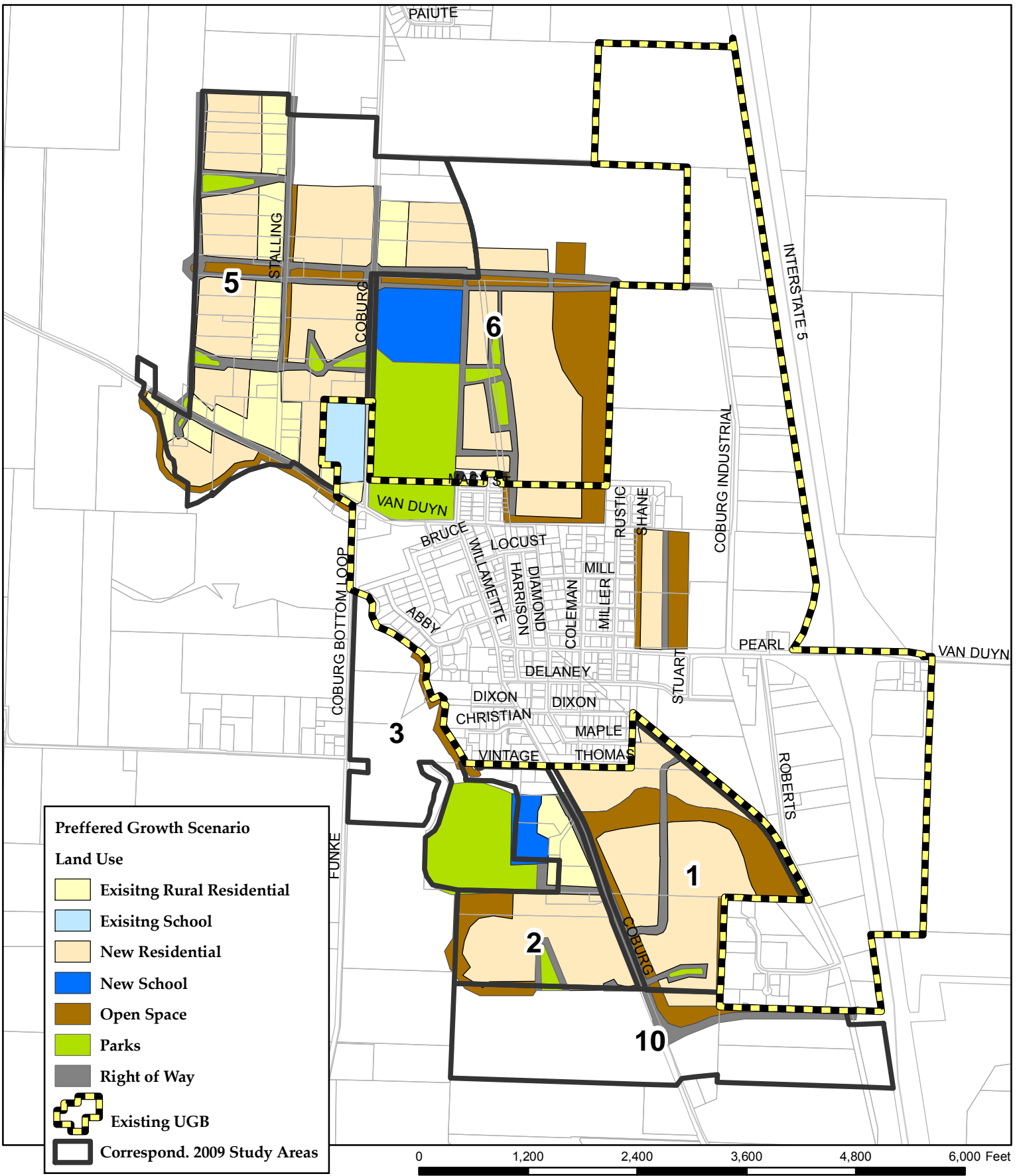
Coburg’s existing elementary school is currently functioning under capacity. The Study analysis confirms that no additional school property will be needed accommodate growth over the next 20 years.

Table 4.24 provides a summary of the land needs required to meet the public infrastructure need.

Table 4.24 Public and Semi Public Facilities Land Needs (2010-2030)			
	Existing Acres	Demand (2010-2030)	New Needed Acres
Schools	9.3	9.3	0
Streets	99	113.5	14.5
Parks	28	63	35
Total			49.5

Conclusion

The City of Coburg's anticipated housing dynamics which consider population, demographics, and the economic factors, indicate growing housing needs within the planning period. The sum of residential and public facilities land demand is approximately 189 acres (139 + 50). These "Land Demand" conclusions will be paired with the "Land Supply" conclusions from Chapter 3 (Buildable Lands Inventory), to determine housing needs. Chapter 6 (Comparison of Land Supply and Demand) provides this summary of additional acres needed to meet housing demand in Coburg over the 20-year planning period.



