

# COBURG PLANNING COMMISSION ITEM SUMMARY



## TOPIC: Urbanization Study – Project Update

Meeting Date: July 15, 2009  
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### AGENDA ITEM SUMMARY

This memo provides a brief update on Lane County's decision on population forecasts as part of the development of Coordinated Population Projections. This memo also serves as an update to the Planning Commission on preliminary findings from the Urbanization Study. The Lane Council of Governments, which has been contracted to assist the City with the completion of the Urbanization Study, has been working since the beginning of the year with a Technical Advisory Committee (TAC) to overview key policy issues for the major components of the Urbanization Study, including the Buildable Lands Inventory, the Economic Opportunities Analysis, and the Housing Needs Analysis. This memo is a summary of some of the key recommendations and findings from these components.

**Staff Recommendation:** Staff recommends that the Planning Commission develop recommendations to the HNA policy questions presented in Section IV.

### I. POPULATION FORECASTS

At their June 17<sup>th</sup> meeting, the Lane County Board of Commissioners approved Ordinance No. PA 1255, which amended the Lane County Rural Comprehensive Plan (RCP). The amendment included a Coordinated Population Forecast for Lane County and each Urban Area within the County, including Coburg.

The population forecast that was adopted for Coburg is based upon an analysis completed by the firm of Johnson Reid, who was retained by the City of Coburg. Johnson Reid evaluated factors that might influence Coburg's population growth and projected a long term growth rate of 5.32%, with a population of 3,363 in the year 2030.

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**

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

The resulting population is sufficient, to support the wastewater system under construction and provide the population increase necessary to sustain the Coburg elementary school. This newly adopted coordinated population figure will be used as part of the Urbanization Study.

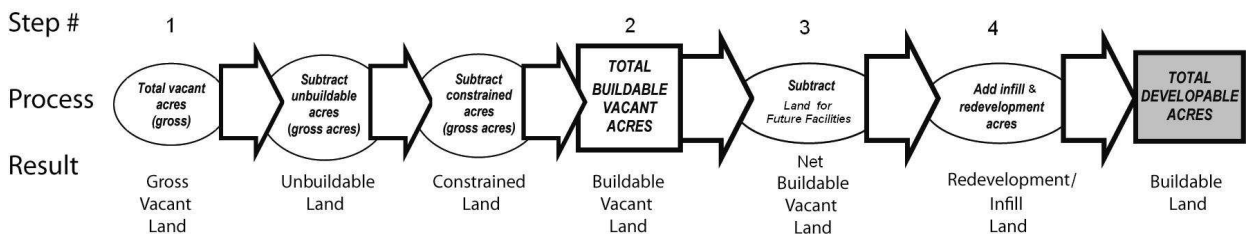
## II. BUILDABLE LANDS INVENTORY

The buildable lands inventory is intended to identify lands that are available for development within the UGB. 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.

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.

A draft of the Buildable Lands Inventory (BLI) has been presented to the TAC for their review. The TAC was satisfied with the BLI results. The final summary table and map identifying how properties have been classified for the BLI is included as Attachment A to this memo.

The following is an overview of key differences in the BLI outcomes between the 2004 and 2009 BLI Studies:

- Increase of **5.3 acres** in total buildable lands identified in 2009 Study, likely the result of additional lands annexed to the City on the east side of I-5 after completion of the 2004 Study.
- Reduction of **21.7 acres** assumed to be needed for future public facilities in 2009 Study. As noted above, the calculation of land needed for future public facilities differed between the 2004 and 2009 Studies. The 2004 Study assumed 30.2 acres additional land was needed for parks and 5.4 additional acres of lands were needed for religious institutions, 2.3 acres were needed for fire district purposes, and 0.9 acres were needed for fraternal organizations, as compared to existing supply of land, while the 2009 used a percentage similar to the safe harbor established for public facilities, but reduced the safe harbor value of 25% to 20% to account for the developed nature of Coburg and likely lessened need for land within the City's existing Urban Growth Boundary (UGB) for new roads, parks, or schools.
- Reduction of **8.5 acres** assumed to be undevelopable due to presence of constraints in the 2009 Study. In the 2004 Study, no deductions were made for constrained land (e.g. wetlands), while the 2009 Study deducted 8.5 acres.
- Increase of **5.1 acres** of undevelopable lands in the 2009 Study. The increase was attributable to a number of drainage ways or areas identified for open space in the Comprehensive Plan that were categorized as undevelopable in the 2009 Study.
- Increase of **18.9 acres** of redevelopable lands in 2009 Study. The increase is due to the classification of several of the properties within the Highway Commercial and Light Industrial designated lands as redevelopable, as opposed to developed.

