

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Envision Eugene - Single-Family Housing and Industrial Lands

Meeting Date: July 27, 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

This work session will focus on two important components of Envision Eugene and the resulting effects on the City's projected 20-year land need:

- Future land need for single-family homes, and
- Future land need for industrial lands.

Technical Resource Group members will be present at this work session to continue the discussion of future land need for single-family homes based on new work completed in the last month.

BACKGROUND

Land Need for Single-Family Homes

The Technical Resource Group (TRG), a subcommittee of the Community Resource Group, has been meeting weekly to discuss housing need and to review data and assumptions that went into the City's initial analysis. A number of factors make up the information required to understand our future land need as it relates to single-family homes. These factors include:

- Number of single-family homes needed, including housing mix;
- Vacant land capacity;
- Partially vacant land capacity;
- Efficiency strategies that promote smaller homes such as secondary dwelling units and alley access homes; and
- Re-designating select parcels to accommodate single-family homes.

Since the June 29 work session, a subcommittee of the TRG has continued its work to refine the methodology used to determine the capacity of partially vacant lands, particularly related to lots larger than one acre in size. The results of this analysis will be presented at the work session. Having this additional information regarding partially vacant land provides the opportunity to look more closely at housing mix and the specific affect it has on the future land need for single-family homes.

Attachments A, B and C provide background information on the housing mix discussion to-date.

Work will continue throughout the summer on the potential re-designation of select parcels from medium-density to low-density, which may result in the accommodation of additional single-family homes. Exploratory letters have been sent to these property owners and staff has offered to meet with

them to gauge interest and answer questions regarding possible impacts or benefits of potential re-designation. The results of this work are anticipated to conclude this fall.

Land Need for Industrial Lands

On March 9, the council directed staff to begin analyzing lands outside the current urban growth boundary (UGB) for industrial land development and to schedule a council work session to review the results of this analysis. Staff and members of the Community Resource Group Economic Development subcommittee reviewed maps and information associated with possible expansion areas outside the UGB. Based on this work, a preliminary wetlands analysis has been completed for a specific area of northwest Eugene. Letters have also been mailed to property owners in this area to identify interests and concerns. The results of this work to-date will be reviewed at the work session.

Next Steps

Public Open Houses

A summer open house series is being held in the Atrium Building at 99 West 10th Avenue on the first Wednesdays of July, August and September from 3 - 6 p.m. The first open house, on July 6, provided an opportunity for the public to review maps and information related to single-family housing. The August 3 open house will focus on industrial land strategies and potential expansion areas; and the September 7 event will feature updated information on both single-family and industrial land need and expansion.

Housing Land Need

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.

Industrial Land Need

Work will continue over the summer to refine the industrial land need and the analysis of potential expansion areas. Conversations with property owners in these areas will also continue through the summer, as requested.

Technical Resource Group

The Technical Resource Group is expected to continue its work, reviewing multi-family, mixed-use and commercial capacity assumptions; industrial land need analysis; and 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
- B. Housing Policy Board Memo re: Housing Mix
- C. Sustainability Commission Memo re: Housing Mix
- D. Register-Guard Guest Viewpoint: Ed McMahon, Homebuilders Association of Lane County
- E. Register-Guard Guest Viewpoint: Mia Nelson, 1000 Friends of Oregon
- F. Technical Resource Group and Subcommittee Membership

FOR MORE INFORMATION

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Project Website: www.envisioneugene.org

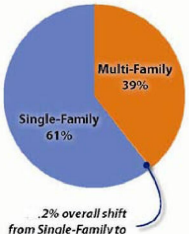
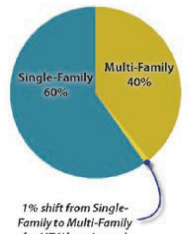
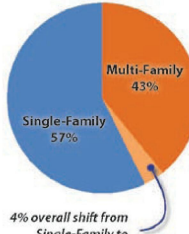
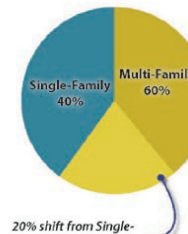
Housing Mix Comparison

