Urbanization Study Technical Advisory Committee
ITEM SUMMARY

TOPIC: Urbanization Study – Tasks 4 & 5

Meeting Date: February 11, 2009
Staff Contact: Petra Schuetz
Contact Telephone Number: 541-682-3639

ACTION: ***Confirm direction for Economic Opportunities Analysis based on earlier feedback. Review and provide feedback on Buildable Lands Inventory policy issues.***

AGENDA ITEM SUMMARY
This memo summarizes some of the key steps and regulatory requirements to complete the Buildable Lands Inventory.

Staff Recommendation: Staff recommends that the TAC review and develop recommendations to the Buildable Lands Inventory policy questions presented in Section II.

KEY DISCUSSION ISSUES

I. ECONOMIC ANALYSIS

1. **Baseline employment population.** The City has opted to use county level Quarterly Census of Employment and Wages (QCEW) "covered employment" data from the Oregon Employment Department (OED) as a base employment figure for each industry sector. 2006 employment figures are the most recent QCEW figures, and are thus the figures used in this study. In addition, to account for "non-covered" employees, staff has evaluated "Total Employment" figures, produced by the Bureau of Economic Analysis for each county and has refined these figures to more accurately reflect non-covered employee populations within the City. Staff has used the information supplied by the TAC on industries within Coburg that are likely to contain relatively high numbers of employees that are non-covered to refine the Bureau of Economic Analysis data. The results of this analysis are included in Table 5.1 of Attachment 1.

   TAC Input Requested: Review and approve the revised baseline employment figures.

2. **Employment growth.** The City has opted to use an approach that is based upon one of the Safe Harbors established in OAR 660-024-0040(8)(a), and adjusted based on local knowledge and/or community vision. Under the Safe

Harbor, Coburg would estimate that the current number of jobs in the urban area will grow at a rate equal to the County or Regional job growth rate provided in the most recent forecast published by the Oregon Employment Department. As a result, the employment growth rate would be evaluated by applying the annual average growth rate (AAGR) percentages from OED's 10-year Lane County employment sector forecast (2006-2016) to Coburg's industry sectors (2008-2031). Adjustments to specific growth rates in any particular sector could be made to reflect any local or recent insights that may adjust Lane County level trends to be more in tune with Coburg level trends. Using information from the TAC as well as economists, staff has adjusted specific growth rates to industries anticipated to grow at different rates than estimated for Lane County as a whole in order to generate an overall estimate for employment growth within the planning period (see Table 5.2 of Attachment 1).

TAC Input Requested: Review and approve the employment growth projections.

II. BUILDABLE LANDS INVENTORY

Current state law requires that cities inventory residential, commercial, and industrial land within their Urban Growth Boundaries (UGB) and maintain a 20-year supply of buildable lands. In general, a buildable lands inventory and analysis contains a supply analysis (buildable and redevelopable land by type) and a demand analysis (population and employment growth leading to demand for more built space: residential and non-residential development). A Buildable Lands Inventory, which is the focus of this section, addresses only the supply component. The demand analysis will be brought back to the TAC for comment at a future meeting. The demand analysis will focus on comparing the land supply with the expected demand to determine if an adequate supply of buildable land exists in terms of both quality and quantity.

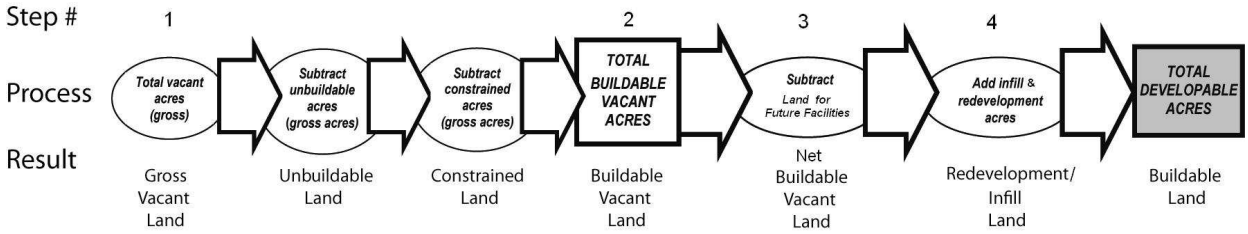
The inventory of buildable lands includes residential, commercial, and industrial land inside the city's urban growth boundary (UGB). Buildable lands include both undeveloped land and developed land that is likely to be redeveloped, and excludes lands determined to be unbuildable by federal, state, or local regulations.

