IMPORTANT NOTE: "Planning for Residential Growth" is a workbook to assist urban area governments in planning for housing and for an adequate land supply for housing needs inside Urban Growth Boundaries (UGBs). The workbook will be especially helpful to those conducting housing needs analysis, buildable lands inventories, and UGB expansion evaluations.

Local governments and citizens interested in urban area planning in Oregon will find this workbook to be an essential tool. Although the workbook was published in 1997, much of the information is applicable today (2005). The workbook contains detailed methodologies, guidelines and other helpful tips intended for local governments engaged in periodic review or other major updates of urban area plans.

Users need to be aware that Goal 14 and ORS 197.296 changed subsequent to the publication of this workbook. However, those changes did not make substantial changes to the basic methodologies for inventorying buildable land and determining housing need. To learn about subsequent Goal and statute changes, users should compare the versions of these laws contained in the workbook with current versions of Goal 14 and ORS 197.296, available from the DLCD website at http://www.oregon.gov/LCD/index.shtml.

Planning for Residential Growth:
A Workbook for Oregon's Urban Areas

Prepared for:

Transportation and Growth Management Program
Oregon Department of Transportation
Oregon Department of Land Conservation and Development

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Technical Advisory Committee

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Kenn Battaile, City of Salem
Jon Chandler, Oregon Building Industry Association
Dave Foster, Oregon Department of Housing and Community Development
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Chapter I
Introduction

What This Workbook Covers

This workbook provides methods for conducting buildable lands and housing needs analyses. It advises communities on how they can increase the probability that needed housing will be built. It informs local governments on when urban growth boundary expansion is appropriate to accommodate future housing needs.

The stimulus for development of this workbook was adoption of House Bill 2709 by the 1995 Oregon Legislature. Although the workbook is written with HB 2709 specifically in mind, its guidance is valuable to any local government planning for urban residential growth. This includes most communities conducting periodic review under Oregon's statewide planning program. It also includes any community that is not in periodic review, but is examining whether or not to expand its urban growth boundary to accommodate future residential development.

Oregon communities vary in size, socioeconomic characteristics, financial resources, and in other ways. This workbook takes various community characteristics into account while providing a comprehensive, step-by-step approach to the analysis of housing and residential land needs.

Some tasks in the workbook will be familiar because they address longstanding Oregon planning requirements, in particular, Statewide Planning Goal 10, Housing, and Goal 14, Urbanization. Other tasks will be new because they were adopted in HB 2709.

Local jurisdictions may use approaches not presented in this workbook that reasonably address state requirements and better suit their community characteristics and data availability. As communities and the state gain more experience addressing the residential growth issues covered in this workbook, the Department of Land Conservation and Development will update the book to share new knowledge and examples.

What Is House Bill 2709?

Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR) require jurisdictions to analyze and provide for needed housing prior to the adoption of HB 2709. HB 2709 supplemented these provisions as follows:

1. Refined the definition of buildable lands;
2. Required coordination of population projections;
3. Set criteria for prioritizing land for UGB expansions; and
4. Set specific requirements regarding buildable lands for needed housing.

Provisions numbered 1 through 3 apply to all Oregon jurisdictions.

1. Definition of Buildable Lands, ORS 197.295(1)

Buildable lands now include "developed land likely to be redeveloped."[1] Prior to HB 2709, it was a local option as to whether or not to include redevelopable lands in the buildable lands inventory.

2. Coordination of Population Forecasts, ORS 195.036

ORS 195.036 requires the coordinating body for an area to establish and maintain a population forecast for the area and to coordinate the forecast with the local governments within its boundary. The coordinating body is the county except in Multnomah, Washington, and Clackamas counties, where Metro serves as the coordinating body, and except in areas where the county has delegated coordinating responsibility.[2] The Oregon State Economist provides 20-year statewide forecasts and coordinated regional forecasts.

3. Priority of Lands for UGB Expansions, ORS 197.298

If a community expands its urban growth boundary (UGB), it must include certain types of land before others. The order of priority is as follows:

1. Urban reserve land designated under ORS 195.145;
2. Exception and nonresource land adjacent to a UGB;
3. Marginal lands pursuant to ORS 197.247 (1991 Edition); and
4. Agriculture and forestry lands, or both.

Communities can include lower priority land in a UGB under the following circumstances:

1. A need for specific type of land;
2. Constraints to providing urban services; and
3. Efficiency of land uses.

---

[1]See Appendix A, Glossary of Terms, for definitions of *buildable lands*, and *redevelopable lands*.

[2]ORS 195.025. For example, Lane County delegated responsibility for coordination to the Lane Council of Governments (LCOG).

4. **Buildable Lands for Needed Housing, ORS 197.296**

ORS 197.296 established specific requirements for planning and plan implementation for needed housing. Chapter II of this workbook presents an overview of ORS 197.296. Chapter III addresses each of its requirements.

Who Must Comply with House Bill 2709?

All jurisdictions must comply with **most** of the requirements of HB 2709, or similar requirements. HB 2709 requirements codified in ORS 197.296 apply only to specific jurisdictions. However, ORS 197.296 restated pre-existing law or administrative rules that apply to all jurisdiction (See Table 1).

Jurisdictions subject to the requirements in ORS 197.296, include:

1. Areas within any urban growth boundary for a city with a population of 25,000 or more;
2. Areas within any urban growth boundary with a rate of growth that exceeds the average rate of growth for the state for three of the last five years; and
3. Metro (the Portland metropolitan area).

Each January, Department of Land Conservation and Development (DLCD) staff prepares an updated list of jurisdictions meeting one or more of the above factors. This list is based on the most recent population estimates from the Center for Population Research at Portland State University.

The Land Conservation and Development Commission (LCDC) may waive the requirements of ORS 197.296 for any jurisdiction listed above. LCDC makes the waiver decisions in the late winter or early spring of each year. Prior to the commission's decision, DLCD notifies all jurisdictions of the opportunity to request a waiver.

TABLE 1
SUMMARY OF HB 2709 REQUIREMENTS

Requirement and Codified Reference/Who Must Comply?		Comments/Pre-existing Requirements
Include redevelopable land in buildable lands inventory. ORS 197.295(1).	2	"Developed land likely to be redeveloped" has been added to the definition of *buildable land.*
Coordinate population forecasts. ORS 195.036.	2	New requirement.
Determine actual density and actual mix of residential development since last periodic review or last 5 years, whichever is greater. ORS 197.296(3)(b). Project 20-year land needs based on actual density. ORS 197.296(3)(c)	1	New requirement.
Provide sufficient buildable lands to meet projected needs. ORS 197.296(2).	*	Required for all jurisdictions by Goal 10 and associated administrative rules.
Amend UGB and/or adopt measures to provide sufficient buildable lands to accommodate the ***20-year*** housing need. ORS 197.296(2) and ORS 197.296(4).	1	The explicit requirement to provide enough land for the 20-year housing need is new. (Local governments must use the exceptions process to expand the UGB. The exceptions process requires a conclusion that no reasonable alternatives exist.)
Include sufficient land to accommodate new public school facilities if expanding the UGB to accommodate needed housing. ORS 197.296(4)(a).	*	More specific than before, but could be reasonably inferred from Goal 11 public facility planning requirements and Goal 2 coordination requirements.
Adopt measures to increase likelihood needed residential development will occur. ORS 197.296(5). Adopt measures and/or expand the UGB to ensure enough land available to meet housing need. ORS 197.296(4)(b).	*	The exceptions process is required to expand a UGB. Therefore, all jurisdictions must first take whatever measures are possible to accommodate housing and growth inside their existing UGBs. If additional land is still needed, expansion of the UGB may be justifiable.
Monitor and record the level of development activity and density by housing type. ORS 197.296(4)(b).	*	The requirement to monitor development is new. It applies only to a local government that amends its plan to increase residential densities in the UGB, rather than expand the UGB. However, local governments are required to conduct buidable lands inventories to satisfy requirements of Goal 9 - Economic Development, Goal 10 - Housing, and Goal 14 - Urbanization.
Ensure land zoned for needed housing types is in locations appropriate for and zoned at density ranges likely to be achieved by the housing market. ORS 197.296(7).	1	New requirement. OAR 660-08-010 requires local jurisdictions to designate in the comprehensive plan sufficient buildable land to satisfy housing needs by type and density range, but it does not require consideration of the housing *market.*
When expanding UGB, include land in this order: urban reserve, exception and non-resource lands, marginal lands, resource lands. ORS 197.298.	2	New requirement.

1 Jurisdictions subject to ORS 197.296.

2 All jurisdictions

* Specifically required by jurisdictions subject to ORS 197.296, but also required for all jurisdictions by Statewide Planning Goals and Oregon administrative rules.

When Do ORS 197.296 Requirements Apply?

Jurisdictions must comply with ORS 197.296 at periodic review or any other legislative review of an urban growth boundary.

Periodic Review

Jurisdictions that received periodic review notices before the effective date of HB 2709 are **not** subject to the housing needs requirements as part of their current periodic review. January 1996 notices were the first notices issued after the effective date of HB 2709. The case is different for a jurisdiction that: 1) is in periodic review before the effective date of HB 2709 and 2) conducts a Goal 14 review of its urban growth boundary that is not part of its periodic review work program. Here, the jurisdiction is conducting a legislative review and would be subject to HB 2709.

Legislative Review

Determination of when a community is conducting a legislative review of its urban growth boundary must be made on a case-by-case basis. Some general guidance follows:

- A community **is** involved in legislative review when it considers a parcel-specific UGB amendment based on either or both of factors one and two under Goal 14 (see Appendix B). This is because factors one and two require an overall assessment of land needs in the UGB. A community is not engaged in legislative review if it is considering a boundary adjustment based on any of factors five through seven of Goal 14.

- A community **is** engaged in legislative review when the governing body or its designate undertakes a formal analysis of its buildable lands and housing needs. This may include conduct of these tasks as part of a city council-approved work program. It may also include council consideration of the results of such tasks. A community is also involved in legislative review when there is any public process, such as planning commission or citizen committee review and consideration.

- A community is **not** engaged in legislative review when its staff conducts an update of its buildable lands inventory or housing needs projections exclusively at the staff level. A community is also not involved in a legislative review if the governing body requests such an analysis on a cursory level.

Chapter II
Overview of ORS 197.296

This chapter contains an overview of the key objectives of ORS 197.296 and explains the process for meeting its requirements.

Key Objectives

ORS 197.296 contains two key objectives. These relate to housing and land, as follows:

1. **Housing**: Ensure that development occurs at the densities and mix needed to meet a community's housing needs over the next 20 years;

2. **Land**: Ensure there is enough buildable land to accommodate the 20-year housing need inside the urban growth boundary (UGB).

These objectives are inter-related. For example, a UGB may not be large enough to provide housing for the projected population in 20 years *because* development has been occurring at lower than planned densities or *because* there has been a lack of infill and redevelopment. If no measures are taken to ensure that actual developed densities are at least as high as the needed densities, the residential land inside the UGB will be inadequate to meet housing needs in the future.

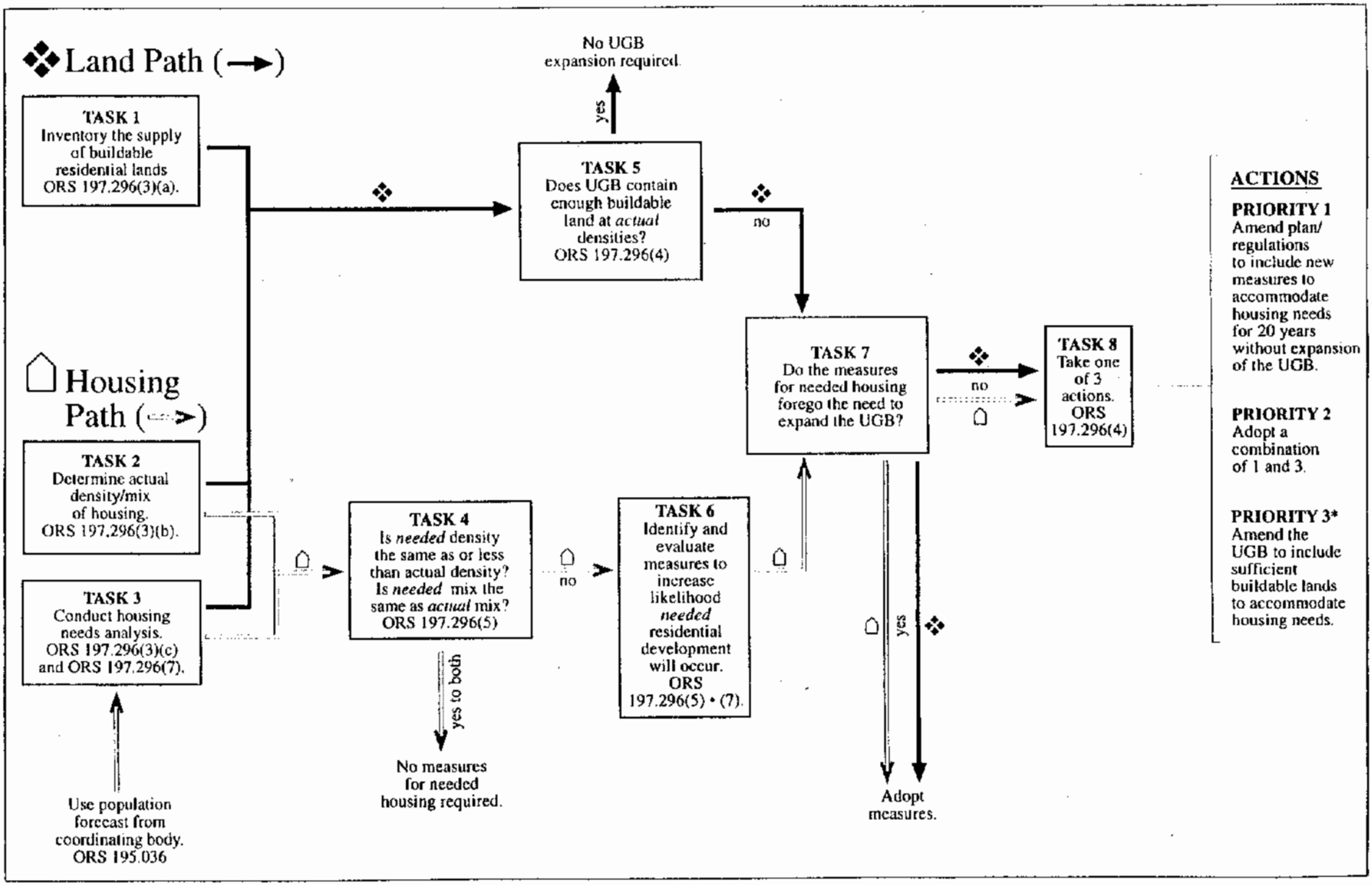
The Process

The key objectives are represented in Figure 1 as two paths, a Housing Path and a Land Path, corresponding to the applicable tasks shown in the flowchart. These paths function independently at first and then join to form one at Task 7. A community subject to the applicable requirements will follow both paths.

Housing Path

This path represents housing needs. It ensures that development will occur at the densities and mix needed to meet a community's housing needs over the next 20 years.

Figure 1
ORS 197.296 Flowchart



***A UGB amendment must address the "seven factors" of Goal 14, the "exceptions" standards in OAR 660-04-010 and other applicable goal requirements.**

Housing Path (continued)

To determine whether residential development in a community is likely to meet the housing objective, above, Task 4 asks the community to compare the density and mix of recent residential development with projected needs. Tasks 2 and 3 provide the necessary information about actual and needed densities and mix to answer the questions in Task 4.

If the answer to *both* questions in Task 4 is **yes**, the community may stop here on the Housing Path. If the answer to *either* question is **no**, a community must proceed to Task 6 to identify and evaluate measures that increase the likelihood needed residential development will occur.

Land Path

This path represents residential land supply and demand. It ensures that the urban growth boundary (UGB) contains enough buildable land to accommodate the 20-year housing need.

Task 5 is a broad-brush assessment of whether the UGB contains enough land to accommodate a community's 20-year housing need, assuming continued development at the average density that has *recently* occurred in the community. Tasks 1, 2, and 3 provide the necessary information to answer the question in Task 5. If the answer to Task 5 is **yes**, a community may stop here on the Land Path.

Joining the Paths

Task 7 brings together information from the Housing Path and the Land Path. It asks a community to consider three factors:

1. Amount of buildable land available (Task 1);
2. Projected housing needs (Task 3); and
3. Proposed housing measures (Task 6).

The projected housing densities (rather than recent densities) and proposed housing measures may reduce the amount of buildable land needed. Task 7 asks if these factors reduce the amount of land required to accommodate the 20-year residential need to the point where expansion of the UGB is not necessary.

If the answer to Task 7 is **yes**, no further action is required (except to adopt the measures proposed in Task 6). If the answer is **no**, a community must proceed to Task 8.

Some basic rules are:

- Tasks 1 though 5 must always be completed.
- If the answers to the questions in Tasks 4 and 5 are **both** yes, a community may stop at Task 5.
- If the answer to both questions in Task 4 is yes and the answer in Task 5 is no, Tasks 7 and 8 must be completed.
- If the answer in Task 4 is no and the answer in Task 5 is no, Tasks 6 and 7 must be completed, and, if necessary, Task 8 as well.
- If the answer in Task 4 is no and the answer in Task 5 is yes, a community must complete Task 6 and adopt measures as part of periodic review.

Words to the Wise

The analyses described in this book will not always be performed in a straight line. New information resulting from a certain task may create the need to repeat one or more of the tasks. This is an iterative process that evolves through interaction of data and policy analyses.

To a certain extent, the assumptions used in this analysis will be based on state policies which seek to minimize the outward growth of urban areas. The assumptions will also be based on local policy choices based on input from residents, representatives of the housing industry, and affordable housing advocates. It is particularly important for local governments to seek input from developers and builders since they are primarily responsible for constructing the needed housing.

Data and analyses regarding commercial, industrial, and other land needs and availability will affect the overall analysis of land needs. Local governments should evaluate residential land and housing assumptions within the context of these other factors.

Do not take trend data at face value. Such data should be evaluated within the context of the broader community, its needs and desires; and historic, recent, and anticipated future events.

Identifying, Evaluating, and Adopting Measures

Following the two paths shown in Figure 1 may lead to adoption of measures for meeting housing needs and using land inside the UGB efficiently. Chapter IV provides guidance on how to identify and evaluate appropriate measures.

Note that the Housing Path ends either with the determination that no measures are required (Task 4) or in the adoption of measures (Task 7). These measures, if any, will be designed to meet the housing objectives (i.e., changing densities, changing the mix). It is possible that these measures will forego any need to expand the UGB.

If the housing measures do not forego this need, a community must consider additional measures (e.g., redesignating non-residential land to residential) before expanding the UGB. This is because Statewide Planning Goal 14 requires the Goal 2 exceptions process to expand the UGB and allows this only when no other reasonable alternatives exist. Communities that adopt measures under Task 8 must monitor development activity and densities from the date of adoption of the measures.

Citizen Involvement

When working to achieve the housing and land objectives described above, local governments must involve their citizens, consistent with Statewide Planning Goal 1 - Citizen Involvement. Goal 1 requires that citizens be involved in all stages of the planning process. The work program for the project should include a citizen involvement plan or program that meets the requirements of Statewide Planning Goal 1 as reflected in the community's comprehensive plan.

The extent of the overall citizen involvement program may vary depending on the results of the analyses described above and on which types of measures are proposed for adoption. The citizen involvement process will need to be more extensive if the proposed measures depart significantly from existing local policy and practice.

For example, if one of the measures is to adopt plan policy to provide financial incentives to encourage infill and redevelopment and the local governments have a history of providing such incentives, the citizen involvement process may need to be less extensive than if there had been no history of providing such incentives in the community.

Chapter III
Tasks and Steps
To Complete the Housing and Land Analyses

This chapter describes eight tasks Oregon cities and counties may conduct in order to complete the housing and land analyses.[1] Each task contains a series of steps to follow that more fully explain how to perform the task. As explained in the introduction to this workbook, these tasks and steps are presented as a guide to performing the analyses. Communities may choose to use alternative approaches and still comply with the legal requirements. For each of the following tasks, a cross-reference to the applicable statute or administrative rule is provided, as well as a description of the task's purpose.

❖ Task 1. Inventory the Supply of Buildable Residential Land

Purpose

The purpose of this task is to calculate the number of acres of buildable residential land in each residential plan designation in the existing UGB.[2] Buildable land is defined as land that is "suitable and available and necessary for residential uses and includes both vacant land and developed land likely to be redeveloped."[3] The buildable lands inventory[4] is important because it informs the calculation of the capacity of a UGB to accommodate growth. Task 5 will show how to calculate the demand for such lands.

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[1]Some of these tasks and steps apply to all Oregon cities and counties in order to meet the requirements of Statewide Planning Goal 10; others apply only in urban growth boundaries with large or fast growing cities. See Chapter I, Introduction, to determine which of these tasks apply to each jurisdiction.

[2]ORS 197.296(3)(a). ORS 197, Goal 10, the Metropolitan Housing Rule (OAR Chapter 660, Division 7), and the Goal 10 Housing Rule (OAR Chapter 660, Division 8) require local jurisdictions inside urban growth boundaries to inventory buildable lands.

[3]"Buildable lands" is defined fully in the Glossary of Terms, Appendix A.

[4]This task only applies to residential lands, but a similar inventory is required by the Statewide Planning Goal 9 rule for commercial and industrial lands. A complete inventory of all land in the UGB is necessary to fully assess the need for a UGB expansion (Task 7).

Overview of Process

The following four steps describe the process to inventory the supply of buildable residential lands. See worksheet on page 16 for an example.

STEP 1 Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.

STEP 2 Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres[5] from total vacant acres.

STEP 3 Calculate net buildable vacant acres by plan designation by subtracting land for future facilities from gross buildable vacant acres.

STEP 4 Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable vacant acres.

Steps to Follow

STEP 1 Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.

1.a List definitions.

Vacant parcels are parcels without buildings; (including platted vacant lots) a partially vacant parcel has improvements on it, but the remainder of the property, generally exceeding one-half (½) acre, has none (see example).

Example:

Parcel 1203 is fully vacant. Parcel 1502 is a partially vacant 5-acre parcel where an existing duplex was subtracted using ¼ acre as the developed part to yield 4.75 vacant acres.

Parcel/Site #	Plan Designation	Gross Vacant Acres
1203	MDR-1	100
1502	MDR-1	4.75

[5]See Glossary of Terms, Appendix A, for a definition of "buildable" and "unbuildable."

1.b List assumptions.

Clearly state all assumptions and data sources prior to the research (e.g., includes all vacant and redevelopable parcels over one-quarter (¼) acre in size). Where sites are designated "Future Urban" because of a transition policy or lack of public facilities, assume conversion to urban residential use within the 20-year timeframe. Vacant lands in farm use deferral should be included as they may convert within the 20-year planning timeframe.

1.c Collect data.[6]

For all lands within the UGB, obtain data from the county assessor's office or a geographic information system if available (worksheet). Most of the data needed to update the residential buildable lands inventory is available at the county assessor's office, which often is accessible through electronic files. Other sources include land division and building permit data, aerial photos, and field data.