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	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 	<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>.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>	<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)

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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 data-bbox="251 1354 690 1516"> <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="896 1354 1334 1516"> <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> <p>○ Provides more multi-family for college aged people of which the majority rent and are more likely to live in multi-family</p> <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

Memorandum

Date: Tuesday, June 21, 2011

To: Heather O'Donnell, Land Use Planning Department

From: J. Norton Cabell, chair, Intergovernmental Housing Policy Board

At our June 6 meeting, the Housing Policy Board had a discussion regarding housing mix following a presentation from your folks who briefed us on Envision Eugene. The mission of the Housing Policy Board is to increase the availability of decent, affordable housing for our low-income residents, so the issue is important to us. You asked for our thoughts in writing.

We discussed the factors that affect housing affordability: underlying costs of housing (land, construction, financing, regulations), demand (size, features, amenities), and changes in the supply/demand ratio (reflected by fluctuating house prices [for owner-occupied housing] and vacancy rates [for rental housing]). Many of those factors are beyond the ability of local government to influence.

No one seems able to point to data showing the exact correlation between housing mix and the cost of housing or housing affordability. But the Housing Policy Board believes that multi-family housing is cheaper to buy or rent than single-family detached housing. So the Board wants to encourage the City to increase the supply of land devoted to multi-family construction as one tool for improving housing affordability. We understand that the current mix of housing is 61% single family detached, 39% multi-family. We understand discussions of the various groups considering the issue have ranged from leaving that ratio alone in planning for how much to expand the UGB to moving it from 61/39 to 55/45.

Housing affordability is a critical issue in Eugene. The city has historically had a very low rental vacancy rate when compared to like-sized communities or other Oregon cities. That indicates that demand for rental housing (one proxy for affordable housing) exceeds supply. We encourage you to be bold. We believe that population trends, such as an aging population and smaller family sizes, coupled with the long-standing lack of affordable housing, compared to other cities, will drive down the future need for single-family detached housing in Eugene and drive up the demand for multi-family. So we encourage you to use what tools you have, including changing the planned housing mix, to accommodate more multi-family housing.



**Sustainability
Commission**

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Memorandum

June 22, 2011

TO: Honorable Mayor and City Council
FROM: Sustainability Commission
RE: Envision Eugene: Housing Mix

In light of our role in advising Council on policy matters, the Sustainability Commission recently discussed the housing mix options under consideration by the Envision Eugene Technical Resource Group. We applaud the work of the Technical Resource Group to systematically assess the many ways in which housing affordability and livability may be affected by housing mix goals. The following represents our consensus feedback at this time, though we expect to weigh in further in September as well.

Our comments are intended to provide a suggested direction by drawing attention to the consistency of one mix or another with the seven pillars that Council has advanced for public discussion, as well as with the previously adopted Climate and Energy Action Plan. The Sustainability Commission does not recommend a particular numerical ratio for the future housing mix in Eugene. We do, however, recommend a set of questions for staff, advisory committees and advocates of specific housing mix ratios.

If the future of Eugene is to align with our vision and resolve the inherent tradeoffs among the seven pillars, the optimal housing mix ratio should be driven by a long view of impacts. There are indications that many drivers of the housing market are changing -- including generational differences in housing preferences, availability of mortgages, cost of transportation energy and building energy, and community commitments to tackling climate change and local energy security. We recommend that you ask advocates of specific housing mix values to look into the future as they make their arguments, and to be creative about how to reconcile such goals as density, affordability, and livability.

As we understand the pillars, they tell us that our community must shift toward compact mixed-use development focused on transit corridors. Retaining the status quo 60:40 mix of single family and multi-family housing will block our ability to achieve our shared vision as represented by the pillars. Even the 40:60 (single family: multi-family) housing mix option makes this shift only slowly and modestly over the timeframe under consideration. We see a mix closer to the 40:60 alternative as much more consistent with the seven pillars.

We look forward to a follow up work session with Council to discuss broader implications of Envision Eugene and to respond to questions raised at our work session with you in April.