An inventory is important for several reasons:

- It helps determine the quantity and quality of vacant lands;
- It helps identify how actual development patterns have been occurring; and
- It helps determine the capacity of the UGB to accommodate residential and employment growth.

There are several steps in conducting a Buildable Lands Inventory. The general structure is based on the DLCD *Planning for Residential Development* workbook,

which specifically addresses residential lands, but is alsoapplicable to commercial and industrial lands. As outlined in the Workbook, the steps and sub-steps in the supply inventory are:



Step 1: Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.

Step 2: Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total vacant acres.

Step 3: Calculate net buildable vacant acres by plan designation by subtracting land for future facilities from gross buildable vacant acres.

Step 4: Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable vacant acres.

The total net supply of land is determined by adding the gross vacant acres to the gross redevelopable acres and the gross acres available for infill development, and then subtracting for unbuildable lands.

In general, the following definitions are used to classify the properties into different categories.

- *Vacant land* – Tax lots that have no structures or have buildings with very little value.
- *Undevelopable land* – land that is under the minimum lot size for the underlying zoning district, land that has no access, or land that is already committed to other uses by policy.

- *Partially vacant land* – Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning.
- *Developed land* – Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period.
- *Potentially redevelopable land* – Land on which development has already occurred but on which, due to present or expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period.

The following outline some of the key initial discussion issues that will help to frame the Buildable Land Inventory:

Step One Questions:

1. **What definition should be used to distinguish vacant properties? What definition should be used to distinguish partially vacant properties?**

   Vacant Land:
   For the purposes of implementing Goal 9 (Economic Development), vacant land is defined as a lot or parcel that is:

   (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or

   (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

   Staff has included these areas as vacant, but also included additional areas that may not meet the size thresholds noted above but do not contain structures or other significant man-made improvements. In general, vacant lands can be identified based on Assessor land use classifications and minimal or zero improvement values. However, a threshold does need to be determined for the value of improvements that could occur on a property if that property continued to be classified as vacant. The 2004 Study used an improvement value of less than $5,000 (not including lands that are identified as having mobile homes) for residential properties. In contrast, the Assessor Office does not include any properties with improvements as 'vacant' for assessment purposes.

   Recommendation: Continue to use the threshold established in the 2004 Study.

   TAC Input Requested: Staff is seeking concurrence that the $5,000 threshold is an appropriate improvement value to use to distinguish vacant properties.

   Partially Vacant Land:

Partially vacant tax lots have improvements but also have enough undeveloped land to accommodate additional development.

For Traditional Residential lots, it is recommended that partially vacant lots be classified by considering the existing district regulations.

Recommendation: Based on current minimum lot size standards established in Coburg, it is recommended that partially vacant lands be determined by evaluating all developed lots greater than 15,000 square feet in size (which is equivalent to the area needed to divide property in the Traditional Residential District and exclude 7,500 square feet to account for the lot containing the existing structure.

Currently, there are no partially developed Medium Density Residential District lots within the urban growth boundary.

TAC Input Requested: Staff is seeking concurrence for use of the methodology to identify vacant properties.

Step Two Questions:

2. What standard should we adopt to identify properties that are too small to be developed?

All new lots must meet the minimum lot size to be created or to be recreated with a lot line adjustment. However, existing legal lots in the residential districts regardless of size may be developed if they meet the other district regulations (e.g. setbacks, access, frontage, etc.) There are some legal lots that will be too small to be developed. The 2004 Study used a lot size of 2,500 square feet as a starting threshold for determining which lots would be undevelopable, and also included land that has no access or potential access, or land that is already committed to other uses by policy. Since that time, new zoning has been established in the City, which provided the following minimum lot size standards:

- Traditional Medium Residential (with sewer): 3,350 sq. ft. for single-family, detached or attached; 6,700 sq. ft. for duplex; 10,000 sq. ft. for multifamily
- Traditional Residential District (with sewer): 7,500 sq. ft. for detached single family and manufactured home; 8,000 sq. ft. for duplex; duplex must be located on a corner parcel with each primary entry oriented to a different street. A corner lot is defined as a lot located at the intersection of two or more streets. A lot abutting on a curved street or streets shall be considered a corner lot if straight lines drawn from the foremost points of the side lot lines to the foremost point of the lot meet at an interior angle of less than 135 degrees.
- Central Business District: 1,500 sq. ft.
- Highway Commercial District (with sewer): None
- Light Industrial District (with sewer): None

- Campus Industrial District (with sewer): None

If existing lots of record would not comply with the lot size standards, development on these lots would be governed under the Non-Conforming Lots of Record provisions in the Zoning Code. Under these provisions, in any district in which single family dwellings are permitted, a single family dwelling and customary accessory building may still be erected, even though the lot fails to meet the requirement for area or width, or both.

