TO: Urban Growth Boundary Rules Advisory Committee

DATE: June 5, 2015

SUBJECT: Path for Determining Residential Land Need

The attached residential need-buildable lands path reflects the efforts to date of the working group charged with collaborating with DLCD staff in the preparation of this document. The language of the attached document would be "translated" into language suitable for inclusion as an administrative rule.

REMAINING POLICY ISSUES

While the working group has resolved most issues, there remain several policy issues for which the full UGB Rules Advisory Committee should provide policy guidance:

1. Vacancy rates – the draft language would set a "base" vacancy rate of 5%, which is considered the "natural" vacancy rate as a generally accepted standard, and then adds the "seasonal, recreational, or occasional" vacancy rate for a particular city, as determined at the last decennial U.S. census, up to a maximum total vacancy rate of 15%. The Committee should provide guidance on whether cities should be required to include "seasonal, recreational, or occasional" vacancies in their calculations, and whether such vacancies should be "capped" at 10%.

2. Housing Mix – the draft language requires cities with low percentages of housing other than single-family detached to slightly or moderately increase their percentages of such housing in the future, and requiring cities with high percentages of housing other than single-family detached to maintain their current percentages of such housing in the future. The draft language would also set a range that would allow cities to substantially increase percentages of such housing if they chose to do so. The Committee should provide guidance on whether cities should be required to provide higher percentages of housing other than single-family detached, and whether cities should be allowed to substantially increase percentages of such housing if they chose to do so.

3. Density Assumption for Residential Land – the draft language sets a range for cities to use in density calculations used to convert the number of dwelling units needed to the amount of land needed. The ranges are based upon the analysis provided in the University of Oregon study, combined with recent analysis conducted in individual cities such as Eugene for medium and high density development. The ranges as written would allow a city achieving higher densities than the range, or within the range, to "move back" to a number within the range in making density assumptions. The Committee should provide guidance on whether cities should be allowed to do so.

4. Codes, Covenants, and Restrictions – the draft language gives cities the option of analyzing private deed restrictions that reduce residential density on affected lands below the levels assumed in the buildable lands inventory. The Committee should provide guidance on whether cities should be allowed this option.

5. Redesignation of Lands Within a UGB to Address a Land Need – the draft language allows smaller cities the option of redesignating surplus lands in one category (for example, low density residential) to meet a deficit of land in another category (for example, high density residential), but does not require them to do so. For larger cities the draft language requires that at least 50% of the deficit of land in one category (for example, medium density residential) be met by redesignating surplus lands in another category (for example, low density residential). However the draft language does not allow the redesignation of high density residential surplus lands to meet a low density residential land deficit. The Committee should provide guidance as to whether cities should be required to redesignate surplus acreage within one category of lands within a UGB to meet a deficit of lands in another category, and to what extent.

NOTE: The document includes "blanks" for the amount of residential need to be met by redevelopment and mixed use development in commercially designated areas. We are anticipating the results of University of Oregon research on these topics.

NEED – BUILDABLE LANDS PATH FOR RESIDENTIAL LANDS

A city shall use the following process to determine the amount of land to be added to an urban growth boundary for residential land:

TASK ONE: DETERMINING THE ADJUSTED GROSS NUMBER OF DWELLING UNITS NEEDED

1. Determine the projected population growth for the city's current urban growth boundary, based upon the most recent forecast adopted by the Portland State University Population Research center, for a 14-year period from the year in which the urban growth boundary analysis is begun.

2. Subtract from the projected population growth the number of persons projected to live in group quarters. This number shall be determined by calculating the current percentage of the city's population living in group quarters at the last decennial United States Census, and subtracting from projected population growth a number equal to the same percentage.

3. From the result calculated in Number 2 above, divide by the persons per household determined at the last decennial United States Census to determine the gross number of dwelling units needed.

4. From the result calculated in Number 3 above, multiply by the vacancy rate and add the resulting product to the gross number of dwelling units needed to determine the adjusted gross number of dwelling units needed. The vacancy rate used shall be five percent plus the vacancy rate within the city determined at the last decennial United States Census for seasonal, recreational, or occasional vacancies, up to a maximum total vacancy rate of 15 percent.

