

# Notes UGBRAC

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April 28, 2015

**RAC:** Jason Jurjevich, Nick Lelack, Damian Syrnyk, Alissa Hanson, Terry Moore, Peggy Lynch, Christe White, Erin Doyle, Pam Barlow-Lind, Mary Kyle McCurdy, Joy Vaughn (ODFW), Jevra Brown (DSL), Kim Travis (OHCD)

**Guests/presenters:** Bob Parker, Rebecca Lewis (U of O)

**Guests in the Audience:** Brandon Reich (Marion Co), Mia Nelson (1000 F), Jim Hendrix (Woodburn).

**Staff:** Carrie MaClaren (chaired the meeting), Bob Rindy, Gordon Howard, Casaria Taylor

**Handouts in advance:**

- Agenda
- Draft Final U of O report: “Analysis of Land Use Efficiency in Oregon Cities: A Report to the HB 2254 Rulemaking Committee”;
- Residential Need path
- Spreadsheet for need path
- BLI Need Path Power Point

## Item 1: Introductions:

Carrie announced that Marilyn Worrix cannot join us today; Carrie will chair the meeting. Agenda times were noted and we will take a break after discussion of the research reports.

## Item 2: RAC Schedule Discussion:

Bob Rindy: General discussion of work that has not been completed yet and small groups underway. There has been a small group discussion of ideas for “employment need paths” to present to the RAC. The group has been on a hiatus, in part because Employment Dept representative (Gail Krumenauer) has been on maternity leave – she will return soon.

Bob discussed other small group efforts that may be launched in order to consider ideas for the RAC regarding specific requirements of HB 2254. Some groups are still underway, such as the one considering need paths for residential (Item 5 today).

The following tasks are required by the legislation but not ready for presentation to the RAC:

- Replacement for the PR review process for cities that use the new method and would otherwise be required to have periodic review. Based on emails to the RAC, a group of volunteers has been constituted. Rob Hallyburton will staff this group. A meeting time but has not been settled on but it is anticipated the group will meet soon.

- Affordable housing measures: work on this has not yet begun. The legislation requires that the rules include a list of measures and authorization for a city to select some combination in order to make sure there is a reasonable replacement for Goal 10 and related statutes and rules applicable in the “traditional UGB process”.
- Serviceable land criteria. There has been some discussion of this topic in the “location” small group meetings but not enough detail. There needs to be a specific effort to generate ideas on how to determine and make sure that the 7 year or 14 year supply is “serviced” or “serviceable”, as required by HB 2254.
- Rule writing: Is expected to flow as more detail is flushed out on the various policy topics. DLCDC’s goal is to have a public review copy available by the end of August. We anticipate the need for two hearings with LCDC (Scheduled: September in Astoria and November in Medford). Rules must be adopted and in effect by January 1, 2016.

### Item 3: Report on Final UO Report (see handout)

Bob Parker, Rebecca Lewis presented the final report (which is still marked draft). She indicated that this version does not have any new conclusions different from those we discussed last time. U of O received comments, refined data and included an executive summary. She indicated the Key findings (slide), and summarized each.

Rebecca also indicated that detailed comments from RAC members Mia, Terry and Mary Kyle, and from Gordon Howard, have been incorporated into the draft. There were no questions on key findings 1-6

Mia asked about #10 focused on Table 3-12 which says it is possible to separate public and government land but it doesn’t appear that happened; has U of O considered if that through any of the numbers. Bob P responded that many of those lands are not government owned lands – many acres were airports that are city owned.

Mia asked about conclusion #8 and Table 4-8; the proposed method will break it out into MDR and HDR but the information provided wasn’t reported separately. She asked if the data is available for the report. Bob Parker said there is some data in individual city reports, some separate it, some don’t. May be disaggregated for bigger cities. Mia said the report won’t be able to feed the HDR question for smaller cities.

Mia asked about #9 and the need to consider partially vacant employment land; the report doesn’t reflect that, could an adjustment be made to take that into account. How could data be corrected? Bob P said it would require parcel by parcel evaluation. Sometimes this is a very subjective determination. Carrie said to keep in mind we are looking for good enough information to be able to make good enough decisions.

Bob P noted this is “covered employment” so substantially under-reports. Covered ranges from 65% to 80% so these numbers could be low. Rebecca noted that also we don’t count employment on residential land. Mary Kyle McCurdy suggested as long as we are noting where data is lacking we’ll understand and determine how and whether we want to account for that. MDR and HDR information might be needed when the Goal 10 discussion begins.

