

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Envision Eugene

Meeting Date: May 25, 2011
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: A
Staff Contact: Lisa Gardner
Contact Telephone Number: 541-682-5208

ISSUE STATEMENT

Envision Eugene is a collaborative community-based effort to balance the sustainability triple-bottom-line framework of social equity, environmental stewardship and economic prosperity in planning for 34,000 new residents anticipated in the next 20 years. The following topics will be addressed at this work session:

- Proposed revisions to the Envision Eugene Draft Proposal
- Concepts regarding single-family housing land need
- Code amendments to begin implementation of key strategies

BACKGROUND

State law requires the City to provide enough residential, commercial and industrial land to accommodate 20 years of growth, and establish a Eugene-only urban growth boundary (UGB). Equally important, Envision Eugene is describing how we want to grow; creating a picture of what Eugene will look like in the future, and how we will accomplish council and community goals for social equity, environmental stewardship and economic prosperity.

Proposed Revisions to Envision Eugene Proposal

On March 9, the City Council directed staff to schedule a public hearing on the Envision Eugene Draft Proposal, dated March 2, 2011. The council held that public hearing on April 25. Additional outreach and opportunities for public input on the Draft Proposal were provided through an on-line survey, a public open house, individual meetings, and a report from the Sustainability Commission. In response to this feedback, staff recommend revisions to the March 2 Draft Proposal. While many of the revisions can be characterized as clarifications, some of the more significant revisions are described in Attachment A. A revised Envision Eugene Proposal will be presented to the council for final approval at a work session later this year. At this time, the council is requested to review Attachment A and direct the City Manager to make those changes to the Pillars.

Single-Family Housing Land Need

At the March 9 work session, the council also directed staff to schedule a work session in May to discuss single-family housing land need. The Technical Resource Group (TRG), a sub-committee of the Community Resource Group, has been meeting regularly to discuss housing need and to vet some of the data and assumptions that went into the City's preliminary findings. This group has prepared a spreadsheet that compares and contrasts two housing-mix scenarios for the future (Attachment B). Both

of the TRG's scenarios begin with the assumption that the City will need 15,000 new homes in the next 20 years. The first housing-mix scenario plans for the 15,000 new homes at a ratio of 60 percent single-family to 40 percent multi-family. The next scenario plans for those same 15,000 new homes at a ratio of 40 percent single-family to 60 percent multi-family. While our final housing-mix may reside somewhere in between the two scenarios presented, it was thought to be most useful at this time to highlight the scenarios at either end of the spectrum that is being considered. Members from the TRG will be at the council's work session to present information and answer questions about this work. Additionally, staff will introduce for discussion a phased approach to making urban growth boundary expansion areas available for housing development. This approach, which is intended to address the concerns raised with respect to the two housing-mix scenarios, would ensure that the development of single-family units is closely monitored and that supplies of new developable land are made available for development based on market demand.

Code Amendments

In order to implement many of the strategies identified through the Envision Eugene process, a variety of code amendments will ultimately be required. While many of these potential amendments will be fleshed out further as the Envision Eugene process continues, there are certain themes which have already emerged through on-going community discussions. Code amendments related to Infill Compatibility Standards (ICS) have been specifically requested in public testimony, and other amendments represent areas where there is strong momentum and the potential for fairly straight-forward solutions. Rather than wait to bundle these amendments with the remaining Envision Eugene implementation measures, staff would like to continue this momentum by moving a small number of code amendments forward at this time.

As the Eugene Code requires, staff is requesting the City Council to initiate a code amendment process that would address the following:

- **Infill Compatibility Standards (ICS):** While there are several elements included under ICS, staff is proposing to focus first on the multi-family development standards, given the on-going development activity occurring in the University area.
- **Opportunity Siting (OS):** One of the tactics for implementing the Opportunity Siting program is the creation of a flexible review process to help provide flexibility and an opportunity for public input on future projects. This code amendment would establish a new streamlined process for qualifying projects similar to the recently adopted downtown flexible adjustment review process.
- **Mixed Use Development:** Removing barriers to mixed use development has been a consistent theme we have heard throughout Envision Eugene. These barriers include existing code requirements which discourage successful mixed use development, particularly downtown. Staff will address a few discrete amendments with the goal of removing unnecessary barriers.