5. From the result calculated in Number 4 above, multiply by the following percentages to account for redevelopment in residentially zoned areas and mixed use residential development in commercially zoned areas:

   a. For cities with UGB population less than 10,000: A range from --* percent to --* percent of the result calculated in Number 4 above.

   b. For cities with UGB population between 10,000 and 25,000: A range from --* percent to --*percent of the result calculated in Number 4 above.

   c. For cities with UGB population equal to or greater than 25,000: A range from -- *percent to --*percent of the result calculated in Number 4 above.

Subtract the resulting number from the result calculated in Number 4 above.

6. From the result calculated in Number 5 above, multiply by the following percentages to account for accessory dwelling units:

a. For cities with UGB population less than 25,000: A range from 0 percent to 2 percent of the result calculated in Number 5 above.

**Numbers to be determined by results of further research project by University of Oregon*

b. For cities with UGB population equal to or greater than 25,000: A range from 1 percent to 3 percent of the result calculated in Number 5 above.

c. Cities with a documented rate of accessory dwelling unit construction from year 2000 to the present that is higher than the ranges specified above may use a higher number up to the documented rate.

Subtract the resulting number from the result calculated in Number 5 above.

The final result for Task One is the number of new dwelling units needed from vacant and partially vacant residentially zoned lands within the city's urban growth boundary, or from lands to be added for residential development to the city's urban growth boundary.

TASK TWO: DETERMINING THE MIX OF DWELLING UNITS NEEDED

1. Determine the current mix of housing types within the city. For the purposes of this task and task 3, for cities less than 2,500 UGB population, single-family detached dwellings shall be considered lower density residential, and all other dwellings shall be considered higher density residential. For the purposes of this task and task 3, for cities with UGB population greater than or equal to 2,500, single-family detached dwellings shall be considered low density residential, single-family attached dwellings and plexes with 2-4 units shall be considered medium density residential, and multi-family dwellings of 5 or more units shall be considered high density residential:

a. For cities with UGB population under 2,500, determine the percentages of lower density residential and higher density residential dwellings from the most recent American Community Survey conducted by the United States Census.

b. For cities with UGB population 2,500 or greater, determine the percentages of low density residential, medium density residential, and high density residential dwellings from the most recent American community survey conducted by the United States Census.

2. Determine the needed mix of housing types for new development within the city:

a. For cities with less than 2,500 UGB population:

i. If the current housing mix is less than nine percent higher density, the needed mix of higher density shall be chosen by the city from a range of between nine and 25 percent of the total amount of needed housing.

ii. If the current housing mix is greater than or equal to nine percent and less than 15 percent higher density, the needed mix of high density shall be chosen by the city from a range of between a number one percentage point above the current percentage of higher density and 15 percentage points above the current percentage of higher density.

iii. If the current housing mix is greater than or equal to 15 percent higher density, the needed mix of high density shall be chosen by the city from a range of between the current percentage of higher density and 15 percentage points above the current percentage of higher density.

b. For cities greater than or equal to 2,500 UGB population and less than 10,000 UGB population, the needed mix of medium density housing shall be determined as follows:

i. If the current housing mix is less than 11 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between 11 and 21 percent of the total amount of needed housing.

ii. If the current housing mix is greater than or equal to 11 percent and less than 16 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between a number one percentage point above the current percentage of medium density and ten percentage points above the current percentage of medium density.

iii. If the current housing mix is greater than or equal to 16 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between the current percentage of medium density and ten percentage points above the current percentage of medium density.

c. For cities greater than or equal to 2,500 UGB population and less than 10,000 UGB population, the needed mix of high density housing shall be determined as follows:

i. If the current housing mix is less than 11 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between 11 and 21 percent of the total amount of needed housing.

ii. If the current housing mix is greater than or equal to 11 percent and less than 17 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between a number one percentage point above the current percentage of high density and ten percentage points above the current percentage of high density.

iii. If the current housing mix is greater than or equal to 17 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between the

current percentage of high density and ten percentage points above the current percentage of high density.

