

UGB Rules Advisory Committee

Meeting Notes

5th Meeting 9/18/2014

The Urban Growth Boundary Rules Advisory Committee met on September 18, 2014, at the Local Government Center in Salem (using Zoom to provide for remote attendance. Zoom attendees are indicated below by*).

Attendees:

RAC: Erin Doyle, Pam Barlow-Lind, Nick Lelack, Mary Kyle McCurdy, Peggy Lynch, Stephan Lashbrook*, Terry Moore*, Damian Syrnnyk*, Mia Nelson*, Steve Faust*. Agencies: Kim Travis (OHCSO), Joy Vaughn (ODFW), Eric Havig (ODOT, attending for Jeri Bohard).

Staff: Jim Rue (DLCO Director), Carrie MacLaren, Bob Rindy, Gordon Howard, Amy Abbott

Also attending: Brandon Reich (Marion Co), Bob Parker (UofO/ECONorthwest), Rebecca Lewis (UofO), Jim Hendrix (City of Woodburn).

Handouts:

- A. Agenda
- B. Residential Need Path Proposal (narrative and spreadsheet)
- C. University of Oregon – Presentation regarding Summary of Residential Land Efficiency
- D. University of Oregon – Research related to Public Land Need Assumptions
- E. Simplified buildable lands inventory Proposal and Discussion Questions

Agenda:

1. Welcome and Introductions
2. Outline of Basic Logic Path (and discussion)
3. U of O Research Update
4. BLI Introduction and discussion
5. Other Business

Item 1: Introduction. Carrie MacLaren welcomed the group and apologized that our chair, Marilyn Worrix, could not attend today due to a prior commitment. Carrie indicated that she will chair the meeting. Members and guests introduced themselves.

Item 2: Bob Rindy introduced a new proposed “residential need path” (or “method”). He indicated that the department had met on September 5th with a small working group, consisting of Terry Moore, Mia Nelson and Brandon Reich, to brainstorm about residential need paths. A draft need path had been first

proposed by the department in the 3rd UGBRAC meeting and had been the subject of a “homework assignment” to the RAC. Feedback from that assignment had been handed out to the group. The working group reached a preliminary consensus on ideas for a detailed method which are presented today. The method is described in two handouts, one of them a “spreadsheet” and also a narrative that is essentially the same method as on the spreadsheet but without the amounts shown as an example on the spreadsheet. Bob described each of the numbered steps in the method.

Peggy questioned that the 10 year census should be used. Damian suggested use of the American and Community Survey data. Rebecca indicated that U of O has that in five year increments. Mary Kyle indicated that group quarters, prisons etc. needed to be accounted for in steps 2 and 3.

MKM indicated that vacancy rates reported typically include vacation homes and since that rate goes up and down it therefore should be separated from the vacancy rate for other homes. Mary Kyle suggested that the long range “need” for vacation homes should instead be projected as part of the economic development forecast rather than the housing need forecast. Nick urged that somehow vacation homes should be accounted for since in his county they are finding it can be as high as 30%. Rebecca indicated that UofO may over time find that data. Historically, vacancy rates vary periodically. Bob Parker indicated not necessarily in the current data they have generated. The question was whether this number is community specific or should be generalized in the method as something that comes from data. Gordon suggested that second homes need to be accounted for in some manner. Coastal and other cities that have a high second home rate and regardless of whether cities or others would like them to occur, in the end they are housing units and take up land provided for housing.

Question about redevelopment units on the handout – are these “new units”? Clarification that this step is about trying to capture the trends of redevelopment that may occur, which includes some percentage of new units, and some of that is replacing existing units – so redevelopment is not entirely new units. Carrie clarified that the proposal is to have an informed range for this rather than have each city determine its own historic rate, which is often more complex than many small cities would like. The proposal suggests a standard ‘number’ based on research or a ‘range’ applicable to certain size cities or regions whereby cities could choose a number within a set range based on local circumstances.