The scope of these amendments will be limited to ensure this work can be accomplished in a timely manner and without sacrificing progress on the larger Envision Eugene efforts. Staff anticipates that these amendments could be ready for City Council action as early as this fall.

Next Steps

The work of the Technical Resource Group that will inform staff's recommendation on a single-family land need is anticipated to be complete in June. At that time, a council work session will be scheduled to present that information. A council public hearing will be held when the City Council reconvenes in September to invite comment on the single-family land need recommendation and any resulting need for a UGB expansion. In later September, the council will be asked to take action on the single-family land need recommendation and to accept the revised Envision Eugene Proposal.

Regarding industrial land need, staff will begin having preliminary conversations with property owners in potential expansion areas to identify interest and concerns. Staff will notify property owners and schedule in-person meetings during May and June. In July, staff will update the council on the outcome of these meetings and share information regarding emerging preferences for industrial land expansion locations.

The Technical Resource Group is expected to continue its work with a focus on monitoring and implementation issues that address many of the strategies outlined in the Adaptable and Flexible Implementation pillar.

RELATED CITY POLICIES

Growth Management Policies

COUNCIL OPTIONS

I. Revisions to Pillars

Option A: Direct the City Manager to revise the Pillars document as reflected in Attachment A.

Option B: Direct the City Manager to revise the Pillars document as reflected in Attachment A with changes as specified by the council.

Option C: Do not revise the Pillars document.

II. Code Initiation

Option A: Direct the City Manager to initiate code amendments related to Infill Compatibility Standards, Opportunity Siting, and Mixed Use Development as recommended by staff.

Option B: Direct the City Manager to initiate code amendments as specified by the council.

Option C: Postpone action at this time.

CITY MANAGER'S RECOMMENDATION

Direct the City Manager (a) to revise the Pillars document as reflected in Attachment A, and (b) to initiate code amendments related to Infill Compatibility Standards, Opportunity Siting, and Mixed Use Development as recommended by staff.

SUGGESTED MOTIONS

Motion 1: Move to direct the City Manager to revise the Pillars document as reflected in Attachment A.

Motion 2: Move to direct the City Manager to initiate code amendments related to Infill Compatibility Standards, Opportunity Siting, and Mixed Use Development as recommended by staff.

ATTACHMENTS

- A. Proposed Revisions to March 2, 2011 Envision Eugene Draft Proposal
- B. Technical Resource Group Housing Mix Comparison

FOR MORE INFORMATION

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Project Website: www.envisioneugene.org

Proposed Revisions to March 2, 2011 Envision Eugene Draft Proposal

For Council action in July 2011

General:

- Provide a matrix that cross-references strategies with pillars to illustrate the overlap and inter-relatedness of strategies and pillars (see attached matrix)

Provide ample economic opportunities for all community members:

- Include specific mention of downtown as a focus of commercial development
- Include specific mention of future industrial development aligning with the outcomes of the Sustainable Business Initiative

Promote compact urban development and efficient transportation options:

- Include specific mention of downtown as a focus of commercial and residential development

Protect, repair and enhance neighborhood livability:

- Include specific mention of River Road/Santa Clara Transition Plan in relation to neighborhood planning efforts
- Include language that addresses the distinction between multi-family housing and student housing in relation to neighborhood planning efforts

Protect, restore, and enhance natural resources:

- Include specific mention of the opportunity natural resources can afford to provide green infrastructure

Provide for adaptable, flexible and collaborative implementation:

- Revise language to facilitate more frequent adjustments than the currently stated 10 years
- Revise language to include phased implementation approach to making urban growth boundary expansion areas available for housing development.