Recommendation: To ensure consistency with the 2004 Study, use 2,500 square feet for properties in the Traditional Medium Residential and Traditional Residential zones; otherwise use 1,500 square feet in the Central Business District. Further refine this by analyzing access limitations as well as land that is already committed to other uses by policy. The attached draft map (see Attachment 2) shows the classification of properties as "undevelopable" using this methodology.

TAC Input Requested: A determination on the appropriate lot size to use when determining what properties are able to develop.

3. How should we reduce the buildable portion of constrained lands (e.g. lands within the flood fringe portion of the 100-year floodplain mapped by FEMA, wetlands, etc.)?

One of the steps in the Buildable Lands Inventory is to deduct land that is not suitable for development. Land is generally considered "suitable and available" unless it:

- Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;
- Has slopes of 25 percent or greater;
- Is within the 100-year flood plain; or
- Cannot be provided with public facilities.

One issue that needs to be rectified is how much land area should be discounted for environmentally sensitive areas when determining how much vacant and redevelopable land is available.

The following outlines some of the key City provisions pertaining to these types of constrained lands:

***Flood Hazards**:* The Flood Insurance Rate Map (FIRM) designates areas subject to a 1% or 100-year flood. Coburg's Zoning Ordinance regulates development in the floodplain through zoning. The areas in the flood plain are in the Flood Plain Sub-District designation. Staff has prepared an initial map that shows the current areas designated in the FIRM as subject to a 1% or 100-year flood (see

Attachment 6). Development in this subzone must meet the requirements of this zone that have to do with floor elevation, anchoring, construction materials and methods, and utilities. Since the City does permit development within these areas, it is recommended that these areas be included as suitable for development.

Wetlands: The City has completed a local wetlands inventory. An LWI aims to map all wetlands at least 0.5 acres or larger at an accuracy of approximately 25 feet on a parcel-based map. Actual map accuracy varies, and areas that could not be field verified will be less accurate. (The LWI is not a substitute for a detailed delineation of wetland boundaries.) The LWI maps and report provide information about the inventory area and the individual wetlands, including:

- Total acreage of wetlands in the inventory area
- Acreage of each wetland type in the inventory area (e.g., 18 acres of forested wetland)
- Location, approximate size, and classification (type) of each wetland mapped
- A description of each mapped wetland
- A functions and condition assessment of all mapped wetlands
- All tax lots containing wetlands

It is important to note that since the boundaries of the wetlands have not been delineated, the actual acreage may differ when a future review is done closer to the time of development of the property. Nonetheless, this is a good approach to use at this broad planning stage.

If a wetland is identified on a lot to be developed, the Coburg Zoning Code requires site review by the Oregon Division of State Lands or the US Army Corps of Engineers prior to any development activity. Site review in these cases would consist of a determination of significance of the wetland resource and, if found to be significant, the application of the Statewide Planning Goal #5 ESEE analysis.

Since accurate GIS data of the initial LWI analysis is available, staff can complete an overlay analysis with parcel data in order to calculate the area potentially encumbered by wetlands (see Attachment 6). Since the LWI was completed, it appears that several of the features identified may have been impacted by previously approved development proposals, such as the wetlands shown on the Monaco Coach site located west of the clinic area and some of the features located in the industrial area off of Roberts Road.

Therefore, the next step is to determine how much of this land should be identified as constrained and therefore developed at a lesser intensity than unconstrained lands. The Comprehensive Plan offers the following guidance:

- Fish and wildlife habitats including rivers, wetlands, and forests shall be protected and conserved to the extent the City has jurisdiction.

- The Cities Wetland Map identifies areas of inventoried as wetlands. This map should be used to identify properties that may need a wetland permit from the Oregon Division of State Lands and the U.S. Army Corps of Engineers prior to development. The City shall consider additional code authority to enforce protection of wetlands.

- Lands classified as wetlands by the DSL or the Army Corps of Engineers shall be subject to site review approval by the City of Coburg. The purpose of the site review will be to determine the significance of the site and, if the resource is found to be significant, apply the statewide planning Goal #5 ESEE analysis.

