Urbanization Study Technical Advisory Committee
ITEM SUMMARY

TOPIC: Urbanization Study – Tasks 3, 7 & 8

Meeting Date: July 23, 2009
Staff Contact: Stacy Clauson and Jacob Callister
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ACTION: ***Receive update on Lane County's decision on population forecast for Coburg. Review different future scenarios for Housing Needs Model and determine which scenario should be used or provide alternate inputs for new scenario.***

AGENDA ITEM SUMMARY
This memo provides a brief update on the final decision for the Coordinated Population Projections, which provides a population figure for use in the Urbanization Study. This memo also summarizes some of the discussion that occurred at the June 23rd City Council meeting, at which CUS staff provided an update to the Council on the Urbanization Study. Finally, this memo provides an overview of the Housing Needs Model and requests TAC input on key inputs that should be used for the model.

Staff Recommendation: Staff recommends that the TAC consider what type of inputs would be appropriate to include in the Housing Needs Analysis addressing: future demographics of the City (age and income level); future housing types and affordability of housing types, and future land use districts.

KEY DISCUSSION ISSUES

- **POPULATION FORECASTS**

At their June 17th 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.

- **OVERVIEW OF DISCUSSION AT JUNE 23, 2009 CITY COUNCIL MEETING**

At the June 23, 2009 City Council meeting, CUS staff provided an overview of the progress on the Urbanization Study, as well as reviewed key policy issues previously discussed by the TAC relating to the Review Economic Opportunities Analysis and Housing Needs Analysis components of the Coburg Urbanization Study.

a. Key Policy Questions

The following is an overview of the key policy issues discussed with the City Council:

1. 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. Staff completed an 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.

Council Feedback Discussion: CUS staff sought guidance from the City Council 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.

2. Housing Needs Analysis

CUS staff reviewed the requirements of Goal 14 and the potential use of safe harbors that have recently been established by the State to provide guidance on this topic, summarized as follows:

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:

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, 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:

Existing Units on "Developed" Lots

	LDR (2-6)	MDR (6-12)	HDR (13+)
Units	163	63	24
%	65.20%	25.20%	9.60%
Safe Harbor Adustment		**+10%**	**+5%**
	50.20%	**35.20%**	**14.60%**

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.

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:

- Planning for an average density of at least 6 dwelling units per acre.
- Zoning to allow greater than 8 dwelling units per acre.
- 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.

	Average Units Per Net Acre	Housing Mix
Coburg Crossroads	***8.7*** units per acre	***70%*** low density (6 units per acre) ***25%*** medium density (14 units per acre) ***5%*** high density (20 units per acre)
2004 Study	***7.0*** units per acre	***63%*** single family (6 units per acre) ***12%*** manufactured homes (6 units per acre) ***25%*** multifamily (13.3 dwelling units per acre)
Comp Plan/	***6.5*** units per	***53.3%*** low density (5.8 units per acre)

Zoning	acre	***39.9%*** medium density (11 units per acre) ***6.3%*** high density (13 units per acre)
2009 Study (proposed)	***6.0*** units per acre	***Standard density safe harbor***: ***41.36%*** low density (2-6 units per net buildable acre) ***38.64%*** medium density (6-12 units per net buildable acre) ***20%*** high density (12-40 units per net buildable acre)
		Incremental density safe harbor: ***50.20%*** low density (2-6 units per net buildable acre) ***35.20%*** medium density (6-12 units per net buildable acre) ***14.60%*** high density (13+ units per net buildable acre)

Council Feedback 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 below).

- **HOUSING NEEDS ANALYSIS**

The TAC review and discussion on Housing Needs has predominately focused on issues addressing Goal 14, which is principally focused on ensuring the efficient use of land and, as a result, the density at which land is developed within the UGB. For instance, at the June 11, 2009 meeting, the TAC members reviewed and provided feedback on land need based upon use of Goal 14 safe harbors.

In addition to Goal 14, the City must also ensure that the housing policies and regulations will comply with the provisions of Goal 10.

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

Legislation

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 currently meet the population threshold for these statutory requirements; however, the forecast population would meet the threshold. In addition, Goal 10 requires all incorporated cities to address housing need in their comprehensive plans. As a result, the housing needs analysis will address these housing types.