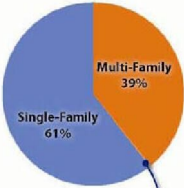
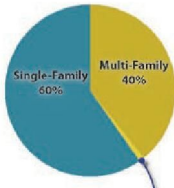
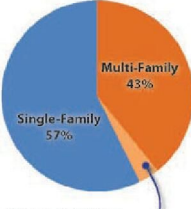
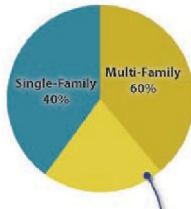
Housing Mix Comparison

This is a summary of community statements and a compilation of data and studies that have been brought forward related to the issue of what mix to plan for our new housing stock. The information is categorized by the two bookends of the discussion.

Other housing mixes in between the 60%SF/40%MF – 40%SF/60%MF mixes have also been discussed:

- The Housing Mix subgroup of the Community Resource Group established a housing mix range of between 60%SF/40%MF to 55%SF/45%MF.
- ECONorthwest’s July 2010 memo on needed housing mix and density identified a preliminary recommendation of 55%SF/45%MF.

*** The number of homes cited under each mix is rounded.

Factors	60% SF / 40% MF	40% SF / 60% MF
Housing Need Breakdown	Existing dwelling units: 68,762 (41,790SF/26,972MF) New dwelling units: 14,951 (8,971SF/5,980MF) Total dwelling units by 2031: 83,713 (50,761SF/32,952MF)	Existing dwelling units: 68,762 (41,790SF/26,972MF) New dwelling units: 14,951 (5,980SF/8,971MF) Total dwelling units by 2031: 83,713 (47,770SF/35,943MF)
	<p>Overall (new and existing) Mix</p> <ul style="list-style-type: none"> • The current and ECLA assumed housing mix is 61%SF/39%MF • Under this mix, the share of single-family as a percentage of the overall housing mix decreases by less than 1% (or 149 new units) by 2031 • Overall mix by 2031: 61%SF/39%MF <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Overall Mix (2031)</p>  <p>.2% overall shift from Single-Family to Multi-Family</p> </div> <div style="text-align: center;"> <p>Mix of new housing only</p>  <p>1% shift from Single-Family to Multi-Family for NEW housing only</p> </div> </div>	<p>Overall (new and existing) Mix</p> <ul style="list-style-type: none"> • The current and ECLA assumed housing mix is 61%SF/39%MF • Under this mix, the share of single-family as a percentage of the overall housing mix decreases by 4% (3,140 new units) by 2031 • Overall mix by 2031: 57%SF/43%MF <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Overall Mix (2031)</p>  <p>4% overall shift from Single-Family to Multi-Family</p> </div> <div style="text-align: center;"> <p>Mix of new housing only</p>  <p>20% shift from Single-Family to Multi-Family for NEW housing only</p> </div> </div>