Brandon mentioned he had found some typographical errors that make some of the information hard to decipher.

Kim asked about mobile home parks and where it falls in multifamily or single family. She doesn't want that to fall through the cracks. Bob P said these parks get classified by whatever the assessor thinks the underlying use is which unfortunately could vary quite a bit city by city. Peggy added that there may not be more mobile home parks. They have now transitioned to manufactured homes. Mobile home parks – people are now living in RV parks.

Peggy asked about the 25% land issue for schools and other public facilities needs (i.e., adding that amount to the residential land need as a rule of thumb). Isn't the number in general we've used in the past 25%? Carrie said yes, we had discussed this previously, preliminarily. We had agreed then that where there is an existing safe harbor we need to ask if we want to change it for this process or continue to use the existing safe harbor.

Peggy asked if the group could "accept" rather than "approve" the U of O report, sort of like the legislature does. It was agreed that "accept" could be a potential action today. Terry noted that this is more research than has been done in the entire U.S. He thinks U of O is done and the group should let them be done except for typos. Mary Kyle noted that at the end of the day we want to have a push factor. (someone) "a push not a nudge."

Rebecca indicated additional conclusions slide, "implications". Whisper plots of SF and plex density. It is difficult to apply a factor to entire Willamette Valley. Bob P noted that the push was to set a density floor, if you are below the floor you need to get up to it, if you are at it then less required.

**Conclusion:** The RAC voted to accept the report and release U of O from further obligations regarding this portion of their contract.

#### Item 4: Status Update on additional Research items

Bob Parker indicated that there is additional research that DLCDC has engaged U of O to do because of funds available to the agency to spend before June 30.

- Bob Parker talked about a survey for mixed use, redevelopment, density and exceptions that they have put out there for comment. There have been 86 responses so far.
- Survey deadline is 4/29/15 but will probably leave open until next week.
  - 72% respondents allow mixed use
  - Less than 7% allow conditional use
  - 10% collect data
  - 20% had mixed use in last 10 years
  - Some cities provided data

#### ○ Long Term Trends

Bob Rindy indicated this is a literature review and more, to determine what long term trends should inform the proposed rule. Carrie mentioned the references to such research in HB 2254. Terry and Bob Rindy have discussed this and Terry has presented the department with a draft for preliminary comments.

## ○ Redevelopment

Bob P indicated the slide included all redevelopment not just housing. This would be looking at the same issue of development that increases capacity. Survey so far shows:

- 40% monitor redevelopment, but generally don't know
- 12% don't know
- 20% have excepted residential redevelopment
- 15% have employment land redevelopment
- Terry Moore added that with the survey we are simply getting a snap shot. This is a preamble that with case studies we can have better info, but THIS is not that info. Also, right now, this represents people who have responded, not what's universal.
- Mary Kyle McCurdy asked if empty buildings that are being repurposed are being considered. Answer: no, not so far.

## ○ Mixed Use

- Include information for small cities and downtown revitalizations (living above bakery).

## ○ Exception Area infill and redevelopment

- Bob P indicated they expect useful information to be included and available.
- May be able to examine through case studies.
- Hope to establish the densities that are being developed in the exception areas.

## Item 5: Residential Need Path (see handout) – Discussion (60 min)

Gordon Howard Presented Seven steps for 'Residential Need – BLI. He mentioned that there are still some technical issues to resolve. We have it down to seven steps. Included 16 sample cities with numbers. Tried to include midpoints of ranges. Trying to give options for policy issues. First task is number of DUs. Next is mix of housing, use that number into land need - net and then gross. Next step is BLI, then constrained land, and finally reconcile need with available land to determine whether UGB expansion is necessary.

Terry Moore indicated that this study has always been about "simplification" but the discussions so far imply we are going to do things just the way we have always done them and we will go into lots of detail. Discussion: there might be several ways to simplify, including "look up tables", rules of thumb, etc. If a step does not make any difference in the end, we should omit it. But we do need to explore further simplifying.

Discussion on the suggested path followed each step. Discussion on some steps is noted below: Carrie suggests we talk about the eight identified issues, flag issues for small group.

### Task one,

- Step one use pop
- Used figures from 16 cities, tried to get all large cities over 2500 then additional 8 cities.
- Used 15 year forecast rather than 14 for simplicity

- Continued most recent census forward, proportional change to pop growth. Group quarters, per household to get the total need. These are steps where there were not “issues” in small group.

