

**Urbanization Study Technical Advisory Committee  
ITEM SUMMARY**

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**TOPIC: Urbanization Study – Tasks 4, 6, 7 & 8**

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Meeting Date: May 6, 2009  
Staff Contact: Stacy Clauson  
Contact Telephone Number: 541-682-3177

***ACTION: Confirm policy direction for Housing Needs Analysis. Specifically, provide policy recommendation for methodology to use for calculation of planned housing densities. Review and provide feedback on preliminary Economic Opportunities Analysis conclusions.***

**AGENDA ITEM SUMMARY**

This memo summarizes some of the key components of the Housing Needs Analysis (HNA) and requests TAC input on a number of issues relevant to the HNA. This memo also provides a summary of staff's follow-up to TAC feedback on the EOA, as well as preliminary EOA conclusions.

**Staff Recommendation:** Staff recommends that the TAC develop recommendations to the HNA policy questions presented in Section I.

**KEY DISCUSSION ISSUES**

**I. HOUSING NEEDS ANALYSIS**

This section of the Coburg Urbanization Study provides the technical analysis to assess the Housing Needs of the City of Coburg through the planning period (2008-2031). Previous studies have indicated that the amount of 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. The Coburg Crossroads Visioning process also provides some insights into housing dynamics in Coburg.

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; and
- Manufactured homes on individual lots planned and zoned for single family residential use.
- Government-assisted housing.

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 will address these housing types. In 1996, the Oregon legislature passed House Bill 2709 which is now codified as ORS 197.296. According to DLCD staff, Coburg is *not* bound to the full requirements of ORS 197.296. The City, however, is interested in assessing housing needs that are based on population forecasts that assume the planned and anticipated full development of a sanitary sewer system, accommodating families, seniors and workers, and other goals identified by the City. The housing needs analysis will assume that Coburg will have sewers available to serve the population and employment forecasted for the period 2008 – 2031.

### **Methods**

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

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

### **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. 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 needs requirements set out in Oregon’ Statewide Planning Goal 10. Bjelland’s methodology is demographically driven as opposed to past construction extrapolations which most previous housing needs 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 involved in periodic review as part of their UGB expansion approval, and the choice for assessing housing needs by several major regional planning efforts as well as 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 uses 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. 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 housing needs sections of the model. An additional adjustment to the model inputs is made to adjust for the documented growth between the time period of 2000 and 2008.

Summarized below are some key calculation inputs utilized in the Housing Needs Model:

**Table 1: Current Housing Status Calculations**

| A                         | B                                | C                                          | D                            | E                   | F                                   | G                           |
|---------------------------|----------------------------------|--------------------------------------------|------------------------------|---------------------|-------------------------------------|-----------------------------|
| <b>Current Population</b> | <b>Persons in Group Quarters</b> | <b>Occupied Dwelling Units/ Households</b> | <b>Persons Per Household</b> | <b>Vacant Units</b> | <b>Current Total Dwelling Units</b> | <b>Current Vacancy Rate</b> |
| <b>Estimated</b>          | <b>Estimated</b>                 | <b>Estimated</b>                           | <b>(A-B)/C</b>               | <b>Est.</b>         | <b>(C+E)</b>                        | <b>(E/F)</b>                |
| 1,075                     | 0                                | 400                                        | 2.688                        | 20                  | 420                                 | 4.76%                       |

**Table 2: Projected Future Housing Status Calculations**

| A                        | B                                       | C                                   | D                                     | E                                   | F                             | G                                |
|--------------------------|-----------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|-------------------------------|----------------------------------|
| <b>Future Population</b> | <b>Future Persons in Group Quarters</b> | <b>Future Persons per Household</b> | <b>Future Occupied Dwelling Units</b> | <b>Current Total Dwelling Units</b> | <b>Dwelling Units Removed</b> | <b>New Dwelling Units Needed</b> |
| <b>Estimated</b>         | <b>Estimated</b>                        | <b>Estimated</b>                    | <b>(A-B)/C</b>                        | <b>(C*F)</b>                        | <b>Estimated</b>              | <b>(D-E+F)</b>                   |
| 4,399                    | 150                                     | 2.51                                | 1,693                                 | 420                                 | 20                            | 1,293                            |

**TAC Input Requested:** Does the TAC have any initial comments or questions on the base model inputs presented in Table 1 and 2 above?