- The City shall protect or mitigate, whenever possible, fish and wildlife habitats including rivers, wetlands, and forests, and significant natural areas and habitats of rare or endangered species.

Other recent studies in the area have taken varying approaches to addressing how much of the land containing wetlands should be considered buildable. The BLI for the City of Creswell deducted 50% of the land identified as wetlands as constrained, while the BLI for the City of Cottage Grove considered all land identified as potentially containing wetlands as buildable. It is important to distinguish that these cities use data from the National Wetland Inventory and did not benefit from the more detailed analysis of a Local Wetland Inventory, which can pinpoint to a greater degree properties that may be impacted by the presence of wetlands.

Riparian Areas: As part of the local wetlands inventory, an inventory or riparian corridors was also completed. There are two open water courses within the City; both were identified as wetlands within the LWI and therefore are addressed above. The City Zoning Ordinance does not currently contain any specific riparian buffer protection for these features. The Comprehensive Plan provides the following:

- Lands within natural drainage ways, Muddy Creek irrigation channels, farmland, and landscaped areas such as parks and school grounds will be preserved in an open character to the greatest extent possible through provisions of the Zoning Ordinance. This policy includes the retention of existing vegetation and natural banks for flood protection, wildlife habitat, water quality, open space and other benefits to the community along the Muddy Creek irrigation canals and other natural drainage ways.

Slopes: No land in Coburg is constrained by slopes.

Other: Development constraints can also includes areas encumbered by environmental contamination, cultural and archeological resources, infrastructure

deficiencies, parcel fragmentation, or natural hazard areas. Staff is requesting notice of any areas that may otherwise be impacted by these types of constraints.

TAC Input Requested: Provide guidance on methodology to use for wetlands. There are several different options that could be used including:

- Include all wetlands as buildable;
- Exclude all wetlands as unbuildable;
- Exclude all wetlands identified as significant in the LWI, but include remaining wetlands as buildable;
- Use 50% of lands;
- Exclude those that have already been developed, etc.

Provide information on other constrained properties that should be considered.

Step Three Questions:

4. What deductions should be made for roadway dedication and other requirements?

When development occurs, a portion of the undeveloped parcel will be needed for roads, rights-of-way, and other public facilities. As a result, an assumption will need to be made about how much land is needed for these purposes so that the land area can be deducted from the net buildable residential acres. Under the provisions of OAR 660-024-0040(9), Coburg can estimate that the 20-year land needs for streets and roads, parks and school facilities will together require an additional amount of land equal to 25% of the net buildable acres for residential land needs.

This was not the approach used in the 2004 Study, which instead evaluated lands needed for public facilities and operations, for parks and open space, and for semi-public uses on a per capita basis, then evaluated those against existing inventories to generate an assumed need.

Recommendation: Use safe harbor for consideration of rights-of-way and other public facilities.

TAC Input Requested: Confirm use of safe harbor for consideration of rights-of-way and other public facilities.

Step Four Questions:

3. What standards should be used to determine whether vacant and partially vacant lands can be further developed through infill?

Residential infill can occur when a vacant or partially vacant lot is large enough to divide, creating one or more new lots. These properties are generally identified

based on comparisons of current and potential densities or lot sizes. For example, a single house on a 1-acre parcel where the zoning allows 4 DUs/acre. This second process is called a partition if three or fewer lots are created out of the original lot; a subdivision if four or more lots are created.

In the 2004 Study, a land area of 20,000 square feet was used and property exceeding this lot size was identified as partially vacant land.

Since that time, new zoning has been established in the City, which provided the following minimum lot size standards:

- Traditional Medium Residential (with sewer): 3,350 sq. ft. for single-family, detached or attached; 6,700 sq. ft. for duplex; 10,000 sq. ft. for multifamily
- Traditional Residential District (with sewer): 7,500 sq. ft. for detached single family and manufactured home
- Central Business District: 1,500 sq. ft.
- Highway Commercial District (with sewer): None
- Light Industrial District (with sewer): None
- Campus Industrial District (with sewer): None

The division of land would also need to meet all other requirements of the Zoning Code, such as maximum lot coverage (30% per lot), minimum width (60 feet) and access provisions.

The State has also established the following safe harbor that could be used to determine residential infill potential, as provided for in OAR 660-024-0050 as follows:

- The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land; or
- Existing lots of less than one-half acre that are currently occupied by a residence may be assumed to be fully developed.

