

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Work Session: Envision Eugene

Meeting Date: June 8, 2011
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: B
Staff Contact: Carolyn Weiss
Contact Telephone Number: 541-682-8816

ISSUE STATEMENT

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). Envision Eugene is planning for approximately 34,000 additional community members and creating a picture of what Eugene will look like in the future. Envision Eugene is also integrating City Council and community goals for social equity, environmental stewardship and economic prosperity.

At the March 9 work session, the council directed staff to schedule a work session in May to discuss single-family housing land need. The May 25, 2011, work session was intended to provide that update, but it ran short on time. This work session is a continuation of the May 25, 2011, City Council work session. Topics will include a process overview, single-family housing land need, and phased implementation.

BACKGROUND

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 A).

Housing mix is one of the factors that influences how much land the city will need for housing its future population. 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% single-family to 40% multi-family. The next scenario plans for those same 15,000 new homes at a ratio of 40% single-family to 60% multi-family. While the final housing mix has not been determined, these scenarios highlight both ends of the spectrum that are 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 a phased approach to making urban growth boundary expansion areas available for housing development. This approach is only required if a determination is made that an urban growth boundary expansion is warranted. Phased implementation is intended to address the uncertainty surrounding the future demand for single-

family homes. It is based on a close monitoring of the construction of single-family units in the future. As a result of this monitoring, the supply of new developable land would be made available for development only when the need for additional single-family homes is made apparent through appropriate triggers. This approach attempts to keep pace with the market demand for single-family homes while protecting land from urban development until a future need is demonstrated.

Next Steps

Housing Land Need

The Technical Resource Group will substantially complete its work on a single-family land need in June. At that time, a council work session will be scheduled to review staff's recommendation based on the TRG's findings. Work will continue over the summer to refine the single-family land need based on additional analysis and public outreach. A City Council public hearing will be held in the fall to invite comment on the single-family land need recommendation and any resulting need for a UGB expansion. Later in the fall, the council will be asked to take action on the single-family land need recommendation.

Industrial Land Need

In March, the council directed staff to begin analyzing lands outside the current UGB for industrial land development and to schedule a council work session to review the results of this analysis. Preliminary wetlands analysis is complete and staff will begin having conversations with property owners in potential expansion areas to identify interests and concerns. Staff will notify property owners and schedule in-person meetings during the month of 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.

Technical Resource Group

The Technical Resource Group is expected to continue its work, including 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

No formal action is required at this time.

CITY MANAGER'S RECOMMENDATION

No action is required on this item. Therefore, no recommendations are offered by the City Manager.

SUGGESTED MOTIONS

No action is required on this item. Therefore, no motions are suggested

ATTACHMENTS

A. Technical Resource Group Housing Mix Comparison

FOR MORE INFORMATION

Staff Contact: Carolyn Weiss, 541-682-8816

Staff E-Mail: carolyn.j.weiss@ci.eugene.or.us

Project Website: www.envisioneugene.org

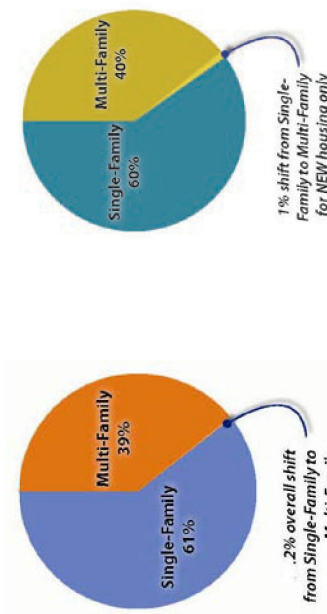
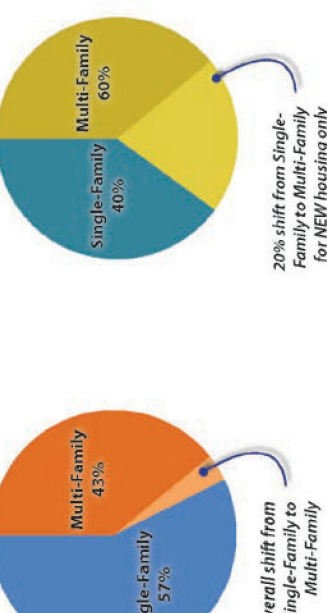
Housing Mix Comparison

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	<p>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)</p> <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 <p>Overall Mix (2031) Mix of new housing only</p> 	<p>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> <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 <p>Overall Mix (2031) Mix of new housing only</p> 

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><u>Potential Implications</u></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)

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<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 border="0" data-bbox="1201 1218 1396 1785"> <tr> <td>By Plan Designation:</td> <td colspan="2">By building type:</td> </tr> <tr> <td>LDR 5.4</td> <td>SFD 5.4</td> <td>SFD 5.4</td> </tr> <tr> <td>MDR 13.5</td> <td>SFA 20.2</td> <td>SFA 20.2</td> </tr> <tr> <td>HDR 31.6</td> <td>2-4 du 8.6</td> <td>2-4 du 8.6</td> </tr> <tr> <td><u>Com 20.8</u></td> <td><u>5 or more 24.1</u></td> <td><u>5 or more 24.1</u></td> </tr> <tr> <td>Total 7.4</td> <td>Total 7.4</td> <td>Total 9.0</td> </tr> </table>	By Plan Designation:	By building type:		LDR 5.4	SFD 5.4	SFD 5.4	MDR 13.5	SFA 20.2	SFA 20.2	HDR 31.6	2-4 du 8.6	2-4 du 8.6	<u>Com 20.8</u>	<u>5 or more 24.1</u>	<u>5 or more 24.1</u>	Total 7.4	Total 7.4	Total 9.0	<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 border="0" data-bbox="1201 378 1396 945"> <tr> <td>By Plan Designation:</td> <td colspan="2">By building type:</td> </tr> <tr> <td>LDR 5.5</td> <td>SFD 5.4</td> <td>SFD 5.4</td> </tr> <tr> <td>MDR 13.5</td> <td>SFA 20.2</td> <td>SFA 20.2</td> </tr> <tr> <td>HDR 31.6</td> <td>2-4 du 8.6</td> <td>2-4 du 8.6</td> </tr> <tr> <td><u>Com 20.8</u></td> <td><u>5 or more 24.1</u></td> <td><u>5 or more 24.1</u></td> </tr> <tr> <td>Total 9.0</td> <td>Total 9.0</td> <td>Total 9.0</td> </tr> </table>	By Plan Designation:	By building type:		LDR 5.5	SFD 5.4	SFD 5.4	MDR 13.5	SFA 20.2	SFA 20.2	HDR 31.6	2-4 du 8.6	2-4 du 8.6	<u>Com 20.8</u>	<u>5 or more 24.1</u>	<u>5 or more 24.1</u>	Total 9.0	Total 9.0	Total 9.0	
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<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: o Provides more single-family homes for older households (over age 45) that are typically homeowners Eugene’s younger households and housing choice: o 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: o 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: o Provides opportunities for alternative housing types to own for younger households (under age 25) that typically have lower incomes o 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