



Oregon

Tina Kotek, Governor

Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: 503-373-0050

Fax: 503-378-5518

www.oregon.gov/LCD

March 22, 2024

Molly Markarian and Chelsea Hartman,
Senior Planners
Development and Public Works Department
City of Springfield



RE: DLCD Comments on the City of Springfield's Climate-Friendly Area Study

Dear Ms. Markarian and Ms. Hartman,

Thank you for submitting your climate-friendly area (CFA) study in compliance with Oregon Administrative Rule (OAR) 660-012-0315(4) and (5). The department published the study on our website for public comment on January 19, 2024. One comment was received, which we are providing to you (see attachment). This comment letter from DLCD and any associated comments from the public should be considered in the next step in the CFA process, which is to determine which climate-friendly area or areas the city will designate and to adopt zoning and development standards, as needed, to implement the CFA requirements.

OAR 660-012-0315(4) lists the required elements of a CFA study, which include the following:

- a) Maps showing the location and size of all potential climate-friendly areas.
- b) Preliminary calculations of zoned residential building capacity.
- c) A community engagement plan for the designation of climate-friendly areas.
- d) Analysis of how each potential climate-friendly area complies, or may be brought into compliance, with the requirements of OAR 660-012-0310(2).
- e) A preliminary evaluation of existing development standards within potential climate-friendly areas and changes to the standards necessary to comply with CFA requirements.
- f) Plans for achieving fair and equitable housing outcomes in climate-friendly areas, including analysis of whether zone changes for CFAs might displace residents who are members of state and federal protected classes.

Your submitted materials meet the requirements in OAR 660-012-0315(4). We appreciate the work you have done thus far and your timely submittal!

The following comments are intended to inform your community's next step, which is to designate sufficient climate-friendly areas with a zoned residential capacity to accommodate at least 30 percent of the community's total housing needs. As part of that process, we are happy to provide support for climate-friendly area code development, a market study, and for scenario planning work in the Central Lane region.

Here is some of the preliminary data we have gleaned from your study and other sources:

2023 Population Estimate (PSU):	63,078	Total Housing Need:	33,075 dwelling units through 2030
Methodology:	Prescriptive (0320(8))	30% of Housing =	9,923 dwelling units
Primary CFA Requirements:	25 DU/acre 85 foot allowed bldg. height		

CFA Study Areas:

Downtown -

367 acres: As primary, meets 47% of the total needed housing for the community (15,545 dwelling units)*
 As secondary**, meets 27% of the total needed housing for the community (8,930 dwelling units)

Riverbend –

175 acres: As primary, meets 20% of total needed housing (6,615 dwelling units)
 As secondary, meets 11% of total needed housing (3,638 dwelling units)

Glenwood

Riverfront -

170 acres: As primary, meets 29% of total needed housing (9,592 dwelling units)
 As secondary, meets 17% of total needed housing (5,623 dwelling units)

Mohawk –

59 acres: As primary, meets 10% of total needed housing (3,308 dwelling units)
 As secondary, meets 6% of total needed housing (1,985 dwelling units)

*Total needed housing is 100% of current and future housing needs, as determined by the current adopted and acknowledged housing capacity analysis. CFAs are required to accommodate at least 30% of the total needed housing, which is 9,923 dwelling units for Springfield.

**Secondary CFA calculations assumed a maximum 50-foot building height, per OAR 660-012-0320(8)(a).

Total estimated capacity of these four areas:

- If developed as primary CFAs: 106% of total needed housing (35,060 dwelling units)
- If developed as secondary CFAs: 61% of total needed housing (20,176 dwelling units)

The numbers above demonstrate that Springfield has several good options for climate-friendly area designation. We also appreciate the emphasis you've placed on development and redevelopment opportunities by narrowing your potential CFA areas to those determined to have adequate infrastructure capacity and development readiness. We also hope the upcoming market study will help Springfield to better determine appropriate development standards for any "secondary CFAs" that might be under consideration. The market study should provide you with the opportunity to "right-size" CFAs based on a better understanding of the local development market so that development standards can be tailored to market feasibility.