**Additional Model Inputs**

The Housing Needs Model is made up of a number of worksheets or templates, which require local input varying from very objective inputs (existing single family homes) to more subjective inputs (planned densities). Therefore, in order to complete the model, staff is requesting input from the TAC on several of the subjective inputs, such as planned density and mix of housing types. These inputs will impact the amount of housing that can be accommodated within the City's current Urban Growth Boundary (UGB) and therefore are key policy issues that need to be resolved. In the sections below, staff has prepared a summary and background for housing model inputs that require policy direction from the TAC.

**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.” ***As a result, the planned density and the mix of housing types that are allowed are key policy issues that need to be decided and will be used as inputs to the Housing Needs Analysis Model.***

Density can be expressed in different ways—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 in the calculation only land occupied by residential uses. 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. Commercial or mixed-use density is more accurately expressed as a floor area ratio, which reviewed at the last meeting in March. Attachment A includes an excerpt from a presentation compiled by Ronald Kellett of the Design Centre for Sustainability at the University of British Columbia that provides visual examples of properties developed at different density ranges. The Lincoln Institute of Land Policy also provides some good information to provide a visual context for this discussion – please see the following website for more information: <http://www.lincolninst.edu/subcenters/visualizing-density/>

Before discussing options that the TAC might consider for planned density and mix of housing types, staff would recommend that we review some background related to housing and density, including information from the Coburg Crossroads Vision, Comprehensive Plan, and land use regulation amendments that were recently completed. This work was based on an extensive community visioning process that addressed, among other items, desired development patterns and density, which can help to inform the later discussion of options.

### **Housing Background: Coburg Crossroads Vision 2003**

#### **Project Summary**

One of the City’s first steps in its 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 land use and development patterns, jobs and the economy, housing, transportation, natural resources, open space and the environment, and community facilities and services, including schools.

The goals, policies, and actions agreed to in these Town Planning Principles addressed many key issues that would form the vision for community growth, including the following which more particularly address land use and housing:

#### **Land Use and Development Patterns**

*Goal: Promote land use patterns that sustain and improve quality of life, are compatible with mass transit, maintain the community’s identity, protect significant natural and historic*

resources, and meet the needs of existing and future residents for housing, employment, and parks and open spaces.

*Related Policies:*

- *Promote the efficient use of land within the urban growth boundary and sequential development that expands in an orderly way outward from the existing city center.*
- *Provide a sufficient supply of developable lands within the urban growth boundary to meet the needs of the existing and projected population for residential, commercial, industrial, and recreational uses over the next 20 years, while preserving the small town character of the community.*
- *To accommodate projected growth, expand the urban growth boundary in a manner that balances the need to protect high quality farm and forest resource lands within the residential needs of the existing and future population and with efficient public facility and service delivery.*

**Housing**

*Goals:*

- *Promote a range of housing choices to meet the needs of existing and future residents.*
- *Ensure that new housing is compatible with the small town, historic character of the community.*
- *Promote livability and community in existing and future neighborhoods.*

*Related Policies:*

- *Promote the development of single-family housing that is affordable for families of elementary school children and compatible with the small town, historic character of the community in order to help retain an elementary school.*
- *Improve housing options for seniors, young adults, and people who work in the community by promoting a variety of multi-family housing types and levels of affordability that are compatible with the small town, historic character of the community.*
- *Encourage the preservation and incorporation of natural features and open space in new residential developments.*
- *Encourage the preservation of existing housing, particularly housing with historic value and features.*
- *Encourage the incorporation of energy and water efficiency standards in the existing housing stock.*
- *Encourage a compatible mix of housing types and services in residential areas.*
- *Encourage new housing to radiate out from the city center and discourage leapfrog development in order to promote connectivity and community interaction.*

