



# 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](http://www.oregon.gov/LCD)

March 19, 2024

Leah Rausch  
Associate Planner  
City of Eugene Community Planning and Design



## **RE: DLCD Comments on the City of Eugene's Climate-Friendly Area Study**

Dear Ms. Rausch,

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 funding to support CFA development standards, equitable engagement, and scenario planning work.

Below is the preliminary data we have gleaned from your study and other sources:

<b>2023 Population Estimate (PSU):</b>	177,339	<b>Total Housing Need:</b>	85,457* dwelling units through 2032
<b>Methodology:</b>	Prescriptive (0320(8))	<b>30% of Housing =</b>	25,637* dwelling units
<b>Primary CFA Requirements:</b>	25 DU/acre 85 foot allowed bldg. height		

\*Expected to change with release of new OHNA numbers.

Potential CFA Locations:

Location 1: Chase Village – 200.5 acres. Estimated capacity: 9% of total housing need if zoned as primary CFA, 5% if zoned as secondary CFA

Current development status – Largely developed with high density residential, containing several large student-oriented housing developments.

Location 2: Downtown/Campus – 865 acres. Analysis includes three variations in the included areas. Estimated capacity: 59% if primary CFA, 33% if secondary.

Current development status – Mostly developed area, including “committed” uses such as parks schools, and government offices. Many recent multi-unit housing developments, including student-oriented and income-qualified housing.

Location 3: Far West 11<sup>th</sup> Avenue – 56 acres. Estimated capacity: 4% if primary CFA, 2% if secondary.

Current development status – Primarily developed area, with large commercial buildings and large parking lots.

Location 4: Ferry Street Bridge – 189 acres. Estimated capacity: 14% if primary CFA, 8% if secondary.

Current development status – Primarily developed area, with some recent multi-unit housing development on the west side of the area. Coburg Road, at the center of this auto-centric commercial area, features high volumes of vehicle traffic and many commercial driveways, increasing the potential for conflict between people driving and those who are walking or biking. Enhanced bicycle and pedestrian infrastructure and design elements are included in the “Moving Ahead” study to improve safety and comfort.

Location 5: Franklin/Walnut – 86 acres. Estimated capacity: 6% if primary CFA, 4% if secondary.

Current development status – Primarily developed and committed land. Several hundred housing units were built in this area between 2012-2022. Largely student-oriented area between U of O campus and Autzen Stadium.

Location 6: Highway 99 – 194 acres. Estimated capacity: 15% if primary CFA, 8% if secondary.

Current development status – Largely a commercial/industrial area in a linear corridor along Highway 99. Railroad and industrial lands to the east, a large low density residential area to the west. A primarily developed area.

Location 7: Santa Clara Station – 135 acres. Estimated capacity: 10% if primary CFA, 6% if secondary.

Current development status – Primarily developed, but some undeveloped and partially vacant land in the area. Lane Transit District surplus property near the Santa Clara station has potential for mixed-use development and possibly a neighborhood park. River Road is a major arterial, with fast-moving car traffic and many commercial driveways, increasing the potential for conflicts between vehicles and bikes or pedestrians. Improved facilities for pedestrians and bicyclists in this area are identified in the Moving Ahead study.

Location 8: South Willamette – 109 acres. Estimated capacity: 7% if primary CFA, 4% if secondary.

Current development status – a long linear area zoned for high-density residential and commercial uses. Fully developed area, with some recent housing development, as well as commercial and public projects.

Location 9: West 11<sup>th</sup> Avenue – 204 acres. Estimated capacity: 15% if primary CFA, 9% if secondary.

Current development status – primarily zoned and developed as a commercial area, with some existing higher density residential development. Most of the 11<sup>th</sup> Avenue corridor is served by EmX bus rapid transit.

Estimated Capacity of all CFAs: 139% of the City's Total Housing Need if primary, 79% if secondary

We're glad to hear that CFA designation will dovetail with Eugene's upcoming urban growth planning effort, and that CFA designation will be an important urban growth strategy for the city moving forward. The urgency of climate change prompts us to do what we can to reduce climate pollution in the near term. Facilitating mixed use development has been shown to significantly reduce dependence on the length and number of vehicle trips needed to meet daily needs. Additionally, well-planned mixed-use neighborhoods allow for healthier lifestyles, less expensive infrastructure costs over time, and promote local businesses, services, and community vibrancy. Eugene is well positioned to support walkable mixed-use development in many parts of the city due to investments in excellent bicycle and pedestrian infrastructure; frequent and convenient transit services, including bus rapid transit; and due to decades of nodal development planning. We are excited to see Climate-Friendly Areas included in this context to provide more housing and transportation options for an even greater proportion of Eugene residents.