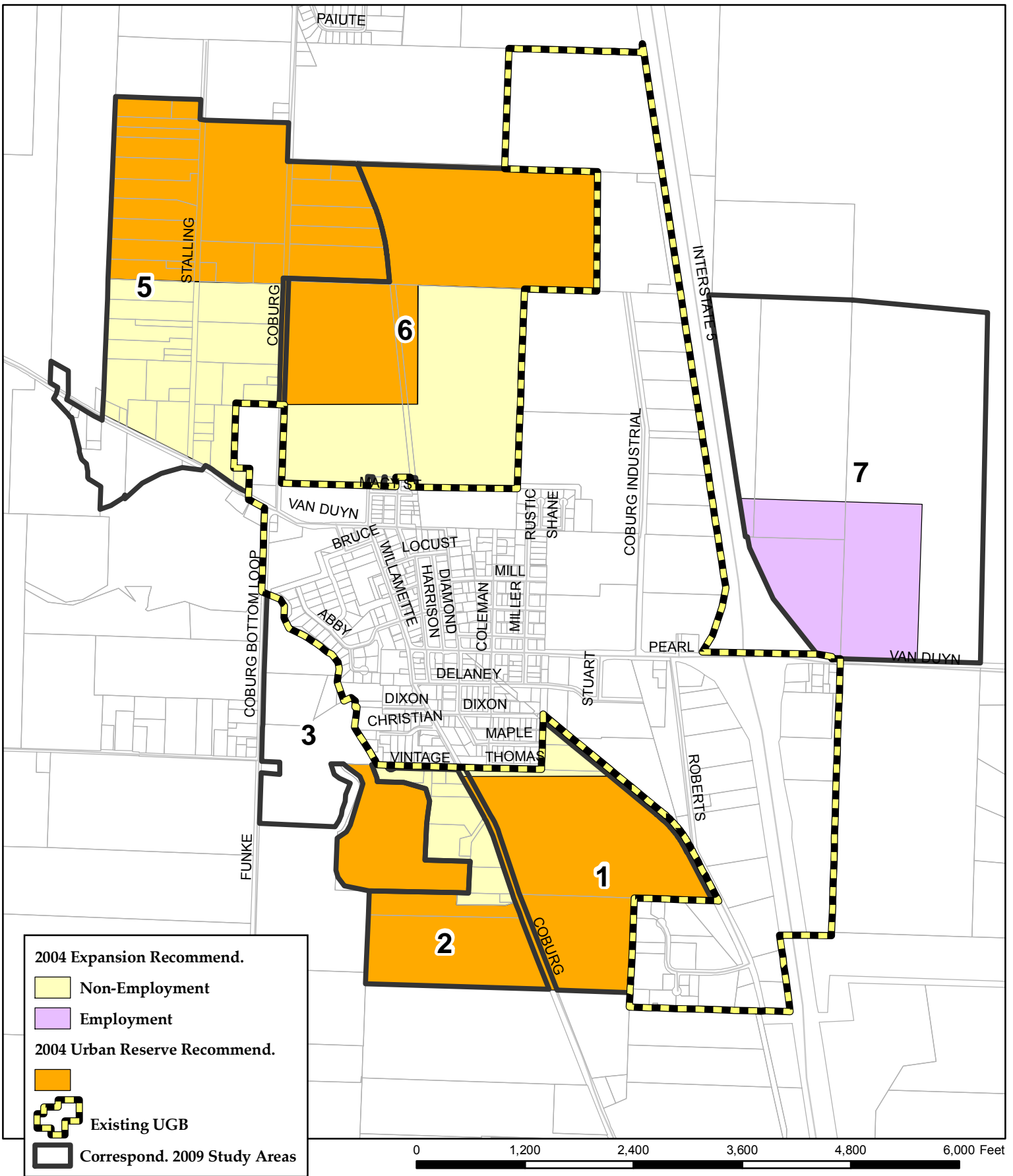
Map 8: Coburg Crossroads Preferred Growth Scenario

Coburg Urbanization Study



The information on this map was derived from digital databases on Lane Council of Governments' regional geographic information system. Care was taken in the creation of this map, but it is provided "as is". LCOG cannot accept any responsibility for errors, omissions, or positional accuracy in the digital data or the underlying records. Current designations (e.g., zoning) for specific parcels should be confirmed with the appropriate jurisdictions. There are no warranties, expressed or implied, accompanying this product. However, notification of any errors will be appreciated.





1 inch = 1,400 feet

Map 9: 2004 Urb. Study Expansion Recommendations Coburg Urbanization Study



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