*Related Proposed Actions:*

- *Modify land use regulations to encourage a range of housing sizes.*
- *Modify land use regulations to provide greater flexibility for developers to incorporate natural features and open space into site plans.*
- *Modify land use regulations to allow traditional uses between district boundaries and arterial streets, such as live/work types of buildings, places of worship, and day care facilities; and adopt design standards to improve compatibility of different land uses.*
- *Modify land use regulations to increase the allowed height of detached accessory structures in the Residential District to provide for living units on the second floor when primary users are owner-occupied.*
- *Reduce the minimum lot size requirements for duplex and multi-family units to be proportional to the single-family dwellings.*
- *Allow a mix of multi-family and single-family residential with compatible commercial uses through adopted specific development plans for large undeveloped parcels in the city.*
- *Encourage the expansion of combined commercial/residences in the Central Business District, for example, by exploring the use of vertical housing zone opportunities.*
- *Adopt design standards for multi-family development, such as height transitions, landscaping standards, and visual alignment of windows and other design details, to improve visual compatibility with adjacent single-family residential.*
- *Implement specific design standards and guidelines to ensure that the style of new single-family housing is compatible with the small town, historic character of the community.*

### **Town Plan Map Alternatives Analysis**

In May, 2003, the community participated in a Design Charette to envision a town plan map with a town center, neighborhoods, schools, parks, civic buildings, transportation corridors and multi-modal circulation. As part of this process, community consensus formed over a town plan map that proposed residential growth on the north and south of the current city limits (see Attachment B).

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%** of the new development was assumed to be composed of **single family units.**

- **25%** of the new development was assumed to be composed of **medium-density multifamily** development.
- **5%** of the new development was assumed to be composed of **higher-density multifamily** development.
- 20% of the gross land was assumed to be needed for streets and other public infrastructures, e.g. water, wastewater, stormwater, electric facilities and structures.
- 25% of the residential development would be accommodated through infill development on existing lots.

The planned population growth that was to be accommodated was 3,000 residents in 2025 (an increase of 2,010 residents based on an estimated population of 990 inside the City limits as of 2002). Using an estimate of the persons per household of 2.4 and allowing for a vacancy rate of 3%, it was anticipated that 855 new residential units would be needed in 2025, of which 95 could be accommodated on infill lots within the City. As a result, a land need of 113 gross vacant acres was estimated to be needed to meet residential growth demand, together with 52 acres for parks, churches schools and other facilities, for a total land need of 165 gross vacant acres. A separate analysis was also done for the year 2050, which resulted in a total land need of 382 gross vacant acres. (Note: The Town Plan Map provided in Attachment B depicts the 2050 growth scenario).

The community vision thereafter played an important role in shaping the review of the goals and policies of the Comprehensive Plan and the Coburg Zoning Code.

**Housing Background: 2004 Urbanization Study**

As part of the Periodic Review process, the City initiated an Urbanization Study. The purpose of the Urbanization Study was to (1) evaluate growth forecasts, (2) inventory how much buildable land the City has, (3) identify housing needs, (4) identify economic development strategies, and (5) determine how much land the City will need to accommodate growth between 2002 – 2025 and 2002 – 2050.

The 2004 Urbanization Study based the population forecast on the preferred alternative which came out of the Coburg Crossroads Vision (approximately 3,327 residents in 2025). Related to the Housing Needs Analysis completed for this project, the following assumptions were made:

- 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% of the new development was assumed to be composed of single family units.
- 12% of the new development was assumed to be composed of manufactured (mobile) homes.
- 25% of the new development was assumed to be composed of multifamily development.
- Average household size of 2.54.