We also applaud your intention to analyze redevelopment potential in targeted study areas that will include suitable CFAs. This should provide you with the opportunity to "right-size" CFAs

based on a better understanding of the local development market in order to inform the development of zoning standards for CFAs and other areas. We would like you to know 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 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. 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.

The table provided on page 5 of the study is a clear and useful graphic to show how you propose to evaluate potential CFA areas. However, we are a little puzzled as to why the adequacy of infrastructure was not determined to be an appropriate ranking criterion. Was the thinking that adequate mechanisms are in place to ensure utility infrastructure improvements can be made in conjunction with development in any of the studies areas? Some clarification of this question would be useful at the time of adoption of the city's CFA or CFAs.

We would also like to provide a minor clarification. Narrative on page 13 of the study seems to assume that CFAs must be at least 25 acres in size. That is not true for all CFAs. OAR 660-012-0320(8) and (9) both require a city's "primary" CFA to be 25 acres in size. However, non-primary CFAs may be smaller. The minimum size requirement that applies to all CFAs is the minimum dimensional requirement of 750 feet, as found in OAR 660-012-0310(2)(f). However, some exceptions apply even to the 750 foot standard, as noted in this section of the rule. This may provide some additional flexibility for you to consider non-primary CFA designations.

We do note that a few of the potential CFAs under consideration are located at roadway intersections with a high volume and speed of vehicular traffic, notably at Santa Clara Station at the intersection of River Road and Beltline, and the Ferry Street Bridge area, with intersections of Coburg Road, Highway 105/126, and Martin Luther King Jr. Boulevard. If these areas are selected as CFAs, it will be vitally important to provide safe, separated, and well-connected pedestrian and bicycle facilities in these areas.

Lastly, we would like to strongly commend you for your excellent work evaluating displacement risk and mitigation measures, along with your detailed consideration of equitable outcomes. We appreciate the insights gleaned from your Equity Analysis Working Group, which included the following key takeaways:

- Eugene (like many other Oregon cities) is in a citywide housing affordability and availability crisis.
- Many people who are vulnerable to displacement, including communities of color, are dispersed across the city.
- The spatial analysis relies on outdated and often unreliable census data.
- The proposed area typologies and indicator sets are imperfect.

Based on these considerations, we understand and support the City's intention to pursue strategies to mitigate displacement that are "citywide in scope, and to support the production of housing affordable to all incomes, preserve existing affordable housing, and protect the people most vulnerable to displacement." We also appreciate the extra analysis documented in Appendix C, which provides demographic profiles of each of the suitable CFA areas. In partnership with local governments, the department is committed to improving equitable outcomes for historically marginalized community groups. We are learning together how to better develop and embed these practices in our work.

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](mailto: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

Heather O'Donnell, Senior Planner, City of Eugene

Terri Harding, Principal Planner, City of Eugene

Alissa Hansen, Planning Director, City of Eugene

Matt Crall, DLCD Planning Services Division Manager

Patrick Wingard, DLCD Southern Willamette Valley Regional Representative

#### Attachments

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

February 8, 2024

TO: Department of Land Conservation and Development  
([DLCD.CFEC@dlcd.oregon.gov](mailto: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.<sup>1</sup> 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 units<sup>2</sup>: 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.

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<sup>1</sup> 1000 Friends Memo to CFA Cities, January 10, 2023

<sup>2</sup> 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.

<b>CFA Studies lack basic information for meeting 30% Goal</b>				
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				
<b>Key CFA Information</b>	<b>Bend</b>	<b>Eugene</b>	<b>Springfield</b>	<b>Medford</b>
Estimates the number of <u>existing</u> housing units in proposed CFAs?	<b>yes<sup>3</sup></b>	no	no	no
Reports number of <u>future</u> housing units forecast in CFAs from adopted plans (BLI, TSP, HNA)?	<b>yes</b>	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?	<b>yes</b>	no	no	no
Includes market feasibility analysis for possible housing densities and redevelopment in CFAs?	<b>yes</b>	no	no	no

<sup>3</sup> 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.