d. For cities with UGB population greater than or equal to 10,000 and less than 25,000, the needed mix of medium density housing shall be determined as follows:

i. If the current housing mix is less than 14 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between 14 and 24 percent of the total amount of needed housing

ii. If the current housing mix is greater than or equal to 14 percent and less than 17 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between a number one percentage point above the current percentage of medium density and ten percentage points above the current percentage of medium density.

iii. If the current housing mix is greater than or equal to 17 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between the current percentage of medium density and ten percentage points above the current percentage of medium density.

e. For cities with UGB population greater than or equal to 10,000 and less than 25,000, the needed mix of high density housing shall be determined as follows:

i. If the current housing mix is less than 14 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between 14 and 24 percent of the total amount of needed housing

ii. If the current housing mix is greater than or equal to 14 percent and less than 17 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between a number one percentage point above the current percentage of high density and ten percent above the current percentage of high density.

iii. If the current housing mix is greater than or equal to 17 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between the current percentage of high density and ten percentage points above the current percentage of high density.

f. For cities with UGB population greater than 25,000, the needed mix of medium density housing shall be determined as follows:

i. If the current housing mix is less than 18 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between a number one percentage point above the current percentage of medium density and ten percentage points above the current percentage of medium density.

iii. If the current housing mix is greater than or equal to 18 percent medium density, the needed mix of medium density housing shall be chosen by the city from a range of between the current percentage of medium density and ten percentage points above the current percentage of medium density.

g. For cities with UGB population greater than 25,000, the needed mix of high density housing shall be determined as follows:

i. If the current housing mix is less than 21 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between a number one percentage point above the current percentage of high density and ten percentage points above the current percentage of high density.

iii. If the current housing mix is greater than or equal to 21 percent high density, the needed mix of high density housing shall be chosen by the city from a range of between the current percentage of high density and ten percentage points above the current percentage of high density.

Multiply the percentages of needed housing for different housing categories by the total housing need determined in Step One to determine the numbers of low or lower density, medium density (for cities with UGB population greater than 2,500) and high or higher density dwelling units needed by a city.

TASK THREE: DETERMINING THE ACRES OF RESIDENTIAL LAND NEEDED FOR EACH NEEDED HOUSING TYPE

1. Determine the amount of land needed for low or lower density residential development.

a. For cities in Eastern Oregon, apply a density of between five and 6.5 dwelling units per acre to determine the needed amount of net acres. Add an amount of land equal to 25% of the needed amount of net acres to determine the needed amount of gross acres.

This subsection applies to the following counties: Klamath, Lake, Harney, Malheur, Baker, Union, Wallowa, Umatilla, Grant, Morrow, Sherman, Wheeler, and Gilliam.

b. For cities outside of Eastern Oregon:

i. If city UGB population is less than 5,000, apply a density of between five and six dwelling units per acre to determine the needed amount of net acres. Add an amount of land equal to 25% of the needed amount of net acres to determine the needed amount of gross acres.

ii. If city UGB population is greater than or equal to 5,000, apply a density of between six and seven dwelling units per acre to determine the needed amount of net acres. Add an amount of land equal to 25% of the needed amount of net acres to determine the needed amount of gross acres.

2. For cities with UGB population greater than 2,500, determine the amount of land needed for medium density residential development by applying a density of between 10 and 12 dwelling units per acre to determine the needed amount of net acres. Add an amount of land equal to 25% of the needed amount of net acres to determine the needed amount of gross acres. A city with UGB population greater than 25,000 may apply a density of between 10 and 14 dwelling units per acre.

3. For cities with UGB population less than 2,500, determine the amount of land needed for higher density residential development by applying a density of between ten and 15 dwelling units per acre to determine the needed amount of net acres. Add an amount of land equal to 25% of the needed amount of net acres to determine the needed amount of gross acres.

4. For cities with UGB population of 2,500 or greater, determine the amount of land needed for high density residential development by applying a density of between 15 and 24 dwelling units per acre to determine the needed amount of net acres. Add an amount of land equal to 25% of the needed amount of net acres to determine the needed amount of gross acres. A city with UGB population greater than 25,000 may apply a density of between 15 and 33 dwelling units per acre.