### III. ECONOMIC OPPORTUNITIES ANALYSIS

#### a. Background

##### i. Coburg Crossroads

Coburg has undertaken a community visioning process as part of the *Coburg Crossroads Vision 2003*. Through this process, Coburg selected a preferred employment growth strategy and established a set of goals and policies, as follows.

*Growth Strategy:* The preferred employment growth strategy established through the *Coburg Crossroads* process assumed an employment forecast of 5,157 by the year 2025 and 5,257 by the year 2050. The employment growth forecast assumes that existing vacant employment land in the City will be built out by the year 2025 and that limited infill and redevelopment will add 100 jobs between 2025 and 2050. The evaluation of employment lands supply, demand and expansions was not thoroughly completed under this vision, but instead deferred to the Urbanization Study.

#### *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, Attachment B provides a summary of goals, policies and actions which more particularly address jobs and the economy:

#### **ii. 2004 Urbanization Study**

The *2004 Urbanization Study* established an economic vision for Coburg. Attachment C contains a summary of elements contained in that vision. The employment growth alternative that was used in the study assumed that all of Coburg's existing non-residential land supply would be developed by 2025 as well as an employment forecast of 5,157 by the year 2025, the same as used in the *Coburg Crossroads*. The 2004 Study, however, differed from the *Coburg Crossroads* in one key area – land need. Whereas the *Coburg Crossroads* assumed that no additional land area would need to be added to the UGB to accommodate employment growth, in the 2004 Study the City made a policy decision to expand the UGB by 57.6 acres to accommodate employment growth forecast for the 2002-2025 period.

This increase in the UGB was considered because it was observed that since the *Coburg Crossroads* process had been completed, many of the properties that were vacant when the preferred growth alternative were chosen had been built out and that employment on those parcel occurred at densities lower than originally anticipated. As a result, the capacity at the time of the 2004 Urbanization Study was less than originally anticipated. Rather than constrain employment growth, the Coburg City Council directed ECONorthwest to use an employment growth forecast that justifies a need for 50 additional acres in the UGB.

This issue was discussed at a number of stakeholder workshops conducted as part of the 2004 Study, with mixed input – some were comfortable with expanding the UGB to accommodate additional employment growth, while others felt that the City should not expand the UGB to accommodate more growth for two reasons: 1) to allow new housing to decrease the jobs/housing imbalance; and 2) to allow infrastructure (e.g. the sewer system and I-5 interchange upgrade) to be developed to accommodate new employment.

At the conclusion of this process, the City Council did opt to move forward with employment forecasts that would support a land need of 57.6 acres for commercial or industrial uses between 2002 and 2025. The Council directed ECONorthwest to evaluate lands east of the I-5 interchange for possible inclusion in the UGB as well as Urban Reserve Areas at a future date.

Since the 2004 Study was completed, approximately 35 acres were added to the City's UGB on the southeastern quadrant of the I-5 interchange.

### **iii. Changes in State Requirements**

Since the *2004 Urbanization Study* was completed, the Department of Land Conservation and Development (DLCD) adopted amendments to these provisions. The Land Conservation and Development Commission (LCDC) adopted amendments to OAR chapter 660, division 9 (Economic Development) on Dec. 1, 2005. The amendments became effective Jan. 1, 2007.

The amendments were made as part of a broad effort regarding the state's industrial land supply required by House Bill 2011 (2003) and Governor's Executive Order 03-02 on industrial lands. The amendments responded to recommendations made by the Governor's Industrial Lands Task Force and the Industrial Conversion Study Committee.

The new rules clarified and streamline existing requirements for local governments. In addition, the rule amendments provided guidance for performing economic opportunities analyses, inventorying industrial and other employment lands, and designating a short-term supply of land for economic development opportunities.