It was acknowledged in the 2004 Urbanization Report that Coburg would need to modify its residential zoning system to meet the housing mix and density evaluated. This was determined to be consistent with actions described in the Coburg Crossroads Vision. The following residential zoning system was recommended in the Study:

**Table 4-13. Proposed residential zoning system, City of Coburg**

| 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                       |                              |

It was anticipated that Coburg would need to provide 893 dwelling units to accommodate forecasted growth between 2002 and 2025. 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, comprised of 94 acres of low-density, 48 acres of medium density, 13 acres of high density, and 13 acres of mixed-use residential lands.

As a result of these studies, the Comprehensive Plan and land use regulation update did make several changes to density and other provisions.

**Comprehensive Plan**

On September 20, 2005 at the Joint City Council and Planning Commission meeting, the Comprehensive Plan/Maps and Zoning Code amendments were adopted by the City. This adoption culminated an extensive and detailed effort by the City to update the Comprehensive Plan. A Periodic Review Core Team, composed of the Coburg Mayor, the Chair of the Coburg Planning Commission, the City Administrator, the City Planner and the DLCDC Field Representative worked under the direction of the Coburg Smart Development Advisory Committee and then the Planning Commission and the City council to develop a document that reflected citizen input and the basic requirements of state law. More than five joint work sessions between the Planning Commission and City Council were required to work through the necessary changes to the Coburg Comprehensive Plan. Key policies affecting housing and land use that were made through this process include (see Attachment F for full list of housing policies):

- Traditional Residential – The Traditional Residential designation is intended to...**provide for a variety of residential housing choices (including medium density housing in designated areas)**.
- Neighborhood Residential – Development in the Neighborhood Residential designation will...**provide for a variety of residential housing choices (including medium density housing in designated areas)**.
- The City shall adopt strategies to achieve a housing mix of single-family and multifamily dwellings. This mix, along with a range of minimum densities, will allow the City to meet an **overall density of 6.5 dwelling units per net acre for new housing**.
- Multi-family residential areas will consist of no more than four dwelling units in any single structure.
- Mobile homes as defined in State law will 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.
- Commercial enterprises which allow permanent residences shall not be allowed to have a residential density greater than that allowed in the residential district.
- The City shall encourage the incorporation of limited mixed-use commercial/residential development in commercial zoning districts by providing incentives such as density bonuses.

### **Zoning Code Changes**

The Zoning Code, which was also recently updated, implements these policies as follows:

#### *Traditional Medium Residential (with sewer):*

- Minimum lot requirements: 3,350 sq. ft. for single-family, detached or attached; 6,700 sq. ft. for duplex; 10,000 sq. ft. for multifamily.
- Permits Single-family detached dwellings; Single-family attached dwellings (townhomes) not to exceed four units per structure; Duplexes; Multi-family dwellings not to exceed four units per structure; Group homes; Manufactured homes on individual lots; Manufactured dwelling parks; Residential Homes and Residential Facilities.
- When lots are created through a land division, or site development is proposed for four or more dwelling units, a minimum density of 80 percent of the maximum density permitted by the zone is required for all residential units, except that this standard does not apply to the following developments. Gross acres is used to calculate density:
  - (1) Partitions
  - (2) Subdivisions of parcels totaling 20,000 square feet or less;
  - (3) Lot line adjustments;
  - (4) Bed and Breakfast inns; and

- (5) Development on physically constrained sites, where lot configuration, access limitations, topography, significant trees, wetlands or other natural features prevent development at the minimum density.