Discussion: redevelopment typically happens ‘all of a sudden’ in areas without a history of it. Nick suggested a range is important because amount varies widely. Bob Parker indicates that, having done this in a lot of cities, it is not easy to do in a general way for a whole bunch of cities and not necessarily something that can be derived from the new data base. There are no standard models for how to project redevelopment. Could vary by city size or other things including real estate markets. But there are studies they can look to if the group wants to have the U of O go further look into this. Carrie mentioned that we have in the past suggested cities do this forecast by improvement value ratio but that could be really complicated for small cities. Also, Metro’s method is very complicated and not recommended. Erin pointed out that small cities actually do have a lot of redevelopment for a variety of reasons - they want to change their image or work on a downtown plan. Wonders whether building permits may show this info?

Discussion of accessory du's. Rebecca indicated the data does not readily account for this and thus it will be difficult to determine general numbers on this type of housing. Carrie suggested this may be one of those issues where the department asks the group to suggest a number here based more on "policy" reasons than on data since we can't seem to get data easily. We do know that efficiency is improving across the board. It was suggested that a push factor could roll all of these – accessory units and redevelopment – into one factor. MKM indicated it is not necessarily the case that her organization will insist we get this "exactly right" based on research – there may not be enough value given how much that research might cost. Peggy suggested we might consider a policy that cities must allow accessory du's. Erin reminded that if there is a requirement to develop new codes in order to use this method it will be less attractive. Bob R reminded that we will have a discussion later where we talk about measures to ensure affordable housing, since that is a part of the legislation. And this could be taken care of with a push factor. Jim Hendrix indicated that he ran some of these numbers based on Brandon's proposed range and it seems to work. But reminds the group to keep it simple, not put in pieces that might be considered deal killers. Carrie suggested we stop here, commit to having this on the agenda in October. She would hope the group is prepared to give a nod to this method as an initial proposal, in order to progress with other issues.

Item 3: U of O Research Update. Bob Parker, Rebecca Lewis, and Terry Moore provided a progress report on their research, beginning with housing and public land need (attached document). He indicated there would be much more next month, right now they are focusing on finalizing their data.

At the point where they have about 133 cities. Not analyzing non growing cities. Have about 129 cities with tax lot data in city limits. Will have some more before done. At the point where they need to move on with the analysis. Report will summarize the context, methodology. Will circulate dynamic analysis.

Housing density and mix correlates to city size. Smaller cities have more variations than bigger cities. Density is increasing overall and density of single family housing is also improving, an important finding for a study like this. There are upper bounds of what we might hope to achieve for single family density.

Still looking to see trends in mix, which can have a much more profound effect on housing affordability. Bend seems to be one of the outliers, are some historical reasons for that. The data will probably support with the simplified methodology presented earlier. Small cities also.

General data trend seems to show that "regions" may not be a strong indicator of density. Discussion of regions. Peggy stated that cities are the same regardless of regions and the land use tools and reasons to plan are the same and we should figure out a way to say that politically. Bob P indicated that the study seems to bear out that city size rather than location is strong indicator. Carrie reminded that the statute requires us to at least address reasons. Bob P indicated that they are considering the regions previously suggested by the group but are not seeing differences that necessarily sort themselves by these regions. MKM indicates that we should not try and push results into artificial boundaries of regions if data does not support. Carrie clarified that we must attempt to address this in the research, if we discover there

are not in fact differences we will account for that. Erin noted that when she looks at the data she sees pretty big differences between southeast Oregon vs Central Or. We at least need to consider whether we divide the process into Willamette valley and everywhere else, or I5 corridor, central and eastern, and at least document what we find in the data if indeed everything is the same. Bob Parker notes that we have a lot of cities in the valley, will have a small sample size in the east, we will add some more cities. Are seeing Northeast Or has significantly lower in terms of density and will be looking more into that.

Moving to Table 7, Bob Parker noted that they have had some challenges with multifamily so they don't want to roll out info today until they have more reliable information.