For that reason, we are happy to inform you that recent amendments to Rule 0320 now allow cities to designate CFAs at a lower scale that may be more responsive to local market conditions and neighborhood preferences. Specifically, OAR 660-012-0320(9) now allows an alternative approach ("outcome-oriented standards) for cities with a population of more than 50,000 to designate a non-primary CFA with either a minimum residential density of 15 units per acre or a minimum floor area ratio of 1.0, if the development code allows for a zoned building capacity of at least 60,000 square feet per net acre. Depending upon setbacks and other requirements in your existing development code, it may be possible to meet these standards with building heights of 35 feet or less. The "burden of proof" for utilizing this alternative approach is relatively simple. Demonstrating that an existing zone provides adequate zoned capacity per the amended rule can be as simple as providing examples of recent development under the current zoning standards that have met or surpassed the 60,000 square feet per net acre threshold. Alternatively, a review of applicable development standards and requirements would allow you to demonstrate that existing zoning would allow construction of a building that provides at least 60,000 square feet per net acre. We note that with use of the outcome-oriented approach you would need to recalculate residential capacity based on the lower building heights. As a large city, Springfield may "pick from the menu" of alternative development standards for any non-primary CFAs you wish to consider, as shown in the table on the following page.

Options for Land Use Requirements in Climate Friendly Areas:		Prescriptive Standards		Outcome-Oriented Standards*
Cities and Urbanized County Areas (by population)	Sizing of CFA Areas	Minimum Residential Density Requirement	Maximum Building Height No Less Than	Development Standards Must Allow:
5,001 – 10,000	At least 25 acres	15 dwelling units/net acre	50 feet	At least 60,000 sq. ft. construction/net acre
10,001 – 25,000	At least 30% of housing need	15 dwelling units/net acre	50 feet	At least 60,000 sq. ft. construction/net acre
25,001 – 50,000	At least 30% of housing need	20 dwelling units/net acre	60 feet	At least 90,000 sq. ft. construction/net acre
➤ 50,000	At least 30% of housing need	25 dwelling units/net acre	85 feet for one, 60 feet for any others	At least 120,000 sq. ft. construction/net acre

*Local governments utilizing the Outcome-Oriented Standards approach shall either apply a minimum residential density of 15 dwelling units/net acre for 100% residential development or shall apply a minimum floor area ratio requirement of 1.0 for development within the CFA.

We appreciate the discussion of city concerns with the Anti-Displacement mapping tool in Appendix A of the Study (pdf page 68). As you point out, analysis at the census tract level often applies a “too-broad brush” that is not sensitive to more localized demographic variation. Use of block group data works better, but is not perfect, and we support the use of local knowledge and additional data sources to inform your community’s decisions about the measures that will work best to protect vulnerable populations and to avoid or mitigate displacement that may occur based on zoning code changes and resultant development in climate-friendly areas. Related to this, we note that OAR 660-012-0315(6)(d)(B) requires the identification of all ongoing and newly-added housing production strategies you will use to prevent the displacement of state and federal classes in climate-friendly areas, concurrent with the adoption of CFAs. With your robust analysis and options, the City is well-positioned to address this requirement.

On a related topic, the Inventory of City Plans, Policies, and Programs by Fair and Equitable Housing Outcomes (pdf p. 89 of the Study) demonstrates the City’s commitment to equitable housing outcomes throughout the community. In particular, plans, policies, and actions related to the Downtown, Glenwood, and Gateway areas are very helpful and speak to specific issues, such as actions and policies to protect vulnerable populations in manufactured home parks in the Glenwood area, for example.

Regarding the potential Glenwood climate-friendly area, we are pleased with the thoroughness and detail provided in the Study (pdf page 114) addressing the requirements for CFA eligibility due to the inclusion of areas outside the current city limits, but inside the current urban growth

boundary. This includes your documentation of recent annexation decisions in Appendix A on pdf page 141. We are particularly pleased with this work, as Springfield staff raised the question of designating CFAs in areas such as Glenwood early in the rulemaking process, allowing the department to amend the draft rules to address this type of area within the CFA requirements.

Lastly, we'd like to commend you on your community engagement plan, particularly the community leader interviews. We reviewed the summaries of those meetings and were impressed with the insights gleaned from representatives of the following organizations:

- Springfield Eugene Tenants Association
- Asian Celebration and Disorient Film Festival
- ShelterCare
- NAACP of Lane County
- Lane Independent Living Alliance
- AARP
- United Way of Lane County
- Lane ESD Migrant Education Program
- TransPonder
- Springfield School District – Equity and Inclusion Program

Thanks again for your submitted study. We appreciate the good work you have done and look forward to supporting the CFA designation process yet to come. Please feel free to contact me, at (503) 602-0238, or at kevin.young@dlcd.oregon.gov if you have any questions or need further assistance.

