

**Urbanization Study Technical Advisory Committee
ITEM SUMMARY**



TOPIC: Urbanization Study – Tasks 3, 7 & 8

Meeting Date: June 11, 2009
Staff Contact: Stacy Clauson
Contact Telephone Number: 541-682-3177

ACTION: *Receive update on status of population forecast review process. Review preliminary results from evaluation of Safe Harbor methodology for calculation of Housing Density and provide further direction for preparation of Housing Needs Analysis.*

AGENDA ITEM SUMMARY

This memo provides a brief update on on-going review of population forecasts being undertaken as part of the development of Coordinated Population Projections. This memo also summarizes some of the key components of the Housing Needs Analysis (HNA) and requests TAC input on housing density issues relevant to the HNA.

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

KEY DISCUSSION ISSUES

I. POPULATION FORECASTS

The City of Coburg is a participant in an application submitted to Lane County to amend the Lane County Rural Comprehensive Plan to include a coordinated population forecast for the urban areas inside its boundaries. As part of this application, Coburg requested that the 2005 adopted, coordinated population forecast for the year 2030 of 4,200 residents be included in the Rural Comprehensive Plan. This prior population figure was previously adopted by the LCOG Board in 2005, making it available to Coburg to incorporate into the City's Comprehensive Plans. These numbers had also been previously confirmed by DLCD.

Separate from the proposed amendment to the Lane County Rural Comprehensive Plan, the County has been undertaking a process to conduct a countywide coordinated population forecast effort in accordance with the requirements of OAR 660-024-0030. The Oregon Administrative Rule 660-024-0030(2) states: *"forecast[s] must take into account documented long-term demographic trends as well as recent events that have a reasonable likelihood of changing historical trends. The population forecast is an estimate which, although based on the best*

available information and methodology, should not be held to an unreasonably high level of precision.”

As part of this effort, the County has contracted with the Portland State University Population Research Center (PRC), to complete the technical and analytical aspects of developing the forecasts. On May 8, 2009 the PRC released their [forecast report](#) for Lane County. The report forecasts a population of 2,322 in the year 2030 and 2,659 in the year 2035. This information has now been added into the record for the proposed amendment to the Lane County Rural Comprehensive Plan.

The population forecast is a key component of different components of the Urbanization Study, including the Housing Needs Analysis, which requires a forecast of future population in order to determine of the number of new housing units needed in the next 20 years.

On June 3, 2009, the County is scheduled to conduct a first reading and public hearing on the proposed amendment to the Rural Comprehensive Plan (File No. PA 08-5873). A copy of the staff report and draft Ordinance is available in the following link:

http://www.lanecounty.org/BCC_Info/Meeting_Info/2009/OrderText/6-3/W5a1.pdf
and this link: http://www.lanecounty.org/BCC_Info/Meeting_Info/2009/OrderText/6-3/W5a2.pdf

At this meeting, Coburg presented an alternative population forecast for consideration. The alternative forecast presented would modify the coordinated population forecast in a way that will coalesce on a compromise that has a moderate population growth. Rather than insist on the high rate of growth forecast in the 2005 adopted coordinated population forecasts, Coburg sought a compromise of a less rapid growth rate.

Coburg retained the firm of Johnson Reid to do an independent analysis of factors that might influence Coburg's population growth, taking into account the more conservative projections developed by PSU, and the rationale behind those projections. This analysis has produced a long term growth rate of 5.32%. The resulting population is sufficient, Coburg believed, to support the wastewater system under construction and provide the population increase necessary to sustain the Coburg elementary school.

Based on the Johnson Reid analysis, Coburg's population is expected to follow something like the following rate of change.

Figure 1. Projected Population, City of Coburg, 2008-2030

	Average Annual Growth Rate					
2008	2010	2015	2020	2025	2030	
1,075	1,103	1,387	1,934	2,628	3,363	5.32%

At the June 3rd meeting, the County Commissioners voted to move forward with an ordinance that reflects the PSU population forecast. Coburg's request was rejected. As a result, under the ordinance being considered, Coburg's population would be 2,322 in the year 2030 and 2,659 in the year 2035. The second reading and deliberations are scheduled for June 17, 2009. Coburg is examining options for what to do next.

TAC Input Requested: Does the TAC have any feedback or questions on the status of the population forecasts?

II. HOUSING NEEDS ANALYSIS

At the May 6, 2009 meeting, the TAC members present completed a preliminary review of issues related to the Housing Needs Analysis. Since many members were not able to attend this meeting, staff is proposing to further evaluate some of the key methodology issues that were initially discussed at the May 6th meeting, together with additional analysis that staff has been able to generate. This discussion relies on background information that was originally prepared for the May 6th meeting and is included as Attachment 1 to this document.

One of the key issues overviewed and discussed at the May meeting included the issue of housing density. The planned density that future development is allowed to build is a key policy issue that will affect the determination of the amount of land needed to satisfy the demand for housing by the growing population of Coburg. It is, as a result, a key input to the Housing Needs Analysis Model.