GUEST VIEWPOINT: Eugene's choice of right housing mix can help the recovery

BY ED MCMAHON

Published: **Sunday, Jul 3, 2011 05:01AM**

It's hard not to notice the world of difference between the housing-led recoveries that consistently have pulled the economy out of recessions for decades and the economic recovery we are experiencing today. Anemic job creation, slow and vacillating economic growth, sagging consumer confidence — it's painfully evident by now that something has gone wrong with a recovery that barely feels like a recovery at all.

So maybe it's encouraging, even if it's a bit late, that Federal Reserve Chairman Ben Bernanke and a growing number of other leaders in Washington are starting to make the connection between a languishing housing industry and a recovery that just can't work up a good head of steam. But the truth of the matter is that little has been done to address the issues preventing housing from getting back on its feet.

It's frustrating that not enough thought has been given to housing lately — not only because housing can provide the boost the economy so sorely needs, but also because Americans value it highly. In a recent national survey conducted on behalf of the National Association of Home Builders by leading political pollsters Lake Research Partners and Public Opinion Strategies, three-quarters of the 2,000 people likely to vote next year who responded were bullish about home ownership even considering market fluctuations, and 73 percent of those who do not currently own a home said owning is one of their goals. Among younger voters who are most likely to be shopping for housing in the next few years, home ownership was valued even more.

The NAHB economists estimate that the recession has created a lag of 2 million household formations as individuals doubled up with friends and family until conditions improve. Looking at the demographics, a record number of Americans moving into their 20s and 30s will need places to live, starting out with rentals and then moving into homes they own.

That's not even the whole picture — leaving out aging baby boomers and immigrants — but it suggests a powder keg of housing demand that can emerge quickly if government policies move in the right direction. Building to that demand would provide just the lift the economy needs.

Federal Bureau of Economic Analysis data show that building 100 average single-family homes generates more than 300 jobs, \$23.1 million in wages and business income and \$8.9 million in taxes and revenue for local, state and federal governments. And there's a tremendous ripple effect from there.

Is Eugene going to be ready to benefit from the pent up housing demand? That question will be answered in the near future when the Eugene City Council votes on a housing mix.

The suggested housing mix being presented to the council ranges from 55 percent to 60 percent single family detached housing, and 45 percent to 40 percent multifamily housing. It has been established that 15,000 dwelling units will be needed for the 20-year planning period.

Depending on the housing mix, the need for single family detached housing will range from 6,000 to 9,000 units. Hopefully the council will decide on a minimum of 60 percent single family detached housing and 40 percent multi-family housing mix, which would mean building an average of approximately 450 single family detached housing units per year.

That would be far below what we've experienced in the past. Eugene averaged 773 single family detached housing units per year from 1990 through 2007. A 60 percent single-family and 40 percent multi-family mix represents a 59 percent decrease from historical trends.

Knowing that the housing bubble we experienced is not likely to return, and considering the tightened mortgage standards in place today, a decrease in single family detached housing is expected. However, a 59 percent decrease from historical trends will continue to push a large portion of the housing demand to surrounding bedroom communities, increasing vehicle miles traveled in the process.

Hopefully the Eugene City Council will make the right housing mix decision. It's time to kick-start the recovery and put housing back to work.

Ed McMahon, the executive vice president for the Home Builders Association of Lane County for 16 years, is participating in the Community Resource Group, the Technical Resource Group and the Partially Vacant Land Group of the Envision Eugene process.

GUEST VIEWPOINT: Yesterday's housing mix won't prepare Eugene for future

BY MIA NELSON

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In his July 3 guest viewpoint, Ed McMahon urged Eugene to plan 60 percent of its new housing as detached single-family homes, to “kick-start the recovery.” Because this is the least dense form of housing, such a plan would lead to a larger urban expansion. But does the raw land supply have anything to do with the housing crisis? Nationwide, some of the most troubled areas have the fewest land use controls.