Sincerely,

Kevin Young

Kevin Young, DLCD Senior Urban Planner

Cc: Brenda Ortigoza Bateman, DLCD Director

Kirstin Greene, DLCD Deputy Director

Sandy Belson, Comprehensive Planning Manager, City of Springfield

Matt Crall, DLCD Planning Services Division Manager

Patrick Wingard, DLCD Southern Willamette Valley Regional Representative

Attachment:

Public Comment Received from Bob Cortright on the City of Springfield's CFA Study

February 8, 2024

TO: Department of Land Conservation and Development
(DLCD.CFEC@dlcd.oregon.gov)
Cities of Bend, Eugene, Springfield, and Medford

FROM: Bob Cortright, Salem

SUBJECT: BEND, EUGENE, SPRINGFIELD AND MEDFORD CFA STUDIES

Summary

With the exception of Bend's market feasibility study, CFA studies for these four cities grossly overstate the housing capacity of proposed CFAs. The consequence is that each of these cities is proposing too few CFAs with too little real housing capacity to meet the CFEC goal of getting 30% of all housing in Climate Friendly Areas.

The core problem is that these studies - except for Bend's market feasibility report - make clearly unrealistic assumptions about future densities and rates of redevelopment. These flawed assumptions result in estimates of housing capacity that are four or five times higher (400-500% higher) than what is "market feasible" or forecast in adopted local plans. In addition, studies for Eugene, Springfield and Medford ignore adopted plans and basic, readily-available data which make it clear that these estimates of housing capacity are unreasonable and unattainable.

Bend's Market Feasibility Study represents the kind of effort needed to produce a realistic estimate of housing capacity in CFAs. Eugene, Springfield and Medford - and other CFA cities - should prepare the kind of information and analysis that Bend has produced and then use these revised estimates to assure that enough CFAs with enough real capacity are designated to meet the 30% goal.

Each of these cities should also acknowledge that meeting the CFA 30% housing goal will require a major redirection of city planning efforts. This is because meeting the 30% goal will require that most new housing be built in CFAs and most housing in CFAs will occur through infill and redevelopment. And since most proposed CFAs are currently car-oriented areas, significant planning and public investment will be needed to remake them into walkable, mixed use neighborhoods that attract and support new housing and other development. Cities should begin CFA implementation by adopting specific housing goals for each CFA, and then using these goals to guide housing, transportation and other planning work.

Background

CFEC rules allow cities to use a so-called prescriptive path or method to calculate housing capacity in CFAs. For more than a year, climate advocates have advised CFA cities, DLCD and LCDC that the prescriptive option dramatically overstates housing capacity of CFAs because it makes unrealistic and unattainable assumptions about future built densities and rates of redevelopment.¹ Essentially, the prescriptive method asks cities to assume that every buildable property within a CFA will be developed or redeveloped to the highest density allowed by zoning. Instead, climate advocates encouraged cities to take advantage of the option in the CFEC rules to develop an alternative estimate that makes a more reasonable estimate of capacity considering local plans and local knowledge about likely future densities and rates of redevelopment.

In spite of these concerns and advice, cities - other than Bend - have opted to use the prescriptive method. The result, not surprisingly, is estimates of “capacity” that are many times higher than what cities have forecast in their adopted plans or that are considered “market feasible”.

CFA Studies dramatically over estimate CFA housing capacity

Available information shows that the assumptions and the resulting estimates in these four CFA studies are completely unrealistic and unattainable:

- Estimates of housing capacity are on the order of five to ten times (500 to 1000%) higher than what each city currently forecasts in its adopted housing and transportation plans:
 - Bend’s Market Feasibility Analysis concluded downtown Bend has potential for 2,845 housing units²: that’s just 22% of the capacity the city calculated using the CFEC prescriptive method.
 - Salem’s CFA study says that its downtown has capacity for 19,638 housing units, but adopted plans forecast only about 10% of that number - fewer than 2,000 housing units.
- Despite considerable experience developing detailed analysis of housing capacity as part of Buildable Lands Inventories (BLIs), Housing Needs Analysis (HNAs) and UGB expansion proposals, local planners for Eugene, Springfield and Medford (as well as most other CFA cities) have chosen not assess whether the prescriptive estimates of capacity are reasonable or achievable.
- As summarized in the table below, cities (except for Bend) have ignored or not reported readily available housing data and adopted plans which would enable them to assess whether prescriptive estimates are reasonable or achievable.

¹ 1000 Friends Memo to CFA Cities, January 10, 2023

² ECO NW Market Feasibility Analysis, June 2023, p. 24/31

- While they have not assessed whether CFA estimates are reasonable, city planners are clearly skeptical about the prescriptive path results. The CFA studies for Eugene and Springfield studies describe its calculations as estimates as “*theoretical*” zoned capacity. Ashland’s Planning Commission chair described estimates produced using the prescriptive method as “having no basis in reality.” And, Medford planning commissioners argued that the CFA process was of so little value that the city should do the “bare minimum” to meet state requirements.