At the May 6th meeting, the TAC members present discussed different options that the City might consider for planned density and mix of housing types. These options are reviewed in Attachment 2.

TAC Preliminary Input: The TAC members present expressed interest in further evaluating Option 1, including an analysis of additional land area that would need to be dedicated for higher density development to satisfy the housing mix provisions in the regulations.

This option, together with the additional analysis requested, is described 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 in the TR and TMR zones and allowed densities within these zones, the average overall allowed density for buildable land is equal to approximately 6.5 units per net buildable acre.

	Net Buildable Acres	Zoned to Allow
Traditional Residential (TR)	22.1	5.8
Traditional Medium Density Residential (TMR)	2.6	13
Traditional Residential--Duplex	16.3	11
TOTAL	40.9	

- 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:

Buildable/Redevelopable Land				
	LDR	MDR*	HDR	TOT
Ex. Acres	22.1	16.3	2.6	40.9
%	53.80%	39.90%	6.30%	100.00%

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. Since the larger parcels of undeveloped land are presently zoned either Traditional Residential or Traditional Medium Density Residential, any additional area that needs to be dedicated to higher density development must come from lands that are presently designated Traditional Residential.

Staff has evaluated how much additional acreage would need to be added to the higher density zones, summarized as follows:

Buildable/Redevelopable Land				
	LDR	MDR*	HDR	TOT
Ex. Acres	22.1	16.3	2.6	41
Unit Capacity	128.2	102	33.8	264
%	48.56%	38.64%	12.80%	100.00%
S. Harbor Target	60.00%	20.00%	20.00%	100.00%
% Δ	11.44%	-18.64%	7.20%	0.00%
	-7.20%	0.00%	7.20%	0.00%
Adjustment**	41.36%	38.64%	20.00%	100.00%
New Unit Cap.	118.6	102.0	55.1	275.7
New Acres	20.45	16.30	4.24	41.0
Acreage Δ	-1.65	0.00	1.64	

*MDR based on Redevelopable Corner Lots which cannot be adjusted.
 **MDR cannot be altered, thus HDR adjustment is taken from LDR

As a result, in order to meet the housing mix that is required for participation in the Safe Harbor, the City would need to redesignate approximately **1.65 acres** of land from Traditional Residential to Traditional Medium Density Residential.

Option 3: Incremental density safe harbor

Based on these results, staff again wanted to look at how the Incremental density safe harbor (see Option 3 of Attachment 2) would work.

Under this approach, staff has evaluated the current mix of housing units on developed properties within the Coburg UGB and determined that existing housing has been developed at the following densities:

Existing Units on "Developed" Lots			
	LDR (2-6)	MDR (6-12)	HDR (13+)
Units	163	63	24
%	65.20%	25.20%	9.60%
		+10%	+5%
	50.20%	35.20%	14.60%

Under this safe harbor option, the medium density be increased by 10%, and 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%.

To meet the required housing mixes established under this option, the following adjustments to zoning would need to be made:

Buildable/Redevelopable Land				
	LDR	MDR*	HDR	TOT
Ex. Acres	22.1	16.3	2.6	40.9
Unit Capacity	128.2	102	33.8	264
% Zoned	48.56%	38.64%	12.80%	100.00%
% Existing Dev	53.80%	39.90%	6.30%	100.00%
Adj %	50.20%	35.20%	14.60%	100.00%
% Δ	-3.60%	-4.70%	8.30%	
	-8.30	0.00	8.30	
New Unit Cap.	125.92	102.00	38.87	266.8
New Acres	21.71	16.30	2.99	41.0
Acreage Δ	-0.39	0.00	0.39	

*MDR based on Redevelopable Corner Lots

As a result, in order to meet the housing mix that is required for participation in this alternative Safe Harbor, the City would need to redesignate approximately **0.39 acres** of land from Traditional Residential to Traditional Medium Density Residential. Because of the existing presence of a significant percentage of redevelopable or vacant land zoned at a “medium” density (the medium density represents the allowance for duplex units on corner lots), there was no requirement to increase the amount of land to provide for more medium density units. Further, because this option recognizes the existing low percentage of developed high density housing, it provides for a lower required increase in that type of housing. As a result, a lower amount of acreage needs to be redesignated for higher density development.

Note: Since the safe harbors described above are newly adopted, staff is coordinating with representatives at DLCD to confirm that our interpretation of the provisions is correct. If staff learns of any needed changes, we will provide corrected materials as soon as possible.

TAC Input Requested: Given the results of the analysis of additional land area that would need to be dedicated for higher density development, should the City use either of the safe harbor options provided? If so, which option should be used? If not, what would the TAC recommend that staff evaluate for developing our own housing density and mix provisions to be used in the UGB Analysis?

ATTACHMENTS

1. Background Description of Housing Needs Analysis
2. Overview of Housing Density/Housing Mix Safe Harbors