TASK FOUR – CONDUCT A BUILDABLE LANDS INVENTORY FOR RESIDENTIAL LANDS WITHIN THE EXISTING URBAN GROWTH BOUNDARY

1. A city shall classify the existing residential districts within its UGB into low density, medium density, and high density residential districts. The district boundaries shall be based upon:

a. The city's comprehensive plan map; or

b. If the city's comprehensive plan map does not differentiate residential districts by density or type of housing, the applicable city or county zoning map.

a. For cities with UGB populations less than 2,500:

i. Maximum density greater than 0 and less than or equal to 8 dwelling units per acre: lower density residential. A city may classify a district as lower density residential despite a maximum density of greater than 8 dwelling units per acre if the majority of existing residences within the district are single-family detached and the city has a higher density residential district as determined by subsection (a)(ii) below.

ii. Maximum density greater than 8 dwelling units per acre: higher density residential

b. For cities with UGB populations greater than 2,500:

i. Maximum density greater than 0 and less than or equal to 8 dwelling units per acre: low density residential. A city may classify a district as low density residential despite a maximum density of greater than 8 dwelling units per acre if the majority of existing residences within the

district are single-family detached and the city has a medium density residential district as determined by subsection (b)(ii) below.

ii. Maximum density greater than 8 dwelling units per acre and less than or equal to 16 dwelling units per acre: medium density residential, unless the district has been classified as low density residential pursuant to subsection (b)(i) above. A city may classify a district as medium density residential despite a maximum density of greater than 16 dwelling units per acre if the majority of development within the district is developed at densities of between 8 and 16 dwelling units per net acre and the city has a high density residential district as determined by subsection (b)(iii) below.

iii. Maximum density greater than 16 dwelling units per acre: high density residential, unless the district has been classified as medium density residential pursuant to subsection(b)(ii) above.

iv. A city may not classify as low density a district that allows higher residential densities than a district the city has classified as medium density. A city may not classify as medium density a district that allows higher residential densities than a district the city has classified as high density.

2. Identify all vacant parcels with a residential comprehensive plan designation. A vacant parcel is defined as a parcel of at least 3,000 square feet size, and with an assessed improvement value of less than $10,000.

3. Identify all partially vacant parcels with a residential comprehensive plan designation.

a. For parcels at least one-half acre in size that contain a single-family residence, subtract one-quarter acre for the residence, and count the rest of the parcel as vacant land.

b. For parcels at least one-half acre in size that contain more than one single-family residence, multiple-family residences, non-residential uses, and/or ancillary uses such as parking areas and recreational facilities, identify vacant areas using an aerial survey map.

4. Determine the amount and mapped location of low or lower density, medium density, and high or higher density vacant and partially vacant residential land within the city's UGB.

TASK FIVE – ADJUST THE RESIDENTIAL BUILDABLE LANDS INVENTORY TO ACCOUNT FOR CONSTRAINED LANDS

1. Identify the following physical constraints on category of land identified as buildable in Task Four:

a. Floodways and water bodies.

b. Significant flood hazard areas (areas within the 100-year floodplain).

c. Lands within the tsunami inundation zone.

d. Contiguous lands of at least one acre with slope greater than 25%. Slope shall be measured as the increase in elevation divided by the horizontal distance at maximum ten-foot contour intervals.

2. Reduce the residential development capacity on physically constrained lands by the following factors (reductions shall be determined as acreage, not number of dwelling units):

a. For lands within floodways and water bodies – 100% reduction.

b. For lands within significant flood hazard areas – 50% reduction unless the city's existing zoning classification of such areas prohibits new residential development, in which case, 100%.

c. For lands within the tsunami inundation zone – no reduction unless the city's existing zoning classification of such areas prohibits or reduces residential development – in which case, the reduction shall be based upon the maximum density allowed by the city's existing zoning classification.

d. For lands with greater than 25% slopes- 50% reduction.

3. At the option of the city, identify lands encumbered with easements or recorded deed restrictions which restrict additional residential development. The property or area of land encumbered with such easements or recorded deed restrictions shall not be counted in this category if any development that violates the easement or deed restriction exists on the property or area of land. Reduce the residential development capacity on lands encumbered with easements or recorded deed restrictions which restrict additional residential development to the level of development allowed by the easement or recorded deed restriction.