A breakdown of existing lots, classified by lot size, in the Traditional Residential zone is included in Attachment 5. This map shows approximately 61 lots within the Traditional Residential zone as containing at least 15,000 square feet. Staff has completed an initial review of these lots to evaluate lot configuration, access to public right-of-way, building placement and other factors in order to make an assumption on which of all of the potential infill lots might actually have the capacity to redevelop. Of these, staff has identified 29 lots that would not likely have capacity to redevelop, largely because of the placement of existing structures and lack of adequate room to meet access and lot width provisions. Based upon this initial review, the draft map included as Attachment 2 identifies properties in the Traditional Residential zone which

have been preliminarily determined to contain sufficient lot area and room for further infill development and classifies these properties as Redevelopable.

Recommendation: For residential lands in the Traditional Residential zone, use land area of 15,000 sq. ft. or greater and then review improvement values and aerial photographs to determine whether there is sufficient land to be further developed, given the extent and location of existing improvements as well as zoning requirements for new lots.

TAC Input Requested: Confirmation of methodology used to distinguish residential infill properties. Provide feedback on any properties that the TAC would like staff to further review.

5. Which of the potential infill properties should be anticipated to build out in the planning period?

Typically, after lands are identified as available for infill, analysis is done to determine whether all of the lands identified are assumed to actually redevelop or be further divided. One way to evaluate the expected infill development rates is to analyzing past permit records to establish trends that can then be extrapolated to the future. However, in the case of Coburg, past permitting has been constrained by the lack of sewer capacity and, as a result, this methodology may not be appropriate.

Permit records were reviewed for a three-year period between 2005 and 2008, during which the new zoning ordinance was in effect. During this time, it appears that approximately 6 lots created through infill division of property, or approximately 2 new lots per year over this 3-year period. If this historical trend were projected into the future to the year 2031, there would be approximately 44 additional buildable lots created through the infill process in the coming 22 years. Staff anticipates that development of infill residential properties will occur at a faster rate than two lots per year, once sewer becomes available. However, a review of Creswell's Building Lands Inventory shows a similar development rate. In Creswell's analysis partition activity was reviewed between 1997 and 2006. During that ten-year period, there were 19 approved partitions on residential tax lots. These partitions created 18 new lots for an average of 1.8 new lots per year over this ten-year period. In Creswell's BLI, it was determined that ten percent of all potential infill residential lands (or 44 of 440 potential lots) were expected to be developed in the 20-year timeframe.

TAC Input Requested: Determination of methodology used to distinguish residential infill properties.

6. What standard should be used to determine whether developed lands are redevelopable? Should this differ for residential, commercial, or mixed-use?

Redevelopable land is land on which development has already occurred but due to market forces or city policies, there is a strong likelihood that the existing development will be converted to, or replaced by, a new or more intensive use. Redevelopment can occur if improvements, renovation, infill, or development of a more intensive use are feasible options.

(a) Residential Land - Redevelopable residential land would generally address land where there may be potential for redevelopment of parcels with existing uses that are less intense than the planned use; for example, a single family home or mobile home on land that allows for multi-family development. In Coburg, the most potential for redevelopment on Residential lands occurs within the Traditional Medium Residential zone, which permits multifamily development. The other potential area of residential redevelopment is the conversion or replacement of single-family units with duplexes in the Traditional Residential district. Under current zoning, this could occur on corner lots, provided the lot contains a minimum of 8,000 square feet and that the entries to the units could be arranged so that each is oriented to a different street. The duplex development would also need to meet all other requirements of the Zoning Code, such as maximum lot coverage (35%), building height, and minimum yard requirements. According to an initial overview, there are approximately 62 properties in the Traditional Residential Zone that are corner lots and contain a minimum of 8,000 square feet of land area (see Attachment 3).

(b) Commercial/Industrial Land – Commercial and Industrial redevelopable land would also address land where there may be potential for redevelopment of parcels with existing uses that are less intense than the planned use; for example, if a storage area was replaced with an office building.

While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. In the 2004 Study, an improvement to land value ratio of 1:1 was used. Under this threshold, if the improvement value (value of buildings and other improvements) is less than the land value, this would indicate a potential for redevelopment. (Please note that not all parcels that meet this criterion for redevelopment *potential* will be assumed to redevelop during the planning period. The issue of *how much* land might redevelop over the planning period is another policy issue that needs to be discussed). Other studies have either used a different ratio or different method of comparison. For instance, some studies have compared improvement value (the value of structures on the property) to total value (the combined value of land, and improvements), and used a ratio of <0.5 or <0.3. Other studies have also included additional measures, such as:

- *A limit on the value of the improvements on the property.* This indicates that the investment in the property is not so great that it precludes redevelopment.