Impact of constraints on density: Seem to be some variation, problems with data still, for example Astoria platted out into the Columbia River, things like that. A little perplexed by fully constrained, might be a legacy affect, partially constrained data seems to follow the hypothesis better and remarkably consistent re city size. May be a special item to study further. Will have a data base going forward showing where these constraints are and that won't change likely. Fully constrained is water and flood plains. Constrained areas are slopes over 25% and areas in wetlands according to NWI. Do Constraints make a difference? Strangely, constraints still allowed lots of density. Mia suggested that flood plains may be causing that. Noted that LCOG did a comprehensive analysis of Eugene noticed there is virtually no development over 30% slope.

Last part they looked at was how much reduction should be made for roads, parks etc (25% safe harbor). Lots of noise in the data for example water areas in Coos Bay and Astoria, needs to rerun analysis removing that if the group would like. Rebecca noted there are lots of coastal cities in the analysis and state parks could be a factor there as well introducing noise in the data. With re roads the data is remarkably consistent except for cities in 5 to 10k range.

Item 4: BLI Introduction. Gordon walked the group through the proposal for a Buildable Lands Inventory method. He reminded the group of the language in HB 2254 that requires this "simplified method." The department had a working group that worked on this, consisting of Alissa Hansen (City of Eugene), Brandon Reich (Marion Co); Damian Syrnyk (City of Bend); Erin Doyle (LOC); Matt Hastie (Angelo Planning); Mia Nelson (1000 F); Ted Reid (Metro). The group last met July 2nd.

The handout shows a proposal with six steps that are "pretty much the way it is done today." First, identify all tax lots within the city's current urban growth boundary using the county assessor database. Second, determine vacant tax lots. Third determine the infill lots. The fourth step is to identify constrained lands. Fifth step is to determine the build out capacity of vacant and infill lands. And the sixth step is various adjustments, such as market capacity, constrained lands. Within these steps there are quite a few complications.

Under step six, an underbuild. Metro came up with 80%. In other words we would come up with ranges of numbers. Secondly we would ask whether we can simplify this. Are there unnecessary steps? Also, did we miss anything; are there steps we forgot? Finally, should there be more complex process for larger cities? For example step 5, build out capacity, Bob Parker suggested instead we had a fairly predictive amount of single family residential by city side and try and include things like underbuild etc. Another example, under step 1 could we use an assessors database, avoid doing a visual or “windshield survey”? Finally, as we discussed earlier, we have also proposed having the redevelopment determination in the “need path” and so we would not put it here.

Terry Moore clarified that we have the redevelopment step in both processes. Gordon indicated that we are looking at both these as an option; in the end we won't have this step in both the demand and supply side steps. Mia indicated she has several concerns. First, step 2 indicated she is not sure it is good to have a minimum parcel size for industrial. In step 3 we also talked about multifamily – currently it seems to blend the multifamily re partially vacant MF lots – difficult to do without actually eyeballing lots to determine what is available – measuring improvement value to land value won't get at that. In step 6, concerned about the concept of an underbuild. Not clear why there should be an underbuild subtraction while we have the UofO info on the front end subtraction. On step 4, is deed restriction subtraction still in play? If so, she's really concerned because they have been ignored for 30 years, this is a real can of worms. Gordon clarified that none of this is set in stone by any means, it is all an open question in that this is simply the first unveiling of this proposal. Everyone is encouraged to send input about this to Gordon or through Casaria.

Carrie reminded the group that while the buildout could be done through push factor which would also solve other issues. But we should also consider the effects of having multiple push factors and ranges, and instead have a single range, for simplicity and to avoid unintended effects of multiple ranges. Brandon explained why he favors having the redevelopment push factor in the need side rather than in the BLI side.

More discussion of deed restrictions. Damian recommends that if that is included in the method that local governments have options to deal with it if it is raised. In Bend they found that the discussion was time intensive and at the end of the day didn't really move the dial. Mia recommended that if it is considered it needs to be facts driven, ie how often have deed restrictions been enforced.

Item 5: Wrap-up. Bob Rindy reminded the group that our next RAC meeting would be October 16th in the afternoon. Based on issues today with the microphones and the zoom system, we will try and schedule future meetings in the basement hearing room at DLCD, will also send parking information.

The meeting adjourned at 4:00pm.