#### Task one, Step four

- Vacancy rate issue. Complication with using the most recent census, recent recession (eg Madras) affects that number
- Second is seasonal recreational part of that rate. Some cities where that number gets above a normal level. Discussion in small group was that one option would be to just use the census number. Another would be 5% is sort of a natural vacancy rate. We may then add to that something for seasonal recreation which in some cities could get to be substantial. Another idea is to put a cap on that. Noted that if we don’t account for this vacancy there may not be enough land for housing. Policy issue we can discuss here.
- Mary Kyle McCurdy said there should be another option considered of a 15% cap. She notes she thinks we can determine permanent residents from pop forecast. We don’t know, when a house is vacant, whether it is due to recreation or seasonal use or whatever. Cities widely vary. She thinks it should be a part of the goal 9 tourism economy the discussion should take place there. Carrie indicated she thinks she heard in MKM’s comments that a city could choose to go up to the 15% cap. MKM: if they want to go above use the “old method”.
- Damian recommends use of option 3 with the vacancy rate of 5%; that is fairly consistent for what we see in Bend. Clarify that the other part of that option, for seasonal recreational use would be a small additional portion. So would be an addition to 5%.
- Terry indicate that to back up a second for the “big view”: there are policy decisions that haven’t been made. But there are two questions: 1) are we going to work through all the numbers? If so 2) who will work through all the numbers (state or local)? Who makes that decision? Rather than all the disaggregation here. Carrie responded we have had this discussion, that there are three ways we could provide. One is to provide the steps with the numbers or a data source to plug in the numbers. Terry is asking whether there are some we can smush together with look up tables etc. munity can use to plug in the numbers. She suggested as we go thru this we might recommend steps where we can simplify.
- Back to the vacancy rate, Terry is unsure of the numbers for vacancy rate; we are concerned with providing residences for residents not visitors. If we get to that point not sure what vacancy rate for visitors has to do with land need. Notes that this proposal is getting pretty deep into the weeds.
- Erin believes there is a need regardless of whether vacation homes are housing or economic need. The problem is that if we provide only the amount of land for residents, the land will be unaffordable to people who would be permanent residents. We have seen this in Ashland and other places. The vacation home buyers will bid up the housing prices. So, if we are going to look at options, option three has to be the starting point. So that where the seasonal vacancy rate is impactful, there has to be some sort of accounting for this. Not saying there shouldn’t be some sort of a cap.

- Kim mentioned that she was reading the housing need analysis for Newport. Only 30% of workers who work in Newport live in Newport. What are the impacts to transportation, community etc. Carrie reflected we seem to have options 1 and 2 off the table because if there is an impact we need to deal with it. So we are looking at option 3 or some modification of that option.
- MKM: it is also important she is not sure how much the trickle down theory of affordable housing works. She's seen on the coast the market go up or down with the economy. We should not assume that by dealing with a large vacancy rate we will have more homes affordable.
- Christe echoes what Terry said and sees a disconnect between residential demand and seasonal homes. Economic housing need seems unrelated to residential demand. Carrie indicates she thinks we have flagged this for needing more discussion, in small group. Asks people to continue to think about this.
- Pamela: coming back think about maybe we could look at percentage of population as workforce that resides outside the city could help determine housing types needed.

### Task one, Step five

Instead of trying to figure out land need instead take redevelopment etc off the top. Question would be what percentage to assume, this just gives an example, Eugene makes difference.

### Task one, Step five

Accessory dwelling units. Note that the %ages for small cities don't make a lot of difference. Proposing that city above three percent could continue as per Medford.

### Task two, Step one

- Mix of housing; small group had lots of discussion.
- Small cities (less than 2500) low and high density. For larger cities we would have three categories: low medium and high. Come to formula. for low density we are talking about single family detached. This isn't a perfect fit, still small group discussion needed. Noted that cities under 2500 already exempted in statute from certain housing need requirements.
- Mia thinks that American Community Survey is really an imperfect method to determine HDR and MDR, especially five or more units category, it is such a wide range of category as a measure of HDR. She doesn't have any other solutions.
- She has come around to agreeing two categories for small cities. But if so, don't use the term "high density", use low density and multifamily, the term scares people.
- Push factor issue is something the small group could look at more with additional data because there are two concerns. First, if they base start point on all the housing that exists now, most of it wasn't built recently, so we are starting with ancient history. She has run different push factors, it's like trying to change your GPA in the last semester of college; it takes a lot to make any difference at all. Therefore, we should explore that some more.