- *A determination that a significant portion of the lot is vacant.* In OAR 660-024-0050(3), the State has established a safe harbor that the City can opt to use. The safe harbor would designate properties as vacant if:
    - The property is equal to or larger than one-half acre, if the lot or parcel does not contain a permanent building; or
    - Equal to or larger than 5 acres in size, if less than one-half acre of lot is occupied by a permanent building.
- *Existing use is less intense than plan designation would allow.* For instance, this would include any residual residential development on land that is designated for industrial or commercial uses.
- *The existing building is unused.* Some buildings may be vacant for a period of time and this may indicate an opportunity for renovation of the building, or redevelopment of the property.
- *Local knowledge of potential opportunities.* Some properties that did not meet the criteria mentioned above may still have potential for redevelopment, based on the knowledge of the TAC and city Staff.

Recommendation: To better gauge the potential impact of this issue, Staff has run through some examples using current Assessment data from properties within Coburg, as follows:

Land Value	Improvement Value	Total Value	Redevelopable with 1:1 Ratio	Redevelopable with .50 Ratio	Redevelopable with .30 Ratio
1,103,531	303,010	1,406,541	Yes (Improvement <1,103,531)	Yes (Improvement <703,270)	Yes (Improvement <421,962)
1,189,908	603,362	1,793,270	Yes (Improvement <1,189,908)	Yes (Improvement <896,635)	Yes (Improvement <537,981)
200,433	166,670	367,103	Yes (Improvement <367,103)	Yes (Improvement <183,551)	No (Improvement >110,130)
508,730	2,256,440	2,765,170	No (Improvement >508,730)	No (Improvement >1,382,585)	No (Improvement >829,551)
110,034	448,200	558,234	No (Improvement >110,034)	No (Improvement > 279,117)	No (Improvement > 167,470)

As shown in these examples, the ratios made little difference whether a property would be classified as redevelopable except in cases where the improvement and land values were nearly even. In this case the .3 ratio would indicate that the property is not redevelopable. As a result, for consistency, Staff is recommending continuation of the 1:1 improvement to value ratio used in the 2004 Study, which is depicted in Attachment 4. In addition, Staff would recommend including properties where the existing use

is less intensive than the plan designation would allow. Staff would also like to receive feedback on any properties that the TAC recognizes as having redevelopment potential. Please evaluate the draft map included as Attachment 4 for properties that have been preliminary classified as redevelopable based upon application of a 1:1 ratio as well as staff review of properties that could be more intensely developed, based upon an evaluation of existing land use and allowed uses under the Zoning Code.

TAC Input Requested: Confirmation of methodology used to distinguish redevelopable properties. Provide feedback on any properties that the TAC recognizes as having potential for redevelopment.

(c) Mixed-Use Property: The Central Business District zone (C-I) allows residential uses, both as part of a mixed-use development and as a stand-alone use. Individual single-family uses require frontage on local or collector streets, while residential in a mixed-use context is allowed above or behind a commercial use. This zone therefore allows both residential and non-residential uses. Within the Buildable Lands Inventory, staff will need to make an assumption as to how much of the residential demand will be met in mixed-use development within the C-I District.

Recommendation: There are different alternative approaches that could be used to determine the percentage of each use (commercial versus residential) in a mixed-use zone, including:

- Match the proposed distribution of land use to the current district characteristics. According to current land use maps, there are approximately 15 of 69 properties in the Central Business District that contain residential land uses (or roughly equivalent to 21% of properties).
- Adjust the existing distribution of land use to reflect priorities established in the Comprehensive Plan. As established in the Comprehensive Plan, the Central Business District designation is intended to establish the downtown area as the historic heart of Coburg. The CBD is the location for smaller scale commercial and business facilities, civic buildings and city functions, and mixed use. This vision might suggest that residential land use was to serve as a complimentary land use to commercial uses, and therefore would assume a larger share for commercial uses.
- Evaluate the lot configurations of specific properties to identify where residential uses might be likely to develop behind commercial uses and adjust the assumptions to reflect this analysis.

TAC Input Requested: Provide input on the approach to be used to determine how much of the residential demand will be met in mixed-use development within the C-I District.