Coburg's Housing Market

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
Single Person					
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
Family of 4					
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 5 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

		Affordable Monthly Payment		% income required for $200,000 home		% income required for $350,000 home	
Position	**Salary**	**1 earner**	**2 earners**	**1 earner**	**2 earners**	**1 earner**	**2 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.

Housing Need Analysis Methods

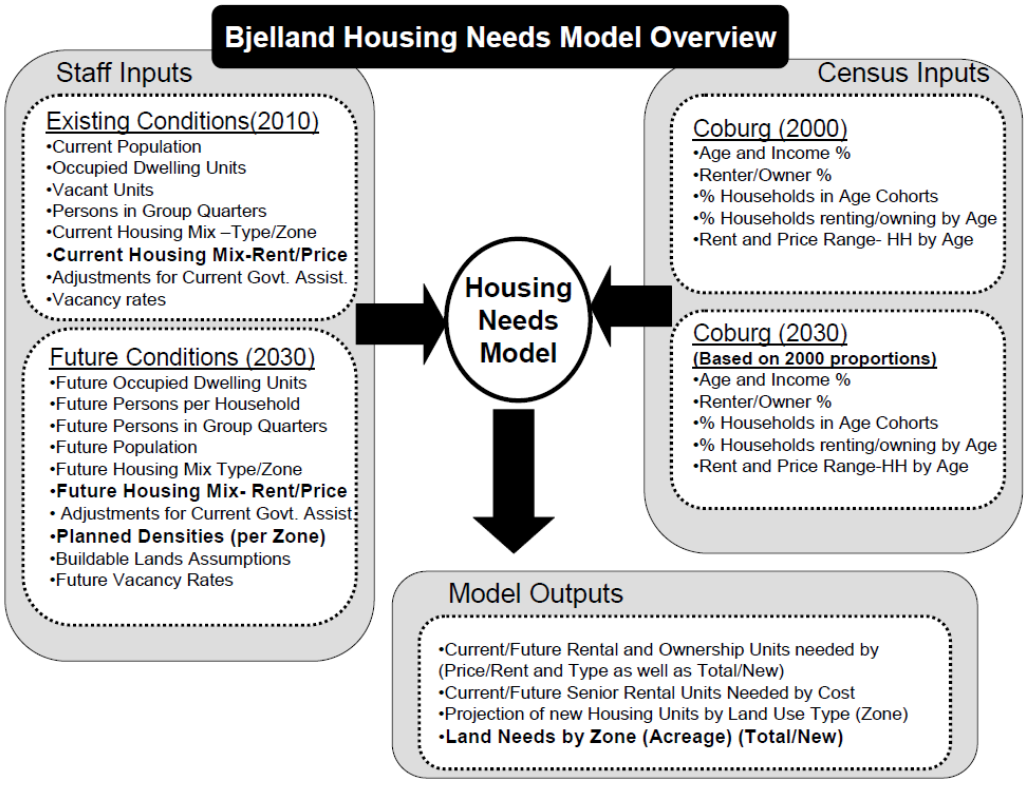
While Coburg is not required to comply with all provisions of ORS 197.296, this analysis will follow the methodology described in the DLCD report *Planning for Residential Development*, referred to as the "workbook." The workbook generally describes seven steps in conducting a housing needs analysis:

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

A Housing Needs Model

To facilitate this analysis a Coburg-specific Housing Needs Model was created using a model designed by demographer and housing specialist Richard Bjelland. The model utilizes demographic and other data inputs to generate a set of future housing need estimates. This Coburg specific model is designed to address the housing needs requirements set out in Oregon' Statewide Planning Goal 10. Bjelland's methodology is demographically driven as opposed to past construction extrapolations which most previous housing needs relied upon. His models have been stipulated by Oregon's Department of Land Conservation and Development (DLCD) for use in approved work plans by several Oregon cities involved in periodic review as part of their UGB expansion approval, and the choice for assessing housing needs by several major regional planning efforts as well as organizations such as the Center for Housing Research who have responsibilities for defining housing needs for counties and cities in several states.