*Traditional Residential District (with sewer):*

- Minimum lot requirements: 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.
- Permits Accessory dwellings; Manufactured homes on individual lots; Group home, not to exceed five unrelated individuals; Residential Homes; and Residential Facilities.
- When lots are created through a land division, or site development is proposed for four or more dwelling units, a minimum density of 65 percent of the maximum density permitted by the zone is required for all residential units, except that this standard does not apply to the following developments. Gross acres are used to calculate density
  - (1) Partitions
  - (2) Subdivisions of parcels totaling 20,000 square feet or less;
  - (3) Lot line adjustments;
  - (4) Bed and Breakfast inns; and
  - (5) Development on physically constrained sites, where lot configuration, access limitations, topography, significant trees, wetlands or other natural features prevent development at the minimum density.

This roughly translates into comparable densities as follows:

| <b>Zone</b>                    | <b>Housing Type</b>                                                                                                                                                                                                                                                                                                            | <b>Lot Size Range</b>  | <b>Density Range</b>          |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------|
| Traditional Residential        | Single-family, Accessory dwellings; Manufactured homes on individual lots; Group home, not to exceed five unrelated individuals; Residential Homes; and Residential Facilities; and Duplex                                                                                                                                     | 7,500 – 8,000 sq. ft.  | 5-11 DU/net residential acre  |
| Traditional Medium Residential | Single-family detached dwellings; Single-family attached dwellings (townhomes) not to exceed four units per structure; Duplexes; Multi-family dwellings not to exceed four units per structure; Group homes; Manufactured homes on individual lots; Manufactured dwelling parks; Residential Homes and Residential Facilities. | 3,350 – 10,000 sq. ft. | 13-18 DU/net residential acre |

| Zone                      | Housing Type                                                                                                                               | Lot Size Range | Density Range  |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Central Business District | Single family dwellings on individual lots with frontage only on local or collector streets; residential as part of mixed-use development. | 1,500 sq. ft.  | 29 DU/net acre |

**Oregon Housing Mix/Density Safe Harbors**

Oregon State has recently released new safe harbors that the City could opt to use when considering its planned density and housing mix. These new safe harbors come out 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.

These safe harbors are intended to allow local governments to make “assumptions” – for purposes of UGB analysis – about housing needs, especially the need for specific housing density and the mix of housing types, but in return, the local governments must allow greater densities and prevent low density patterns. A determination of the housing mix and density, the subjects of these safe harbors, are core components of the housing need analyses that is currently being conducted. It is anticipated that the use of these safe harbors would provide a more streamlined and less contentious UGB update process.

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, and there is no penalty for not using them. Whether or not Coburg uses the safe harbors, Statewide Planning Goal 10 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.

The new safe harbors provide several options for addressing density and housing types, as follows:

**Option 1: Standard density safe harbor**

Under this option, cities with a forecasted population for the urban area inside the UGB at the end of 20 years of 2,501 to 10,000 residents, which would include Coburg (4,000+), can assume a defined density that will occur over the forecast period, for purposes of the UGB analysis. In this case, the assumed density is 6 units per net acre. This density figure establishes the units per net buildable acre that the city may assume will occur over the 20-year planning period. These *units per net buildable acre* are used to determine residential density within the existing urban area and within any new areas proposed to be added to the UGB. This density figure applies only to **buildable** residential land.

However, since past history of development has shown that it is unlikely that the actual built conditions will equal this density figure, the new safe harbor also assumes a certain amount of “under-build.” As a result, the new safe harbor includes a requirement that the city allow the opportunity for a higher density. Thus, although a city may assume that land will develop at an average density that is less than the allowed density. In this case, if the city chooses to use the safe harbor, the city must zone land to allow for an overall density of 8 units per new buildable acre. This number represents an overall average maximum density that **MUST** be allowed by the city’s comprehensive plan and zoning regulations, for

all land in the UGB (including any buildable land added to the UGB) if a city uses the standard housing density safe harbor.

As a third element of this safe harbor, in order to use the average density safe harbor, the local government must also establish a MINIMUM density, or “density floor,” for all buildable residential land in the UGB. The city must establish zoning that in some manner ensures that development, on average, will not occur at a density of lower than 4 units per net buildable acre. This density is a “floor,” or a bottom limit to the overall average density for buildable residential land in the UGB. In general, this element is intended to discourage very large residential lot sizes for residential development inside the UGB.