5. Reduce the amount of each type of needed housing buildable land determined in Task Four, by the amounts determined in Task Five, to determine the residential buildable land inventory amount for each type of needed housing.

TASK SIX – CALCULATE LAND NEED (IF ANY)

1. Compare the amount of land needed for each category of residential development as determined in Task Three with the amount of buildable land available for each category of residential development as determined in Task Five.

2. If the amount of buildable land available is greater than the amount of land needed for each category of residential development, then no urban growth boundary expansion for residential land is necessary.

3. For cities with a UGB population of less than 2,500:

a. If the amount of buildable land available is less than the amount of land needed for both lower density and higher density residential development, then the city shall add enough land to meet both the lower density and the higher density residential land need.

a. If the amount of buildable land available is less than the amount of land needed for lower density residential development, but is greater than the amount of land needed for higher density residential development, or if the amount of buildable land available is less than the amount of land needed for higher density residential development, but is greater than the amount of land needed for lower density residential development, then the city may add enough land to meet the land need for the category of housing for which there is a deficit of land. A city may redesignate surplus lower density land within the UGB to meet a higher density land need, but may not redesignate higher density land within the UGB to meet a lower density land need. A city may also redesignate surplus employment land as determined through the employment land need analysis and buildable land inventory for employment development to satisfy all or part of a residential land deficit.

4. For cities with UGB population greater than or equal to 2,500 and less than 10,000:

a. If the amount of buildable land available is less than the amount of land needed for low density, medium density, and high density residential development, then the city shall add enough land to meet the amount of residential land need.

b. If the amount of buildable land available is less than the amount of land needed for any category of residential development, but is greater than the amount of land needed for any other category of residential development, then the city may add enough land to meet the residential land need for the category with insufficient buildable land. A city may choose to redesignate surplus low density land within the UGB to meet a medium density or a high density land need, or may redesignate surplus medium density land within the UGB to meet a high density land need. A city may also redesignate surplus employment land as determined through the employment land need analysis and buildable land inventory for employment development to satisfy all or part of a residential land deficit. A city may not choose to redesignate medium density land within the UGB to meet a low density land need, or redesignate high density land within the UGB to meet a low or medium density land need.

5. For cities with a population greater than or equal to 10,000:

CITIES WITH POPULATION GREATER THAN 10,000 – SCENARIOS FOR LAND DEFICIT AND SURPLUS				
Scenario	Low Density	Medium Density	High Density	
1	Surplus	Surplus	Surplus	No UGB expansion
2	Deficit	Deficit	Deficit	UGB expansion to satisfy all land needs
3	Surplus	Deficit	Deficit	Satisfy at least 50% of medium and high density deficit by redesignating low density land inside UGB, unless this would result in a deficit of low density land.
4	Surplus	Surplus	Deficit	Satisfy at least 50% of high density deficit by redesignating low and medium density land inside UGB, unless this would result in a deficit of low or medium density land.
5	Surplus	Deficit	Surplus	Satisfy at least 50% of medium density deficit by redesignating low density land inside UGB, unless this would result in a deficit of low density land. Do not reduce high density land surplus.
6	Deficit	Surplus	Surplus	UGB expansion to satisfy low density land need. Do not reduce medium or high density land surplus.
7	Deficit	Deficit	Surplus	UGB expansion to satisfy low and medium density land need. Do not reduce high density land surplus.
8	Deficit	Surplus	Deficit	UGB expansion to satisfy low density land need. Satisfy at least 50% of high density deficit by redesignating medium density land inside UGB, unless this would result in a deficit of medium density land. Do not reduce medium density land surplus to satisfy low density land need.

If the city's employment land need and buildable lands analysis determines that the city has a surplus of employment land, the city must satisfy at least 50% of the residential deficit by redesignating surplus employment land, unless this would result in a deficit of employment land.

\\dlcdsfil01\issues\policy\rulemaking\active rulemaking\2013\ugb\rac (agendas_minutes_info)\10mtg_2015-06-11\ugb residential need and supply - v2.docx