Over the next 20 years, a ratio of 60 percent detached single-family would require planning for roughly 9,000 new units. Eugene already has room for more than 4,000 single-family homes on its vacant lands alone; preliminary work indicates partially vacant lands could accommodate up to 3,000 more. Clearly, there is no emergency on the land supply end of things.

What is the problem, then? William Lucy, professor of urban and environmental planning at the University of Virginia, places most of the blame not on dysfunctional lending and speculative overbuilding, but on something more long-lasting and harder to solve: demographic changes that have greatly increased the number of older sellers while decreasing the number of younger purchasers.

“These changes have created more than five homeowners 55 and over who are potential sellers for each household age 30 through 44 which is not a home owner but might like to buy,” Lucy says.

This imbalance will only grow worse as the baby boomer generation ages, and increasing numbers of older homeowners try to sell. At the same time, younger potential homebuyers — facing persistent unemployment and tightened credit markets — may be less able to buy costly detached single-family homes from downsizing retirees than in the past.

Despite these demographic changes, population will continue to rise, albeit at reduced rates. Over the last 20 years, Eugene added an average of 1,100 new dwelling units a year; growth over the next 20 years is projected to slow to just 750 units per year. As McMahon correctly observed, even if detached single-family were given 60 percent of the growth pie, the slice would still be much smaller than in past years.

However, if Eugene focuses on delivering the lion's share of the growth-planning pie to detached single-family homes, other housing types will be shorted, and this could leave our community unprepared to serve tomorrow's evolving markets.

During the recent housing boom, a great deal of Eugene's new construction was traditional detached single-family on lots 7,000 square feet and larger. Planning for a continuation of this pattern may be unwise.

According to Arthur Nelson, director of the Metropolitan Research Center at the University of Utah, in the long term this housing type is severely oversupplied, with about 20 million more units existing now, nationwide, than will be needed in 2030.

He predicts that 88 percent of our country's growth through 2030 will be households without children, and that demand will be strongest for higher density housing in close-in, walkable neighborhoods served by good transit.

Planning for these housing types can pay big dividends. The construction phase yields high-paying jobs, while added foot traffic in mixed-use developments can revive deteriorating commercial areas. Live-work options encourage entrepreneurship. Less car-reliant developments reward residents with transportation cost savings, better health and improved quality of life.

While the housing mix determines the amount of land provided for each housing type, it also directs Eugene's planning program. Much work is needed to create a thriving local housing market and affordable, livable choices for all residents.

This work includes comprehensive area planning, code changes to allow live-work arrangements in industrial zones, provision of high quality transit along key corridors, code changes and rezonings to encourage mixed-use development in commercial areas and near transit stops, and carefully targeted incentives.

The work also includes anticipating coming market pressures on existing neighborhoods that could result in poorly designed infill projects. Better planning for student housing, stronger infill compatibility standards, and an opportunity siting process that empowers affected neighbors are important pieces of the planning puzzle.

Eugene's neighbors recognize the benefits of expanded housing choices. Springfield and Albany are planning for only 52 and 47 percent detached single-family homes, respectively, despite current mixes of more than 60 percent. Corvallis is planning for only 50 percent single-family home construction. These forward-looking cities will not be caught flat-footed, unprepared for the coming shifts in demography and preferences.

Like it or not, we are entering unfamiliar waters. Instead of trying to re-create the past, Eugene should embrace the inevitable changes of the 21st century, and step boldly forward with planning activities that fully prepare our community to meet the coming demand for a wide range of housing types.

Mia Nelson, the Willamette Valley advocate for 1000 Friends of Oregon, is a Realtor, a residential subdivision developer, and a member of the Community Resource, Technical Resource and Partially Vacant groups of the Envision Eugene process.

Technical Resource Group Committees
Envision Eugene

Technical Resource Group Member List

Shawn Boles*	Eugene Sustainability Commission
Rick Duncan*	Eugene Planning Commission
Erin Ellis	Our Money Our Transit
Roger Gray	Eugene Water & Electric Board
Kevin Matthews*	Friends of Eugene
Ed McMahon*	Home Builders Association of Lane County
Mia Nelson*	1,000 Friends of Oregon
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