The Coburg model utilizes 2000 Census Bureau demographic data for the City of Coburg. The model uses several different 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 as 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 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?**

b. Preliminary Analysis

Given the expected future population of Coburg, it is anticipated that most of the residential need will be for higher cost single-family homes. However, there will also be a greater need for lower-cost units. The following is a summary of new needed units by affordability:

Table: Summary of New Needed Units by Affordability in Coburg (by 2030)

	Cost						
	Lowest	**Low**	**Low-mid**	**Mid-High**	**High**	**Highest**	**TOTAL**
Rental	51	27	24	49	46	35	
Owned	43	107	82	59	146	179	
	94	**134**	**106**	**108**	**192**	**214**	***849***

Generally, the cost would breakdown as follows:

Lowest = Affordable to household making up to approximately 25% of the median income (currently $57,200 for a family of four)

Low = Affordable to household making approximately 25-45% of the median income (currently $57,200 for a family of four)

Low-Mid = Affordable to household making approximately 45-65% of the median income (currently $57,200 for a family of four)

Mid-High = Affordable to household making approximately 65-90% of the median income (currently $57,200 for a family of four)

High = Affordable to household making approximately 90% to slightly more than the median income (currently $57,200 for a family of four)

Highest = Affordable to household making more than median family income (currently $57,200 for a family of four)

One of the key questions that needs to be resolved is how to provide for lower-cost housing within Coburg. Typically, lower-cost housing can be found in areas with lower land costs, or where additional density is permitted, to spread out the land costs to additional units. Given Coburg's higher land costs, it may be difficult to provide for lower priced single-family homes will be available to meet this future need. As a result, in the model, most of the inputs show a gradual transition from higher-density housing types (such as 4-plexes or manufactured home parks) serving the need for lower-priced units to lower-density housing types (such as single-family homes) serving the need for higher-priced units.

In an effort to assess the potential future conditions in the City of Coburg, CUS staff has used the model and provided varying inputs to create three different potential future scenarios: High Density Scenario, Low Density Scenario, and the Mid Range Scenario. These scenarios are summarized below:

Scenario 1: High Density Scenario

Under this scenario, approximately 40.9 acres would need to be added to the UGB for low density housing, 5.4 acres for medium-density zoning (assuming that the allowance for duplexes on corner lots continues) and 21.6 acres would need to be added for high density housing.

This scenario most closely incorporates existing policy and regulation provisions, such as the current prohibition on housing with more than 4 units and the existing lack of a medium density zone. As a result, the model outputs for this scenario depict a larger percentage of new units needed in a high density zone. The following variables have been used as inputs into this scenario:

- Population demographics change to reflect measures taken to attract younger cohorts that may have children enrolled in the Elementary School. Shift in population is based upon population information from Creswell.
- Ownership/Rental tenure split remains same as 2000 Census
- Vacancy rates remain same as 2000 Census
- Average household size is same as used in Johnson Reid population estimates approved by the County
- Number of people in group quarters based on future estimate of Serenity Lane population
- Allocates future housing types (both existing and new housing) as follows:

Housing Type	% of Total
Single Family	54.6%
Manufactured Dwelling Park Units	7.4%
Duplex Units	13.4%
Triplex/Fourplex	14.2%
5+ Multifamily	0.5%

- The allocation was based on the following assumptions:
    - Assumes approximately 1-2 new Mobile Home Parks to provide housing supply for those at lower income ranges. These would be provided in the TMR zone, which is the only residential zone that allows this type of residential development.
    - Assumes additional manufactured single family dwellings on their own lot, both within the TR and TMR zones. These would provide single-family housing for residents at the lower range of housing costs.
    - Assumes no buildings contain more than 4 units, consistent with current zoning.

- Does not include a medium density zone, consistent with current zoning.

- Assumes most lower priced units will occur within High Density Zones (high-density housing was generally assumed to be a more affordable type of housing unit, based on the cost of land). As a result, as housing costs increase, it is assumed that higher priced housing will be composed of a greater percentage of single-family units, which are generally located within the Traditional Residential zone within the City.
- Allocation of housing by land use as follows:

Single Family			
	% in LDR	% in MDR	% in HDR
Lower Priced	50%	0%	50%
Mid Priced	100%	0%	0%
Higher Priced	100%	0%	0%
Manufactured Dwelling Park Units			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	0%	100%
Mid Priced	0%	0%	100%
Higher Priced	0%	0%	
Duplex Units			
	% in LDR	% in MDR	% in HDR
Lower Priced	35%	0%	65%
Mid Priced	50%	0%	50%
Higher Priced	30%	0%	70%
Triplex/Fourplex			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	0%	94%
Mid Priced	0%	0%	100%
Higher Priced	0%	0%	
5+ Multifamily			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	0%	0%
Mid Priced	0%	0%	0%
Higher Priced	0%	0%	0%

Staff analysis of scenario: Staff has concerns about several components of Scenario 1, in particular the lack of a medium-density zone, which necessitates that more high density area, be provided in order to meet the housing need. This scenario also anticipates that 50% of the low-priced units will be provided in the low-density residential zone, which may not be an achievable outcome, given land costs within this zone.