Factors	60% SF / 40% MF	40% SF / 60% MF
	<p>Housing is accommodated as follows under this mix: Demand: 14,951 dwelling units By building type: SFD: 8,971 units SFA: 1,047 units 2-4 du: 1,495 units 5+ dus: 3,439 units</p> <p>By plan designation: LDR: 9,277 du MDR/HDR/Com: 5,674 du</p> <p>Homes accommodated on vacant land (under ECLA assumptions): Vacant LDR land: 4,600 SF units 300 MF Vacant MDR land: 200 SF units 1,700 MF Vacant HDR land: 0 SF units 1,400 MF</p> <ul style="list-style-type: none"> Overall densities could be affected by strategies implementing this mix. <p>Remaining deficit to be accommodated (under ECLA assumptions): Re-development / Re-designation / Expansion: 4,300 SF units 2,400 MF</p>	<p>Housing is accommodated as follows under this mix: Demand: 14,951 dwelling units By building type: SFD: 5,980 units SFA: 1,794 units 2-4 du: 2,243 units 5+ dus: 4,934 units</p> <p>By plan designation: LDR: 6,803 du MDR/HDR/Com: 8,148 du</p> <p>Homes accommodated on vacant land (under ECLA assumptions): Vacant LDR land: 4,600 SF units 300 MF Vacant MDR land: 200 SF units 1,700 MF Vacant HDR land: 0 SF units 1,400 MF</p> <ul style="list-style-type: none"> Overall densities could be affected by strategies implementing this mix. <p>Remaining deficit to be accommodated (under ECLA assumptions): Re-development / Re-designation / Expansion: 1,300 SF units 5,500 MF</p>
Context	<ul style="list-style-type: none"> Similar to historic mix and mix of all housing as of 2007 Assumes a continuation of previous housing trends and environmental and economic factors 	<ul style="list-style-type: none"> Assumes a significant shift in housing trends and environmental and economic factors towards more multi-family housing
Strategies Needed	<ul style="list-style-type: none"> Some land use efficiency strategies will be implemented regardless of the housing mix determination because of state law and community visioning, but the aggressiveness/investment to which they are pursued could be less 	<ul style="list-style-type: none"> Some land use efficiency strategies will be implemented regardless of the housing mix determination because of state law and community visioning, but the aggressiveness/investment to which they are pursued would be more such as:

Factors	60% SF / 40% MF	40% SF / 60% MF
		<ul style="list-style-type: none"> ○ Incentives and changes to key transit corridors and core commercial areas required to increase multi-family housing ○ Increased flexibility in Commercial zones to facilitate multi-family housing ○ Will need additional strategies that have yet to be determined
<p>Potential Implications</p>	<p>Larger Community</p> <ul style="list-style-type: none"> ● Fewer land use changes needed (code or plan designation) within the current UGB ● Fewer changes to corridors needed <p>Market</p> <ul style="list-style-type: none"> ● Provides more housing for market segment that desires yards/space and single-family detached (as compared to multi-family housing) ● If single-family demand decreases, the entire single-family expansion area may not be needed ● Single-family homes in an expansion area could be vulnerable to higher transportation costs <p>Climate Change and Energy Uncertainty</p> <ul style="list-style-type: none"> ● If single-family detached demand is not met in Eugene, it may be met in outlying communities, increasing the transportation cost burden and vehicle miles traveled (VMT) for those households 	<p>Larger Community</p> <ul style="list-style-type: none"> ● Land use changes needed to focus redevelopment along key transit corridors and core commercial areas such as through code amendments, area planning, etc. ● Focuses denser housing along key transit corridors and core commercial areas, possibly relieving infill pressure in existing single-family areas <p>Market</p> <ul style="list-style-type: none"> ● Provides more housing for market segment that desires quicker access to services (e.g. transit, retail, daily services) ● Increases the variety of housing types in the housing stock ● Change may be too much for market to support resulting in underdevelopment of multi-family lands <p>Climate Change and Energy Uncertainty</p> <ul style="list-style-type: none"> ● Better prepares community for climate and energy changes and reducing greenhouse gas emissions from transportation per Senate Bill 1059 by increasing density near the core, including around transit and services (could lower VMT) ● Likely to result in buildings with lower energy use, cost and greenhouse gas emissions per capita (multi-family dwellings are on average, significantly more energy efficient than single-family detached dwellings of the same square footage and occupancy)