7. How should large expanses of land that may currently be dedicated for drainfields be considered?

There are potentially large expanses of property that are currently encumbered by drainfields that may be available for development as the transition to sewer occurs. These occur on property that is identified in Attachment 2 as underdeveloped, as well as property that is identified as developed.

TAC Input Requested: Staff is requesting input from the TAC on any areas identified as developed and which contain large expanses of drainfield area that could be further developed. If these areas are identified, staff would like feedback on whether the portion of the property presently constrained by drainfields should be reclassified from developed to underdeveloped.

8. What assumptions should be made about the potential for lots to redevelop within the planning period for this study (2031)?

Typically, after lands are identified as redevelopable or available for infill, analysis is done to determine whether all of the lands identified are assumed to actually redevelop. If a reduction in the amount of redevelopable land seems warranted - due to market forces, development patterns, ownership constraints, or other factors - a proportion can be developed by analyzing past permit records to establish trends that can then be extrapolated into the future. However, in the case of Coburg, past permitting has been constrained by the lack of sewer capacity and, as a result, this methodology may not be appropriate.

Residential Redevelopment

According to an initial overview, there are approximately 62 properties in the Traditional Residential Zone that are corner lots and contain a minimum of 8,000 square feet of land area (see Attachment 3). It is unlikely that the majority of these would redevelop with duplex units. The age and condition of the existing structure as well as inability to meet zoning requirements, such as lot coverage restrictions, with a duplex development are constraints. As a result, an assumption needs to be made about how many of these corner lots will be likely to redevelop as a duplex unit over the planning period, given the zoning constraints, market conditions, and other factors.

The 2004 Study evaluated the concept of redevelopment to higher intensity uses in the Traditional Residential zone using an improvement to land value ratio of 1:1. Under this threshold, if the improvement value (value of buildings and other improvements) is less than the land value, this would indicate a potential for redevelopment. (Note: eventually it was determined that no redevelopment to higher intensity was likely, so this analysis was not used). Using this concept, an analysis shows that none of the 62 lots have an improvement value of less than the land value.

Other methods of analysis could also be used to determine the likelihood for redevelopment, including a review of past historical trends. Since Coburg historical development of duplexes units under this provision is minimal, analysis would need to look at other cities for information. A recent Buildable Land Inventory completed for the City of Creswell identified one-unit attached dwellings accounting for 8% of dwelling unit construction between the years 1990 and 2000, decreasing to 2% between 2000 and 2006.

Recommendation: Deduct a percentage of these lots, under the assumption that they will not be available for redevelopment during the planning period. This adjustment is referred to as a "market factor." Market factors can vary and determining an appropriate market factor can be difficult without data to evaluate market conditions, such as in Coburg, where duplex development has been historically restricted due to the absence of sewer. Based on Creswell's experience, staff might suggest that approximately 5% of the 62 corner lots be included as redevelopable property.

TAC Input Requested: Provide direction on the assumptions that should be used in determining the potential for existing single-family residential development to either convert to or redevelop as a duplex unit.

Commercial and Industrial Redevelopment

For commercial and industrial lands, there has not been significant new development on properties since the new ordinance was enacted and therefore it may be difficult to use past records for this purpose. The 2004 Study used an assumption that 20% of the total vacant and redevelopable employment lands would redevelop over the planning period.

In Creswell's BLI, it was determined that ten percent of all potential redevelopable commercial, industrial, and residential lands were expected to be redeveloped in the 20-year timeframe.

TAC Input Requested: Provide guidance on methodology to use for determining the amount of actual redevelopment that is likely to occur within the planning period.

9. What should Coburg use as a minimum density standard?

As we look forward to one of the next major components, the Housing Needs Analysis, there are some key steps that need to be taken, including the establishment of a planned density.

In the City's Comprehensive Plan, a policy was established for the City to meet an overall density of 6.5 dwelling units per net acre for new housing through a mix of

single-family and multifamily dwellings and a range of minimum densities. In addition, a policy was established stating that multi-family residential areas will consist of no more than four dwelling units in any single structure.