[6]For more guidance on buildable lands inventories, refer to Goal 10, the Goal 10 Housing Rule, the Metropolitan Housing Rule, and ORS 197.303. Another source is *Housing Strategies Workbook*, published by the Oregon Housing and Community Services Department, 1993.

Buildable Residential Lands Worksheet*

Buildable Lands							
Site # (Tax lot, etc.)	**Gross Vacant Acreage (Step 1)**	***minus* Environmentally Unbuildable Vacant Acres (Step 2)**	***equals* Gross Buildable Vacant Acres**	***minus* Acres for Public Facilities (25%) (Step 3)**	***equals* Net Buildable Vacant Acres**	***plus* Redevelopable Acres[7] (Step 4)**	***equals* Total Net Buildable Acres**
Single family (LDR-1)							
1202	5	0	5	1.25	3.75	-	3.75
1301	10	1	9	2.25	6.75	-	6.75
1406	-				-	2	2
Subtotals					10.5	2	12.5
Multi family (MDR-1)							
1001	20	2	18	4.5	13.5	-	13.5
907	-				-	3	3
Subtotals					13.5	3	16.5
Other Plan/Zone Designations Etc.							
Subtotals							
Total Net Buildable Acres:							

*For Illustrative Purposes Only

STEP 2 Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total vacant acres (see example).

2.a List definitions.

Unbuildable acres generally include vacant acres:

1. With slopes over 25 percent;
2. In the floodway;

[7]These are net acres, i.e., they are minus any unbuildable acres or acres needed for public facilities.

3. In the 100-year floodplain in communities where development is not permitted in this area.
4. In other hazard areas (e.g., severe landslide potential); and
5. In Goal 5 resource protection if these areas are prohibited from development by the comprehensive plan.[8]

2.b Conduct overlay analysis.

This may be done by hand by creating an overlay map using data from existing sources (e.g., Federal Emergency Management Agency (FEMA) maps for floodplain and floodway data, National Wetland Inventory maps, etc.) and measuring acres affected by one or more of these conditions; or an overlay analysis can be conducted using a Geographic Information System (GIS), if available.

Example: A 100 acre parcel	**Acres**
Gross Vacant Acres	100
+25 percent slope	0
Floodway	10
Hazards (severe geologic)	0
Goal 5 Protected Wetlands Acres	5
Total Unbuildable Vacant Acres:	15
Gross *Buildable* Vacant Acres:	85

STEP 3 Calculate net buildable vacant acres by plan designation by subtracting land for future facilities from gross buildable vacant acres (see example).

3.a List definitions

Land for facilities includes future streets, schools, parks, churches and fraternal organizations, and other public or semi-public lands.[9] The percentage for facilities will vary depending on the size of the community and the nature of residential lands within it. Generally the larger the community, the more facilities it needs. Single-

[8]See Appendix A for a definition of buildable and unbuildable land.

[9]Includes water and sewer plants, public works buildings, airports, and other uses for vacant land currently held by city, county, state, and federal agencies.

family residential will generally require a higher percentage of facility acres than multi-family residential, particularly for streets. Use a range of 23 to 31 percent as a gross-to-net reduction percentage. The percent of reduction should be based on current standards rather than historical averages. Major facilities, such as sewage treatment plants, should be accounted for separately.

Example:

Gross Buildable Vacant Acres	Gross-to-Net Acres Reduction For Public Facilities	Net Buildable Vacant Acres
85	21.25 (85 * 25% = 21.25)	63.75 (85 - 21.25 = 63.75)

STEP 4 Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable vacant acres.[10]

4.a List definitions and assumptions.

Redevelopable acres are developed parcels that are likely to redevelop within the planning period. One rule of thumb for defining "redevelopable" is parcels with building values that are 30 percent or less of the total property value (building + land). Another rule is to use building value per acre of land value[11] (Note: be careful not to double count with "partially vacant" lands of the vacant lands category). Also, it is important to consider surrounding land uses and values to assess the land price needed by a developer to redevelop the property.

[10]Redevelopable lands are added here because they commonly do not have the same facility needs or environmental constraints as vacant land.

[11]If other methods are used to define redevelopable acres, list assumptions. For example, the criteria used in the recent update of the Eugene-Springfield residential lands analysis are: medium or high density residential tax lots; existing buildings on the lot are single family, duplex or mobile home; the improvement value is less than or equal to the land value; and the improvement value is less than $100,000 per acre.

Example:

An example using the first rule of thumb is a one-acre parcel, planned and zoned medium density residential, that has an improvement value of $50,000 (e.g., an existing single-family house) and a total property value of $200,000. This parcel is redevelopable because the improvement value is less than 30 percent (50 ÷ 200 = 25 percent) of total property value, the surrounding planned uses are compatible with more intensive residential use, and local market conditions would make it cost-effective for the property to be redeveloped.

4.b Collect data from the county assessor's office.

4.c Calculate redevelopable acres by plan designation, subtracting unbuildable acres and land for public facilities.

County assessors' offices do not always reflect the rising land value market when appraising residential properties. They are primarily concerned with the total property value and not of individual (land and building) components. If the assessor's records do not reveal any properties that meet the rule of thumb, check building permit records to determine if and where redevelopment occurred. Develop assumptions regarding potential redevelopment based on recent redevelopment. Subtract unbuildable acres and acres for facilities. Both of these acreages generally will be much less than for vacant land because, most often, facilities will be at the site and environmental constraints will be minimal on parcels that have already been developed.

4.d Add redevelopable acres to net buildable vacant acres to determine total net buildable acres.

⌂ Task 2. Determine actual density/mix of housing.

Purpose

The purpose of this task is to determine the actual density and the actual mix of housing development since the last periodic review or five years, whichever is greater.[12] In Task 4, these data will be compared to data on needed density and mix from Task 3 to determine if housing measures are required. In Task 5, these data will be compared to the buildable lands data generated in Task 1 to determine if there is sufficient land in the UGB for future housing. This is a new requirement.

Overview of Process

The following seven steps describe the process to determine actual density and actual average mix of housing types.

STEP 1 Determine the time period for which the data must be gathered.

STEP 2 Identify the types of housing to address.

STEP 3 Collect data.

STEP 4 For each development site, list the comprehensive plan and zoning designation, the number of housing units of each housing type, and the density of each housing type.

STEP 5 Calculate the actual mix of housing types.

STEP 6 Calculate the average actual density of each housing type.

STEP 7 Calculate the average actual net density of all housing types.

Steps to Follow

STEP 1 Determine the time period for which the data must be gathered.

[12]ORS 197.296(3)(b).

1.a Some communities analyze building permit data annually while others do it sporadically. To be a useful tool, the analysis should include data from the year prior to the year the analysis is conducted. For example, to conduct the analysis in 1996, include data from 1995 back to the starting timeframe (i.e., the greater of five years or last periodic review). An optimal analysis would include data up through the end of the last full month (i.e., May 1996 for a June 1996 analysis).

STEP 2 Identify the types of housing to address.

State law requires that the housing needs analysis identify the following housing types, at a minimum.

1. Single-family and manufactured housing, detached;
2. Manufactured housing units in parks;
3. Multiple or single-family units, attached; and
4. Government assisted housing (below market-rate housing).

Government assisted housing is not a specific housing type, but jurisdictions must make provisions for government assisted housing in their comprehensive plans and ordinances. In addition, some communities may want to identify seasonal units.

STEP 3 Collect data.

3.a Obtain residential development data from building permits, design reviews, or other sources for the time period selected in Step 1 (see worksheet).

In the worksheet example, building permit data are used. If building permit data do not provide all of the necessary information, on density for instance, other methods may be used. One method is to use platted subdivisions and partitions for single-family, supplemented with design review or building permits for other housing types. For large jurisdictions with a lot of development, another method is to conduct a random survey. This may require hiring a specialist to design the survey to obtain statistically valid results.

STEP 4 **For each development site,[13] list the comprehensive plan and zoning designation, the number of housing units of each housing type,[14] and the density[15] of each housing type.**

The density must be net of any public dedications. If any *private* dedications (e.g., common area in a PUD) are made, they must be included as part of the development site for calculation of density.

Example:
Housing Units ÷ Net Acres = Density in Units per Net Acre 10 (housing units) ÷ 1.42 (total net acres of lots) = 7.04 Units/Acre Net Density

[13]A development site is a legal lot or parcel for which a residential building permit has been issued.

[14]The list of housing types can be quite specific or combined for ease of analysis. The type categories should be consistent with those of the Housing Needs Analysis conducted in Task 3. The following housing types are recommended: single-family detached, including manufactured homes; single-family attached; multi family; and manufactured homes in manufactured home parks. Provisions must be made for government-assisted housing, although this is not a specific housing type.

[15]Use net density for consistency with the Housing Needs Analysis. Most permits are issued to a lot, net of any public dedication required for a land division or design/site review.

Actual Density and Mix of Housing Types Worksheet*

Housing Type (in # of Units)**								Net Density (in units per acre)
Site #	Net Acres	Plan District	Zone District	Single family detached	Manufac-tured Housing in Parks	Multiple-family (plexes, condos, etc.)	Total For All Types	
Total number of units for each housing type								
Total number units, all types								
Mix of types by percentage								
Average net density by type								
Average actual net density of all housing types:								

*For illustrative purposes only

**Existing policies for and inventory of government-assisted housing must also be reviewed.

STEP 5 **Calculate the actual mix of housing types.**

5.a Calculate the total number of units of each housing type. Calculate the total number of housing units.

5.b Calculate the percentage of each housing type by dividing the total of each type by the total of all types.

Example: Single family detached (SFD)		
	#SFD units	**Total #Units - All Types**
Totals	15	45

Actual percentage of SFD = SFD total units ÷ total units, all types
Actual percentage of SFD = 33 percent (15 ÷ 45)

STEP 6 Calculate the average actual density of each housing type.

6.a For each housing type, add the net acres of each development site to obtain total net acres of land used for that housing type.

6.b Add the number of units of each housing type to obtain total number of units.

6.c Divide the total number of units by total net acres to obtain the average actual net density for each housing type.

Example: For single-family detached

Site #	# Units	Net Acres	Net Density—Units per Acre
1245	5	1	5
1509	12	1.71	7
Total:	17	2.71	6.27

Single-family detached actual average net density = 6.27 units per acre (17 ÷ 2.71)

STEP 7 Calculate the average actual net density of all housing types.

Divide the total number of units by the total net acres.

⌂ Task 3. Conduct a Housing Needs Analysis.

Purpose The purpose of this task is to conduct an analysis of housing needs by type and density to determine the amount of land needed in the urban growth boundary for each needed housing type for the next 20 years.[16]

[16]ORS 197.303 and 197.296(3)(c); OAR Chapter 660, Division 8.

Provisions of ORS 197.296 for increasing housing densities and adding residential land to UGBs reinforce the importance of conducting a thorough housing needs analysis. Although Oregon cities have conducted housing needs analyses in the past, many of these analyses have not fully captured the needs for housing in these communities. A housing needs analysis should include a comprehensive analysis of factors affecting housing needs and an up-to-date knowledge of trends affecting housing. For instance, the size of households has generally been decreasing and the age of household heads increasing. Such factors, along with household income and cost information, affect the need for various housing types in a community.

Overview of Process

The housing needs analysis is a complex task and many jurisdictions will not have ready or easy access to the required data. For this reason, jurisdictions conducting their first comprehensive housing needs analysis will have to be creative in developing methods that provide the necessary information. Appendix C contains information on national and state housing trends, a sample demand analysis, and sample data sheets to assist in this process.[17]

The following six steps generally describe the process for a housing needs analysis. The tables in the Eugene-Springfield analysis in Appendix C correspond to these steps. When a community conducts its own analysis, it will not draw conclusions from any one step. Rather, it will draw conclusions after all steps have been conducted. This will provide a comprehensive picture of the likely future housing needs.

STEP 1 Project the number of new housing units needed in the next 20 years.

STEP 2 Identify relevant national, state and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

STEP 3 Describe the demographic characteristics of the population and, if possible, household trends that relate to demand for different types of housing.

STEP 4 Determine the types of housing that are likely to be affordable to the projected households based on household income.

STEP 5 Estimate the number of additional needed units by structure type.

[17]The sample demand analysis in Appendix C is the residential demand portion of the *Market Demand Study for Nodal Development*, which was prepared for the update of TransPlan, Eugene-Springfield's metropolitan transportation plan. Although this study was conducted to determine the market demand for nodal development, the analysis in Appendix C specifically addresses market demand for residential real estate in Eugene-Springfield. Therefore, the sample presents useful information for other jurisdictions conducting a housing needs analysis.

STEP 6 Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

Steps to Follow

STEP 1 Project the number of new housing units needed in the next 20 years.

1.a Obtain the most recent population estimate for the community from the Portland State University Center for Population, Research and Census. Subtract the population living in large group quarters (e.g., college dormitories, prisons, etc.) Factor in the population inside the UGB and outside the city limits, if applicable.

1.b Obtain the population forecast from the coordinating body (see Chapter I, Introduction). Subtract projected population living in large group quarters. Factor in the population inside the UGB and outside the city limits, if applicable.[18]

1.c Project the average household size, based on past trends. In general, average household size is decreasing gradually. The state average is forecast to drop to 2.5 in 20 years (see National and State Housing Trends in Appendix C).

1.d Project the total number of households by dividing the projected population in households by the average household size.

Example:

Projected Population	-	Group Quarters Population	=	Projected Population in Households
(85,100)		(100)		(85,000)
Projected Population In Households	÷	Projected Household Size	=	Projected Total Number of Households
(85,000)		(2.6)		(32,692)

[18]Age cohort population forecasts help estimate the number of additional potential renters or home buyers and help forecast the propensity for certain housing types (see pages C-9 and C-10, Sample Analysis, Appendix C).

1.e Calculate the projected total number of new housing units needed in the community in the next 20 years by subtracting the projected number of households from a current estimate of households.

Possible data sources:

- ❑ 1990 Census of Population and Housing CD ROM STF1a for 1990 city population, households, and number of persons in group quarters;
- ❑ 1990 Census of Population and Housing CD ROM STF1b for population inside the UGB and outside the city limits;
- ❑ Center for Population Research and Census, Portland State University for recent population estimates; and
- ❑ Population projections from the coordinating body. These are developed through coordination between the city and county unless otherwise specified or delegated (see ORS 195.036).

STEP 2 Identify relevant national, state and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.

To complete Task 3, it is necessary to determine how the projected number of new households from Step 1.e will be distributed among different structure types in 20 years. In order to make this determination, it will be necessary to analyze factors that will likely influence housing choice in the future (e.g., the decision to buy a single family home as opposed to renting an apartment).

Examples:

- Community A: A large portion of the population growth is due to immigration of retirees.
- Community B: The economic outlook indicates increased employment in higher income industries.

Begin this step by reviewing the national and state housing trends starting on page C-1 in Appendix C of this workbook. This review should be supplemented by a review of possible local economic and housing conditions and trends to consider in the analysis. The local economist at the region office of the Oregon Employment Division can help identify local conditions and trends. For an example, see conditions and trends for Eugene-Springfield, page C-6, Sample Analysis, Appendix C.

STEP 3 Identify local demographic characteristics of the population and, if possible, household trends that relate to demand for different types of housing.

These factors are important because certain *household* types tend to choose certain *housing* types. The factors you use will vary depending on community characteristics and the availability of data.

Examples:

- Households with a head aged 15 to 24 tend to be apartment renters.
- Households with higher incomes tend to live in single family houses.

Factors analyzed in the sample analysis in Appendix C include population growth, household size, age of household head, marital status and presence of children, household income, and net worth; and "supply factors," including the availability and price of buildable land; the location of residential land; the cost of construction; the availability of financing; and the availability of builders of alternative housing (for example, see factors that affect the market in Eugene-Springfield, page C-7, Sample Analysis, Appendix C).

3.a The best indicators of housing needs are household incomes by household size and age of head of household.[19] It is not always possible to get these three pieces of information cross-tabulated. However, decennial census data do report each item separately. Contact the local state data center for information (see Appendix C). The cross-tabulation of these data can be obtained from Public Use Micro Data (PUM) from the 1990 Census for larger metropolitan areas. An alternative is to conduct a survey to obtain this information. Data and/or trends on tenure and percentage of income paid for housing are also useful in this analysis.

3.b If possible, develop trends of these variables and population growth using 1970, 1980, and 1990 census data (for example, see tables on pages C-8 through C-10, Sample Analysis, Appendix C).

Possible data sources include the following:

- ❑ 1990 Census data from the report, *Demographic, Housing and Socioeconomic Characteristics of ( ) County, Its Cities and Census Tracts*, prepared by Center for Population, Research and Census (CPRC), Portland State University, for counties and cities. Social and Economic Characteristics or Summary Tape File 3 on CD ROM (see example of table in Appendix C);

[19]See Appendix C for a sample data sheet on statewide average income from the 1990 U.S. Census.

- ❑ 1970 and 1980 Census Information. For assistance, contact a member of Oregon State Data Center (see list of members in Appendix C);

- ❑ Larger metropolitan areas can use Public Use Micro Data from 1990 Census of Population and Housing;

- ❑ A local community housing survey;

- ❑ *Provisional Projections of the Population of Oregon and Its Counties, 1990-2020*, CPRC, Portland State University for projecting age of head of household;

- ❑ State Employment Division's local economist in each community for information on local economic trends that would provide insights into how incomes will likely be distributed in the community in 20 years; and

- ❑ Sourcebook of County Demographics 1995: a reference book at the library with profiles of households.

STEP 4 Determine the types of housing that are likely to be affordable to the projected population based on household income.[20]

4.a Identify the types of housing to address. State law requires the housing needs analysis to identify the following types, at a minimum.

1. Single-family and manufactured housing, detached;
2. Manufactured housing units in parks;
3. Multiple or single-family units, attached; and
4. Government assisted housing (below market-rate housing).

Government assisted housing is not a specific housing type, but jurisdictions must make provisions (inventories and policies) for government assisted housing in their comprehensive plans and ordinances. In addition, some communities may want to identify seasonal units.

4.b Organize data gathered on household incomes by income range categories, e.g., high, medium, and low. Calculate the percent of total households that fall into each category.

4.c Considering local housing prices for the same timeframe as the income data, identify the structure types and tenure financially attainable by each income

[20]The size and location of the lot can have a large impact on affordability. To keep it simple, these and other "supply" factors are analyzed in Step 5, but these steps are generally conducted simultaneously.

group and project out 20 years, if possible (for example, see tables on pages C-11 and C-13, Sample Analysis, Appendix C).

STEP 5 Estimate the number of additional needed units by structure type.

This analysis could be based on the relationships among general trends (as shown in the sample analysis and national and state trends in Appendix C); or, if possible, a jurisdiction could conduct its own analysis as explained below.[21]

5.a Household size: Based on the data gathered in 3.a, describe the relationship between household size and structure type and tenure. Estimate likely shifts in the number of households by household size in 20 years and the implications for housing choice (for example, see tables on pages C-14 and C-15, Sample Analysis, Appendix C).

5.b Age of household head: Based on the data gathered in 3.a, describe the relationship between age of household head and structure type and tenure. Estimate likely shifts in the number of households by age of household head in 20 years and the implications for housing choice (for example, see table on page C-17, Sample Analysis, Appendix C).

5.c Based on the analysis in Steps 5.a and 5.b, and on knowledge about national, state and local housing conditions and trends and analysis in Step 4, describe how the characteristics of the projected households will likely affect housing choice. Also consider trends in housing and land prices. Document conclusions drawn from the analysis, including a description of how and why local conditions and/or trends are expected to differ from the national and state trends (for example, see pages C-18 through C-21, Sample Analysis, Appendix C).

5.d Describe trends in construction by structure type, using building permit data, and describe how future construction trends will likely be affected by changing demographics (for example, see table on page C-22, Sample Analysis, Appendix C).

5.e Estimate the number of additional units by structure type needed for new households, allowing for a vacancy rate (e.g., 2 percent for owner-occupied and

[21]The extent to which the existing housing stock may meet specific housing needs (e.g., affordable housing) may also be taken into consideration, although it was not factored into the Sample Analysis in Appendix C.

5 percent for rented) to provide housing choice (for example, see table on page C-23, Sample Analysis, Appendix C).[22]

STEP 6 Determine the needed net density range for each plan designation and the average needed net density for all designations.

6.a Examine the relationship between lot size and square feet of living space over time, using county assessor's data to determine local trends in housing density (for example, see graphics on page C-24, Sample Analysis, Appendix C).

6.b Describe the likely effect of land price, availability, and location and future housing prices on these trends (for example, see pages C-25 through C-28, Sample Analysis, Appendix C).

6.c Allocate future needed housing units to the respective plan designation in which it is anticipated they will be developed.

Obtain the needed housing units by structure type from the results of Step 5.e. Based on the type of structures allowed in each plan designation, allocate those units to the respective plan designation. For most cities, this will not be a simple matter because there is frequently overlap of housing types by plan designation (i.e., more than one type of housing is allowed in each plan designation category). If new housing types are needed that are not identified in the existing plan (e.g., row houses), modify the assumptions to accommodate the need for these housing types (see example).

[22]The example in Appendix C does not account for a vacancy rate. However, this would need to be included in the analysis.

Example:[23]				
	Plan Designation			
Housing Type	**Needed Units**	**Low Density**	**Medium Density**	**High Density**
Single family detached	18,000	18,000		
Manufactured housing in parks	6,750	6,750		
Apartments	15,750		7,750	8,000
Single family attached (condos, etc.)	4,500		4,500	
Total	45,000	24,750	12,250	8,000

6.d Estimate the needed net density range for each plan designation, based on the types of structures that would be allowed in each designation; and on an estimate of the density at which each structure type is likely to develop in the community, based on recent housing developments and current local policies (for example, see pages C-29 through C-32, Sample Analysis, Appendix C). **If these ranges are different from those in the adopted comprehensive plan and zoning code, an amendment to the plan and code will be necessary.**

6.e Estimate land needs[24] by dividing the number of needed units of each structure type by the net density at which it is most likely to be developed (from the analysis in Step 6.d) and apportion the acres into each residential plan designation.

[23]This example uses the data in the Sample Analysis in Appendix C. However, this is not how the structure types were actually allocated to plan designations in the Eugene-Springfield residential lands study.

[24]Note that the land needs identified in this step will be compared to the buildable acres in Task 7.

Example:

Housing Types	Needed Units	Forecasted Net Density	Land Needed in Net Acres
Single-family, detached	18,000	9.00	2,000.00
Mfr'd homes in parks	6,750	9.50	710.53
Single-family, attached	4,500	18.00	250.00
Apartments, medium density	7,750	25.00	310.00
Apartments, high density	8,000	30.00	266.67
Totals:	**45,000**	**N/A**	**3,537.20**

6.f Estimate the average needed net density by dividing the total number of needed net acres by the total number of needed units.