Factors	60% SF / 40% MF	40% SF / 60% MF																																																
<p><u>Potential Implications</u></p>	<p>Public Infrastructure</p> <ul style="list-style-type: none"> • Current public investment levels will need to continue facilitating redevelopment (such as continued financial investment in downtown) • More infrastructure needed for transportation and utility extensions to serve housing in expansion areas <p>Affordability</p> <ul style="list-style-type: none"> • Presumes that other factors and policies will address the widening housing affordability gap • The TRG has not yet been able to establish findings regarding the affect on housing affordability <p>UGB</p> <ul style="list-style-type: none"> • Larger UGB expansion for housing, greater infrastructure need and cost outside the current UGB • As an example, under the ECLA assumptions, an approximately 860 acre expansion would be needed for LDR housing <p>Overall Density</p> <ul style="list-style-type: none"> • Less than 1% increase to overall average net density from the current/ECLA assumption of 7.3 dwelling units per net acre to 7.4 dwelling units per net acre: <table data-bbox="250 1352 683 1514"> <tr> <td colspan="2">By Plan Designation:</td> <td colspan="2">By building type:</td> </tr> <tr> <td>LDR</td> <td>5.4</td> <td>SFD</td> <td>5.4</td> </tr> <tr> <td>MDR</td> <td>13.5</td> <td>SFA</td> <td>20.2</td> </tr> <tr> <td>HDR</td> <td>31.6</td> <td>2-4 du</td> <td>8.6</td> </tr> <tr> <td><u>Com</u></td> <td><u>20.8</u></td> <td><u>5 or more</u></td> <td><u>24.1</u></td> </tr> <tr> <td>Total</td> <td>7.4</td> <td>Total</td> <td>7.4</td> </tr> </table>	By Plan Designation:		By building type:		LDR	5.4	SFD	5.4	MDR	13.5	SFA	20.2	HDR	31.6	2-4 du	8.6	<u>Com</u>	<u>20.8</u>	<u>5 or more</u>	<u>24.1</u>	Total	7.4	Total	7.4	<p>Public Infrastructure</p> <ul style="list-style-type: none"> • More investment is needed by the city to remove barriers to denser housing and mixed use (see Strategies Needed above) within the current UGB • Less infrastructure needed for transportation and utility to serve housing in expansion areas • Compact development in the core and along transit corridors may increase ridership and make existing transit routes more financially feasible <p>Affordability</p> <ul style="list-style-type: none"> • The TRG has not yet been able to establish findings regarding the affect on housing affordability <p>UGB</p> <ul style="list-style-type: none"> • Smaller UGB expansion for housing, greater infrastructure need and cost inside the core area • As an example, under the ECLA assumptions, an approximately 280 acre expansion would be needed for LDR housing <p>Overall Density</p> <ul style="list-style-type: none"> • Approximately 23% increase in overall average net density from the current/ECLA assumption of 7.3 dwelling units per net acre to 9.0 dwelling units per net acre (because there are more multi-family units which utilize less space): <table data-bbox="894 1352 1328 1514"> <tr> <td colspan="2">By Plan Designation:</td> <td colspan="2">By building type:</td> </tr> <tr> <td>LDR</td> <td>5.5</td> <td>SFD</td> <td>5.4</td> </tr> <tr> <td>MDR</td> <td>13.5</td> <td>SFA</td> <td>20.2</td> </tr> <tr> <td>HDR</td> <td>31.6</td> <td>2-4 du</td> <td>8.6</td> </tr> <tr> <td><u>Com</u></td> <td><u>20.8</u></td> <td><u>5 or more</u></td> <td><u>24.1</u></td> </tr> <tr> <td>Total</td> <td>9.0</td> <td>Total</td> <td>9.0</td> </tr> </table>	By Plan Designation:		By building type:		LDR	5.5	SFD	5.4	MDR	13.5	SFA	20.2	HDR	31.6	2-4 du	8.6	<u>Com</u>	<u>20.8</u>	<u>5 or more</u>	<u>24.1</u>	Total	9.0	Total	9.0
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Factors	60% SF / 40% MF	40% SF / 60% MF
<p><u>Potential Implications</u></p>	<p>Average dwelling units per year Historically, from 2001-2008: SFD: 526 dwelling units built per year MF: 218 dwelling units built per year</p> <p>Under this mix: SFD: 8,971 / 20 yrs = 448 SFD dwelling units built per year MF: 5,980 / 20 yrs = 299 MF dwelling units built per year</p>	<ul style="list-style-type: none"> • Multi-family housing densities might increase slightly (thus increase overall average slightly) to accommodate all multi-family inside the UGB <p>Average dwelling units per year Historically, from 2001-2008: SFD: 526 dwelling units built per year MF: 218 dwelling units built per year</p> <p>Under this mix: SFD: 5,980 / 20 yrs = 299 SFD dwelling units built per year MF: 8,971 / 20 yrs = 448 MF dwelling units built per year</p>
<p>Eugene/Lane County Relevant Data with Potential Implications</p>	<p><u>Key demographic factors and possible affects on housing trends</u> Eugene has a larger share of college aged people than Lane County as a whole</p> <p>Eugene's population is growing older Eugene's older households and housing choice: ○ Provides more single-family homes for older households (over age 45) that are typically homeowners Eugene's younger households and housing choice: ○ Provides more single-family residential for younger households that want to live in single-family</p>	<p><u>Key demographic factors and possible affects on housing trends</u> Eugene has a larger share of college aged people than Lane County as a whole</p> <ul style="list-style-type: none"> ○ Provides more multi-family for college aged people of which the majority rent and are more likely to live in multi-family <p>Eugene's population is growing older Eugene's older households and housing choice: ○ Provides opportunities for more housing types responding to older households decreasing from living in single-family detached after ages 65- 70. Eugene's younger households and housing choice: ○ Provides opportunities for alternative housing types to own for younger households (under age 25) that typically have lower incomes ○ Provides more multi-family housing for younger households the majority of which live in multi-family</p>