This scenario would result in an average gross density of approximately 7.6 units per acre. This scenario would meet the Safe Harbor housing mix percentages, either under the Standard or Incremental approach.

Scenario 2: Low Density Scenario

Under this scenario, approximately 67.8 acres would need to be added to the UGB for low density housing, 16.8 acres for medium-density zoning (assuming that the allowance for duplexes on corner lots continues) and 0.3 acres would need to be added for high density housing.

This scenario attempts to maintain a low-density residential character in the additional land area to be added to the City. Unlike scenario 1, this scenario assumes that a medium density zone would be included in new zoning, at a density of 11 units per acre.

The following variables have been used as inputs into this scenario:

- Population demographics remain the same as the 2000 Census, with no adjustments made to reflect policies to attract younger children with school-aged children
- Ownership/Rental tenure split remains same as 2000 Census
- Vacancy rates remain same as 2000 Census
- Average household size is same as used in Johnson Reid population estimates approved by the County
- Number of people in group quarters based on future estimate of Serenity Lane population
- Allocates future housing types (both existing and new housing) as follows:

Housing Type	% of Total
Single Family	79.6%
Manufactured Dwelling Park Units	4.4%
Duplex Units	10.9%
Triplex/Fourplex	4.5%
5+ Multifamily	0.5%

- The allocation was based on the following assumptions:
    - Assumes approximately 1 new Mobile Home Park to provide housing supply for those at lower income ranges. These would be provided in a medium density residential zone.
    - Assumes additional manufactured single family dwellings on their own lot. These would provide housing for residents at the lower range of housing costs.
    - Assumes no buildings contain more than 4 units, consistent with current zoning.
- Unlike Scenario 1, this scenario assumes that more single-family residences will be affordable to residents on the lower-income ranges. As a result, this scenario assumes that lower priced units will occur throughout all zones, and not predominately in the higher density zones. As a result, a greater

percentage of single-family units are assumed to be available at a lower-price.

- o Allocation of housing by land use as follows:

Single Family			
	% in LDR	% in MDR	% in HDR
Lower Priced	75%	25%	0%
Mid Priced	90%	10%	0%
Higher Priced	100%	0%	0%
Manufactured Dwelling Park Units			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	100%	0%
Mid Priced	0%	100%	0%
Higher Priced	0%	0%	
Duplex Units			
	% in LDR	% in MDR	% in HDR
Lower Priced	5%	80%	15%
Mid Priced	10%	85%	5%
Higher Priced	15%	85%	0%
Triplex/Fourplex			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	20%	74%
Mid Priced	0%	35%	65%
Higher Priced	0%	0%	
5+ Multifamily			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	0%	0%
Mid Priced	0%	0%	0%
Higher Priced	0%	0%	0%

Staff analysis of scenario: Staff has concerns about several components of Scenario 2. It may be more difficult to demonstrate that this approach is consistent with Goal 14 provisions addressing the efficient use of land because of the housing mix proposed, which relies upon single family residential development to meet much of the new housing need. This scenario also anticipates that the majority of the low-priced units will be provided in the low-density residential zone, which may not be an achievable outcome, given land costs within this zone.

This scenario would result in an average gross density of approximately 6.6 units per acre. This scenario would not meet the Safe Harbor housing mix percentages, either under the Standard or Incremental approach.

Scenario 3: Mid-Range Scenario

Under this scenario, approximately 47.4 acres would need to be added to the UGB for low density housing, 16.5 acres in a new medium-density single family

residential zone, and 9.2 acres would need to be added for high density housing.