Possible data sources:

- ❑ Local building permit information;
- ❑ Field survey (counting the number of houses by type);
- ❑ County Assessor's data for assessed value for tax lots in residential use;
- ❑ Census data for number of units by type which is referred to as "units by address" in Census report, *Demographic, Housing and Socioeconomic Characteristics of (___) County, Its Cities and Census Tracts*, CPRC. In addition, this report provides number of units by rent charged, number of units by value and median value;
- ❑ Local appraisal firms and property management firms for information on current housing market, e.g., types of housing being sold, sales price, square foot price of new construction;
- ❑ Assessor's Sales Ratio Study from the County Assessor and Multiple Listing Service Report from a real estate broker;

- ❑ County Housing Authority for information on subsidized units in each jurisdiction; and
- ❑ Local Geographic Information System (GIS) data, if available.

⌂ Task 4. Is *needed* density the same as or less than *actual* density? Is *needed* mix the same as *actual* mix?

Purpose The purpose of this task is to ascertain whether or not the average *needed* density is the same as or less than the density of recent development; whether the mix of *needed* housing types is different from the mix of recent development; and whether any measures are required. If the needed housing mix for new development is different from the recent housing mix or if the needed density for new development is greater than density of recent development, a jurisdiction must take measures that are likely to achieve the needed mix and densities.[25]

Overview of Process

This task builds on the results of calculations in Tasks 2 and 3. In the following analysis, actual density and mix means the density and mix that has actually occurred in a community in the last five years or since the last periodic review, whichever is greater. There are four steps to completing this task.

STEP 1 Compare the *actual* housing mix with the *needed* housing mix.

STEP 2 Compare the average *actual* net density with the average *needed* net density.

STEP 3 Compare the *actual* net density for specific housing types with the *needed* net density ranges.

STEP 4 Determine if measures are required to achieve either the needed housing mix or needed densities, or both.

Steps to Follow

STEP 1 Compare the *actual* housing mix with the *needed* housing mix.

[25]ORS 197.296(5)

1.a Obtain the actual housing mix from the results of Task 2, Step 5. This is the percentage of total housing for each housing type.

1.b Obtain the future needed housing mix from the results of Task 3, Step 5.e.

1.c Compare the actual housing mix with the future needed housing mix.

Example:

Housing Type	Actual Housing Mix	Needed Housing Mix	Difference Between Actual and Needed
Single-family detached	69%	60%	9
Manufactured homes in parks			
Multi-family (plexes, condos, etc.)			
Total:			

STEP 2 Compare the average *actual* net density with the average *needed* net density.

2.a Obtain the average actual net density for all housing types from the results of Task 2, Step 7.

2.b Obtain the average needed net density from the results of Task 3, Step 6.f.

2.c Compare the average *actual* net density with the average *needed* net density.

Example:

	Actual	Needed	Difference
Average Net Density	6.96	7.5	0.54

STEP 3 Compare the *actual* net density for specific housing types with the *needed* net density ranges.

While ORS 197.296 does not require comparing densities for each housing type, this step may help communities determine which measures would be most likely to achieve the needed densities.

3.a Obtain the *actual* net density for each housing type from the results of Task 2, Step 6.c.

3.b Obtain the needed net density ranges from the results of Task 3, Step 6.d.

3.c Compare the *actual* net density for each housing type with the *needed* net density ranges by housing type and determine whether the actual net densities are within the needed net density ranges.

Example:

Housing Type	Actual Net Density	Needed Net Density Range	Is Actual In Needed Range?
Single-family detached	4.96	4-10	yes
Manufactured homes in parks			
Multi-family (plexes, condos, etc.)			
Total:			

STEP 4 Determine if measures are required to achieve either the needed housing mix or needed densities, or both.

- ❑ There is no difference between the actual housing mix and the needed housing mix. The average needed net density is the same as or less than the average actual net density.
- ➔ No measures are required to change housing mix or increase densities. Proceed to Task 5.

- ❑ The actual housing mix is different from the future needed housing mix.
- ➔ Measures are required to achieve the needed housing mix. Proceed to Task 6.

- ❑ The average needed net density is greater than the average actual net density.
- ➔ Measures are required to increase densities. Proceed to Task 6.

❖ Task 5. Does the UGB contain enough buildable land at *actual* densities?

Purpose The purpose of this task is to discern whether the UGB contains enough buildable land to accommodate the 20-year housing need at recently developed densities. This task will result in a determination of whether measures are required.

Overview of Process

This analysis compares the projected needs for residential land, based on the average density of recent developments, to the supply of buildable residential land inside the UGB. There are three steps to complete this task.

STEP 1 Calculate the amount of land needed for housing for the next 20 years.

STEP 2 Calculate the difference between the amount of land needed based on densities of recent construction and in the UGB with the amount of buildable land available.

STEP 3 Determine if measures are required to meet housing needs.

Steps to Follow

STEP 1 Calculate the amount of land needed for housing for the next 20 years.

1.a Obtain the average actual net density by housing type from Task 2, Step 6.c.

1.b Calculate the amount of land needed for each plan designation, based on the allocations of needed units in plan designations in Task 3, Step 6.c.

Example:			
Housing Types Within Plan Designations	**Needed Units**	**Actual Net Density**	**Needed Net Acres**
Low Density			
Single-family, detached	180,006,750	6.50	2,769.23
Manufactured homes in parks		7.00	964.28
Subtotal			**3,733.51**
Medium Density			
Single-family, attached	45,007,750	15.00	300.00
Apartments		23.00	336.96
Subtotal			**636.96**
High Density			
Apartments	8,000	23.00	347.83
Subtotal			**347.83**
TOTAL			**4,718.30**

STEP 2 Calculate the difference between the amount of land needed based on densities of recent construction and in the UGB with the amount of buildable land available.

2.a Calculate the difference between the amount of land needed and buildable acres (from Task 1, Step 4.c) for each plan/zone designation.

2.b If the amount of land needed is greater than the amount of land available in any plan/zone designation, identify the number of additional forecasted net acres.

Example:				
Plan Designation	**Needed Acres**	**Buildable Acres**	**Difference**	**Additional Acres Needed**
Low Density	3,733.51	4,000	266.49	0
Medium Density	636.96	500	-136.96	136.96
High Density	347.83	360	12.17	0
Total	**4,718.30**	**4,860**	**141.70**	**0**

STEP 3 Determine if measures or plan map changes are required to meet housing needs at actual developed densities.[26]

Identify your next action(s) based on the statements below:

- ❑ The total Land needed is zero or less.
- ➜ No UGB expansion is necessary.

- ❑ The total land needed is greater than zero.
- ➜ Proceed to Task 7.

- ❑ The total land needed is zero or less and the results of Task 4, Step 4 show no housing measures are required.
- ➜ Stop here.

[26]Although not addressed in these examples, the supply of government-assisted housing must also be adequate to meet forecasted needs.

⌂ Task 6. Identify and evaluate measures to increase the likelihood *needed* residential development will occur.

Purpose The purpose of this task is to identify and evaluate measures that demonstrably increase the likelihood that *needed* residential development will occur. The proposed measures should be designed to change densities or housing mix, or both, as necessary, to meet housing needs over the next 20 years. As part of this task, a community must ensure that land zoned for needed housing is:

1. In locations appropriate for the housing types identified in the housing needs analysis; and
2. Zoned at density ranges that are likely to be achieved by the housing market.[27] [28]

Overview of Process

The following three steps describe the process to identify and evaluate measures.

STEP 1 Based on the analysis conducted in Task 4, identify housing mix and density issues that require action.

STEP 2 Identify and evaluate measures to address housing need issues using the information presented in Chapter IV and Appendix D.

STEP 3 Adopt measures or proceed to Task 7.

[27]ORS 197.296(5) and (7).

[28]See measure, "Apply Appropriate Plan And Zone Designations," in Chapter IV.

Steps to Follow

STEP 1 Based on the analysis conducted in Task 4, identify housing mix and density issues that require action.

Determine the types of measures required, either to change the housing mix or to increase densities, based on which of the following two outcomes resulted from Task 4:[29]

- ❑ Measures are required to achieve the needed housing mix because the actual housing mix is different from the future needed housing mix (see Task 4, Step 4); and/or
- ❑ Measures are required to increase densities because the average needed net density is greater than the average actual net density.

> **Example:**
>
> One example is a community where few or no apartments have been built in the last five years, but the long-term demographic trends indicate a future demand for apartments. In this case, the needed density is higher than the actual developed density in the last five years, and the needed mix will be different from the actual mix.

STEP 2 Identify and evaluate measures to address housing need issues using the information presented in Chapter IV and Appendix D.

2.a Describe trends and conditions that would help explain differences between the average *needed* net density (in Task 3, Step 6.f) and the average *actual* net density (in Task 2, Step 7); and between the *needed* mix (Task 3, Step 5.e) and the *actual* mix (Task 2, Step 5.b).

2.b Chapter IV describes how to identify and evaluate appropriate measures. Select measures appropriate to the community and to the types of measures needed (i.e., to change the housing mix or to increase densities, or both).[30]

2.c Evaluate measures based on their likely effect on meeting the housing needs identified in Task 3, and on addressing the trends and conditions described in

[29]See Task 4, Steps 4.b, and 4.c.

[30]Note that all jurisdictions must, at a minimum, evaluate the measure, "Apply Appropriate Plan and Zone Designations," in Chapter IV.

Step 2.a, above. Measures must address the need for government-assisted housing.[31]

STEP 3 Adopt measures or proceed to Task 7.

- ❑ If Task 5 shows that there ***is*** sufficient land in the UGB based on actual developed densities, proceed to adopt the proposed measures. Notify the Department of Land Conservation and Development of any proposed plan or ordinance requirements, as required by statute.

- ❑ If Task 5 shows that there is ***not*** sufficient land in the UGB based on actual developed densities, proceed to Task 7 to determine if these measures forego the need to expand the UGB.

❖⌂ Task 7. Do the measures for needed housing forego the need to expand the UGB?

Purpose This task is where the Housing Path and Land Path join. If no measures were proposed as a result of Task 6, go directly to Task 8. The purpose of this task is to *reevaluate* residential land needs using data and analyses from Tasks 3 and 6.

This task will enable a community to determine if further action is necessary to ensure a sufficient supply of residential land in the UGB to meet 20-year housing needs.

Overview of Process

The following five steps describe the process to determine if the measures proposed in Task 6 forego the need to expand the UGB.

STEP 1 Compare the amount of land needed for forecasted housing needs with the amount of buildable land available in the UGB.

STEP 2 Consider the extent to which the Task 6 measures help meet the needs.

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[31]Measures designed to affect the housing mix will usually affect the needed density; measures designed to increase densities can also affect the housing mix. It is important to take this inter-relationship into consideration when evaluating the measures.

STEP 3 Either adopt measures or proceed to Task 8.

Steps to Follow

STEP 1 Compare the amount of land needed for forecasted housing needs with the amount of buildable land available in the UGB.

1.a Obtain the *needed net acres* by plan designation from Task 3, Step 6.e.

1.b Obtain the net buildable acres by plan designation from Task 1, Step 4.d.

1.c Estimate *additional* needed net acres by subtracting needed acres from buildable acres.

STEP 2 Determine if measures forego the need to expand the UGB.

Determine the extent to which the measures proposed in Task 6 enable the community to accommodate needed housing within the UGB.

- ❑ No additional land is needed.
- → No further action required.

- ❑ The measures proposed in Task 6 do not completely alleviate the shortage of buildable land for one or more housing types/densities
- → Proceed to Task 8.

❖⌂ Task 8. Take one of three actions.

Purpose

The purpose of this task is to determine the appropriate course of action to provide for the density, type, and land needs for future housing.[32]

Two principles regarding planning for housing and urban growth boundary expansion are expressed in Oregon ORS 197.296, Goal 10, and Goal 14:[33]

[32]The specific requirement to take one of three actions is mandated by ORS 197.296(4). The priority order of these actions is mandated by Statewide Planning Goal 14, which requires jurisdictions to examine all reasonable alternatives before expanding the UGB.

[33]ORS 197.296(7) requires that land zoned for needed housing be in appropriate locations for the housing types and zoned at density ranges likely to be achieved by the market.

- ❑ Plan for *needed* housing based on projections for future housing types and density needs;
- ❑ Avoid expanding a UGB, or expand it the minimum amount required, to accommodate future residential and other growth needs.

Based on these principles, local governments conducting Task 8 must decide on one of three actions in the following priority order:

1. Amend the comprehensive plan, functional plan, or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years without expansion of the UGB; or

2. Adopt a combination of actions 1 and 3; or

3. Amend the UGB to include sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density during the period since the last periodic review or since the last five years, whichever is greater.[34]

Overview of Process

The following four steps describe the process for taking one of these actions.

STEP 1 Determine how much additional land is needed (See Task 7, Step 2).

STEP 2 Identify and evaluate new measures to amend the comprehensive plan, functional plans, or land use regulations; evaluate the likely effect of these measures on reducing the need for land to be added to the UGB.

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[34]ORS 197.296(4)(b) directs jurisdictions to expand the UGB to provide land for future housing needs based on *recently developed densities* as defined in Task 2. However, the context of ORS 197.296 is local government planning for housing *types and densities projected to be needed in the future*. Statewide Planning Goal 10 and OAR 660, Divisions 7 and 8 elaborate on the requirements for projecting future housing needs.

Goal 14 also helps interpret ORS 197.296. Goal 14 requires local jurisdictions to use the exceptions process of Goal 2 to expand the urban growth boundary. The exceptions process requires a conclusion that no alternatives to expanding the boundary exist.

As a result, a local government must expand its UGB to provide land for future housing needs based on *recently* developed densities only if these densities are the same as *future* needed densities. If future densities are less than recently developed densities, the local jurisdiction would need to expand the boundary a greater amount to accommodate the greater needs. If future density needs are more than present density needs, the local jurisdiction must consider this an alternative during the Goal 2 exceptions process.

STEP 3 If additional land is still needed, expand the UGB based on the requirements of ORS 197.298 and Goal 14.

Steps to Follow

STEP 1 Determine how much additional land is needed (See Task 7, Step 2).

1.a If a community needs only a few acres, it may be reasonable to assume that adopting measures (e.g., minimum density standard, interim development standards) will produce the required effect. If hundreds of acres are needed, a combination of measures and a UGB expansion may be more appropriate.

STEP 2 Identify and evaluate new measures to amend the comprehensive plan, functional plans, or land use regulations; evaluate the likely effect of these measures on reducing the need for land to be added to the UGB. [35]

2.a ❑ If housing measures were not proposed in Task 6, consider the full set of measures described in Chapter IV that could result in additional land for needed housing inside the existing UGB. The measures selected must demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years without expansion of the UGB.

❑ If housing measures were proposed in Task 6, consider additional or new measures that will reduce the need to expand the UGB.

2.b Evaluate the likely effect of new measures on land need by comparing the revised figures for additional net acres needed to those for net buildable acres.

❑ If the revised total number of additional acres needed is less than or equal to zero, a community must adopt all of the measures, and monitor development and density. No UGB expansion is necessary.

❑ If additional land is still needed, proceed to Task 3.

STEP 3 If applicable, expand the UGB.

If, after all measures have been considered and evaluated, no measures are appropriate or feasible, the jurisdiction should document its efforts and propose a UGB amendment. The amendment must comply with the requirements of ORS 197.298 and Goal 14, including the exceptions process. A DLCD field

[35] See measures under the heading, "Uses Land in UGB Efficiently," in Table 3, Chapter IV.

representative can provide further guidance on how to process a UGB amendment.

Chapter IV
How to Identify and Evaluate Appropriate New Measures

This chapter presents measures that communities can use to meet housing needs and use land inside the UGB more efficiently. The information presented for each measure includes: a description; effects of the measure; how it achieves the effects; and resources for additional information.

This discussion of measures is based on research and practical experience. It is not possible to predict all the potential impacts of any given measure for all fast-growing urban areas in Oregon. The impact of each measure will vary depending on community characteristics - size, market conditions, growth pressure, and existing public policies - and the number and types of measures that are adopted (i.e., cumulative or synergistic impacts). Local governments can make best use of the information in this chapter by applying the information presented here to specific situations in their communities.

Another important factor to consider in applying these and other measures is that their *actual* effects may differ substantially from their *intended* effects. For this reason, ORS 197.296 requires jurisdictions to monitor and record development and densities when measures have been adopted to ensure a sufficient supply of buildable residential land in the UGB (see Chapter III, Task 8, Step 2).

The selected measures are included in Table 2: Characteristics of Potential Measures. The list is fairly complete, but not comprehensive. Local governments may identify other measures in addition to the ones presented here.

Table 2. Characteristics of Potential Measures

Measures (assumes they are targeted to increase needed housing types)[a]	Effects of Each Measure						How Each Measure Achieves Effects		
	Meets Housing Needs			Uses Land in UGB Efficiently					
	Changes Housing Type	Changes Housing Density[a]	Reduces Costs for All Housing	Increases Infill in Urban Area	Increases Redevelopment in Urban Area	Increases Density in Urbanizing Area	Remove Barriers	Provide Incentive	Require Performance
Apply appropriate plan and zone designations	●	●		●	⊕	●	●	⊕	●
Remove/revise ineffective regulations	●	●	⊕	●	⊕	⊕	●		
Revise or develop design standards and/or require master plans or specific development plans	●	●		●	●	●			●
Provide research, education and up-front services	⊕	⊕	⊕	⊕	⊕	⊕	●	●	
Streamline the permitting and development process	⊕	⊕	●	●	⊕	⊕	●	●	
Increase efficiency with which public infrastructure is provided	⊕	⊕	●	⊕	⊕	⊕	⊕	●	
Adjust fees and taxes; provide other financial incentives	●	●	●	●	●	●		●	
Assemble and dedicate land	●	●	●	●	●	⊕		●	
Require that certain housing types and densities be planned and built	●	●		●	⊕	●			●
Adopt interim development standards	⊕	⊕		●	⊕	●[b]			●

Source: ECONorthwest

● Can have significant effect
⊕ Can have some effect

● Primary
⊕ Secondary

[a] Most of the measures will have some affect on housing type and density. The key question is whether they will be designed and implemented in a way that encourages the kind of housing that helps meet the need and reduces the need for urban land, e.g., if they increase lower-income housing or higher-density housing. If targeted at those particular housing types or densities, they can have significant impacts on meeting those objectives. If applied broadly to all housing types, however, the effects on the objectives could be much smaller. For example, decreasing development fees for all housing types provides no special incentive for developing smaller-lot single-family or multi-family housing. This matrix assumes that they are targeted toward needed housing types.

[b] Decreases density and mix in short-run; increases opportunity for more density or mix in long-run.

Effects of Each Measure

As shown in Table 2, the measures may help communities meet housing needs or use land in the UGB more efficiently. These effects correspond with the Housing and Land Paths shown in Figure 1 and discussed throughout this workbook. For each measure, the primary approach to achieving effects is shown with a solid circle and secondary approach, a cross hatched circle.

Meets Housing Needs

Measures that can have a significant effect on housing needs should be considered first to meet the housing objective:

> Ensure that development occurs at the densities and mix needed to meet a community's housing needs over the next 20 years.[3]

Housing measures are categorized according to their effects on housing type, density, and overall affordability.

Uses Land in UGB Efficiently

Measures that can have a significant effect on using land in the UGB more efficiently should be considered first to meet the objective:

> Ensure there is enough buildable land to accommodate the 20-year housing need inside the urban growth boundary (UGB).[4]

Land measures are categorized according to their effects on infill and redevelopment in urban areas and density in urbanizing areas.

How Each Measure Achieves Effects

Table 2 shows the three ways the measures achieve their effects: removing barriers, providing incentives, and requiring performance. There is overlap because some measures achieve their effects in different ways (e.g., providing research, education, and up-front services removes barriers and provides incentives). Nevertheless, these categories provide a framework for consideration of each measure, as discussed below.

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[3]See, "Key Objectives," in Chapter II.

[4]Ibid.

❑ Remove Barriers

Barriers to construction of needed housing or efficient use of land are those that public policy has imposed. A jurisdiction would select measures in this category if it has evidence that the market wants to build needed housing types or densities but is kept from doing so by public policy. Examples of barriers include: ineffective policies (e.g., obsolete design standards); unnecessarily burdensome permitting processes; and inappropriate zoning.

❑ Provide Incentives

Incentives are measures that increase the likelihood developers will provide needed housing or use land efficiently as a result of reduced costs. A community would select measures in this category if it has evidence that the market might be willing to build a certain type or density of housing but there is uncertainty about the its success in the market place and/or current economic conditions for such development are less than optimal.

Costs that can be reduced by these measures include costs of public services and facilities, development fees, and other processing costs. An example of a less commonly considered incentive includes working with neighborhood groups to address concerns. If successful, this can reduce costs of lengthy appeals to the developer.

❑ Require Performance

These measures are mandatory plan policies and code requirements affecting development. A jurisdiction would select measures in this category if it has evidence that the market is not likely to respond, at the level of incentive that a community can provide.

The public sector is not directly producing the housing. Therefore, estimates of the likely effect of these measures should be qualified by some uncertainty about exactly how the private sector will respond. For example, if higher density requirements or mandatory design standards are perceived by the development community (designers, builders, lenders) as unprofitable or unmarketable, the desired housing may not get built in the community. In the case of upzoning for higher densities, this may result in no housing development instead of housing at lower densities.

For this reason, jurisdictions should seek a balance in adopting regulations and try to redirect, not stifle, market forces that produce most of a community's housing. In many cases, requirements should be applied uniformly on all developments so that no

particular development gains a competitive advantage. This will encourage developers to find ways to produce the product within the market constraints.[5]

Potential Measures

This section describes each of the measures presented in Table 3 by providing the following information:

Name of Measure

- ❑ Description: What is the measure? What problem does it address? How does it work? What are some examples?
- ❑ Desired Effect: What is the desired impact on mix of residential uses (i.e., dwelling unit type) or density?
- ❑ Potential Problems: What undesirable effects are possible if this measure is implemented?
- ❑ Optimal Conditions: Under what conditions is this measure most likely to achieve the desired effects and not produce undesired effects?
- ❑ Estimating Impacts: What factors should a jurisdiction consider in trying to estimate the effects of the measure in its specific circumstances?
- ❑ Resources: Are there jurisdictions in Oregon that are using some variation of the policy?

Apply Appropriate Plan and Zone Designations

Description

Appropriate plan and zone designations provide certainty for property owners and the community as to how land will be used in the future. Conversely, if land is not appropriately zoned or if an insufficient amount of land is zoned for needed residential uses, planning and zoning can create barriers to the market's ability to provide needed housing types and densities.

[5] An example has been seen in Seattle's requirement for mixed use in the downtown. No developer had an unfair burden or competitive advantage because all developers were required to provide it and they found ways to build in accordance with the requirements.

Checking and correcting its plan and zone designations is one of the first measures a jurisdiction should take to increase the likelihood of meeting its housing needs.[6] Appendix D provides guidelines for location and density of housing types. Examples of measures in this category include:

- ✓ Developing and adopting new plan designations and zoning districts that allow different housing types and/or higher densities in locations where there is a present or likely future market demand (e.g., high density housing along major transit routes and in mixed use areas close to jobs and shopping);
- ✓ Designating land for desired housing types or densities in appropriate locations;
- ✓ Designating a sufficient amount of land in each applicable plan designations.