One of the key changes made concerned the content of Economic Opportunities Analysis. Under the adopted administrative rules, the City is required to estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. The estimate must be based on information generated in response to 1) a review of National, State, Regional, County and Local Trends, 2) identification of Required Site

Types expected to be needed to accommodate the expected employment growth, and 3) and inventory of Industrial and Other Employment Lands within the UGB and planning area. This analysis must also consider the planning area's economic advantages and disadvantages. Relevant economic advantages and disadvantages to be considered may include but are not limited to:

- (a) Location, size and buying power of markets;
- (b) Availability of transportation facilities for access and freight mobility;
- (c) Public facilities and public services;
- (d) Labor market factors;
- (e) Access to suppliers and utilities;
- (f) Necessary support services;
- (g) Limits on development due to federal and state environmental protection laws; and
- (h) Educational and technical training programs.

The concept behind this analysis is to factor in a consideration of the community's economic development potential into the evaluation of land need, considering the City's location relative to markets, availability of transportation facilities, public services, labor market conditions, raw material, energy availability and other factors.

#### **b. Preliminary Findings of Economic Opportunities Analysis**

The City's economic priorities seem to focus on the possibility of promoting a diverse economy and strong tax base, while preserving (and capitalizing) on the existing small town dynamic, or at least not directly threatening it. Additional priorities include a desire to attract more professional office activity, as well as health related businesses. Also, the City has indicated its continuing commitment to provide an adequate amount of level, buildable land which has good access to arterial streets within existing city limits to meet local and regional industrial needs.

The City of Coburg recognizes its favorable conditions for industrial business. The City lies directly on I-5, the main thoroughfare for ground transportation in the Pacific West. Coburg is also adjacent to the Eugene-Springfield area, and therefore has significant access to labor resources. Recent visioning and policy efforts all document a priority for taking advantage of these economic opportunities.

In order to better assess business trends and needs and their impact on Coburg's economic development potential, LCOG staff were in contact with a number of representatives from organizations who are actively involved in economic development issues in the Lane County area. These contacts included Jack Roberts of the Lane Metro Partnership and Bob Warren of the

Oregon Economic & Community Development Department, as well as the State's Economist for this region, Brian Rooney. Their feedback provided important critical insight into Coburg's stated economic priorities.

There was general agreement among the TAC and the economists that Coburg is well-suited to support industrial development, **provided that it has sufficient available land and is able to address the I-5 interchange issues.**

Manufacturing was identified as a competitive industry for Coburg, particularly small manufacturing. All economists consulted by staff, cautioned that the ability to attract large manufacturers, like Monaco Coach is very challenging. One economist recommended attention should perhaps be focused on regional manufacturers instead.

In contrast, another economist suggested that if Coburg were to provide an inventory of large sites (50+ acres) it could have a marketable advantage over other communities in the area, such as Eugene and Springfield, which have greater challenges in accommodating large-size sites. There can be a lot of competition for mid- to smaller-size sites, and businesses looking for this type of site may be drawn closer to the urban services in Eugene and Springfield.

Finally, another economist stressed the need for Coburg to provide a variety of sites so that the City could be flexible in responding to the needs of different manufacturers. The following sample range of sites was recommended to respond to market factors:

- One 50+ acres site
- One-to-two 20+ acre sites
- Smaller sites with intermix of commercial and industrial uses

### **c. Preliminary Employment Demand and Supply**

To determine an initial figure of how much industrial and commercial land is needed for future growth in Coburg, the information gathered in the Buildable Lands Analysis is compared with employment projections for the City. Table 22 below shows the results of the comparison of Coburg's Net New Needed Acres with the amount of Total Buildable Acres for employment existing zoning and potential future zoning (including a Campus Industrial Zone). The analysis indicates that after all new needed Central Business District employment acres could be accommodated by existing buildable Central Business District acreage, there would still remain a surplus of 0.6 or 0.82 acres within Coburg's UGB. Similarly, if after all new needed Highway Commercial acres are accommodated by existing buildable Commercial Highway acreage, there would still remain a surplus of 21.37 or 21.7 acres. This is also true for Light Industrial lands which show

a surplus of 7.61 or 15.1 acres (a relatively wider range due to the fact the existence of a Campus Industrial District could accommodate much of potential Light Industrial uses).