## Task two, Step two

- How to decide the housing mix. Where do we get these figures. These types of units are not in US census but is in American Community survey info.
- This is where we get the issue as to whether it is a nudge or a shove. Cities below the medium would be required to get percentages up to the medium. Cities in the next quartile would be required to nudge up %'s. Cities above would be allowed to maintain that level. First pass at this it was felt this wasn't high enough. Shove is in italics. Without getting into details the policy question is how much to push medium density and high density housing. At some point it's not market realistic. GH suggested have a nudge at one end but allow cities that want to really push it e.g. Eugene.
- Erin is concerned if there is a "shove" cities would continue to do things the 'old' way. If it looks too big and too outside the current situation. CM suggests we excise push and shove from our parlance. It's how much we turn the dial. But remembers, are we talking about the overall mix at the end of the day or before we turn the dial.
- Christe added: however much the small group decides to change the dial she hopes it reflects our original mandates set out by Richard Whitman, that we are not doing that badly right now, but rather this is intended to establish a method to continue doing that more easily.
- Bob reminded the group that the small groups are not making decisions but looking for options and feedback that the large group would make the decision on.

## Task three

- Net land need. For low density we are looking at E Oregon, would apply density of 6.5 du/acre.
- We found from the research that there is a clear delineation of cities by size. Noted that 7 upa is slightly more than a 6000 sf lot.
- For medium density, apply the density factor. Obviously in the Eugene example the numbers can make a very big difference. (see slides).

## Task four

- Convert net to gross, considering roadways, pub fac etc.
- Policy question: We have a current safe harbor, which applies to both lands inside and outside being considered to come in. That is: add 25% for pub fac and schools, parks. The argument is that inside cities some of those facilities are already there. Also, we already have this safe harbor in the old process. We have research from UofO, but some debate as to how much is taken out. There are lots of varying perspectives. The easy solution would be to continue using 25% but that's the policy question.
- Carrie noted that we have already had lots of discussion on this, hopes that we can reach resolution at our June meeting. Suggests people suggest options. Also do we need to revisit this.
- Gordon noted that for smaller cities may not make much decision, but for larger cities this number could make a difference.

- Peggy said we need to bring in the “livability” issue here. If we become more dense, we need more public space. Jevra Brown seconded that we need more space for infrastructure and for other things.
- Nick Lelack suggests that we do this as a range. Flexibility for cities is a plus. Elissa seconded that.
- Erin suggested looking at density for areas that are accommodating this in say Metro area, what is actually happening. Carrie asked what are PUD standards for cities such as Eugene. Alissa noted that this varies with lot coverage.

### Task five, Step one

- BLI. Three steps here. First classify existing residential districts as to low medium high. Gordon wants small group to take another look at this issue to make sure they have this right.

### Task five, Step two

- Classify vacant and partially vacant land. Partially vacant: we have two definitions. Low with a safe harbor re ½ acre. With high density land still requires an aerial survey to look for unused land.

### Task five, Step three etc.

- Carrie suggested we are out of time.

### Conclusion

- Options one and two are off the table
- Looking at option three or some modification of it – need to figure a way to address the reality of second homes and vacation homes (economic/planning side or having cap)
- Need more work on how to address this: enlarge small group? (Christe, Damian, Terry)
- Look for more honed recommendations on ‘push factor’ from the small group.
- Hope to provide enough information to large group in June for some decision

### Item 6: Next Meeting/Adjourn

- Doodle to be sent out for June 10, 11, 12
  - <http://doodle.com/t8rbhzvbrh4yeetw>

### Assignments

- RAC members should send edits to the report to Gordon in your own annotation

- Bob and Rebecca to share supplemental slides with the RAC; Gordon will synthesize comments or edits and share back to U of O.
- Send out Tuesday of next week: Meeting Notes and assignments from DLCD to RAC.
- Bob noted this is a lot of info in the last 48 hours. If there are questions or issues send them to Casaria, Bob and Gordon as email. CM indicated further, request an individual meeting with staff.
- Charge for the small group is how to streamline all this.

### Items in “Parking Lot”

- Jason’s topic re
- Condos and where they fit in to the housing need analysis