Desired Effect

Appropriate plan and zone designations are intended to require the development of needed housing types and densities that may not otherwise be built; and to remove barriers that might prohibit the private sector from providing needed housing.

Potential Problems

Land values change over time with fluctuations in the local economy. If land values and locational characteristics are not suitable for desired housing, the market may not respond. Neighborhood opposition, especially to higher densities and affordable housing developments, may stop changes in zoning or slow the permitting process.

Optimal Conditions

These measures work best when developers would build needed housing types and densities if buildable land, properly designated, were available. Optimal conditions for adopting new plan and zone designations and redesignating land to have the desired effects include one or more of the following:

- ✓ The housing needs analysis shows that growth will increase the demand for housing types that cannot be built in a jurisdiction because appropriately-zoned land is in short supply;
- ✓ The market is already feeling constrained (as discerned from interviews with developers, builders, and jurisdiction staff working on zoning and permitting);

[6]ORS 197.296(7).

- ✓ Neighborhood opposition is low or can be mitigated through design standards, design review, or other measures.

Many jurisdictions in Oregon have tight rental markets and increasing land values that make traditional single-family housing unaffordable for some households. Under these conditions, the market will respond to the opportunity to build at higher densities.

Estimating Impacts

The impact of redesignation on meeting housing needs or ensuring sufficient land in the UGB requires estimates of the amount of land that would be redesignated, by type and density of use, and the percent of allowable density the land, on average, will be built out at.

Resources

Creating new zones for mixed-use and pedestrian-friendly development: City of Fairview, Marilyn Holstrom, 503-665-7929; Clackamas County, Kay Pollack, 503-650-3363 or Lori Mastrantonio-Mueser, 503-650-3451; Tri-Met, Michael Fisher, 503-239-6719; Eric Jacobson, TGM, 503-373-0055.

Remove/Revise Ineffective Regulations

Description

Some land use regulations are outdated or, for other reasons, are ineffective at achieving their desired effects. In some cases, these regulations may create obstacles to providing needed types of housing. Plans and development codes should be reviewed and revised to remove such barriers. Examples are:

- ✓ Large minimum lot sizes;
- ✓ Low minimum density requirements;
- ✓ Low maximum building heights;
- ✓ Excessive parking requirements;
- ✓ Wide street width and turning radii standards;
- ✓ Inflexible development standards, e.g., yard setbacks, lot coverage, building heights, etc.;

- ✓ Omission or prohibition of certain types of housing in lists of allowed uses (e.g., ancillary units or "granny flats").[7]

Desired Effect

Removing or revising ineffective regulations may allow development of some needed housing especially infill in existing neighborhoods. It may help lower development costs for affordable housing. It also may result in more efficient use of land.

Potential Problems

One possible effect of this measure may be the unintentional removal or revision of provisions that provide a public benefit.

Optimal Conditions

These measures work best when planners, developers, and citizens can jointly identify regulations that serve little or no public purpose.

Estimating Impacts

The elimination of some ineffective regulations may reduce costs, and, thus, increase profitability and production of certain housing types. Those impacts, however, will be very hard to measure. If a jurisdiction can demonstrate that a particular standard or set of standards is inhibiting certain needed housing types that the market would otherwise produce, then it may be possible to demonstrate a measurable impact on land consumption. To estimate how effective these measures will be at providing needed housing and/or using land in the UGB more efficiently, jurisdictions should estimate:

- ✓ The amount of land or number of existing residential units that would be changed to higher-density residential uses, by type and density of use;[8] and
- ✓ The percent of the allowable density that, on average, the land will be built out at;
- ✓ The amount of land saved by reducing setbacks, lot sizes, street widths, etc.

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[7]For both new and infill development, densities can be increased in typical single-family zones if attached or ancillary units are allowed. Ancillary units are often built as units above attached or detached garages. Some jurisdictions in Oregon already allow these types of units under certain conditions. For example duplexes may be allowed as an outright use on corner lots in single-family zones; or ancillary units may be allowed throughout single-family zones provided they meet certain design and use requirements and do not exceed a certain size.

[8]For ancillary units, a 25% increase in density in single-family green field areas is probably a reasonable upper bound on the effects of this type of measure; the lower bound could be 0%, though 5-10% increases in density seem more reasonable. In infill situations, the likely effect would be 0–5% increase in the number of units.

Resources

The City of Fairview and Clackamas County both developed new ordinances to address the kind of housing characteristics they wanted to achieve in large-scale neotraditional neighborhoods (see measure, Apply Appropriate Plan and Zone Designations, for contacts). Example of recent land use code review: City of Eugene, Jan Childs, 541- 687-5208; removing ineffective standards: TGM Program, Bill Adams, 503-373-0087.

Revise or Develop Design Standards/Require Master Plans or Specific Development Plans

Description

Communities can adopt standards that respond to frequently-expressed neighborhood and community objections to affordable housing developments and higher density housing. When used appropriately, they can also promote marketability of needed housing types and densities and result in more efficient use of land, reducing the need to expand the UGB. These measures ensure certain qualities in the physical environment. They can address such concerns as neighborhood compatibility or "fit" and perceived impacts of higher densities and different housing types such as traffic, noise, and crime rate.[9] Examples of this type of measure include the following:

✓ Adopt design standards:[10] these are mandatory requirements adopted as part of the local development and/or land division codes and may include standards for lot and street size and layout, alleyways or other pedestrian or bike ways, common areas, landscaping, siding materials, roof pitch, architectural features and other site and building characteristics.

The types of standards adopted will vary depending on the need identified. For example, new subdivisions may require different standards than established neighborhoods where current residents' desire for compatibility and fear of potential negative impacts are greater. This may be the case particularly in older or historic

[9]Public safety professionals can assist in the development of site, building and street design standards or guidelines that help prevent crime.

[10]Note that state law requires that housing design standards be clear and objective. Also, approval standards and procedures may not discourage needed housing through unreasonable cost or delay. ORS 197.307(6) Manufactured homes must be allowed in all areas where single family homes are allowed. ORS 197.314(1)

neighborhoods where the call for architectural standards for higher density development may be stronger.

- ✓ Require master plans or specific development plans: local governments can designate areas within the community where a master plan or a specific development plan is required as a prerequisite to development approval. These plans include an integrated design for an entire neighborhood. Areas designated for these plans may involve one or more properties. A specific development plan includes a level of detail and process that, once adopted, allows approval of development with no further public process. For this reason, it can be a particularly effective means of promoting desired housing types, densities, and locations of development. In contrast, a master plan is more conceptual and, therefore, requires additional public process at the development approval stage.

- ✓ Adopt appropriate citizen involvement/public review process. The type of process may vary depending on the level of review desired. Clear and objective standards can be administered by staff. Some jurisdictions use an on-going design review board, composed of a subset of the planning commission, citizens-at-large, and design professionals. The process for development of master plans and specific development plans is ad-hoc. It includes the property owners, neighbors, representatives of the community-at-large, as well as other stakeholders in the development. These plans can be initiated by either the property owners and developers or the local government.

Desired Effect

These measures may increase marketability of higher density and affordable housing by providing integrated design and compatibility with existing neighborhoods. They may also reduce neighborhood opposition to alternative housing types and densities.

Potential Problems

If increases in cost (for design, review, and construction) are greater than the value of the purported benefits (as measured by people's willingness to pay extra for better design), the desired housing may not be built.

Optimal Conditions

In existing neighborhoods, these measures work best in cases where low-cost design revisions can reduce community opposition or improve the marketability of developments.

Estimating Impacts

Forecasted densities will need to be based on assumptions about the likely success of these measures. The direction and magnitude of the effect of these measures depends on three factors: local demand and supply conditions, the costs of the proposed design standards (in review and additional amenity), and the willingness of consumers to pay for the additional amenity that the measure provides.

Resources

Crime Prevention Through Environmental Design, contact Tod Schneider, Community Service Specialist, City of Eugene Public Safety Department, 541-687-5149.

Standards for Pedestrian- and Transit-Oriented Development: Tri-Met, Michael Fisher, 503-239-6719.

Removing unnecessary standards: TGM Program, Bill Adams, 503-373-0087.

Master planning and specific development plans: City of Fairview, Marilyn Holstrom, 503-665-7929; Clackamas County, Kay Pollack, 503-650-3363 or Lori Mastrantonio-Mueser, 503-650-3451; City of Springfield, Greg Mott, 541-726-3774; City of Newberg, John Knight; City of Keizer, John Morgan, 503-390-3700.

Provide Research, Education, and Up-front Services

Description

Local governments can encourage needed housing and efficient development by providing design assistance, financial information, and other services to the development community. Lack of information on infill and redevelopment opportunities may be a barrier to development of some land in the UGB. To the extent that local jurisdictions can provide this information and service, it may make these products more attractive to the development community and reduce the costs of producing them. Examples of the types of information and services include:

- ✓ House plans for small lots;
- ✓ Development plans with financial *pro formas*;
- ✓ A list and map of potential infill and redevelopment sites; and

- ✓ Design guidelines;[11]
- ✓ An ombudsman to assist developers with the regulatory process.

Desired Effect

Providing information on new housing products, and examples of their success elsewhere, may help reduce uncertainty and risk for the development community to produce innovative housing products.

Potential Problems

There are no obvious negative side affects of this policy. It provides information and assistance to developers and lenders who want to take advantage of it; others may ignore it.

Optimal Conditions

If the market is on the brink of moving in the direction of higher-density and alternative housing designs, this information may help make these developments happen sooner rather than later.

Estimating Impacts

This measure alone would probably have little, if any, impact on providing needed housing or efficient use of land in the UGB. In a moderate-sized metropolitan area, the information might encourage some developers to try higher-density urban forms somewhat sooner than they would otherwise. It is probably better to think of this measure as something that would accompany other measures to increase their likelihood of success.

Resources

Market Demand Study for Nodal Development, Lane Council of Governments, Peter Watt, 541-687-4429. *Up on the Roof,* City of Portland. House plans and design guidelines: Bill Adams, TGM, 503-373-0055.

Streamline the Permitting and Development Process

Description

Development review and approval processes are often unnecessarily cumbersome. They may serve little public purpose, but increase the costs of development and local government administration. Streamlining permitting and development processes will increase the stability and predictability of approval procedures and reduce development costs. It is especially important that local governments review, and amend as appropriate, the procedures for housing types

[11]See measure, Revise or Develop Design Standards and/or Require Master Plans or Specific Development Plans, for more information about design measures, although design guidelines would not be mandatory.

identified as needed, but not being constructed. Examples of this measure include:

- ✓ Delegate to staff review and approval of variances and some conditional uses;
- ✓ Send subdivision proposals to a hearings officer, instead of a planning commission, for review and approval;
- ✓ Use a hearings officer, instead of the elected body, for appeals of staff decisions.

Desired Effect More certainty for developers regarding allowable uses and design; reduction of costs from delays on permitting and appeal.

Potential Problems Citizens and neighborhood groups may feel disenfranchised if they have no opportunity to participate in decisions at the permitting stage.

Optimal Conditions These measures work best where there is technical and political consensus that the permitting and appeal processes can be streamlined without sacrificing the public benefits they are intended to provide.

Estimating Impacts This measure affects the provision of housing and land consumption indirectly. The biggest potential advantage to developers is cost savings. If a jurisdiction has a particularly cumbersome permit and/or appeal process, these savings could be substantial. As it pertains to providing needed housing and land consumption, the issue is not the speed or amount of new development, but the extent to which the administrative burdens for needed housing types or densities are reduced.

Resources City of Keizer, John Morgan, 503-390-3700. *Permit Aerobics*, Department of Land Conservation and Development, 503-373-0050.

Increase the Efficiency of Public Infrastructure Provision

Description Communities can take measures to reduce or eliminate costly duplication of service, premature extension of facilities, and public subsidies of services. Inefficient provision of public services can

increase the cost of housing, both the purchase price and the ongoing costs of owning or renting. Communities may lose efficiencies in the following ways:

- ❒ Some local governments allow development in any part of the area in the UGB with inadequate services. Also, the developer usually pays only part of the cost. This requires the community to upgrade deficiencies later. Then all property owners or utility users pay for growth-induced extensions and improvements of facilities. It also encourages development to occur in outlying areas and the potential for objection to later development of intervening areas, creating greater inefficiencies.

- ❒ In some areas, there are several providers of the same service. This may result in duplication of services, service gaps, inability to take advantage of possible economies of scale, and a disorderly approach to where growth should occur and what services should be provided.

Some ways to increase efficiency of public facility provisions are:

- ✓ Develop coordination agreements among service providers and annexation plans;

- ✓ Charge the full costs of extending services;

- ✓ Adopt adequate public facilities requirements in conjunction with focused capital improvement plans.

Desired Effect

Increasing the efficiency of public services and facilities will reduce their costs. This could allow housing unit types and densities to be built that otherwise would not have been built.

Potential Problems

There are no adverse impacts of increasing the efficiency of which public services are provided. Jurisdictions are cautioned, however, that adequate public facility requirements could reduce efficiencies if services are provided to several areas at the same time. This can be avoided by focusing capital improvements in specific areas so that all services necessary to serve development are available.

Optimal Conditions

These measures are most likely to be adopted in areas where the public and local officials support efficient service delivery.

Estimating Impacts

Estimates of impacts here are more difficult than for policies where densities are affected directly. If sufficient, cost reductions could allow unit types to be developed that otherwise would not have been developed. Encouraging contiguous development will reduce the amount of future infill development and the opposition often associated with it.

Resources

City of Salem, Kenn Battaile, 503-588-6173.

Pilot Study on Adequate Public Facility Requirements and Focused Public Investment Plans: Medford, Jim Eisenhard, 541-770-4475 and Sue Geniesse, TGM, 503-373-0097.

Annexation plans: Carol Heinkel, Lane Council of Governments, 541-687-4107

Adjust Fees and Taxes; Provide Other Financial Incentives

Description

Some communities can provide financial incentives for development of desired types and densities of housing. Examples of these measures include:

- ✓ Reduce fees, such as permitting, inspection, and hook-up fees.
- ✓ Reduce systems development charges (SDCs) on desired housing types, infill, redevelopment, and/or higher densities. OAR 223.297 gives clear guidelines about the basis and methods for estimating SDCs. It allows a jurisdiction to make a case that different housing types impose different costs on the system and should be charged differently;[12]
- ✓ Provide financial assistance for development of certain housing types, densities, and location. One example of this is a municipal revolving low-interest loan program.

[12] Gresham, for example, has made this case regarding housing developed around light rail station areas, and has reduced system development charges for off-site street capacity in those areas.

- ✓ Provide public improvements at or near an area where development is desired. This will lower development costs and increase property values making higher-density, infill, and redevelopment more feasible.

Desired Effect

Reduced costs and increased amenity for needed types and densities of housing and land-efficient housing increase their profitability (or reduce risk), so developers provide more of them.

Potential Problems

If fees have been set to recover costs, any waived fees will eventually have to be paid by someone, either by existing businesses and residents in the form of slightly higher taxes, or by new, ineligible development in the form of higher fees.

Optimal Conditions

Developers and lenders are interested in different housing types and densities but cannot quite make it pencil out. The reduced costs allow them to realize their profit margin.

Estimating Impacts

The magnitude of the effect depends on the magnitude of the cost reduction and the strength of the market for the needed dwelling types and densities. The measures will be difficult to estimate and implement and must be sensitive to possible effects on the cost of housing.

Resources

Differential systems development charges (for transit supportive uses), City of Gresham, Richard Ross, 503-661-3000.

Assemble and Dedicate Land

Description

A local government can assemble land by purchasing it (from willing sellers or through eminent domain). It can then offer that land at less than market value (often using a leasing arrangement) to developers who will build the type and style of development that the jurisdiction desires. This measure can be used to reduce the cost of land for needed housing types and to encourage infill and redevelopment. Local governments, especially those with urban renewal districts, often use this technique to encourage certain types of developments that policy makers want to see.

Desired Effect

Lower costs increase the amount of needed housing that gets built.

Potential Problems

The well-documented downside of redevelopment has historically been the loss of existing housing stock. If land is assembled from existing, older residential districts, the net increases in density from redevelopment may be small, and come at the price of disrupting existing neighborhoods.

Optimal Conditions

Developers and lenders are interested in different housing types and densities but cannot quite make it pencil out. The reduced land cost puts them over the hurdle.

Estimating Impacts

Land is a relatively important component of the cost of housing production. Land cost typically accounts for 15-25% of the cost of housing. Thus, if that cost is eliminated or reduced substantially, there should be measurable effects on the production of needed housing types and densities. The best way for a local government to estimate the impact is to: consider the areas where it might bank and write-down land; then estimate the net density increases it would get on that land under optimistic but still reasonable assumptions about what the market would build.

Resources

City of Tualatin, Jim Jacks, 503-692-2000; Portland Development Commission, 503-823-3200

Require That Certain Housing Types and Densities Be Planned and Built

Description

Local governments can adopt *minimum* density standards for some or all residential zones or *require* that certain housing types be provided. Traditional zoning specifies only a *maximum* density and only limits development to certain uses. Minimum density standards can ensure that land will be developed at the density called for in the comprehensive plan. These measures may help encourage development of needed housing types and help use land more efficiently in the existing UGB. Examples are:

- ✓ Minimum density policies that eliminate pyramid zoning which is common in municipal zoning codes. Pyramid zoning allows a property owner to develop anything less than the most intensive use specified for the zone. For example, a minimum density

policy would not allow low-density housing in zones that allow high-density housing.[13]

- ✓ Require an average density in a certain area, allowing some areas to develop at lower density if offset by higher densities elsewhere in the area.[14]

- ✓ Require certain types of residential development. For example, a local jurisdiction could require a minimum percentage of multiple family housing in any development of 10 units or more.[15]

Desired Effect

Reduces barriers to private-sector production of desired types and densities of housing.

Potential Problems

If land values and locational characteristics are not suitable for the desired housing, the market will not respond (see Appendix D). Opposition from neighborhoods may stop rezoning or slow the permitting process. Attempts to allow other housing types may become burdensome regulations in themselves (e.g., new standards for planned-unit developments, clustering, and density transfers). Increases in density on some parcels may be offset by lack of any development on many other parcels because developers do not believe there is a market for the required density.

Optimal Conditions

Evidence that developers would build denser housing types if buildable land, properly zoned, were available.

Estimating Impacts

To estimate the change in land consumption that the measure causes by determining: 1) the amount of land that would be changed to different uses or densities, by type and density of use; 2) the percent of the allowable density that, on average, the land will be built out at (presumably, it would be at 100% of the minimum density), and 3) the amount of housing that is in demand in that density range. Increases in the range of 5–20% are likely.

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[13] The City of Portland's minimum density policy allows exceptions for sites that are too small or have other physical constraints.

[14] Clackamas County has standards for flexible-lot subdivisions. These standards allow developers some flexibility in lot sizes as long as the final density works out to that of the underlying zone.

[15] See City of Ashland Code requirements for an example.

Resources

Minimum Density Zoning: City of Portland, Cary Pinard, 503-823-7700.

Flexible-Lot-Size Subdivisions: Clackamas County, Norm Scott (503) 655-8521.

Adopt Interim Development Standards

Description

Interim development standards should be applied to areas that are outside currently developed or developing areas, but within the UGB. They allow some development but ensure that urban densities will ultimately be achieved. Interim development standards are appropriate where land inside a UGB cannot be developed at urban densities in the short term due to the lack of urban services and facilities. Interim development, if not regulated, can substantially reduce the probability that planned housing types and densities will be achieved in urban areas. Examples include:

- ✓ Large-lot zoning. This ensures that interim development does not inhibit the ultimate development of the land at planned densities. Some jurisdictions control interim development within UGBs by establishing large minimum lot sizes, applying exclusive-farm-use zoning to those lots, and requiring annexation (and perhaps master planning) to receive required urban services.

- ✓ Shadow platting. Shadow platting shows how a property or area will or can develop once primary urban services are available.

- ✓ A non-remonstrance agreement that requires interim development to hook up to urban services when they become available.

Desired Effect

In general, interim development standards tend to shift development from areas where services are not available to areas where they are.

Potential Problems

Increasing standards for interim development may shift development pressure to areas outside UGBs or to adjacent communities.

Optimal Conditions These policies will work best to encourage different types and densities of housing inside UGBs when there are not immediate alternatives just outside UGBs.

Estimating Impacts If the policies work well, the effects on development are primarily on timing and intensity of development. Development on lands with interim development standards will occur later than it would otherwise and to full planned uses and densities.

Resources Marion County, Rob Hallyburton, 503-588-5355; Salem, Kenn Battaile, 503-588-6261.

Additional Resources

More information about these and other potential measures can be obtained from the Transportation and Growth Management (TGM) office, 503-373-0070. The office has a substantial library of information and local government projects related to these topics. Relevant TGM-sponsored reports include the following:

- *Evaluation of Policies Recommended by the Urban Growth Management Task Group*, Technical Report, June 1995
- *Tools of the Trade*, June 1995
- *Adequate Public Facilities Requirements and Focused Public Investment Plans*, April, 1996
- *Interim Development Policies and Incentives*, June 1995
- *An Overview of Possible Measures To Implement House Bill 2709,* October 2, 1995

Appendix A
Glossary of Terms

Actual Housing Mix and Actual Net Density

The housing mix and density that has actually been developed in the community in the last five years or since the last periodic review, whichever is greater.

Buildable Lands

Lands in urban and urbanizable areas that are suitable, available, and necessary for residential uses. Buildable lands include both vacant land and developed land likely to be redeveloped (ORS 197.295(1)).[1] Lands defined as unbuildable within the Metro urban growth boundary are those that are not severely constrained by natural hazards (Statewide Planning Goal 7) or subject to natural resource protection measures (Statewide Planning Goals 5 and 15). Publicly owned land is generally not considered available for residential use. Land with slopes of 25 percent or greater unless otherwise provided for at the time of acknowledgement and land within the 100-year floodplain is generally considered unbuildable (OAR 660-08-005(2)).

Jurisdictions should decide what is buildable based on local development policies. For instance, the floodway must be counted as unbuildable because federal law generally prohibits development in the floodway, but the remainder of the floodplain would be counted as buildable if the local jurisdiction allows development in these areas. Also, slopes over 25 percent may be buildable, and could be counted, as long as that is consistent with the jurisdiction's land development policies (e.g., engineered structures, driveways and roads; no building above slopes of 35 percent, etc.).

[1] See, also, definitions for redevelopable land and suitable and available land.

Forecasted Net Acres

The net acres projected for 20-years, based on actual developed densities since the last periodic review.

Needed Housing Mix

The percentage of each housing type estimated to be needed over the next 20 years, based on the housing needs analysis in Task 3, Chapter III.

Needed Net Density

The net density estimated to be needed over the next twenty years, based on the housing needs analysis, Task 3, Chapter III.

Net Buildable Acres

Gross buildable vacant acres minus land needed for public facilities plus redevelopable acres.

Redevelopable Land

Lands zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period (OAR 660-08-005(12)).