	<b>Additional Employees by 2030*</b>	<b>Emp/ Acre</b>	<b>Adjusted New Needed Acres</b>	<b>Total Buildable Acres</b>	<b>2030 Surplus/ (Deficit)</b>
<b>Central Business District</b>	101 - 96	25	4.4 - 4.18	5	<b>0.6 - 0.82</b>
<b>Highway Commercial</b>	267 - 262	17.4	16.83 - 16.5	38.2	<b>21.37 - 21.7</b>
<b>Light Industrial</b>	247 - 156	13.1	20.79 - 13.09	28.4	<b>7.61 - 15.1</b>
<b>Campus Industrial</b>	0 - 101	23.5	0.0 - 4.73	-	<b>0.0 - (4.73)</b>
<b>TOTAL</b>	<b>615</b>		<b>42.02 - 38.5</b>		<b>29.58 - 33.1</b>

*\* Range reflects results for two scenarios, with or without Campus Industrial Zone*

Assuming the employment densities for each plan designation discussed in the Economic Opportunities Analysis, it appears that Coburg has, within its current UGB, sufficient acreage to meet the twenty-year employment forecast. **But the employment forecast is only one part of Coburg's economic opportunities analysis.** Coburg must consider national, state regional and local trends and local economic factors in identifying economic development opportunities that are likely to expand or locate in the study area within the planning period. These opportunities are difficult to capture entirely in regional forecasts.

**d. Comparison of Key Inputs/Outcomes Between 2004 and current Economic Opportunities Analysis**

One of the key differences in the outcome between the 2004 and 2009 preliminary findings is the employment forecast.

	<b>Buildable Land</b>	<b>Employment Forecast</b>	<b>FAR/Employment Density</b>	<b>Absorption Rate for Underdeveloped properties</b>	<b>Land Demand</b>
<b>2004</b>	51 acres buildable land 50 acres redevelopment	5,157 (year 2025)	Average: 15 employees/acre Downtown Commercial: 20 employees per acre Highway Commercial: 10 employees per acre Light Industrial:	20% of land classified as underdeveloped will develop by 2025	57.6 acres

			15 employees per acre		
<b>2009</b>	42.5 acres buildable land 29.1 acres redevelopment	4,035 (by 2030)	FAR between 0.2 and 0.4, depending on land use	20-30% of land classified as underdeveloped will develop by 2030	None

The 2004 study based its employment forecast on numbers developed for the *Coburg Crossroad Community Vision*. This study assumed an increase of 1,440 employees between 2000 and 2025.

More recent analysis of state and county employment trends suggests that the employment target of 5,157 for 2025, established in the 2003 Coburg Crossroads effort, is unlikely. Though significant growth is indeed probable, updated trends suggest more moderate future employment figures

Table 5.9 below presents a summary of employment growth expected in Coburg between 2010 and 2030.

	<b>Coburg 2010 Adjusted Total</b>	<b>Projected Employment 2030</b>	<b>Projected Employment 2031 (RTP)</b>	<b>Emp. Change 2010-2030</b>
Natural Resources	*	*	*	*
Construction	253	335	340	82
Manufacturing	*	*	*	*
Wholesale trade	171	207	209	37
Retail trade	408	606	618	198
Transportation and warehousing utilities	39	49	49	10
Information	*	*	*	*
Financial Activities	220	276	280	56
Professional and Business Services	35	53	55	19
Education and Health Services	*	*	*	*
Leisure and Hospitality	52	82	84	29
Other services, except public administration	28	35	35	7
<i>*Sectors with &lt; 3 Firms</i>	2,214	2,392	2,401	177
Government and government enterprises	*	*	*	*
<b>Total employment</b>	<b>3,420</b>	<b>4,035</b>	<b>4,071</b>	<b>615</b>

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.

### **e. Key Policy Questions**

## **i. Economic Opportunities**

The City has identified a number of economic priorities and target industries. As the City looks to diversify the types of businesses, it is also important to evaluate its policies to ensure that they do not erode industrial lands. The City contains areas that have the potential to be prime industrial land, given their size, topography, provision of utilities, and access to transportation.