Finally, this option also requires that the zoning allow for a housing mix consisting of the following minimum percentage of housing density ranges:

- 60% low density (2-6 units per net buildable acre)
- 20% medium density (6-12 units per net buildable acre)
- 20% high density (12-40 units per net buildable acre)

#### **How does this compare to Coburg’s existing development framework?**

- The density of 6 dwelling units per net buildable acre is consistent with Coburg’s stated goal in the Comprehensive Plan to achieve an **overall density of 6.5 dwelling units per net acre for new housing**.
- Coburg’s current zoning does not allow for an average overall density of 8 units per acre. Given the current acreage dedicated to the TR and TMR zones and allowed densities within these zones, the average overall allowed density for buildable land is equal to approximately 6.8 units per net buildable acre (see zoning map in Attachment C).
- The minimum density standards that have been adopted by the City may not be sufficient to ensure that the minimum density of 4 dwelling units per net buildable acres is met.
- Coburg’s zoning is not consistent with the housing mix noted above. Given the current acreage dedicated to the TR and TMR zones and allowed densities within these zones, the existing allowed housing mix is estimated to be the following:
  - 54% low density
  - 39.7% medium density
  - 6.3% high density

What does this mean for Coburg? If Coburg were to use this safe harbor, it would need to devote additional land for higher density development. This could be accomplished by increasing the areas that are zoned TMR or through other options. Additional standards would also need to be established to ensure that the minimum overall density of 4 units per acre could be met.

#### **Option 2: Alternative density safe harbor for Small Exception Parcels and High Value Farm Land**

Under this option, a local government must first choose the standard density safe harbor. If it chooses the standard density safe harbor, it may also use (but is not required to use) the Small Exception Parcels and High Value Farmland safe harbor.

The option allows a local government to assume different densities for small exception parcels (parcels of 5 acres or less in area, that have an existing house) and high value farm land parcels to be added to the UGB. The standard density safe harbor (Option 1 above) provides only one average density for the entire UGB, for both the existing UGB and land added to the UGB, regardless of the type of land. This new alternative safe harbor allows a local government to assume lower density will occur for small exception parcels, (4 dwelling units per net buildable acre in this case). However, at the same time, the local government must assume a higher density will occur on any high value farmland added to a UGB, in this case the zoning must allow a density of 10 units per net buildable acre. The idea is based on two assumptions: 1) authorizing lower density assumptions for small exception parcels recognizes that these parcels frequently have limited potential for future development at urban densities compared to larger exception parcels; thus, using this safe harbor removes a disincentive to add these lands to a UGB, and 2) requiring a higher residential density for high value farm land may lead to less farmland added to UGBs, thus better implementing state policies to protect and preserve farmland and ensure efficient use of urban land.

This option may be a viable approach to consider if additional land is determined to be needed to accommodate anticipated residential growth.

### **Option 3: Incremental density safe harbor**

This option was designed for cities that are currently developed at a very low residential density and may consider the density assumptions in Option 1 and 2 above too difficult to achieve given their current low density development patterns.

Under Option 3, Coburg could assume that the overall density of residential development over the forecast 20-year planning period would be **25% higher** than the overall density of developed residential land in the UGB at the time the City initiated the evaluation or amendment of its UGB. The existing estimated density within the City is 4.7 dwelling units per net buildable acre. As a result, under this provision the density would need to be approximately 5.8 units per net buildable acre. Under this option, the City would still need to meet the zone to allow provisions (8 dwelling units per net buildable acre) and required overall minimum density standards (4 dwelling units per net acre) indicated in Option 1.