Suitable and Available Land

Residentially designated vacant and redevelopable land within an urban growth boundary that is not constrained by natural hazards, or subject to natural resource protection measures, and for which public facilities are planned or to which public facilities can be made available. Publicly owned land generally is not considered available for residential use (OAR 660-08-005(13)).

195.036 Area population forecast; coordination

195.036 Area population forecast; coordination.:RF10. The coordinating body under ORS 195.025 (1) shall establish and maintain a population forecast for the entire area within its boundary for use in maintaining and updating comprehensive plans, and shall coordinate the forecast with the local governments within its boundary.

[1995 c.547 :S.7 (enacted in lieu of 195.035)]

NEEDED HOUSING IN URBAN GROWTH AREAS

197.295 Definitions for ORS 197.295 to 197.314 and 197.475 to 197.490: As used in ORS 197.295 to 197.314 and 197.475 to 197.490:

(1) "Buildable lands" means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses. "Buildable lands" includes both vacant land and developed land likely to be redeveloped.

(2) "Manufactured dwelling park" has the meaning given that term in ORS 446.003.

(3) "Government assisted housing" means housing that is financed in whole or part by either a federal or state housing agency or a housing authority as defined in ORS 456.005, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

(4) "Manufactured homes" has the meaning given that term in ORS 446.003.

(5) "Mobile home park" has the meaning given that term in ORS 446.003.

(6) "Periodic review" means the process and procedures as set forth in ORS 197.628 to 197.646.

(7) "Urban growth boundary" means an urban growth boundary included or referenced in a comprehensive plan.

[1981 c.884 :S.4; 1983 c.795 :S.1; 1987 c.785 :S.1; 1989 c.648 :S.51; 1991 c.226 :S.16; 1991 c.612 :S.12; 1995 c.79 :S.73; 1995 c.547 :S.2]

197.296 Amendment of comprehensive plan to include sufficient buildable lands within urban growth boundary; analysis and determination of residential housing patterns:

(1)(a) The provisions of this section apply to local government comprehensive plans for lands:

(A) Within any urban growth boundary for a city with a population of 25,000 or more;

(B) Within any urban growth boundary for a city with a population of less than 25,000 with a rate of growth that exceeded the average rate of growth for the state for three of the last five years; and

(C) For which a functional plan is prepared by a metropolitan service district under ORS 268.390 (2).

(b) Notwithstanding paragraph (a) of this subsection, the Land Conservation and Development Commission may waive the requirements of that paragraph.

(2) At periodic review or any other legislative review of the urban growth boundary, comprehensive plans or functional plans shall provide sufficient buildable lands within urban growth boundaries established pursuant to statewide planning goals to accommodate estimated housing needs for 20 years.

(3) As part of its next periodic review pursuant to ORS 197.628 to 197.650 following September 9, 1995, or any other legislative review of the urban growth boundary, a local government shall:

(a) Inventory the supply of buildable lands within the urban growth boundary;

(b) Determine the actual density and the actual average mix of housing types of residential development that have occurred within the urban growth boundary since the last periodic review or five years, whichever is greater; and

(c) Conduct an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the amount of land needed for each needed housing type for the next 20 years.

(4) If the determination required by subsection (3) of this section indicates that the urban growth boundary does not contain sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density that has occurred since the last periodic review, the local government shall take one of the following actions:

(a) Amend its urban growth boundary to include sufficient buildable lands to accommodate housing needs for 20 years at the actual developed density during the period since the last periodic review or within the last five years, whichever is greater. As part of this process, the amendment shall include sufficient land reasonably necessary to accommodate the siting of new public school facilities. The need and inclusion of lands for new public school facilities shall be a coordinated process between the affected public school districts and the local government that has the authority to approve the urban growth boundary;

(b) Amend its comprehensive plan, functional plan or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for 20 years without expansion of the urban growth boundary. A local government or metropolitan service district that takes this action shall monitor and record the level of development activity and development density by housing type following the date of the adoption of the new measures; or

(c) Adopt a combination of the actions described in paragraphs (a) and (b) of this subsection.

(5) Using the analysis conducted under subsection (3)(c) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years. If that density is greater than the actual density of development determined under subsection (3)(b) of this section, or if that mix is different from the actual mix of housing types determined under subsection (3)(b) of this section, the local government, as part of its periodic review, shall adopt measures that demonstrably increase the likelihood that residential development will occur at the housing types and density and at the mix of housing types required to meet housing needs over the next 20 years.

(6) A local government that takes any actions under subsection (4) or (5) of this section shall demonstrate that the comprehensive plan and land use regulations comply with goals and rules adopted by the commission and implement ORS 197.295 to 197.314.

(7) In establishing that actions and measures adopted under subsections (4) and (5) of this section demonstrably increase the likelihood of higher density residential development, the local government shall at a minimum ensure that land zoned for needed housing is in locations appropriate for the housing types identified under subsection (3) of this section and is zoned at density ranges that are likely to be achieved by the housing market using the analysis in subsection (3) of this section. Actions or measures, or both, may include but are not limited to:

(a) Increases in the permitted density on existing residential land;

(b) Financial incentives for higher density housing;

(c) Provisions permitting additional density beyond that generally allowed in the zoning district in exchange for amenities and features provided by the developer;

(d) Removal or easing of approval standards or procedures;

(e) Minimum density ranges;

(f) Redevelopment and infill strategies;

(g) Authorization of housing types not previously allowed by the plan or regulations; and

(h) Adoption of an average residential density standard.

[1995 c.547 :S.3]

Note: 197.296 and 197.298 were added to and made a part of 197.295 to 197.314 by legislative action but were not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

197.298 Priority of land to be included in urban growth boundary: (1) In addition to any requirements established by rule addressing urbanization, land may not be included within an urban growth boundary except under the following priorities:

(a) First priority is land that is designated urban reserve land under ORS 195.145, rule or metropolitan service district action plan.

(b) If land under paragraph (a) of this subsection is inadequate to accommodate the amount of land needed, second priority is land adjacent to an urban growth boundary that is identified in an acknowledged comprehensive plan as an exception area or nonresource land. Second priority may include resource land that is completely surrounded by exception areas unless such resource land is high-value farmland as described in ORS 215.710.

(c) If land under paragraphs (a) and (b) of this subsection is inadequate to accommodate the amount of land needed, third priority is land designated as marginal land pursuant to ORS 197.247 (1991 Edition).

(d) If land under paragraphs (a) to (c) of this subsection is inadequate to accommodate the amount of land needed, fourth priority is land designated in an acknowledged comprehensive plan for agriculture or forestry, or both.

(2) Higher priority shall be given to land of lower capability as measured by the capability classification system or by cubic foot site class, whichever is appropriate for the current use.

(3) Land of lower priority under subsection (1) of this section may be included in an urban growth boundary if land of higher priority is found to be inadequate to accommodate the amount of land estimated in subsection (1) of this section for one or more of the following reasons:

(a) Specific types of identified land needs cannot be reasonably accommodated on higher priority lands;

(b) Future urban services could not reasonably be provided to the higher priority due to topographical or other physical constraints; or

(c) Maximum efficiency of land uses within a proposed urban growth boundary requires inclusion of lower priority lands in order to include or to provide services to higher priority lands.

[1995 c.547 :S.5]

Note: See note under 197.296.

197.300: [1973 c.80 :S.51; 1977 c.664 :S.22; repealed by 1979 c.772 :S.26]

197.303 "Needed housing" defined: (1) As used in ORS 197.307, until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

(2) Subsection (1)(a) and (d) of this section shall not apply to:

(a) A city with a population of less than 2,500.

(b) A county with a population of less than 15,000.

(3) A local government may take an exception to subsection (1) of this section in the same manner that an exception may be taken under the goals.

[1981 c.884 :S.6; 1983 c.795 :S.2; 1989 c.380 :S.1]

197.305: [1973 c.80 :S.52; 1977 c.664 :S.23; repealed by 1979 c.772 :S.26]

197.307 Effect of need for certain housing in urban growth areas; placement standards for approval of manufactured dwellings: (1) The availability of affordable, decent, safe and sanitary housing opportunities for persons of lower, middle and fixed income, including housing for seasonal and year-round farmworkers, is a matter of statewide concern.

(2) Many persons of lower, middle and fixed income depend on government assisted housing as a source of affordable decent, safe and sanitary housing.

(3) When a need has been shown for housing within an urban growth boundary at particular price ranges and rent levels, needed housing, including housing for seasonal and year-round farmworkers, shall be permitted in one or more zoning districts or in zones described by some comprehensive plans as overlay zones with sufficient buildable land to satisfy that need.

(4) Subsection (3) of this section shall not be construed as an infringement on a local government's prerogative to:

(a) Set approval standards under which a particular housing type is permitted outright;

(b) Impose special conditions upon approval of a specific development proposal; or

(c) Establish approval procedures.

(5) A jurisdiction may adopt any or all of the following placement standards, or any less restrictive standard, for the approval of manufactured homes located outside mobile home parks:

(a) The manufactured home shall be multisectional and enclose a space of not less than 1,000 square feet.

(b) The manufactured home shall be placed on an excavated and back-filled foundation and enclosed at the perimeter such that the manufactured home is located not more than 12 inches above grade.

(c) The manufactured home shall have a pitched roof, except that no standard shall require a slope of greater than a nominal three feet in height for each 12 feet in width.

(d) The manufactured home shall have exterior siding and roofing which in color, material and appearance is similar to the exterior siding and roofing material commonly used on residential dwellings within the community or which is comparable to the predominant materials used on surrounding dwellings as determined by the local permit approval authority.

(e) The manufactured home shall be certified by the manufacturer to have an exterior thermal envelope meeting performance standards which reduce levels equivalent to the performance standards required of single-family dwellings constructed under the state building code as defined in ORS 455.010.

(f) The manufactured home shall have a garage or carport constructed of like materials. A jurisdiction may require an attached or detached garage in lieu of a carport where such is consistent with the predominant construction of immediately surrounding dwellings.

(g) In addition to the provisions in paragraphs (a) to (f) of this subsection, a city or county may subject a manufactured home and the lot upon which it is sited to any development standard, architectural requirement and minimum size requirement to which a conventional single-family residential dwelling on the same lot would be subject.

(6) Any approval standards, special conditions and the procedures for approval adopted by a local government shall be clear and objective and shall not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

[1981 c.884 :S.5; 1983 c.795 :S.3; 1989 c.380 :S.2; 1989 c.964 :S.6; 1993 c.184 :S.3]

197.310: [1973 c.80 :S.53; 1977 c.664 :S.24; repealed by 1979 c.772 :S.26]

197.312 Limitation on city and county authority to prohibit certain kinds of housing: (1) No city or county may by charter prohibit from all residential zones attached or detached single-family housing, multiple-family housing for both owner and renter occupancy or manufactured homes. No city or county may by charter prohibit government assisted housing or impose additional approval standards on government assisted housing that are not applied to similar but unassisted housing.

(2) No city or county may impose any approval standards, special conditions or procedures on seasonal and year-round farm-worker housing that are not clear and objective or have the effect, either in themselves or cumulatively, of discouraging seasonal and year-round farmworker housing through unreasonable cost or delay or by discriminating against such housing.

[1983 c.795 :S.5; 1989 c.964 :S.7]

197.313 Interpretation of ORS 197.312: Nothing in ORS 197.312 or in the amendments to ORS 197.295, 197.303, 197.307 by sections 1, 2 and 3, chapter 795, Oregon Laws 1983, shall be construed to require a city or county to contribute to the financing, administration or sponsorship of government assisted housing.

[1983 c.795 :S.6]

197.314 Required siting of manufactured homes: (1) Notwithstanding ORS 197.295 to 197.313, within urban growth boundaries each city and county shall amend its comprehensive plan and land use regulations for all land zoned for single-family residential uses to allow for siting of manufactured homes as defined in ORS 446.003 (26)(a)(C). A local government may only subject the siting of a manufactured home allowed under this section to regulation as set forth in ORS 197.307 (5).

(2) Cities and counties shall adopt and amend comprehensive plans and land use regulations under subsection (1) of this section according to the provisions of ORS 197.610 to 197.650.

(3) Subsection (1) of this section does not apply to any area designated in an acknowledged comprehensive plan or land use regulation as a historic district or residential land immediately adjacent to a historic landmark.

(4) Manufactured homes on individual lots zoned for single-family residential use in subsection (1) of this section shall be in addition to manufactured homes on lots within designated manufactured dwelling subdivisions.

(5) This section shall not be construed as abrogating a recorded restrictive covenant.

[1993 c.184 :S.2]

Note: 197.314 was added to and made a part of chapter 197 by legislative action but was not added to 197.005 to 197.465. See Preface to Oregon Revised Statutes for further explanation.

197.315: [1973 c.80 :S.54; 1977 c.664 :S.25; repealed by 1979 c.772 :S.26]

GOAL 2: LAND USE PLANNING

PART I -- PLANNING

To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

City, county, state and federal agency and special district plans and actions related to land use shall be consistent with the comprehensive plans of cities and counties and regional plans adopted under ORS Chapter 268.

All land use plans shall include identification of issues and problems, inventories and other factual information for each applicable statewide planning goal, evaluation of alternative courses of action and ultimate policy choices, taking into consideration social, economic, energy and environmental needs. The required information shall be contained in the plan document or in supporting documents. The plans, supporting documents and implementation ordinances shall be filed in a public office or other place easily accessible to the public. The plans shall be the basis for specific implementation measures. These measures shall be consistent with and adequate to carry out the plans. Each plan and related implementation measure shall be coordinated with the plans of affected governmental units.

All land-use plans and implementation ordinances shall be adopted by the governing body after public hearing and shall be reviewed and, as needed, revised on a periodic cycle to take into account changing public policies and circumstances, in accord with a schedule set forth in the plan. Opportunities shall be provided for review and comment by citizens and affected governmental units during preparation, review and revision of plans and implementation ordinances.

Affected Governmental Units -- are those local governments, state and federal agencies and special districts which have programs, land ownerships, or responsibilities within the area included in the plan.

Comprehensive Plan -- as defined in ORS 197.015(5).

Coordinated -- as defined in ORS 197.015(5). Note: It is included in the definition of comprehensive plan.

Implementation Measures -- are the means used to carry out the plan. These are of two general types: (1) management implementation measures such as ordinances, regulations or project plans, and (2) site or area specific implementation measures such as permits and grants for construction, construction of public facilities or provision of services.

Plans -- as used here encompass all plans which guide land-use decisions, including both comprehensive and single-purpose plans of cities, counties, state and federal agencies and special districts.

PART II -- EXCEPTIONS

A local government may adopt an exception to a goal when:

(a) The land subject to the exception is physically developed to the extent that it is no longer available for uses allowed by the applicable goal;

(b) The land subject to the exception is irrevocably committed to uses not allowed by the applicable goal because existing adjacent uses and other relevant factors make uses allowed by the applicable goal impracticable; or

(c) The following standards are met:

(1) Reasons justify why the state policy embodied in the applicable goals should not apply;

(2) Areas which do not require a new exception cannot reasonably accommodate the use;

(3) The long-term environmental, economic, social and energy consequences resulting from the use of the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in areas requiring a goal exception other than the proposed site; and

(4) The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.

Compatible, as used in subparagraph (4) is not intended as an absolute term meaning no interference or adverse impacts of any type with adjacent uses.

A local government approving or denying a proposed exception shall set forth findings of fact and a statement of reasons which demonstrate that the standards for an exception have or have not been met.

Each notice of a public hearing on a proposed exception shall specifically note that a goal exception is proposed and shall summarize the issues in an understandable manner.

Upon review of a decision approving or denying an exception:

(a) The commission shall be bound by any finding of fact for which there is substantial evidence in the record of the local government proceedings resulting in approval or denial of the exception;

(b) The commission shall determine whether the local government's findings and reasons demonstrate that

the standards for an exception have or have not been met; and

(c) The commission shall adopt a clear statement of reasons which sets forth the basis for the determination that the standards for an exception have or have not been met.

Exception means a comprehensive plan provision, including an amendment to an acknowledged comprehensive plan, that;

(a) Is applicable to specific properties or situations and does not establish a planning or zoning policy of general applicability;

(b) Does not comply with some or all goal requirements applicable to the subject properties or situations; and

(c) Complies with standards for an exception.

PART III – USE OF GUIDELINES

Governmental units shall review the guidelines set forth for the goals and either utilize the guidelines or develop alternative means that will achieve the goals. All land-use plans shall state how the guidelines or alternative means utilized achieve the goals.

Guidelines -- are suggested directions that would aid local governments in activating the mandated goals. They are intended to be instructive, directional and positive, not limiting local government to a single course of action when some other course would achieve the same result. Above all, guidelines are not intended to be a grant of power to the state to carry out zoning from the state level under the guise of guidelines. (Guidelines or the alternative means selected by governmental bodies will be part of the Land Conservation and Development Commission's process of evaluating plans for compliance with goals.)

GUIDELINES

A. PREPARATION OF PLANS AND IMPLEMENTATION MEASURES

Preparation of plans and implementation measures should be based on a series of broad phases, proceeding from the very general identification of problems and issues to the specific provisions for dealing with these issues and for interrelating the various elements of the plan. During each phase opportunities should be provided for review and comment by citizens and affected governmental units.

The various implementation measures which will be used to carry out the plan should be considered during each of the planning phases.

The number of phases needed will vary with the complexity and size of the area, number of people involved, other governmental units to be consulted, and availability of the necessary information.

Sufficient time should be allotted for:

(1) collection of the necessary factual information

(2) gradual refinement of the problems and issues and the alternative solutions and strategies for development

(3) incorporation of citizen needs and desires and development of broad citizen support

(4) identification and resolution of possible conflicts with plans of affected governmental units.

B. REGIONAL, STATE AND FEDERAL PLAN CONFORMANCE

It is expected that regional, state and federal agency plans will conform to the comprehensive plans of cities and counties. Cities and counties are expected to take into account the regional, state and national needs. Regional, state and federal agencies are expected to make their needs known during the preparation and revision of city and county comprehensive plans. During the preparation of their plans, federal, state and regional agencies are expected to create opportunities for review and comment by cities and counties.

In the event existing plans are in conflict or an agreement cannot be reached during the plan preparation process, then the Land Conservation and Development Commission expects the affected government units to take steps to resolve the issues. If an agreement cannot be reached, the appeals procedures in ORS Chapter 197 may be used.

C. PLAN CONTENT

1. Factual Basis for the Plan

Inventories and other forms of data are needed as the basis for the policies and other decisions set forth in the plan. This factual base should include data on the following as they relate to the goals and other provisions of the plan:

(a) Natural resources, their capabilities and limitations

(b) Man-made structures and utilities, their location and condition

(c) Population and economic characteristics of the area

(d) Roles and responsibilities of governmental units.

2. Elements of the Plan

The following elements should be included in the plan:

(a) Applicable statewide planning goals

(b) Any critical geographic area designated by the Legislature

(c) Elements that address any special needs or desires

of the people in the area

(d) Time periods of the plan, reflecting the anticipated situation at appropriate future intervals.

All of the elements should fit together and relate to one another to form a consistent whole at all times.

D. FILING OF PLANS

City and county plans should be filed, but not recorded, in the Office of the County Recorder. Copies of all plans should be available to the public and to affected governmental units.

E. MAJOR REVISIONS AND MINOR CHANGES IN THE PLAN AND IMPLEMENTATION MEASURES

The citizens in the area and any affected governmental unit should be given an opportunity to review and comment prior to any changes in the plan and implementation ordinances. There should be at least 30 days notice of the public hearing on the proposed change.

1. Major Revisions

Major revisions include land use changes that have widespread and significant impact beyond the immediate area, such as quantitative changes producing large volumes of traffic; a qualitative change in the character of the land use itself, such as conversion of residential to industrial use; or a spatial change that affects large areas or many different ownerships.

The plan and implementation measures should be revised when public needs and desires change and when development occurs at a different rate than contemplated by the plan. Areas experiencing rapid growth and development should provide for a frequent review so needed revisions can be made to keep the plan up to date; however, major revisions should not be made more frequently than every two years, if at all possible.

2. Minor Changes

Minor changes, i.e., those which do not have significant effect beyond the immediate area of the change, should be based on special studies or other information which will serve as the factual basis to support the change. The public need and justification for the particular change should be established. Minor changes should not be made more frequently than once a year, if at all possible.

F. IMPLEMENTATION MEASURES

The following types of measure should be considered for carrying out plans:

1. Management Implementation Measures

(a) Ordinances controlling the use and construction on the land, such as building codes, sign ordinances, subdivision and zoning ordinances. ORS Chapter 197 requires that the provisions of the zoning and subdivision ordinances conform to the comprehensive plan.

(b) Plans for public facilities that are more specific than those included in the comprehensive plan. They show the size, location, and capacity serving each property but are not as detailed as construction drawings.

(c) Capital improvement budgets which set out the projects to be constructed during the budget period.

(d) State and federal regulations affecting land use.

(e) Annexations, consolidations, mergers and other reorganization measures.

2. Site and Area Specific Implementation Measures

(a) Building permits, septic tank permits, driveway permits, etc; the review of subdivisions and land partitioning applications; the changing of zones and granting of conditional uses, etc.

(b) The construction of public facilities (schools, roads, water lines, etc.).

(c) The provision of land-related public services such as fire and police.

(d) The awarding of state and federal grants to local governments to provide these facilities and services.

(e) Leasing of public lands.

G. USE OF GUIDELINES FOR THE STATEWIDE PLANNING GOALS

Guidelines for most statewide planning goals are found in two sections--planning and implementation. Planning guidelines relate primarily to the process of developing plans that incorporate the provisions of the goals. Implementation guidelines should relate primarily to the process of carrying out the goals once they have been incorporated into the plans. Techniques to carry out the goals and plans should be considered during the preparation of the plan. ❖

GOAL 10: HOUSING

To provide for the housing needs of citizens of the state.

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

Buildable Lands -- refers to lands in urban and urbanizable areas that are suitable, available and necessary for residential use.

Government-Assisted Housing -- means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

Household -- refers to one or more persons occupying a single housing unit.

Manufactured Homes -- means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 USC 5401 et seq.), as amended on August 22, 1981.

Needed Housing Units -- means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing units" also includes government-assisted housing. For cities having populations larger than 2,500 people and counties having populations larger than 15,000 people, "needed housing units" also includes (but is not limited to) attached and detached single-family housing, multiple-family housing, and manufactured homes, whether occupied by owners or renters.