Members of the TAC recognize the factors identified by the local economists and the industries that the City may be best poised to attract. The TAC restated the City's aversion to large and potentially unsightly industrial uses (specifically warehousing) that do not fit into the community character envisioned for the City. There was concern that warehousing in particular would not provide for significant employment opportunities, given their historically low employee per acre ratio. There was also concern that an unsightly industrial area will give passers-by the wrong impression of the character of Coburg. There was discussion about the role that new design standards could provide in mitigating these potential aesthetic and community character concerns. One of the concepts stressed was the need to have strong vision, but to remain open to options that may come forward. Comments included the need for available land and potential limitations for logical expansion areas for industrial development due to existing constraints, such as wetlands, agricultural land, and proximity to residential lands. The eastern side of I-5 was mentioned as a potential logical expansion area for economic growth, due to its characteristics. No specific industry direction was provided to staff by the TAC. Instead there was support expressed for an approach of flexibility as suggested by the local economists. The idea of the availability of larger and several mid-sized lots was supported as a concept.

An initial analysis of employment growth and available buildable land in Coburg suggests that Coburg's current buildable employment lands are sufficient to meet the City's 20-year employment forecast. **This does not necessarily mean that the City's buildable employment lands are sufficient to meet the City's economic priorities and opportunities.** In order to complete a thorough Economic Opportunities Analysis, the City of Coburg must consider the opportunities that may exist independent of the employment forecast. Opportunities that are identified may be limited by the availability of land with required special characteristics (size, location etc.). Per OAR 660-009, Coburg must utilize national, state regional and local trends in identifying economic development opportunities that are likely to expand or locate in the study area within the planning period. Attachment D shows staff's analysis of available vacant and underdeveloped tracts of employment land in Coburg. This analysis reveals that the City lacks acreage that could meet the demand of a large firm seeking buildable land at 20 or more acres.

What this means is that Coburg may be in a position to accommodate a projected employment need for a mix of smaller and mid-sized buildable lots within the UGB, but it is not able to provide sufficient buildable acreage to accommodate a large

employer that may find Coburg an attractive location in every other way. In this regard it could be argued that Coburg is not taking advantage of an economic opportunity.

**City Council Discussion:** CUS staff sought guidance from the City Council at their June 23, 2009 meeting about whether to include and pursue the need for a larger tract of buildable industrial land (20+ acres) in order to address the City's economic opportunities.

Similar to the discussion that was held as part of the 2004 Study, staff recommended that the Council determine whether or not the City is interested in exploring the potential to expand the UGB boundaries to take advantage of Coburg's economic development potential.

The Council determined that, as a preliminary concept, it was interested in pursuing inclusion of a larger tract of buildable industrial land (specifically one to two sites with 20+ acres). Council reiterated concerns expressed by the TAC about a distribution center and recommended that strong policy language and restrictions are included addressing this and similar uses. A final decision on this issue will be made once the final UGB analysis and public comments received at the workshop are evaluated.

#### **IV. HOUSING NEEDS ANALYSIS**

##### **Issue One: Goal 14 Analysis**

**Goal 14: To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.**

Goal 14 is principally focused on ensuring the efficient use of land and, as a result, the density at which land is developed within the UGB is a key policy issue that needs to be evaluated.

##### **a. Background**

###### **i. Coburg Crossroads**

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 E).

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 E 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.

## ii. **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.

### iii. Comprehensive Plan/Zoning

#### **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. Key policies affecting housing and land use that were made through this process include:

- 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.	Maximum density of 13 dwelling units per acre, not including accessory dwelling units
Central Business District	Single family dwellings on individual lots s with frontage only on local or collector streets; residential as part of mixed-use	1,500 sq. ft.	29 DU/net acre

Zone	Housing Type	Lot Size Range	Density Range
	development.		

**b. Changes in State Requirements**

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)

### **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.

### **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%.

## **c. Preliminary Findings of Housing Needs Analysis**

### **Option 1: Standard density safe harbor**

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:

<b>Buildable/Redevelopable Land</b>				
	<b>LDR</b>	<b>MDR*</b>	<b>HDR</b>	<b>TOT</b>
<b>Ex. Acres</b>	22.1	16.3	2.6	40.9
<b>%</b>	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, and determined that 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 2: Alternative density safe harbor for Small Exception Parcels and High Value Farm Land**

Staff and the TAC have both recommended that this safe harbor would not be effective to consider in the City’s existing UGB, but may be reexamined if areas are added to the UGB.