Factors	60% SF / 40% MF	40% SF / 60% MF
Eugene/Lane County Relevant Data with Potential Implications	<p>Eugene’s households are generally smaller (than historical Eugene households and current Lane County and State household sizes) and Eugene had more non-family households and fewer households with children</p> <ul style="list-style-type: none"> ○ Provides more opportunity for more, smaller single-family dwellings <p>Eugene is becoming more ethnically diverse</p> <ul style="list-style-type: none"> ○ Provides more opportunity for larger households <p><u>Key housing trends</u> Since 2000, housing starts in the selected cities within Lane County have been dominated by single-family types</p> <ul style="list-style-type: none"> ○ Responds to continued demand for single-family detached <p>Eugene’s housing became less affordable for renting and owning over the last decade</p> <ul style="list-style-type: none"> ○ Bringing new single-family dwellings onto the market may free up existing single-family dwellings that generally rent or sell for less than similar newly constructed dwellings. ○ Provides more single-family detached which allows those who can afford to move to new single-family to vacate existing single-family detached for those with less income 	<p>Eugene’s households are generally smaller (than historical Eugene households and current Lane County and State household sizes) and Eugene had more non-family households and fewer households with children</p> <ul style="list-style-type: none"> ○ Provides more opportunity for more, smaller household types <p>Eugene is becoming more ethnically diverse</p> <ul style="list-style-type: none"> ○ Provides more opportunity for more affordable housing <p><u>Key housing trends</u> Since 2000, housing starts in the selected cities within Lane County have been dominated by single-family types</p> <ul style="list-style-type: none"> ○ Responds to demand for multi-family which typically happens after an increase in single-family detached demand <p>Eugene’s housing became less affordable for renting and owning over the last decade</p> <ul style="list-style-type: none"> ○ Provides more opportunities to increase the variety of housing types affordable to lower and middle income levels ○ Bringing new multi-family dwellings onto the market may free up existing multi-family dwellings that generally rent or sell for less than similar newly constructed dwellings. ○ Eugene has a low multi-family vacancy rate so new multi-family housing may increase multi-family options

Key:

MF: multi-family housing (including SFA, 2-4 du, 5 + du)

SF: single-family detached housing

SFD: single-family detached housing

SFA: single-family attached housing

2-4 du: 2-4 dwelling units

5 + du: 5 or more dwelling units

Plan designation: Metro Plan diagram land use designation

Re-designation: To change the land use designation of an area from what it is currently designated on the Metro Plan diagram