GUIDELINES

A. PLANNING

1. In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.
2. Plans should be developed in a manner that insures the provision of appropriate types and amounts of land within urban growth boundaries. Such land should be necessary and suitable for housing that meets the housing needs of households of all income levels.
3. Plans should provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas presently developed or undergoing development or redevelopment.
4. Plans providing for housing needs should consider as a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

B. IMPLEMENTATION

1. Plans should provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions.
2. Plans should take into account the effects of utilizing financial incentives and resources to (a) stimulate the rehabilitation of substandard housing without regard to the financial capacity of the owner so long as benefits accrue to the occupants; and (b) bring into compliance with codes adopted to assure safe and sanitary housing the dwellings of individuals who cannot on their own afford to meet such codes.
3. Decisions on housing development proposals should be expedited when such proposals are in accordance with zoning ordinances and with provisions of comprehensive plans.
4. Ordinances and incentives should be used to increase population densities in urban areas taking into consideration (1) key facilities, (2) the economic, environmental, social and energy consequences of the proposed densities and (3) the optimal use of existing urban land particularly in sections containing significant amounts of unsound substandard structures.
5. Additional methods and devices for achieving this goal should, after consideration of the impact on lower income households, include, but not be limited to: (1) tax incentives and disincentives; (2) building and construction code revision; (3) zoning and land use controls; (4) subsidies and loans; (5) fee and less-than-fee acquisition techniques; (6) enforcement of local health and safety codes; and (7) coordination of the development of urban facilities and services to disperse low income housing throughout the planning area.
6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal ❖

GOAL 11: PUBLIC FACILITIES AND SERVICES

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Urban and rural development shall be guided and supported by types and levels of urban and rural public facilities and services appropriate for, but limited to, the needs and requirements of the urban, urbanizable, and rural areas to be served. A provision for key facilities shall be included in each plan. Cities or counties shall develop and adopt a public facility plan for areas within an urban growth boundary containing a population greater than 2,500 persons. To meet current and long-range needs, a provision for solid waste disposal sites, including sites for inert waste, shall be included in each plan.

Counties shall develop and adopt community public facility plans regulating facilities and services for certain unincorporated communities outside urban growth boundaries as specified by Commission rules.

Counties shall not allow the establishment of new sewer systems outside urban growth boundaries or unincorporated community boundaries, or allow new extensions of sewer lines from within urban growth boundaries or unincorporated community boundaries to land outside those boundaries.

For land that is outside urban growth boundaries and unincorporated community boundaries, county land use regulations shall not rely upon the establishment or extension of a water system to authorize a higher residential density than would be authorized without a water system.

In accordance with ORS 197.180 and Goal 2, state agencies that provide funding for transportation, water supply, sewage and solid waste facilities shall identify in their coordination programs how they will coordinate that funding with other state agencies and with the public facility plans of cities and counties.

A ***Timely, Orderly and Efficient Arrangement*** -- refers to a system or plan that coordinates the type, locations and delivery of public facilities and services in a manner that best supports the existing and proposed land uses.

Rural Facilities and Services -- refers to facilities and services suitable and appropriate solely for the needs of rural lands.

Urban Facilities and Services -- Refers to key facilities and to appropriate types and levels of at least the following: police protection; sanitary facilities; storm drainage facilities; planning, zoning and subdivision control; health services; recreation facilities and services; energy and communication services; and community governmental services.

Public Facilities Plan -- A public facility plan is a support document or documents to a comprehensive plan. The facility plan describes the water, sewer and transportation facilities which are to support the land uses designated in the appropriate acknowledged comprehensive plan or plans within an urban growth boundary containing a population greater than 2,500.

Community Public Facilities Plan -- A support document or documents to a comprehensive plan applicable to specific unincorporated communities outside UGBs. The community public facility plan describes the water and sewer services and facilities which are to support the land uses designated in the plan for the unincorporated community.

Water system -- means a systems for the provision of piped water for human consumption subject to regulation under ORS 448.119 to 448.285.

GUIDELINES

A. PLANNING

1. Plans providing for public facilities and services should be coordinated with plans for designation of urban boundaries, urbanizable land, rural uses and for the transition of rural land to urban uses.
2. Public facilities and services for rural areas should be provided at levels appropriate for rural use only and should not support urban uses.
3. Public facilities and services in urban areas should be provided at levels necessary and suitable for urban uses.
4. Public facilities and services in urbanizable areas should be provided at levels necessary and suitable for existing uses. The provision for future public facilities and services in these areas should be based upon: (1) the time required to provide the service; (2) reliability of service; (3) financial cost; and (4) levels of service needed and desired.
5. A public facility or service should not be provided in an urbanizable area unless there is provision for the coordinated development of all the other urban facilities and services appropriate to that area.
6. All utility lines and facilities should be located on or adjacent to existing public or private rights-of-way to avoid dividing existing farm units.
7. Plans providing for public facilities and services should consider as a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development action provided for by such plans should not exceed the carrying capacity of such resources.

B. IMPLEMENTATION

1. Capital improvement programming and budgeting should be utilized to achieve desired types and levels of public facilities and services in urban, urbanizable and rural areas.
2. Public facilities and services should be appropriate to support sufficient amounts of land to maintain an adequate housing market in areas undergoing development or redevelopment.
3. The level of key facilities that can be provided should be considered as a principal factor in planning for various densities and types of urban and rural land uses.
4. Plans should designate sites of power generation facilities and the location of electric transmission lines in areas intended to support desired levels of urban and rural development.
5. Additional methods and devices for achieving desired types and levels of public facilities and services should include but not be limited to the following: (1) tax incentives and disincentives; (2) land use controls and ordinances; (3) multiple use and joint development practices; (4) fee and less-than-fee acquisition techniques; and (5) enforcement of local health and safety codes.
6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal. ❖

GOAL 14: URBANIZATION

To provide for an orderly and efficient transition from rural to urban land use.

Urban growth boundaries shall be established to identify and separate urbanizable land from rural land. Establishment and change of the boundaries shall be based upon considerations of the following factors:

(1) Demonstrated need to accommodate long-range urban population growth requirements consistent with LCDC goals;
(2) Need for housing, employment opportunities, and livability;
(3) Orderly and economic provision for public facilities and services;
(4) Maximum efficiency of land uses within and on the fringe of the existing urban area;
(5) Environmental, energy, economic and social consequences;
(6) Retention of agricultural land as defined, with Class I being the highest priority for retention and Class VI the lowest priority; and,
(7) Compatibility of the proposed urban uses with nearby agricultural activities.

The results of the above considerations shall be included in the comprehensive plan. In the case of a change of a boundary, a governing body proposing such change in the boundary separating urbanizable lands from rural land, shall follow the procedures and requirements as set forth in the Land Use Planning goal (Goal 2) for goal exceptions.

Any urban growth boundary established prior to January 1, 1975, which includes rural lands that have not been built upon shall be reviewed by the governing body, utilizing the same factors applicable to the establishment or change of urban growth boundaries.

Establishment and change of the boundaries shall be a cooperative process between a city and the county or counties that surround it.

Land within the boundaries separating urbanizable land from rural land shall be considered available over time for urban uses. Conversion of urbanizable land to urban uses shall be based on consideration of:

(1) Orderly, economic provision for public facilities and services;
(2) Availability of sufficient land for the various uses to insure choices in the market place;
(3) LCDC goals or the acknowledged comprehensive plan; and,
(4) Encouragement of development within urban areas before conversion of urbanizable areas.

In unincorporated communities outside urban growth boundaries counties may approve uses, public facilities and services more intensive than allowed on rural lands by Goal 11 and 14, either by exception to those goals, or as provided by Commission rules which ensure such uses do not:

(1) adversely affect agricultural and forest operations, and
(2) interfere with the efficient functioning of urban growth boundaries.

GUIDELINES

A. PLANNING

1. Plans should designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion, taking into account (1) the growth policy of the area, (2) the needs of the forecast population, (3) the carrying capacity of the planning area, and (4) open space and recreational needs.
2. The size of the parcels of urbanizable land that are converted to urban land should be of adequate dimension so as to maximize the utility of the land resource and enable the logical and efficient extension of services to such parcels.
3. Plans providing for the transition from rural to urban land use should take into consideration as to a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

B. IMPLEMENTATION

1. The type, location and phasing of public facilities and services are factors which should be utilized to direct urban expansion.
2. The type, design, phasing and location of major public transportation facilities (i.e., all modes: air, marine, rail, mass transit, highways, bicycle and pedestrian) and improvements thereto are factors which should be utilized to support urban expansion into urbanizable areas and restrict it from rural areas.
3. Financial incentives should be provided to assist in maintaining the use and character of lands adjacent to urbanizable areas.
4. Local land use controls and ordinances should be mutually supporting, adopted and enforced to integrate the type, timing and location of public facilities and services in a manner to accommodate increased public demands as urbanizable lands become more urbanized.
5. Additional methods and devices for guiding urban land use should include but not be limited to the following: (1) tax incentives and disincentives; (2) multiple use and joint development practices; (3) fee and less-than-fee acquisition techniques; and (4) capital improvement programming.
6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal. ❖

DIVISION 7

METROPOLITAN HOUSING

Statement of Purpose

660-07-000 The purpose of this rule is to assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary, to provide greater certainty in the development process and so to reduce housing costs. OAR 660-07-030 through 660-07-037 are intended to establish by rule regional residential density and mix standards to measure Goal 10 Housing compliance for cities and counties within the Metro urban growth boundary, and to ensure the efficient use of residential land within the regional UGB consistent with Goal 14 Urbanization. OAR 660-07-035 implements the Commission's determination in the Metro UGB acknowledgment proceedings that region wide, planned residential densities must be considerably in excess of the residential density assumed in Metro's "UGB Findings". The new construction density and mix standards and the criteria for varying from them in this rule take into consideration and also satisfy the price range and rent level criteria for needed housing as set forth in ORS 197.303.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87

Definitions

660-07-005 For the purposes of this rule, the definitions in ORS 197.015 and 197.295 shall apply. In addition, the following definitions apply:

(1) A "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land, after excluding present and future rights-of-way, restricted hazard areas, public open spaces and restricted resource protection areas.

(2) "Attached Single Family Housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.

(3) "Buildable Land" means residentially designated vacant and, at the option of the local jurisdiction, redevelopable land within the Metro urban growth boundary that is not severely constrained by natural hazards (Statewide Planning Goal 7) or subject to natural resource protection measures (Statewide Planning Goals 5 and 15). Publicly owned land is generally not considered available for residential use. Land with slopes of 25 percent or greater unless otherwise provided for at the time of acknowledgment and land within the 100-year floodplain is generally considered unbuildable for purposes of density calculations.

(4) "Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units.

(5) "Government Assisted Housing" means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

(6) "Housing Needs Projection" refers to a local determination, justified in the plan, as to the housing types and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;

(b) Consistent with OAR 660-07-010 through 660-07-037 and any other adopted regional housing standards; and

(c) Consistent with Goal 14 requirements for the efficient provision of public facilities and services, and efficiency of land use.

(7) "Manufactured Dwelling" means:

(a) Residential trailer, a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed before January 1, 1962;

(b) Mobile home, a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed

between January 1, 1962, and June 15, 1976, and met the construction requirements of Oregon mobile home law in effect at the time of construction;
(c) Manufactured home, a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal manufactured housing construction and safety standards regulations in effect at the time of construction;
(d) Does not mean any building or structure subject to the structural specialty code adopted pursuant to ORS 455.100 to 455.450 or any unit identified as a recreational vehicle by the manufacturer.
(8) "Manufactured Dwelling Park" means any place where four or more manufactured dwellings as defined in ORS446.003 are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. "Manufactured dwelling park" does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.190.
(9) "Manufactured Homes" means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with National Manufactured Housing Construction and Safety Standards Act of 1974 (**42 U. S. C. Sections 5401 et seq.**), as amended on August 22, 1981.
(10) "Mobile Home Park" means any place where four or more manufactured dwellings as defined in ORS 446.003 are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. "Mobile home park" does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.190.
(11) "Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot.
(12) "Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:
(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
(b) Government assisted housing;
(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;
(d) Manufactured home on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
(e) Subsections (12)(a) and (d) of this rule shall not apply to:
(A) A city with a population of less than 2,500;
(B) A county with a population of less than 15,000.
(13) "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the likelihood that existing development will be converted to more intensive residential uses during the planning period.

Stat. Auth.: ORS Ch. 183, 196, & 197
Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87; LCDC 3-1990, f. & cert. ef. 6-6-90

Allocations of Buildable Land
660-07-010 [LCD 10-1981, f. & ef. 12-11-81;
Repealed by LCDC 1-1987,
f. & ef. 2-18-87]

Clear and Objective Approval Standards Required

660-07-015 Local approval standards, special conditions and procedures regulating the development of needed housing must be clear and objective, and must not have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCD 10-1981, f. & ef. 12-11-81

Specific Plan Designations Required
660-07-018 (1) Residential plan designations shall be assigned to all buildable land, and shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-07-030 through 660-07-037.
(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:
(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;
(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and
(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

The Rezoning Process
660-07-020 A local government may defer rezoning of land within the urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified:
(1) The plan must contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.
(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCD 10-1981, f. & ef. 12-11-81

Restrictions on Housing Tenure
660-07-022 Any local government that restricts the construction of either rental or owner occupied housing on or after its first periodic review shall either justify such restriction by an analysis of housing need according to tenure or otherwise demonstrate that such restrictions comply with ORS 197.303(a) and 197.307(3).

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

Purpose
660-07-025 [LCD 10-1981, f. & ef. 12-11-81;
Repealed by LCDC 1-1987,
f. & ef. 2-18-87]

New Construction Mix
660-07-030 (1) Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. Factors to be considered in justifying an alternate percentage shall include, but need not be limited to:
(a) Metro forecasts of dwelling units by type;
(b) Changes in household structure, size, or composition by age;
(c) Changes in economic factors impacting demand for single family versus multiple family units; and

(d) Changes in price ranges and rent levels relative to income levels.
(2) The considerations listed in section (1) of this rule refer to county-level data within the UGB and data on the specific jurisdiction.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87

Consideration of Other Housing Types
660-07-033 Each local government shall consider the needs for manufactured housing and government assisted housing within the Portland Metropolitan UGB in arriving at an allocation of housing types.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

Minimum Residential Density Allocation for New Construction
660-07-035 The following standards shall apply to those jurisdictions which provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing:
(1) The Cities of Cornelius, Durham, Fairview, Happy Valley and Sherwood must provide for an overall density of six or more dwelling units per net buildable acre. These are relatively small cities with some growth potential (i.e. with a regionally coordinated population projection of less than 8,000 persons for the active planning area).
(2) Clackamas and Washington Counties, and the cities of Forest Grove, Gladstone, Milwaukie, Oregon City, Troutdale, Tualatin, West Linn and Wilsonville must provide for an overall density of eight or more dwelling units per net buildable acre.
(3) Multnomah County and the cities of Portland, Gresham, Beaverton, Hillsboro, Lake Oswego and Tigard must provide for an overall density of ten or more dwelling units per net buildable acre. These are larger urbanized jurisdictions with regionally coordinated population projections of 50,000 or more for their active planning areas, which encompass or are near major employment centers, and which are situated along regional transportation corridors.
(4) Regional housing density and mix standards as stated in OAR 660-07-030 and sections (1), (2), and (3) of this rule do not apply to small developed cities which had less than 50 acres of buildable land in 1977 as determined by criteria used in Metro's UGB Findings. These cities include King City, Rivergrove, Maywood Park, Johnson City and Wood Village.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87

Alternate Minimum Residential Density Allocation for New Construction
660-07-037 The density standards in OAR 660-07-035 shall not apply to a jurisdiction which justifies an alternative new construction mix under the provisions of OAR 660-07-030. The following standards shall apply to these jurisdictions:

(1) The jurisdiction must provide for the average density of detached single family housing to be equal to or greater than the density of detached single family housing provided for in the plan at the time of original LCDC acknowledgment.

(2) The jurisdiction must provide for the average density of multiple family housing to be equal to or greater than the density of multiple family housing provided for in the plan at the time of original LCDC acknowledgment.
(3) A jurisdiction which justifies an alternative new construction mix must also evaluate whether the factors in OAR 660-07-030 support increases in the density of either detached single family or multiple family housing or both. If the evaluation supports increases in density, then necessary amendments to residential plan and zone designations must be made.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

Exceptions

660-07-040 [LCD 10-1981, f. & ef. 12-11-81;
Repealed by LCDC 1-1987,
f. & ef. 2-18-87]

Computation of Buildable Lands

660-07-045 (1) The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

(2) The Buildable Land Inventory (BLI): The mix and density standards of OAR 660-07-030, 660-07-035 and 660-07-037 apply to land in a buildable land inventory required by OAR 660-07-010, as modified herein. Except as provided below, the buildable land inventory at each jurisdiction's choice shall either be based on land in a residential plan/zone designation within the jurisdiction at the time of periodic review or based on the jurisdiction BLI at the time of acknowledgment as updated. Each jurisdiction must include in its computations all plan and/or zone changes involving residential land which that jurisdiction made since acknowledgment. A jurisdiction need not include plan and/or zone changes made by another jurisdiction before annexation to a city. The adjustment of the BLI at the time of acknowledgment shall:

(a) Include changes in zoning ordinances or zoning designations on residential planned land if allowed densities are changed;

(b) Include changes in planning or zoning designations either to or from residential use. A city shall include changes to annexed or incorporated land if the city changed type or density or the plan/zone designation after annexation or incorporation;

(c) The county and one or more city(ies) affected by annexations or incorporations may consolidate buildable land inventories. A single calculation of mix and density may be prepared. Jurisdictions which consolidate their buildable lands inventories shall conduct their periodic review simultaneously;

(d) A new density standard shall be calculated when annexation, incorporation or consolidation results in mixing two or more density standards (OAR 660-07-035). The calculation shall be made as follows:

(A)(i) BLI Acres x 6 Units/Acre = Num. of Units;

(ii) BLI Acres x 8 Units/Acre = Num. of Units;

(iii) BLI Acres x 10 Units/Acre = Num. of Units;

(iv) Total Acres (TA) xxxxxxxxxxTotal Units (TU).

(B) Total units divided by Total Acres = New Density Standard;

(C) Example:

(i)(I) Cities A and B have 100 acres and a 6-unit-per-acre standard: (100 x 6 = 600 units);

(II) City B has 300 acres and a 10-unit-per-acre standard: (300 x 10 = 3000 units);

(III) County has 200 acres and an 8-unit-per-acre standard: (200 x 08 = 1600 units);

(IV) Total acres= 600. . . . . .Total Units = 5200.

(ii) 5200 units divided by 600 acres = 8.66 units per acre standard.

(3) Mix and Density Calculation: The housing units allowed by the plan/zone designations at periodic review, except as modified by section (2) of this rule, shall be used to calculate the mix and density. The number of units allowed by the plan/zone designations at the time of development shall be used for developed residential land.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

Regional Coordination

660-07-050 (1) At each periodic review of the Metro UGB, Metro shall review the findings for the UGB. They shall determine whether the buildable land within the UGB satisfies housing needs by type and density for the region's long-range population and housing projections.

(2) Metro shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

Applicability

660-07-060 (1) The new construction mix and minimum residential density standards of OAR 660-07-030 through 660-07-037 shall be applicable at each periodic review. During each periodic review local government shall prepare findings regarding the cumulative effects of all plan and zone changes affecting residential use. The jurisdiction's buildable lands inventory (updated pursuant to OAR 660-07-045) shall be a supporting document to the local jurisdiction's periodic review order.

(2) For plan and land use regulation amendments which are subject to OAR 660, Division 18, the local jurisdiction shall either:

(a) Demonstrate through findings that the mix and density standards in this Division are met by the amendment; or

(b) Make a commitment through the findings associated with the amendment that the jurisdiction will comply with provisions of this Division for mix or density through subsequent plan amendments.

Stat. Auth.: ORS Ch. 183 & 197
Hist.: LCDC 1-1987, f. & ef. 2-18-87

DIVISION 8

INTERPRETATION OF GOAL 10 HOUSING

Purpose

660-08-000 (1) The purpose of this rule is to assure opportunity for the provision of adequate numbers of needed housing units, the efficient use of buildable land within urban growth boundaries, and to provide greater certainty in the development process so as to reduce housing costs. This rule is intended to define standards for compliance with Goal 10"Housing" and to implement ORS 197.303 through 197.307.

(2) OAR 660-07-000 et seq., Metropolitan Housing, are intended to complement and be consistent with OAR 660-08-000 et seq., Goal 10 Housing. Public facilities and services are planned for buildable land as defined in OAR 660-07-140 within the Metropolitan Portland urban growth boundary. Should differences in interpretation between OAR 660-08-000 and OAR 660-07-000 arise, the provisions of OAR 660-07-000 shall prevail for cities and counties within the Metro urban growth boundary.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Definitions

660-08-005 For the purpose of this rule, the definitions in ORS 197.015, 197.295, and 197.303 shall apply. In addition, the following definitions shall apply:

(1) "Attached Single Family Housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.

(2) "Buildable Land" means residentially designated vacant and, at the option of the local jurisdiction, redevelopable land within the Metro urban growth boundary that is not severely constrained by natural hazards (Statewide Planning Goal 7) or subject to natural resource protection measures (Statewide Planning Goals 5 and 15). Publicly owned land is generally not considered available for residential use. Land with slopes of 25 percent or greater unless otherwise provided for at the time of acknowledgment and land within the 100-year floodplain is generally considered unbuildable for purposes of density calculations.

(3) "Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units.

(4) "Government Assisted Housing" means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

(5) "Housing Needs Projection" refers to a local determination, justified in the plan, of the mix of housing types and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;

(b) Consistent with any adopted regional housing standards, state statutes and Land Conservation and Development Commission administrative rules; and

(c) Consistent with Goal 14 requirements.

(6) "Manufactured Dwelling" means:

(a) Residential trailer, a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed before January 1, 1962;

(b) Mobile home, a structure constructed for movement on the public highways that has sleeping, cooking and plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed between January 1, 1962, and June 15, 1976, and met the construction requirements of Oregon mobile home law in effect at the time of construction;

(c) Manufactured home, a structure constructed for movement on the public highways that has sleeping, cooking and

plumbing facilities, that is intended for human occupancy, that is being used for residential purposes and that was constructed in accordance with federal manufactured housing construction and safety standards regulations in effect at the time of construction;
(d) Does not mean any building or structure subject to the structural specialty code adopted pursuant to ORS 455.100 to 455.450 or any unit identified as a recreational vehicle by the manufacturer.
(7) "Manufactured Dwelling Park" means any place where four or more manufactured dwellings as defined in ORS446.003 are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. "Manufactured dwelling park" does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.190.
(8) "Manufactured Homes" means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with National Manufactured Housing Construction and Safety Standards Act of 1974 (**42 U.S.C. Sections 5401 et seq.**), as amended on August 22, 1981.
(9) "Mobile Home Park" means any place where four or more manufactured dwellings as defined in ORS 446.003 are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. "Mobile home park" does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.190.
(10) "Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot.
(11) "Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:
(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
(b) Government assisted housing;
(c) Mobile home or manufactured dwelling parks as provided in ORS197.475 to 197.490;
(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
(e) Subsections (12)(a) and (d) of this rule shall not apply to:
(A) A city with a population of less than 2,500;
(B) A county with a population of less than 15,000.
(12) "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.
(13) "Suitable and Available Land" means residentially designated vacant and redevelopable land within an urban growth boundary that is not constrained by natural hazards, or subject to natural resource protection measures, and for which public facilities are planned or to which public facilities can be made available. Publicly owned land generally is not considered available for residential use.