**Option 3: Incremental density safe harbor**

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>Units</b>	163	63	24
<b>%</b>	65.20%	25.20%	9.60%
<b>Safe Harbor Adjustment</b>		<b>+10%</b>	<b>+5%</b>
	<b>50.20%</b>	<b>35.20%</b>	<b>14.60%</b>

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.

d. **Comparison of Key Inputs/Outcomes Between 2004 and current Housing Needs Analysis**

The new safe harbors established by the State contain many similar concepts that Coburg has already discussed and committed to in its previous planning processes, including:

- o Planning for an average density of at least 6 dwelling units per acre.
- o Zoning to allow greater than 8 dwelling units per acre.
- o Containing zoning provisions that require a minimum density be achieved with certain developments.

The key difference between the State provisions and current City provisions would be the amount of acreage that would need to be dedicated to higher density uses. In addition, the City may need to make adjustments to its existing zoning provisions requiring a minimum density to ensure that an overall minimum of 4 dwelling units can be achieved.

	<b>Average Units Per Net Acre</b>	<b>Housing Mix</b>
<b>Coburg Crossroads</b>	<b>8.7</b> units per acre	<b>70%</b> low density (6 units per acre) <b>25%</b> medium density (14 units per acre) <b>5%</b> high density (20 units per acre)
<b>2004 Study</b>	<b>7.0</b> units per acre	<b>63%</b> single family (6 units per acre) <b>12%</b> manufactured homes (6 units per acre) <b>25%</b> multifamily (13.3 dwelling units per acre)
<b>Comp Plan/ Zoning</b>	<b>6.5</b> units per acre	<b>53.3%</b> low density (5.8 units per acre) <b>39.9%</b> medium density (11 units per acre) <b>6.3%</b> high density (13 units per acre)
<b>2009 Study (proposed)</b>	<b>6.0</b> units per acre	<b><u>Standard density safe harbor:</u></b> <b>41.36%</b> low density (2-6 units per net buildable acre) <b>38.64%</b> medium density (6-12 units per net buildable acre) <b>20%</b> high density (12-40 units per net buildable acre)
		<b><u>Incremental density safe harbor:</u></b> <b>50.20%</b> low density (2-6 units per net buildable acre) <b>35.20%</b> medium density (6-12 units per net buildable acre)

		acre) <b>14.60%</b> high density (13+ units per net buildable acre)
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**City Council Discussion:** CUS staff sought guidance from the City Council about whether to use the standard density safe harbor or incremental density safe harbor, or, alternatively, adopt an alternative density provision that addresses both the average overall density, housing mix, and minimum overall density.

The City Council indicated that it had concerns with increasing density within the current UGB boundaries. CUS staff plans to review this issue again, in light of additional Goal 10 analysis that needs to be completed (see Issue 2 below).

**Planning Commission Input Requested:** CUS staff are seeking guidance from the Planning Commission about whether to use either of the density safe harbors noted above (standard density safe harbor or incremental density safe harbor) or, alternatively, adopt an alternative density provision that addresses both the average overall density, housing mix, and minimum overall density. If the City opts to use either of the density safe harbors, additional acreage within the existing UGB may need to be redesignated for high density development (either 1.65 or 0.39 acres, respectively). Further, the City may need to make adjustments to the zoning code provisions addressing minimum density in order to ensure that a minimum of 4 dwelling units can be achieved overall.

**Issue Two: Goal 10 Analysis**

**Goal 10: To provide for the housing needs of citizens of the state.**

Goal 10 is focused on issues of affordability as well as housing options. The intent is for planning to encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Coburg’s households and allow for flexibility of housing location, type and density.

As a result, the density at which land within the UGB is developed, as well as the housing mix provided, is a key policy issue that needs to be evaluated.

**a. Background**

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 DLCDC 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**