Under this option, the housing mix would be estimated by increasing the proportion of multi-family housing within the existing mix—similar to the concept for the incremental density safe harbor. Safe harbor Option 3 requires that the medium density be increased by 10%, and that the high density be increased by 5% within the existing developed housing mix, and the low density would be decreased by a proportionate share so that the overall mix total is 100%. The estimated developed housing mix in Coburg's UGB currently consists of 65.2% low density (2-6 units per acre), 25.2% medium density (6-12 units per acre) and 9.6% high density (12-40 units per acre). As a result, to meet the required housing mixes established under this option, the following adjustments would need to be made:

| Existing Units on "Developed" Lots      |               |                |               |             |
|-----------------------------------------|---------------|----------------|---------------|-------------|
|                                         | LDR<br>(2-6)  | MDR*<br>(6-12) | HDR<br>(13+)  | Total       |
| %                                       | 65.20%        | 25.20%         | 9.60%         | 100%        |
| Adjust.                                 |               | +10%           | +5%           |             |
| <b>Total</b>                            | <b>50.00%</b> | <b>35.20%</b>  | <b>14.60%</b> | <b>100%</b> |
| *MDR based on Redevelopable Corner Lots |               |                |               |             |

What does this mean for Coburg? Because of the existing presence of a significant percentage of land developed at a “medium” density, Option 3 may not be a good option to respond to Coburg’s situation. The City would still need to increase densities allowed in order to meet the overall allowed zoning of 8 dwelling units per acre and would still need to increase land devoted to high density residential development. In addition, more land would need to be dedicated for medium-residential development than required under the standard safe harbor.

As reviewed above, it appears that there are several options that the City could explore, including (at minimum) the following:

- Adopt the standard housing mix/density safe harbors reviewed above under Option 1.
- Adopt the standard housing mix/density safe harbors reviewed above under Option 1 and also the alternative density safe harbors for small exception parcels and high value farm land described in Option 2.
- Adopt the incremental housing mix/density safe harbors reviewed above under Option 3.
- Develop housing mix/density that are independent from the safe harbor provisions.

**TAC Input Requested:** What density should be used for the purposes of the housing needs analysis? What housing mix should be used for the purposes of the housing needs analysis? Should the City use any of the safe harbors that are indicated above for its UGB analysis, or should the City develop its own provisions?

**Future Housing Units Planned by Housing Type/Income:**

The Housing Needs Model requires the input of information summarizing *Future Housing Units Planned by Housing Type*. This part of the model is where the total units needed by tenure and cost are allocated to five different housing types in a manner which will most likely meet the identified housing needs. The results of this process will have implications for zoning and land use decisions in the community in the future.

The recommended process for communities to use to determine how to meet its housing needs would be to examine their current inventory of housing types by tenure and price point as a starting point. This will provide insight into the type of housing units that are currently being used at each tenure and price point and the percentage of all housing that these units represent. The next step would be to evaluate the likely housing types that

would be acceptable in the community that could meet each tenure and price point requirement. A list of possible housing types for each tenure/price point combination can then be developed within the model. These housing types are currently allocated at levels staff deemed to be most likely to be achieved in the future, based on fair market values and basic housing assumptions. The worksheets representing both *Current* and *Future Housing Units Planned by Housing Type*, as they appear in the model, are included as Attachment D.

**TAC Input Requested:** Does the TAC have any feedback or questions on staff assumptions regarding the current inventory of Dwelling Units and the Future Housing Units Planned by Housing Type?

## **II. ECONOMIC OPPORTUNITIES ANALYSIS**

Staff has incorporated feedback provided during the March TAC meeting into the Economic Opportunities Analysis. These updates and resulting conclusions are summarized for TAC review in Attachment E.

### **ATTACHMENTS**

- A. Excerpts from Presentation compiled by Ronald Kellett of the Design Centre for Sustainability at the University of British Columbia
- B. Town Plan Map
- C. Coburg Zoning Map
- D. Housing Model Worksheets: Current and Future Housing Units Planned by Housing Type
- E. Economic Opportunities Analysis Update
- F. Coburg Comprehensive Plan Housing Policies