Stat. Auth.: ORS Ch. 183, 196 & 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82; LCDC 3-1990, f. & cert. ef. 6-6-90

Allocation of Buildable Land

660-08-010 The mix and density of needed housing is determined in the housing needs projection. Sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection. The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Clear and Objective Approval Standards Required

660-08-015 Local approval standards, special conditions and procedures regulating the development of needed housing must be clear and objective, and must not have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Specific Plan Designations Required

660-08-020 (1) Residential plan designations shall be assigned to all buildable land, and shall be specific so as to accommodate the varying housing types and densities identified in the local housing needs projection.
(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:
(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;
(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and
(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

The Rezoning Process

660-08-025 A local government may defer rezoning of land within an urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified. If such is the case, then:
(1) The plan shall contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.
(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Regional Coordination

660-08-030 (1) Each local government shall consider the needs of the relevant region in arriving at a fair allocation of housing types and densities.
(2) The local coordination body shall be responsible for ensuring that the regional housing impacts of restrictive or expansive local government programs are considered. The local coordination body shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Substantive Standards for Taking a Goal 2, Part II Exception Pursuant to ORS 197.303(3)

660-08-035 (1) A local government may satisfy the substantive standards for exceptions contained in Goal 2, Part II, upon a demonstration in the local housing needs projection, supported by compelling reasons and facts, that:
(a) The needed housing type is being provided for elsewhere in the region in sufficient numbers to meet regional needs;

(b) Sufficient buildable land has been allocated within the local jurisdiction for other types of housing which can meet the need for shelter at the particular price ranges and rent levels that would have been met by the excluded housing type;

and
(c) The decision to substitute other housing types for the excluded needed housing type furthers the policies and objectives of the local comprehensive plan, and has been coordinated with other affected units of government.
(2) The substantive standards listed in section (1) of this rule shall apply to the ORS 197.303(3) exceptions process in lieu of the substantive standards in Goal 2, Part II. The standards listed in section (1) of this rule shall not apply to the exceptions process authorized by OAR 660-07-360.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Restrictions on Housing Tenure
660-08-040 Any local government that restricts the construction of either rental or owner occupied housing on or after its first periodic review shall include a determination of housing need according to tenure as part of the local housing needs projection.

Stat. Auth.: ORS Ch. 197
Hist.: LCDC 3-1982, f. & ef. 7-21-82

Appendix C

National and State Trends, Sample Data, and Sample Analysis for Determining Housing Needs

This appendix contains data on housing trends, a sample analysis and sample data sheets to assist jurisdictions in conducting the housing needs analysis (Task 3 in Chapter III). Jurisdictions may substitute other data and data sources and may develop new or alternative methods that are most appropriate to local conditions.

National and State Housing Trends

This information is not an exhaustive list of housing trends. However, it will provide the necessary background for the technical work described in Task 3 in Chapter III of this workbook, Housing Needs Analysis. The following trend information relates to household characteristics, housing costs, and housing types.

Household Characteristics

The primary determinant in housing demand is household characteristics. By any measurement, households are different than prior decades and are likely to change further. Households are becoming smaller: more households are formed by "empty nesters," young singles, and couples than by the "traditional" family. The average household size has decreased over the last five decades and it is likely to continue decreasing, albeit at a slower pace. The average household size in the state was 2.6 in 1980 and 2.52 in 1990. It is forecast to drop to 2.50 by the year 2000.[1] One and two person households made up the majority of households in 1990, as shown in the table, below, of selected metropolitan areas.[2] A declining household size suggests (other things, especially income, being equal) a shift toward smaller sized housing.

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1 Source: U.S. Census Bureau and Leland Consulting Group.

2 Source: U.S. Census Bureau and Leland Consulting Group.

Household Composition, Selected Oregon Cities, 1990

Households	Portland	Eugene	Salem	Medford
One person	34.79%	30.74%	29.68%	26.41%
Two person	32.75%	35.74%	34.38%	36.16%
Subtotal	67.54%	66.48%	64.06%	62.57%
Three or more	32.46%	33.52%	35.94%	37.43%
Total	100%	100%	100%	100%

While household size is decreasing, the age of the head of household is increasing. The aging of the baby boomers in the next two decades is the primary cause of this factor. Demographic factors suggest that the largest increases will be in the 55-64 and the over 65 age group. This indicates the ability of more of these households to purchase housing, because of increased assets. However, at some point after age 65 it also means these households will "trade down" to smaller housing products, although this trend will be slow.

Household income has generally increased, although it has not kept pace with housing prices or rents. More households are spending in excess of the recommended 30%[3] of their household income on housing. Household income is a strong indicator, especially with age of household head, of the ability to purchase or rent housing.

Housing Costs

Housing costs have generally increased more than incomes over the past two decades. According to the state Housing and Community Services Department, housing cost is increasing at 9% while household income is increasing at a 2% annual rate. This trend may continue, although at a slower pace. The demand for more affordable housing (e.g., manufactured homes, apartments, townhouses, small-lot single family) will increase if the gap between income and costs increases.

Housing costs are influenced by, among other things, lot size (land costs). The literature on urban and real estate economics generally finds that up to a certain point, a 10% change in lot

[3]HUD standard for housing affordability guidelines and what many lenders use to qualify buyers for mortgages.

size will result in a 2-5% change in housing costs. Applied to a $150,000 house, decreasing the lot size by 10% will decrease the house price by $3,000 to $7,500.

Housing Types

Since 1975, average lot sizes have decreased while average house sizes have increased.[4] Although this is a national statistic, it probably also holds in Oregon. The National Home Builders Association has advertised this trend to their members in several publications. In the December 1995 issue of *Builder* magazine, an article entitled "Density" highlighted several alternative housing projects. These included a single-family detached courtyard cluster in California at 14 units an acre and a townhouse project in Colorado at 22 units an acre. Other projects include small lot, patio homes, zero lot line homes, and "zipper lots", all at 8 to 12 units an acre.

Nationally and in Oregon, alternative forms of housing are coming on the market in response to the changing household demographics and housing costs cited above. Smaller households, older households, and higher housing costs are expanding markets for alternative housing within the state. Some examples follow:

- "Traditional neighborhood residential developments," such as West Bend Village in Bend, a single-family subdivision that is sold out at 5 to 7 units a net acre.
- "Traditional neighborhood mixed use developments," such as Sunnyside Village in Portland, with a mix of housing types at an average of 10 units a net acre.
- Small lot single family housing at 8 to 12 units a net acre, such as Steele Park subdivision in Washington County west of Portland, that includes two story houses on small lots of 3,000 to 3,500 square feet.
- Mobile home subdivisions at 6 to 10 units a net acre.
- Mobile home parks at 8 to 14 units a net acre.
- Cluster single family housing at 8 to 12 units a net acre.
- Zero lot line houses at 8 to 12 units a net acre.
- Courtyard houses at 8 to 12 units a net acre, such as Hidden Springs subdivision in Keizer.
- Row houses at 12 to 18 units a net acre, such as Dawson Park Place in Portland.
- Townhouses at 12 to 18 units a net acre, such as Fairview Village in Portland.
- Stacked low rise apartments at 14 to 30 units a net acre.
- Garden apartments at 18 to 26 units a net acre.
- Low and mid rise apartments at 20 to 120 units a net acre.

[4]Source: National Association of Home Builders, from census data.

- High rise apartments at 60 to 240 units a net acre.

Traditional neighborhood developments are now under construction in Oregon as an alternative to the large lot single-family subdivision. The following benefits to developers and residents have been cited:[5]

- Developer lot sales escalation/profit.
- Infrastructure cost savings.
- More specific target market.
- Resident house appreciation.
- Resident sense of community (e.g., through unique design, center, etc)
- Resident access to services/retail improved (e.g., through better street connections).
- More choices of housing types for buyers.
- Higher density - more efficient urban form - more viable downtown.
- More transportation choices for residents.

While there remains a significant market for large single-family lots, alternative housing types as described above will take more of the market in the future. Communities should be careful to craft their housing needs based on future household characteristics, and not past trends.

[5]Source: Zimmerman/Volk Associates, Inc., 1996

Sample Analysis

WHAT IS THE MARKET DEMAND FOR RESIDENTIAL REAL ESTATE IN EUGENE-SPRINGFIELD?

Conducted for Lane Council of Governments
by ECONorthwest and Leland Consulting Group

October 1996

THE EUGENE/SPRINGFIELD REGION WILL GROW

Long-run national, Northwest, and local economic conditions are favorable

- Continued westward migration supports continued population growth.
- Increasing Pacific Rim trade creates opportunities for economic growth.
- An educated and productive workforce allows Northwest firms to remain competitive.
- The Northwest has relatively well-maintained investments in infrastructure and public services that support growth.
- Most of the population and economic growth in the west has been concentrated along the I-5 corridor.
- The Eugene/Springfield region is planning for public services to support growth, and has some economic development programs that encourage the expansion of existing firms and location of new firms.

SEVERAL FACTORS AFFECT THE MARKET FOR RESIDENTIAL REAL ESTATE PRODUCTS IN NODES

Both demand and supply factors are important

Demand Factors	Supply Factors
• Population growth • Demographic conditions: Household size Age distribution Age of household head Marital status & presence of children • Household income • Net worth	• Availability and price of buildable land • Location of residential land: Neighborhood characteristics School district quality Proximity to employment, shopping, and recreation • Cost of construction • Availability of financing • Experienced builders of alternative housing

ALMOST 100,000 NEW PEOPLE ARE EXPECTED IN THE EUGENE/SPRINGFIELD METRO AREA BETWEEN 1990 AND 2015

An average of about 4,000 people per year over the 25-year period; an overall increase of 48%; an average growth rate of 1.6% per year

Population Growth in the Eugene/Springfield Metropolitan Study Area, 1990–2015

	1990	1995	2000	2005	2010	2015	1990-2015
Population	204,000	224,000	241,000	257,000	278,000	301,000	97,000
Average annual growth		4,000	3,400	3,200	4,200	4,600	3,880
Average annual growth rate		1.89%	1.47%	1.29%	1.58%	1.60%	1.57%

Source: Lane Council of Governments

Note: The Eugene/Springfield Metropolitan Study Area is slightly larger than the Eugene/Springfield Urban Growth Boundary (UGB) area used for household forecasts in this report. Population forecasts for the UGB area are not available.

THE POPULATION WILL GET OLDER

The share of population over 55 will increase over the next 20 years, but the amount of growth will be greatest for younger age groups

Persons in the Eugene/Springfield Metropolitan Study Area by Age, 1990 and 2015

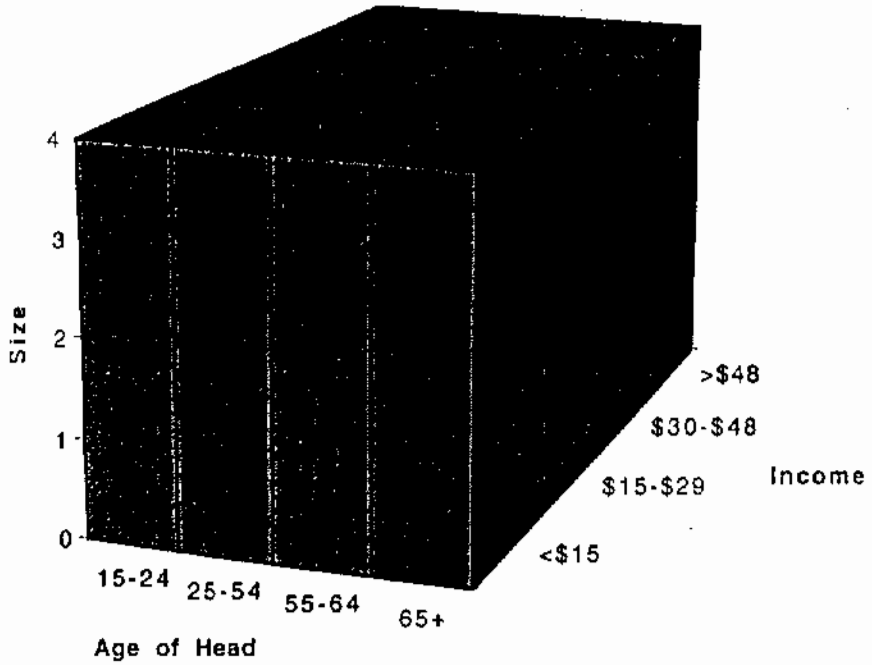
	1990		2015		Change 1990–2015	
Age	#	Share	#	Share	#	Share
<25	76,000	38%	107,000	35%	31,000	-3%
25–54	88,000	43%	115,000	38%	27,000	-5%
55–64	15,000	7%	35,000	12%	20,000	5%
65+	25,000	12%	44,000	15%	19,000	3%
Total	204,000	100%	301,000	100%	97,000	0%

Source: Lane Council of Governments

- Important to household formation and housing is the fact that there will be an increase of about 50,000 people between the ages of 25 and 64.

HOUSEHOLDS CAN BE GROUPED BY INCOME, SIZE, AND AGE OF HOUSEHOLD HEAD

Household types can be correlated to housing types and tenure



- Low-income (<$15,000), and increasingly, moderate-income ($15–$30,000), young (head 15–24), and single-person households are predominantly apartment renters.
- Remaining households predominantly own single-family homes, with the share in single-family homes and ownership increasing with income and household size.
- The share of households in single-family homes and ownership declines for household heads over 64, but these households are still predominantly in owner-occupied single-family housing.

INCOME AFFECTS THE TYPE OF HOUSING THAT IS FINANCIALLY ATTAINABLE

New, unsubsidized housing is unattainable to low-income and, increasingly, lower-middle income households

Market Segment by Income[1]	Household Income Range	Financially Attainable Products	
High (21%)	$48,000 or more	All housing types	
Upper Middle (21%)	$29,000 to $48,000	Small lot and cluster housing Attached housing Multi-family housing	↑ New housing
			Used housing ↓
Lower Middle (30%)	$15,000 to $29,000	Garden apartments Low-rise high-density Mid-rise housing	
Low (28%)	Less than $15,000	Apartments Subsidized housing	

Source: Claritas, Inc. and Leland Consulting Group

[1]Percentages are approximate share of total households in 1990.

HIGHER INCOME IS CORRELATED WITH HIGHER RATES OF OWNERSHIP AND SINGLE-FAMILY HOUSING

Low-income households are predominantly apartment renters

Percent of Households in Eugene by Income, Structure Type, and Ownership, 1990 (thousands of dollars)

Structure Type	<$15	$15-29	$30-48	>$48	All
Single-family detached	26%	54%	72%	85%	56%
Single-family attached	7%	8%	9%	4%	7%
Apartments	60%	32%	16%	9%	32%
Mobile Home	6%	6%	3%	1%	4%
Other	1%	1%	0%	1%	1%
Total	100%	100%	100%	100%	100%
Tenure					
Own	23%	46%	65%	85%	51%
Rent	77%	54%	35%	15%	49%
Total	100%	100%	100%	100%	100%

Source: U.S. Census Public Use Microdata Samples and ECONorthwest. Note: Public Use Microdata Samples are only available for Eugene or the remainder of Lane County. The Eugene area was used to represent housing relationships in the Eugene/Springfield metropolitan area. Differences between Eugene and Springfield are not likely to be enough to change the general conclusions of this analysis.

HOUSEHOLDS WITH INCOME >$50,000 WILL GROW SLOWLY

Households in all income ranges will grow in absolute number, and those with income <$50,000 will gain relative share

Households in Eugene/Springfield by Household Income, 1990, 2000, and 2015 (thousands of 1990 dollars)

	1990		2000		2015		1990-2015	
Income		Share		Share		Share		Share
< $15	22,000	28%	27,000	31%	37,000	31%	15,000	3%
$15-$29	23,000	30%	27,000	31%	37,000	31%	14,000	1%
$30-$49	16,000	21%	20,000	23%	28,000	23%	12,000	2%
$50-$99	14,000	18%	12,000	13%	17,000	13%	3,000	-5%
>$100	2,000	3%	2,000	2%	3,000	2%	1,000	-1%
Total	77,000	100%	88,000	100%	122,000	100%	45,000	0%

Source: Claritas, Inc. (1990 and 2000); ECONorthwest (2015 and conversion to 1990 dollars)
Note: Claritas forecasts income for five years only; 2015 forecast calculated by applying the 2000 distribution to the total households in 2015.

COUPLES AND FAMILIES ARE MORE LIKELY TO OWN SINGLE-FAMILY DETACHED HOMES

Single-person households are predominantly apartment renters

Percent of Households in Eugene by Household Size, Structure Type, and Tenure, 1990

Structure Type	1	2	3	4+	All
Single-family detached	29%	58%	68%	84%	56%
Single-family attached	8%	8%	8%	5%	7%
Apartments	57%	28%	20%	10%	32%
Mobile Home	6%	6%	3%	0%	4%
Other	1%	1%	1%	0%	1%
Total	100%	100%	100%	100%	100%
Tenure					
Own	33%	55%	58%	67%	51%
Rent	67%	45%	42%	33%	49%
Total	100%	100%	100%	100%	100%

Source: U.S. Census Public Use Microdata Samples and ECONorthwest

HOUSEHOLD SIZE IS EXPECTED TO DECREASE SLIGHTLY

One- and two-person households will grow relative to larger households

Households in Eugene/Springfield by Household Size, 1990 and 2015

	1990		2015		1990–2015	
Persons		Share		Share		Share
1	21,000	27%	37,000	30%	16,000	3%
2	28,000	36%	46,000	38%	18,000	2%
3	12,000	16%	18,000	15%	6,000	-1%
4+	16,000	21%	21,000	17%	5,000	-4%
Total	77,000	100%	122,000	100%	45,000	0%

Source: Lane Council of Governments (1990 and 2020); 2015 distribution imputed by ECONorthwest

- The 1990 share of households living in apartments (32%) and growth of households between 1990 and 2015 implies a demand over 14,000 apartment units, or an average of about 560 units per year.

HOUSEHOLDERS 15–24 ARE MOSTLY APARTMENT RENTERS

Householders 25–64 predominantly own; the share in apartments or renting increases again after age 65

Percent of Households in Eugene by Age of Head, Structure Type, and Tenure, 1990

Structure Type	15-24	25-54	55-64	65+	All
Single-family detached	15%	63%	68%	54%	56%
Single-family attached	8%	9%	5%	4%	7%
Apartments	74%	27%	18%	31%	32%
Mobile Home	2%	2%	10%	9%	4%
Other	1%	0%	0%	1%	1%
Total	100%	100%	100%	100%	100%
Tenure					
Own	5%	50%	81%	67%	51%
Rent	95%	50%	19%	33%	49%
Total	100%	100%	100%	100%	100%

Source: U.S. Census Public Use Microdata Samples and ECONorthwest

THE SHARE OF HOUSEHOLDS WITH HEADS OVER 55 WILL INCREASE

Households with heads over 55 will account for half of the growth in households over the 25-year period

Households in Eugene/Springfield by Age of Head, 1990 and 2015

	1990		2015		1990–2015	
Age of Head		Share		Share		Share
15–24	8,000	10%	12,000	10%	4,000	0%
25–54	46,000	60%	62,000	51%	16,000	-9%
55–64	8,000	10%	20,000	16%	12,000	6%
65+	15,000	20%	28,000	23%	13,000	3%
Total	77,000	100%	122,000	100%	45,000	0%

Source: Lane Council of Governments

FAMILY TYPES AND LIFE CYCLE AFFECT HOUSING CHOICES

Households with people never married and young married couples with no children are more likely to rent housing

Never Marrieds

- These households are most likely to live in rented units near other rental units.
- Of the "never marrieds" under 30, only 12 percent were homeowners.
- Home ownership increases in likelihood as these households age. Of the "never marrieds" between 45 and 59, 45 percent were homeowners.

Married couples, no children

- Married couples without children under the age of 30 are more likely to rent (60 percent of households in this category) than to own (40 percent)
- For all ages, these couples generally select single-family units or multi-family units in buildings with fewer units.

Source: U.S. Census Public Use Microdata Samples and Leland Consulting Group

FAMILY TYPE AND LIFE CYCLE AFFECT HOUSING CHOICES

Families with children and older households are more likely to own housing

One-parent families

- These households, with lower median incomes than two-parent households, have lower rates of home ownership than their two-parent counterparts.
- Ownership rates increase as the age of the youngest child increases, and are higher than for single people.

Older households (ages 45 to 64)

- These households have a strong tendency to own their own homes and to remain in their current housing unit. Although households have been shown to move motivated by the need for additional space, the same motivation has not been found for households with excess space.
- Many households view these years as a transitional period before retirement, and generally defer major housing changes until retirement.

Source: U.S. Census Public Use Microdata Samples and Leland Consulting Group.

LOCAL CHANGES IN HOUSEHOLDS ARE CONSISTENT WITH NATIONAL TRENDS

Fewer married couples with children under 18, more married couples without children, and more persons living alone

Share of Total U.S. Households by Family Type

	1995	2010	1995–2010
Families	70%	68%	-2%
Married couples	55%	52%	-3%
with children <18	25%	20%	-5%
with children 18+ only	5%	6%	1%
with no children	25%	26%	1%
Single parents	8%	8%	0%
Other families	7%	8%	1%
Nonfamilies	30%	32%	2%
Persons living alone	25%	27%	2%
Other nonfamilies	5%	5%	0%

Source: American Demographics, 1993
Note: Rows in bold are subtotals of following rows.

SUMMARY OF DEMAND CONDITIONS

Changing composition of households will affect demand for residential real estate

- Growth in households with income <$15,000 should increase demand for moderate rent apartments. Most of these households will occupy older units, and many may require subsidy.
- Growth in households with income $30–$49,999 should increase demand for low-to moderately-priced single-family housing.
- The market for high-end housing, though lucrative, is not deep. Slow growth of households with income >$50,000 should reduce the relative demand for standard- and large-lot single-family housing.
- Growth of one- and two-person households should increase demand for apartments and smaller forms of single-family housing.
- Declining share of three- and four-or more-person households should reduce the relative demand for traditional single-family housing.
- Aging households should increase the number of households making post-retirement transitions out of traditional single-family housing.
- The direction of the demographics and economics is toward reducing housing cost (in part by reducing land and built space), smaller households, and older households, all of which are consistent with the type of housing compatible with nodes.

MANUFACTURED HOUSING HAS BEEN 20% OF NEW RESIDENTIAL CONSTRUCTION LOCALLY

Manufactured housing should capture a larger share of new housing than the 5-6% share suggested by 1990 Census data on housing stock

Permits for New Residential Construction in Eugene, 1985-1995

Structure Type	1985-1995
Single Family Detached	44%
Single Family Attached	5%
Apartment	31%
Mobile Home	20%
Total	100%

Source: City of Eugene Building & Permit Services Division

- In 1995, 72% of Manufactured Homes in Eugene were in parks and 28% were on single-family lots.
- Manufactured home parks appear popular; 988 spaces in parks were created between 1990 and 1995 in Eugene.

- Manufactured homes on lots have about the same density as single-family detached housing, while those in parks result in higher densities.