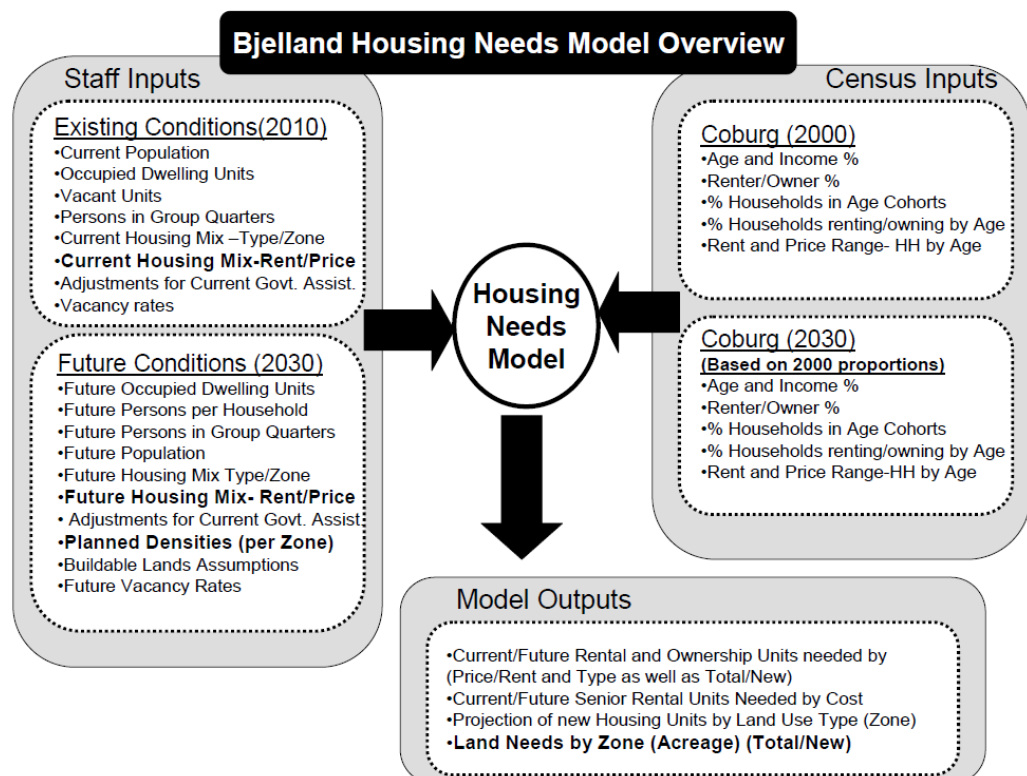
While Coburg is not required to comply with all provisions of ORS 197.296, this analysis will generally follow the methodology described in the DLCDC report *Planning for Residential Development*, referred to as the “workbook.” The workbook generally describes seven steps in conducting a housing needs 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 inputs (see Chart 1 below, which summarizes Census inputs and staff inputs to the model). The model outputs include a projection on new Housing Units by both Land Use Type (zone) as well 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 Housing Needs Analysis is a valuable tool in evaluating what different housing options a community needs to meet, to ensure that a variety of housing options are available that would support residents with different income status or of different ages.

There are several inputs into the model that are key variables in determining projected new housing units and land needs, summarized as follows:

- Demographic composition of future population (age and income level – there are seven age and income ranges, creating 49 different cohorts)
  - Note: This information is used to produce the number of future total units indicated by price point and tenure (e.g. ownership or rental)
- Projected distribution of New Housing by housing type
  - Housing Type and Cost of future units (broken into five classifications of dwelling units: Single family units, manufactured dwelling park unit, duplex unit, triplex and quadplex unit, and 5+ multifamily unit)
  - Note: The future need for housing units by housing type drive the determination of land needed based on the planned density of the land use zones with each housing type
- Projected distribution of new housing by land use type
  - Note: This information is used to allocate the new housing units needed to the land use zones that accept that housing type. Presently, there are three potential residential zones: TR, TMR, and C1. Additional zones could be created in the future (e.g. a medium density zone).

In an effort to assess the potential future conditions in the City of Coburg, CUS staff plans to work with the TAC and provide varying inputs into the model to create at least three different potential future scenarios. Based on the TAC input, CUS staff can use the recommended inputs to finalize the model results, which will provide information on the needed land needs by zone to provide housing for the future Coburg population.

## **b. Preliminary Analysis**

In a healthy housing market, the for-profit housing industry is able to provide housing to all but the lowest income households. In such an area, the “affordable” housing stock consists of a combination of newer housing and older housing throughout the market. In such areas, underlying land values are low, and therefore the buyer or renter is paying for the quality of the structure.

All that changes when underlying land values rise substantially. Generally, the higher cost of housing is being driven by a number of factors, including the higher cost of land, due to limited supply, size of lots, as well as the difficulty of getting regulatory approval to build new homes. As land prices and

development costs have increased, the price of finished lots has increased. High finished lot cost, in turn, drives up the cost of finished houses.

In Coburg, a review of land and improvement values for properties with homes built within the last 20 years (since 1989) shows that none of these newer homes is less than \$220,000 and they have an average value of \$416,000 and a median value of \$418,000. It should also be noted that these figures were generated using assessed values which are typically lower than real market values.