CFA Studies lack basic information for meeting 30% Goal				
CFAs studies for Eugene, Springfield and Medford ignore adopted plans and lack basic information needed to assess whether proposed CFAs are sufficient to meet 30% climate friendly housing goal				
Key CFA Information	Bend	Eugene	Springfield	Medford
Estimates the number of <u>existing</u> housing units in proposed CFAs?	yes³	no	no	no
Reports number of <u>future</u> housing units forecast in CFAs from adopted plans (BLI, TSP, HNA)?	yes	no	no	no
Calculates # of <u>new</u> housing units that would need to be built in CFAs to reach the 30% goal?	no	no	no	no
Evaluates whether CFEC based prescriptive estimates are reasonable and achievable given local plans, trends and conditions?	yes	no	no	no
Includes market feasibility analysis for possible housing densities and redevelopment in CFAs?	yes	no	no	no

³ Bend’s study estimates the number of housing units within ¼ mile of several proposed CFAs (p. 90)

Why this information matters:Reporting existing housing units in CFAs

To reach the 30% target, cities need to know how much new growth - i.e. how many new housing units - need to be built in CFAs above and beyond the number of housing units currently located in CFAs. By not reporting the number of existing housing units in CFAs - data that is readily available - cities don't know how many new units (i.e. what percentage of expected growth) would need to be built in CFAs to meet the 30% target.

Reporting housing forecasts in adopted plans

Adopted housing and transportation plans include detailed forecasts of where future housing is likely to be built based on detailed analysis of zoning, market factors, and likely rates of redevelopment. This information provides a baseline for evaluating how much housing is feasible in CFAs and the scale of additional effort that would be needed to meet housing goals in CFAs.

Calculating number of new housing units needed to meet 30%

If cities don't calculate how many new housing units need to be built in CFAs, they can't assess whether or not they can meet the 30% goal (or what percentage of new housing units would need to be built in CFAs to meet the 30% goal.)

Evaluating whether CFEC based prescriptive estimates are reasonable and achievable given local plans, trends and conditions

The CFEC prescriptive method makes sweeping assumptions about future housing densities and rates of redevelopment: basically assuming that all built and buildable properties within CFAs will be developed or redeveloped to the highest density allowed by zoning over the next 20-25 years. Cities have spent considerable time and effort developing housing plans (BLIs and HNAs) that forecast future housing densities and redevelopment rates. Cities other than Bend have chosen to ignore these plans and extensive local knowledge and information that shows these estimates to be completely unrealistic and unattainable.

Conclusion

Eugene, Springfield and Medford - and other CFA cities - with DLCD support - need to develop more accurate and reasonable estimates of housing capacity in CFAs. Using these more accurate estimates, cities need to designate additional or larger CFAs to provide sufficient "real" capacity to meet the 30% target. It's deeply ironic that at the same time that state rules are being rewritten to assure that housing plans are based on realistic, attainable estimates of housing capacity, that CFA studies are using precisely the kind of "phantom" or "paper" estimates that the new rules would prohibit.

As they move to CFA implementation, cities also need to do more to acknowledge and address the need to change plans and public investments to redirect most new development from car-dependent suburban development to compact, walkable mixed use development. The current CFEC approach - that focuses on providing theoretical zoned capacity - is clearly inadequate and is overwhelmed when everything else we do with public plans, policies and investments supports a continuation of auto-oriented development. For city planners, change starts with plans. Cities should be planning for most new growth to happen in CFAs and other walkable mixed use areas. That requires changes not only to zoning but to housing, economic development and transportation plans to integrate our goals for climate friendly development into our other plans and planning processes. This logically begins with adopting housing (and employment goals) for each CFA area and then using these goals to guide subsequent housing, economic development and transportation plans. And since most proposed CFAs are currently auto-oriented commercial districts, cities need to provide detailed plans and supporting public investments to remake these areas into highly walkable mixed use neighborhoods.

Recommendations

Eugene, Springfield and Medford - and other CFA cities - with DLCD support - should:

1. Revise their estimates of the housing capacity of proposed CFAs to reflect adopted plans and best local judgment about likely densities for future development and rates of development /redevelopment considering market trends.
2. Estimate the number of existing and future housing units likely to be located in proposed CFAs - and “abutting areas” - to assess whether the CFAs are likely to meet the goal of getting 30% of all housing in CFAs.
3. Based on the results of #1 & 2, propose additional CFAs as necessary to meet the 30% climate housing goal.
4. Develop and adopt specific housing goals for each CFA area , including goals for affordable housing, to guide city planning to achieve the 30% goal.
5. Prepare redevelopment or refinement plans for each of the proposed CFAs that identifies specific investments and other actions to achieve CFA housing goals, including planning for and prioritizing investments in high quality pedestrian, transit and bicycle facilities and services.