

### **Overview of 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. LCDRC 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 net 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

### **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:

<b>Existing Units on "Developed" Lots</b>				
	<b>LDR (2-6)</b>	<b>MDR* (6-12)</b>	<b>HDR (13+)</b>	<b>Total</b>
<b>%</b>	65.20%	25.20%	9.60%	100%
<b>Adjust.</b>		+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				