This scenario assumes that a new medium residential zone that allows for attached housing as well as higher density detached housing. The following variables have been used as inputs into this scenario:

- Population demographics change to reflect measures taken to attract younger cohorts that may have children enrolled in the Elementary School. Shift in population is based upon population information from Creswell.
- Ownership/Rental tenure split remains same as 2000 Census
- Vacancy rates remain same as 2000 Census
- Average household size is same as used in Johnson Reid population estimates approved by the County
- Number of people in group quarters based on future estimate of Serenity Lane population
- Allocates future housing types (both existing and new housing) as follows:

Housing Type	% of Total
Single Family	65.7%
Manufactured Dwelling Park Units	5.0%
Duplex Units	15.0%
Triplex/Fourplex	13.7%
5+ Multifamily	0.5%

- The allocation was based on the following assumptions:
    - Assumes approximately 1-2 new Mobile Home Parks to provide housing supply for those at lower income ranges.
    - Assumes additional manufactured single family dwellings on their own lot. These would provide housing for residents at the lower range of housing costs.
    - Assumes no buildings contain more than 4 units, consistent with current zoning.
- Assumes most lower priced units will occur within High Density Zones (high-density housing was generally assumed to be a more affordable type of housing unit, based on the cost of land). As a result, as housing costs increase, it is assumed that higher priced housing will be composed of a greater percentage of single-family units, which are generally located within the Traditional Residential zone within the City.
- Allocation of housing by land use as follows:

Single Family			
	% in LDR	% in MDR	% in HDR
Lower Priced	70%	30%	0%
Mid Priced	90%	10%	0%

Higher Priced	100%	0%	0%
Manufactured Dwelling Park Units			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	0%	100%
Mid Priced	0%	100%	0%
Higher Priced	0%	0%	
Duplex Units			
	% in LDR	% in MDR	% in HDR
Lower Priced	10%	75%	20%
Mid Priced	25%	70%	5%
Higher Priced	30%	70%	0%
Triplex/Fourplex			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	20%	74%
Mid Priced	0%	35%	65%
Higher Priced	0%	0%	
5+ Multifamily			
	% in LDR	% in MDR	% in HDR
Lower Priced	0%	0%	0%
Mid Priced	0%	0%	0%
Higher Priced	0%	0%	0%

Staff analysis of scenario: This scenario reduces the amount of area needed for higher density housing, in comparison to Scenario 1 but, like Scenario 1, would meet the Safe Harbor housing mix percentages, either under the Standard or Incremental approach.

Planning Commission Input: CUS Staff had the opportunity to overview the Housing Needs Analysis with the Planning Commission at their July 15th meeting. The Planning Commission had several comments that should be considered as we move forward with the Housing Needs Analysis:

- Recommendations for CUS staff to review previous planning documents that were an outgrowth of the 2004 Study, but were not fully implemented as part of the last periodic review. This information included a draft land use map that showed:
    1. A Mixed-Use Master Plan zone located west of the Highway Commercial Zone that would provide a transition from industrial uses to the traditional residential area and would provide commercial services to support the nearby industrial uses.
    2. A new Town Map boundary (that differs from the 2003 Coburg Crossroads), based upon input from DLCD to reduce the UGB expansion area south of town. The map also depicts a new Campus Industrial zone at the northeast quadrant of the I-5 interchange.
- Recommendations to consider how to transition/buffer residential uses from industrial uses.

- Concern that evaluation of housing needs and affordability be a comprehensive, holistic analysis that focuses on more than just minimum lot size. There were several points raised on this topic:
    1. When addressing affordability, need to consider a broad range of issues that affect the costs of living in Coburg, including housing cost, but also utilities, taxes, development fees (and ease of use), land availability to grow food, etc.
    2. The apparent disconnect between the desire of Coburg to attract young, working families and the cost barriers that may exist. Concerns that a strategy that focuses on high-density apartment buildings or small-lot development will fail to attract younger families to Coburg because of the lack of private open space (yard).
    3. Need to consider past expressed desire to integrate higher-density housing into the fabric of a residential neighborhood, much like the current development pattern found within the City, where there is a mix of housing types integrated into one community. There was a concern expressed that we not create isolated pockets of higher-density housing that are not otherwise integrated into the community.
    4. Concern about the livability of small-lot development or other high-density housing options and the need to provide housing that will attract families that will want to stay within the community.
    5. Desire for regulations that would enable the City to ensure the quality and character of new development that would be in keeping with Coburg's sense of community. There was interest expressed in regulations that addressed bulk and mass of residential buildings, as well as the ability to require master plans for development.

TAC Input Requested: CUS Staff would like to run through the scenarios and the assumptions used to determine which of the scenarios is closest to the preferred growth strategy for the City to meet Goal 10 requirements, and further discuss how the assumptions should be revised, if needed. For this analysis, staff will prepare a worksheet that will be available at the meeting to assist the TAC through this process.