IMPLIED RESIDENTIAL DEMAND IN EUGENE/SPRINGFIELD

Household forecasts imply demand for about 45,000 dwelling units

Additional Dwelling Units by Structure Type and Tenure, Based on Existing Housing Stock and Potential Distribution, 1990–2015

	Based on 1990 Housing Stock			Potential Distribution[1]		
Structure Type	Total Units (1,000)	% Units	Avg. Units /Year	Total Units	% Units	Units /Year
Single-family detached[2]	23-26	52-57%	980	18,000	40%	720
Single-family attached	2.8-3.4	6-8%	120	4,500	10%	180
Apartments	13-16	30-35%	590	15,750	35%	630
Manufactured Homes[3]	2.1-2.8	5-6%	100	6,750	15%	270
Tenure						
Own	21-27	47-59%				
Rent	18-24	41-53%				

Source: ECONorthwest

Note: Based on demographic forecasts and the relationship of household income, size, and age of head with structure type and tenure in 1990. Estimates do not include adjustments for demolitions, or vacancies, or any existing under-supply.

1. Potential distribution assumes increasing cost of land and buildings, resulting in more alternative housing.

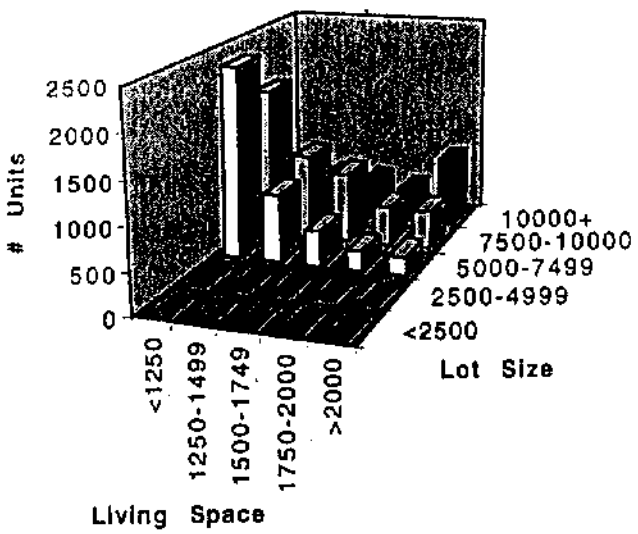
2. Single-family detached includes manufactured housing on single-family lots.

3. Manufactured homes includes only those in manufactured home parks.

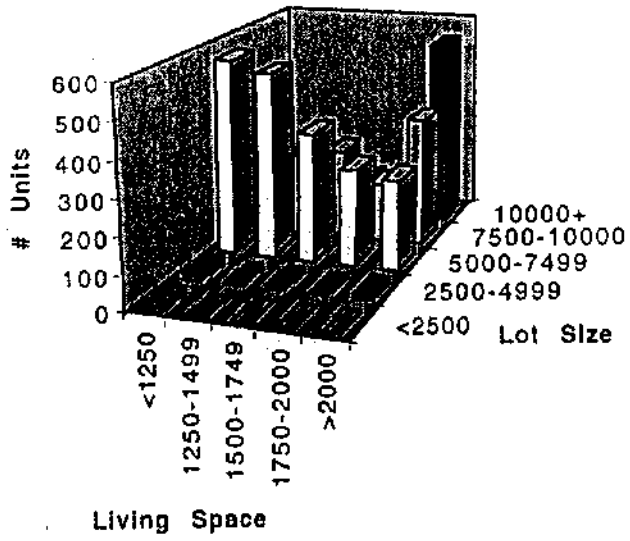
DEMAND FOR NEW LARGE HOMES ON LARGE LOTS HAS GROWN

Square feet of single-family lot size and living space , 1970s and 1980–92, in Eugene/Springfield

1970s



1980/90s



Source: Lane Council of Governments, from Lane County assessor files

- Small homes (<1,250 sq. ft.) on moderate lots (5,000–7,499 sq. ft.) have been the most popular product in the 1970s and 1980/90s.
- 1980/90s chart shows a shift to larger homes and some shift to larger lots, with significant growth in the share of large homes on large lots.

DEMOGRAPHIC FORCES SUGGEST THOSE TRENDS WILL CHANGE

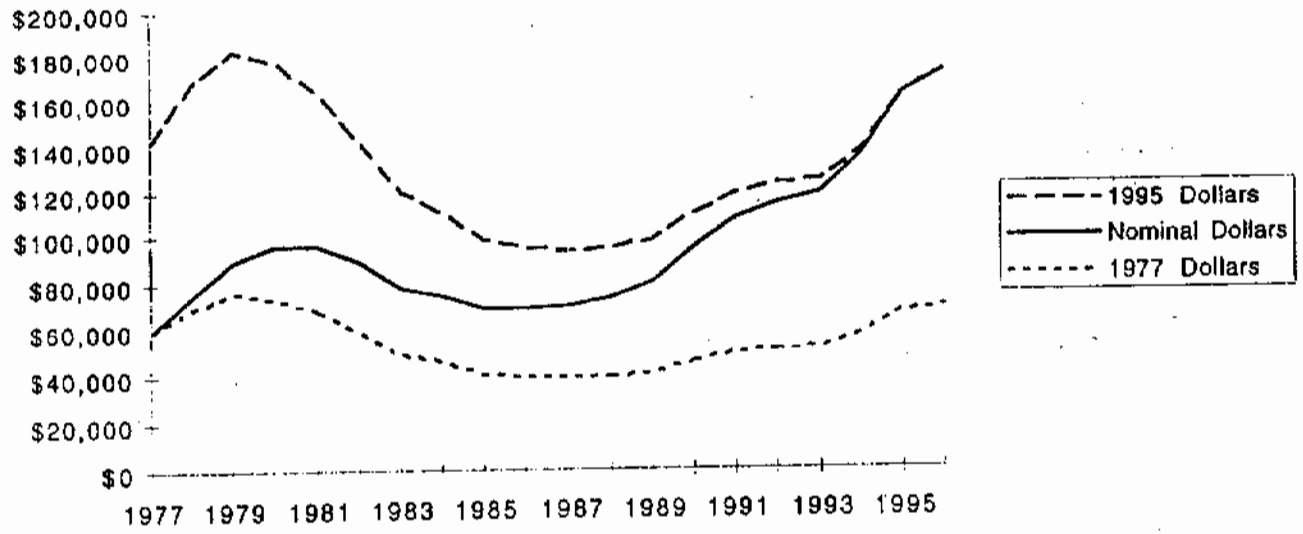
The amount of demand and how it will be supplied with housing is influenced by the amount and price of buildable land, and is illustrated by trends in construction and absorption

- In the 1980s and 1990s, there has been growing demand for large new homes on large lots.
- But the supply of buildable land is decreasing (at least temporarily) and dispersing.
- Public policies (e.g., the UGB, environmental regulation, and the cost of services) and market forces (growth pressure) will increase the cost of land and housing.

HOUSING PRICES HAVE CLIMBED DRAMATICALLY SINCE 1988

In real terms, housing prices have only recently reached the level of the late '70s

Price Trend of a $60,000 House in 1977



Source: Real Estate Valuations Northwest; converted to 1977 and 1995 dollars by ECONorthwest using the Personal Consumption Expenditure deflator reported in the Economic Report of the President, 1996.

MOST BUILDABLE RESIDENTIAL LAND IS DESIGNATED FOR LOW-DENSITY DEVELOPMENT

Acres of vacant unconstrained land in the UGB designated for residential use, 1992

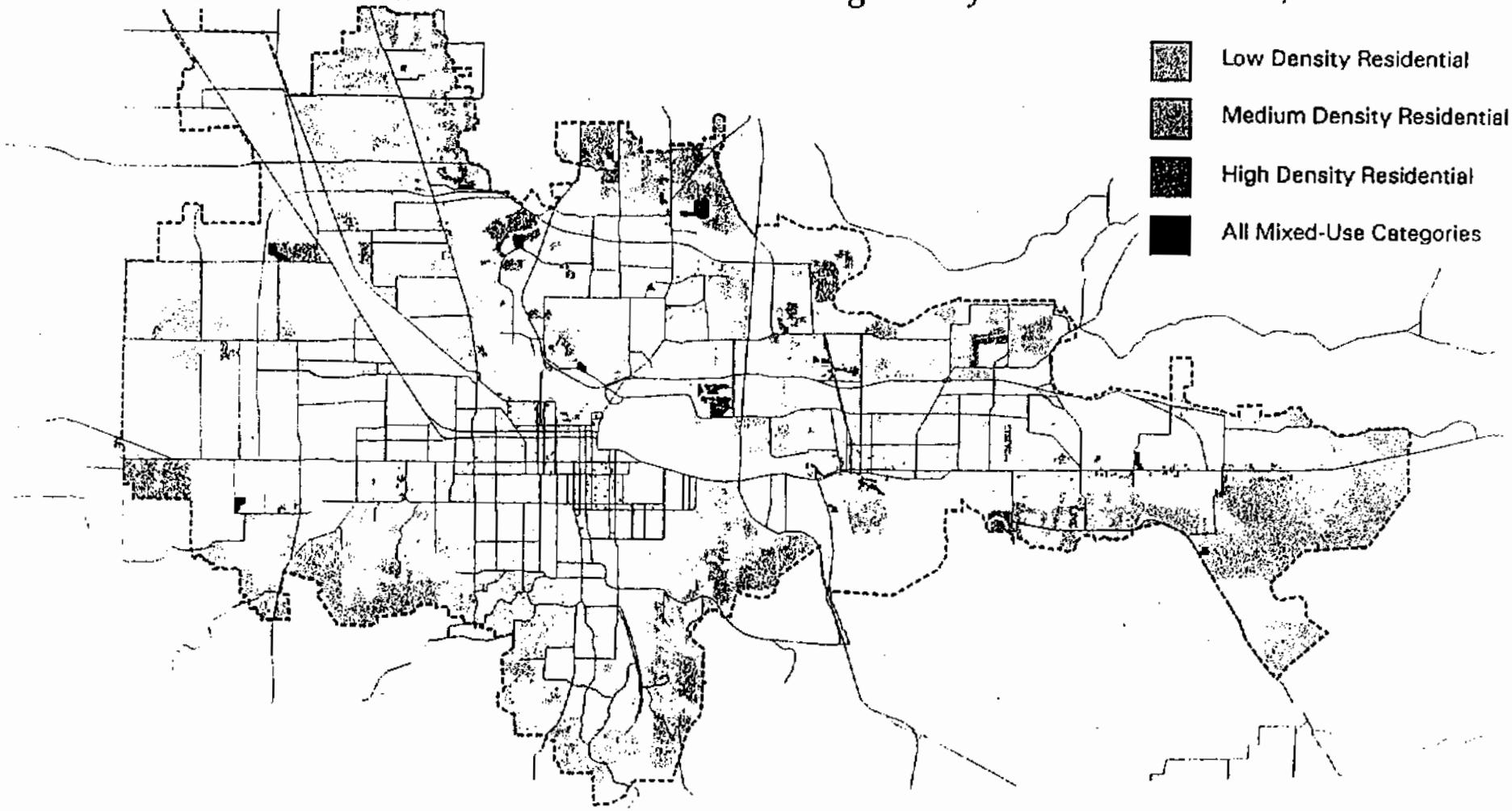
	Acres	Share
Low density	8,225	84%
Medium density	1,305	14%
High density	222	2%
Total	9,752	100%

Source: Lane Council of Governments

- As currently zoned, low-density residential land will be developed primarily with single-family homes, with some duplex, multi-family, and manufactured home development.
- Medium- and high-density residential land will be developed almost entirely with multi-family housing.
- 26 acres are in mixed use areas that allow residential along with commercial and industrial uses.

MOST BUILDABLE RESIDENTIAL LAND IS LOCATED IN THE PERIPHERY OF THE URBAN AREA

Vacant unconstrained land in the UGB designated for residential use , 1992.



RESIDENTIAL DEVELOPMENT WILL REDUCE THE SUPPLY OF LAND IN EUGENE/SPRINGFIELD

Potential demand could consume 56–78% of the available residential land by 2015

Estimated Acres Used by Residential Development in Eugene/Springfield, 1990-2015

	Dwelling Units	Net Density (d.u./acre)	Gross Acres
Single-family detached	18,000	5-7	3,500-4,800
Single-family attached	4,500	12-18	300-500
Apartments	15,750	21-25	800-1,000
Manufactured Home	6,750	7-10	900-1,300
Total	45,000		5,500-7,600

Source: ECONorthwest

Note: Based on the potential distribution of demand by structure type and net density of residential real estate by structure type. Net acres are generally 75% of total development area, with the remaining 25% in roads and open space.

IMPLICATIONS OF DEMAND, SUPPLY, AND TRENDS FOR THE RESIDENTIAL MARKET IN EUGENE/SPRINGFIELD

Demographic and economic forecasts suggest a market for higher-density housing that would be compatible with nodes

- Declining household size, an aging population, and more households with non-traditional families should increase demand for smaller and alternative housing products.
- If the population grows as forecasted and the residential land supply continues to decrease the price of land will increase, reducing lot sizes for single-family development and increasing densities for all residential structure types.
- Households must trade off the housing characteristics they want with the price they have to pay to get them. Higher-density housing will be more successful if it incorporates characteristics households look for in standard single-family homes, such as privacy, security, and storage.
- The challenge for smaller units and lots: deliver equivalent adequate amenity at the same price.

SMALL-LOT RESIDENTIAL HOMES HAVE FOUND A NICHE IN THE LOCAL MARKET

Several successful developments in the region would fit well in nodes

There have been several examples of small-lot residential developments that incorporate neotraditional designs similar to those envisioned for nodal development. Examples include:

- Overbrook in south Eugene, with small homes on lots that average 2,500 square feet (for a gross density of about 12 units/acre).
- Champignon, a series of small craftsman-style cottages off of Spyglass Drive in Eugene.
- Field of Dreams, 44 small 2, 3, and 4 bedroom homes on lots less than 4,500 square feet. The homes all use a neotraditional design, with front porches and no garages.

While these developments were successful, there were some marketing challenges. The lack of garages in Field of Dreams deterred some buyers, who want garage space for storage more than for cars. In general, small-lot residential must be designed to address market preferences for privacy, security, and storage.

MULTI-FAMILY HOUSING HAS BEEN SUCCESSFUL IN THE EUGENE/SPRINGFIELD MARKET

Typical apartment developments have the density to be suitable for nodes

- Multi-family housing is already accepted in the market—39% of households in Eugene lived in apartments or single-family attached housing in 1990.
- The market also accepts multi-family housing in mixed-use nodes—multi-family developments have often been used as a buffer between commercial and single-family areas.
- There is a current boom in apartment construction, with over 1,500 units built in the last two years. Many of these apartments respond to demand from the high end of the market with average rents greater than $600. Much of the demand for these units is from newcomers who are here temporarily to participate in construction projects or that intend to stay and purchase a single-family home.
- Employment in high-tech industries may sustain demand for high-end apartments. In the long run, most demand for apartments will come from young, small, households in the lower half of the income distribution.

WHAT WOULD DEVELOPMENTS WITH ALTERNATIVE HOUSING LOOK LIKE?

Summary of density, unit size, and typical ownership of alternative housing

Product	Units per Net acre	Unit size (sq. Ft.)	Ownership propensity: Owner	Ownership propensity: Renter
Standard single-family	4 to 7	1,600 to 2,200	●	
Small lot single-family	7 to 10	1,200 to 1,800	●	
Clustered housing	8 to 14	1,400 to 1,900	●	
Townhouses	12 to 18	1,400 to 1,600	●	●
Stacked low-rise	15 to 22	600 to 2,000		●
Garden apartments	18 to 24	450 to 1,300		●
Low-rise high-density[1]	30 to 90	450 to 1,600	●	●
Mid-rise[1]	40 to 120	450 to 1,600	●	●

1. Low-rise high-density and Mid-rise housing could be rental apartments or condominium units.

OREGON STATE DATA CENTER

The Oregon State Data Center (OSDC) represents a federal-state cooperative program sponsored by the U.S. Department of Commerce, Bureau of the Census. The Center for Population Research and Census (CPRC) is the lead agency responsible for administering these programs in Oregon state.

A list of the Oregon SDC coordinating agencies and affiliate members is provided here. These organizations and contact persons play a vital role in the release of 1990 Census information. All member s have a wide range of Bureau of the Census 1990 Census data releases and summary data releases developed and distributed by CPRC. Many of the universities, colleges, regional councils of governments, and county planning agencies have developed publicati ons and data products suited to meet the needs requested by local constituents. Several organizations provide specialized computer processing to meet individual data needs.

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Appendix D

Guidelines for Location and Density of Housing

The purpose of this appendix is to provide guidance to help local jurisdictions identify appropriate, in terms of market factors, locations for needed housing types and densities. Consideration of these market factors is required by ORS 197.296(7).

At the most fundamental level, this provision of the law is a requirement for good planning: land should be suitable for the uses for which it is planned and zoned. The provision ensures that jurisdictions meet the spirit of the law, not just the letter. For example, this section of the statute prevents a community that opposes multi-family housing to successfully claim to meet the need for that housing by zoning large amounts of undevelopable or uneconomic land for that use.

Oregon land use law, planning textbooks, professional journals, and planning practitioners offer ample advice on this topic. Entire books are written about the topic; therefore, it is not possible for this short appendix to cover it in enough detail to address the many situations that Oregon jurisdictions are likely to encounter. For this reason, this appendix is not intended to provide detailed procedures for determining the right locations for different types and densities of housing, but rather to provide a checklist of factors a jurisdiction should consider when it designates land for housing.

This appendix presents considerations for the location and density of housing (including site characteristics, locational characteristics, and public opinion) and an example of how a jurisdiction could apply these guidelines to a specific situation.

Considerations for the Location and Density of Housing

As the example, below, illustrates, finding the "right" locations for different housing types and densities requires an evaluation of many criteria, many of which can be evaluated only qualitatively. Thus, there is no formula to arrive at a "best" plan for housing locations. A jurisdiction should consider and evaluate the factors below, document its evaluation (which will include qualitative considerations), and summarize why it believes that the locations for housing, by type and density, are appropriate for those uses and for ensuring their success.

Site Characteristics

- *Physical Constraints*

  Physical constraints may include flood ways, flood plains, steep slopes, wetlands or other sensitive environmental features, and pre-existing uses (e.g., possible contamination if redevelopment on land used for industrial purposes).

- *Legal Constraints*

  Legal constraints include existing plan and zone designations, zoning overlays, and covenants and restrictions. A jurisdiction will probably have collected all of this information as part of its buildable land inventory (see Chapter III of this workbook).

While constraints are important, the reality is that there are few absolute constraints. Constraints can be mitigated. The real question is, "At what cost?" Thus, jurisdiction planners will have to collect what data and opinions they can about constraints and then make a judgment regarding whether the cost of removing those constraints would be so great as to preclude any reasonable development.

Locational Characteristics

- *In relation to existing and planned public facilities*

  Examine prior land use and capital improvement plans, especially transportation plans, to determine where facilities are now, where capacity constraints and excess capacity exist, where new capacity is planned, and the cost of providing that new capacity. A key consideration here is cost. Transportation is a critical facility because of the need to provide access to streets and bicycle, transit, and pedestrian facilities. Other key facilities are water, sewer, fire stations, parks, and schools. Are the plans for these facilities fixed, or can they be amended to accommodate changes in land use designations (e.g., transit-oriented development)?

- *In relation to surrounding uses*

  There are both positive and negative effects when different land uses are either segregated (traditional zoning) or mixed (as has been increasingly proposed in the last five years). A jurisdiction should consider the potential for both conflicts among different land uses, and opportunities for mixing of uses. Typical conflicts include environmental (chemicals, smoke, etc.), noise, traffic, and public safety. Opportunities for mixing uses occur where the existing and future adjacent uses do not create extensive conflicts, and may also offer some benefits (e.g., housing can exist near, adjacent to, or mixed with some types of commercial uses).

- *In relation to markets (demand)*

  High-density housing development requires high land values; higher land values are likely to be associated with places where density is already higher. In other words, future high density housing will tend to go in areas that are developed at high densities. A jurisdiction should evaluate trends in land values and development to assess where the market is likely to supply different types and densities of housing in the absence of changes in public policy. In other words, any changes in land use plans should be sensitive to the extent to which demographic and economic conditions are likely to support those changes. If the measures under consideration are ones that just remove barriers (i.e., that allow the market to do what it would have done in the absence of those barriers), the change will be easier. To the extent that a jurisdiction proposes land use patterns much different from those that the current market would generate, the jurisdiction should describe (1) how future markets will change in response to demographic and economic forces, and (2) how public policies will change to facilitate the desired change in the market.

Public Opinion

- *Property owners*
- *Neighborhood*
- *General public*

The interests of all three of these groups should be represented in the citizen involvement process, as described in Chapter II of this workbook. Public opinion can have an impact on the successful implementation of measures to change the housing mix or increase housing densities in specific locations.

Example

Assume that:

- A jurisdiction's Housing Needs Analysis shows the need for more housing for lower-income households.
- Adopted policies are in place that support an increase in the rate of home ownership, especially among middle- and lower-middle-income families.
- Funds available to subsidize housing construction costs are very limited.
- The Housing Needs Analysis shows that, in this jurisdiction and in others around the state and the nation, attached single-family housing (e.g., townhouses) have a small but growing share of the single-family market.
- The jurisdiction has limited land planned and zoned to allow attached single-family housing.
- Planners advise the city council that many of the housing objectives of the

jurisdiction could be achieved if more land were zoned to allow attached single-family housing .

In this situation, how might the jurisdiction apply the checklist above regarding appropriate locations and densities? It would begin by finding candidate land to zone for attached single-family housing. That land would have to be appropriate, based on the characteristics described in the previous section, to meet the need for low-income housing. The allowable zone designations should *not* be applied to land with the following characteristics:

- Physical constraints. The jurisdiction would not be meeting the need for low-income housing if it designated for attached single-family housing only land with steep slopes. For attached single-family housing to deliver on its promise of lower-cost home ownership, it must be placed on relatively flat lots.
- No public facilities available or planned. For example, the jurisdiction would not be meeting the need if it designated, for attached single-family housing, only land at the periphery that had little chance of getting public facility hookups until after other land had developed.
- Substantial external impacts from surrounding uses. For example, the jurisdiction would not be meeting the need for low-income housing if it designated for attached single-family housing only land that was surrounded by manufacturing uses.
- Poor location relative to markets. For example, the jurisdiction would not be meeting its needs if it designated for attached single-family housing only land that was in expensive neighborhoods that are already developed as exclusively single family (assuming that it could), since developers would likely realize a higher profit margin by developing higher-end detached housing, and would do so unless prohibited by the zoning. As another example, the jurisdiction would not be meeting its needs if it designated all the needed land for minimum densities of 24 units per net acre when market demand suggested that 16 units per net acre would be the maximum likely to be purchased.
- Strong property owner or neighborhood opposition. In areas where there is strong opposition, neighborhoods can undermine efforts to locate affordable housing. If design standards are not sufficient to address the neighborhood residents' concerns, this factor might need to be mitigated in order for the designation of land in such areas to be considered likely to meet the need for affordable housing.