It appears that new rulemaking at DLCD might provide some additional guidance on this issue. Under the proposed final rule, cities with a population forecast of at least 2,500 but fewer than 10,000 (which would include Coburg) could assume buildable residential land will develop at an average of six units per net buildable acre, provided the local government also plans and zones its buildable residential land supply to allow an average overall density of at least eight units per net buildable acre, consistent with ORS 197.307(3)(b), and adopts minimum density requirements for such lands that ensure that their minimum average overall density in the urban area is four units per net buildable residential acre. An alternative is also provided, which would allow Coburg to estimate its residential land need by assuming that the average overall density of buildable residential land in the urban area for the 20-year planning period will increase by 25 percent over the average overall density of residential land in the urban area for developed residential land at the time Coburg initiated the evaluation or amendment of the UGB, provided the local government also plans and zones its buildable residential land supply to allow an average overall density of six units per acre.

The draft Safe Harbor also prescribes a housing mix, with an estimated 35 percent for attached units in Coburg, based on its population forecast. This is a higher percentage of attached units than was considered in the 2004 Study, which used a planned mix with 25% multifamily housing.

The draft Safe Harbor is scheduled for 2nd hearing and possible adoption at LCDC's March 12 meeting. Please note that some of the details concerning the proposed Safe Harbor may change in the interim period before adoption; Staff will continue to work with DLCD representative and stay appraised of the final decision. Also of note, 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 that is eventually adopted, and there is no penalty for not using them. Whether or not Coburg uses the safe harbors, it will nonetheless need to adopt an average UGB-wide residential density target for the planning period and adopt measures likely to achieve that density.

<u>TAC Input Requested:</u> Initial discussion on methodology to use for determining the residential density target for the planning period.

ATTACHMENTS

1. Baseline employment figures and Employment growth projections
2. Map 6: Parcels by classification
3. Aerial depicting corner lots of 8,000 square feet or greater

4. Map 5: Developed Commercial/Industrial Tax Lots with improvement value less than Land Value
5. Map 2: Residential Infill Potential
6. Map 4: Constrained Lands

Attachment 1

Table 5.1. Locally Adjusted Total Employment - 2006

	Covered % of Total (QCEW/BEA) Lane County	Local Adjusted % (Bold)	Coburg 2006 Covered (QCEW)	Coburg 2006 Adjusted Total	Coburg 2006 Total-Covered	Coburg 2008 Adjusted Total
Natural Resources	33%	***75%***	*	*	*	*
Construction	65%		156	240	83	246
Manufacturing	99%		*	*	*	*
Wholesale trade	85%		140	164	25	168
Retail trade	79%	***50%***	188	377	188	392
Transportation, Warehousing, Utilities	74%		28	37	10	38
Information	80%		*	*	*	*
Financial Activities	57%		121	210	90	215
Professional and Business Services	65%		21	32	11	33
Education and Health Services	72%		*	*	*	*
Leisure and Hospitality	77%		37	48	11	50
Other services, except public admin.	44%		12	27	15	27
**Sectors with < 3 Firms*			2,147	2,181	35	2,198
Government and government enterprises	34%	***80%***	*	*	*	*
Total employment			**2,848**	**3,316**	**468**	**3,367**

Source: 2006 Lane County Quarterly Census of Employment and Wages data, 2006 Bureau of Economic Analysis Lane County Total Employment data. Adjustments developed by Coburg TAC.

** QCEW confidentiality regulations forbid the presentation of data for sectors that consist of 3 or fewer firms.*

Table 5.2. Adjusted Coburg Employment Growth (2008-2031)

	County AAGR (2006-16)	Adjusted Coburg AAGR	Coburg 2008 Adjusted Total	Projected Employment 2031	Emp. Change 2008-2031
Natural Resources	0.00%		*	*	*
Construction	1.41%		246	340	93
Manufacturing	0.34%		*	*	*
Wholesale trade	0.97%		168	209	42
Retail trade	1.16%	***2.00%***	392	618	226
Transportation, Warehousing, Utilities	1.15%		38	49	11
Information	1.03%		*	*	*
Financial Activities	1.14%		215	280	64
Professional and Business Services	1.72%	***2.25%***	33	55	21
Education and Health services	2.71%		*	*	*
Leisure and Hospitality	1.82%	***2.25%***	50	84	34
Other services, except public administration	1.12%		27	35	8
**Sectors with < 3 Firms*			2,198	2,401	203
Government and government enterprises	1.20%		*	*	*
Total employment			**3,367**	**4,071**	**703**

Source: Oregon Employment Department ten-year industry forecast (2006-2016). Adjustments to specific sector AAGR developed by Coburg TAC.

** QCEW confidentiality regulations forbid the presentation of data for sectors that consist of 3 or fewer firms.*