According to the information noted below, this housing cost would place these homes out of the range of families making the median income in Lane County.

**Table 4: Housing Affordability at various % of Coburg Median Income**

	50% Median	60% Median	70% Median	80% Median	100% Median
<b>Single Person</b>					
Income	\$20,000	\$24,000	\$28,000	\$32,050	\$40,000
Affordable Rent	\$500	\$600	\$700	\$801	\$1,000
Affordable Sales Price	\$60,000	\$73,500	\$89,000	\$105,000	\$136,500
<b>Family of 4</b>					
Income	28,600	\$34,320	\$40,040	\$45,750	\$57,200
Affordable Rent	\$715	\$858	\$1,001	\$1,143	\$1,430
Affordable Sales Price	\$91,500	\$114,000	\$136,500	\$159,000	\$205,000

With these kinds of values, it is difficult to provide housing affordable to people of median income, let alone lower income. As a result, development in the last twenty years in Coburg has not addressed the affordability needs of all of Coburg's residents.

Additionally, if development continues in this pattern, Coburg will in essence, be excluding populations that cannot afford such living arrangements. Table 5 provides examples to assist in understanding how these price limitations are applicable to existing and potential future Coburg resident's. Affordable rent and sales price are based on the universal standard that housing costs should be no greater than 30% of the gross income within a household.

Table X provides a summary of the relationship between salaries for typical occupations in Lane County and housing affordability. The example of a \$200,000 home is appropriate because it is on the lower end of what is currently available in Coburg. The example of a \$350,000 home is useful because it is close to the average value of a home in the City of Coburg.

**Table 5 Affordability for typical occupations in Lane County in 2009**

Position	Salary	Affordable Monthly Payment		% income required for \$200,000 home		% income required for \$350,000 home	
		1	2	1	2	1	2

		earner	earners	earner	earners	earner	earners
Teacher (starting)	33,700	843	1686	50%	25%	84%	42%
Teacher (median)	50,044	1250	2500	34%	17%	56%	28%
Police Officer (starting)	40,000	1000	2000	42%	21%	71%	35%
Registered Nurse	56,000	1400	2800	30%	15%	50%	25%
Manufacturing Worker	35,000	875	1750	48%	24%	81%	40%
Administrative Assistant	36,000	900	1800	47%	23%	78%	39%
Food Service Worker	21,500	538	1076	78%	39%	131%	66%

*Using a mortgage payment calculator, the monthly payment for a \$200,000 and \$350,000 home was calculated assuming a 30-year fixed mortgage with 6.5% interest rate. Two earners is based on double the income of 1 earner.*

*Source: <http://www.salaryexpert.com/>*

Affordability is also a significant question in addressing the City of Coburg's desire to keep the elementary school open. Coburg Elementary has maintained between 135 and 150 students over the last 5 years (2004-2009). The school has capacity for 220 students, although it has been suggested that 180 students is an ideal enrollment number. Communities like Coburg, that are concerned about declining school enrollments, aim to attract families who have children or may have children in the future. In these cases, affordability is an important factor. Current and future parents of school-aged children are fairly young, on average, and have not yet reached their full earning potential. Competing demands on the limited budgets of many of these families force them to seek housing that is priced affordably.

**Planning Commission Input Requested:** CUS staff are seeking guidance from the Planning Commission on key variables that should be used as inputs to the model, specifically with regard to future demographic composition, type of dwelling units, and future zoning.

In determining the appropriate inputs for these variables, there are several key questions that staff recommend be considered, such as:

- What will be future demographic composition? (Will it be same as 2000 Census or should adjustments be made to reflect the stated desire to attract younger families with elementary age children?)
- What type of dwelling units will Coburg have in the future and at what price ranges?
- What zones will Coburg have (high density, medium density, low density, other) and what unit types will be permitted within these zones?

## **ATTACHMENTS**

- A. Buildable Lands Analysis
  1. Summary Table
  2. Map
- B. Coburg Crossroads 2003: Goals, Policies and Actions related to Jobs and Economy
- C. Coburg 2004 Urbanization Study: Economic Vision Summary

- D. Profile of Buildable Employment Tracts In Coburg
- E. Coburg Crossroads Town Plan Map