



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

October 24, 2016

5:30 p.m. CITY COUNCIL WORK SESSION
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401

Meeting of October 24, 2016;
Her Honor Mayor Kitty Piercy Presiding

Councilors

Greg Evans, President
George Brown
George Poling
Claire Syrett

Alan Zelenka, Vice President
Mike Clark
Chris Pryor
Betty Taylor

5:30 p.m. CITY COUNCIL WORK SESSION
Harris Hall, 125 East 8th Avenue

- 1. WORK SESSION**
Envision Eugene Multi-Family Housing Strategies

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EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Envision Eugene Multi-Family Housing Strategies

Meeting Date: October 24, 2016
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Terri Harding
Contact Telephone Number: 541-682-5635

ISSUE STATEMENT

After several years of community input, research and analysis, public meetings, and revisions, the City of Eugene is preparing to adopt a new Urban Growth Boundary (UGB). Before the package of materials can be prepared for formal public hearings and Council consideration, City Council direction is needed on one last element. The remaining piece of the plan requiring Council direction is selection of strategies to accommodate the City's needed multi-family housing over the next 20 years.

At this work session, the City Council will have the opportunity to direct staff on which housing strategies to move forward into the UGB adoption package.

BACKGROUND

Oregon law requires all cities to have a UGB, which limits how far the city may grow while also providing enough room for places to live and work. Eugene and Springfield have shared one UGB since 1982. In 2007, the state legislature adopted a law requiring each city to set its own, separate UGB. While this state mandate required Eugene to complete a residential land inventory and new urban growth boundary, it also provided an opportunity to develop a collective vision to guide Eugene's population and job growth. That vision is summarized in the seven pillars of Envision Eugene, approved by the City Council in 2012.

Eugene has been working through many complex tasks and choices to fulfill its responsibility to create a new UGB in a way that aligns with community vision. Determining how Eugene will accommodate 1600 multi-family homes by 2032 is the last remaining choice before the City Council can consider adopting a new UGB for Eugene.

Oregon law requires all cities to explain how enough homes and jobs for 20 years of population growth can happen inside a new UGB before it can be adopted. In 2015, the City Council directed that the adoption package include a UGB expansion to accommodate the unmet need for jobs, parks and schools. That year, the Council also directed that the adoption package include necessary actions to include Eugene's 20-year need for homes inside the existing UGB. This means the City must be able to explain to the state how each type of housing – single family homes and multi-family homes – can be provided on the land available within the UGB.

We can fit all of our single family homes, and all but about 1,600 of our multi-family homes, on existing vacant and partially vacant land around the City. At its July 20 work session, the Council heard about potential options for accommodating the City's remaining housing need. At that same meeting, the Council voted to direct staff to further develop several housing strategies and reach out to the community for feedback.

Multi-family Housing Options

The strategies forwarded by Council for public feedback are described in **Attachment A**. Each of these strategies would enable Eugene to fit more multi-family homes inside the existing UGB, by focusing on commercial and multi-family lands. The strategies below do not rezone single family areas or increase maximum densities in multi-family areas. They include:

- High Density Residential Downtown Redevelopment Strategy: Rely on existing programs in the downtown area, such as the Multiple Unit Property Tax Exemption and staff assistance with projects, to demonstrate capacity for 1,000 high density homes.
- Medium Density Residential Option A: Disallow single family detached homes in the R-2 zone, thereby raising the average density of new development in that zone and demonstrating capacity for 600 medium density homes.
- Medium Density Residential Option B: Increase minimum density in the R-2 zone from 10 to 14 homes per acre, thereby increasing the average density of new development in that zone and demonstrating capacity for 600 medium density homes.
- Key Corridor Strategy: Add multi-family housing along corridors by adopting new development incentives in more areas, thereby demonstrating capacity for 1,600 medium and high density homes in those places at the time of UGB adoption.

Community Feedback

Staff implemented an intensive outreach and engagement program over the summer months according to Council direction. The goal of the outreach was to identify issues and concerns with the above housing strategies and allow people ample opportunities to weigh in before asking the Council to make a decision. While we focused on getting input on the four options listed above, staff asked for feedback on *all options and ideas* for how to handle the multi-family need.

Over the summer, planning staff attended or hosted 15 community events and meetings, spoke to about 500 people, produced four videos and 14 newsletters, and administered 4 questionnaires. We received 185 complete responses to the multi-family options questionnaire, and reached dozens more by doing additional outreach to underrepresented community members to reach deeper into the community. We also sent over 2,700 letters to owners of land zoned or planned for medium density housing, and continue to speak with people about the housing strategies.

The outreach results present a cross section of issues that concern people in the community, and give us an idea of which strategies people may find preferable versus other options. They do not represent a complete picture, and they cannot be translated as definitive public support for specific strategies.

In general, those who responded to our questionnaire or talked to us at events appear to support accommodating more high density housing downtown (the first option listed above). Some people expressed concerns about safety, overcrowding and the use of development incentives to achieve this. Overall, if high density housing is to be planned and encouraged anywhere in the community, downtown appears to be where people would like to see it happen. Staff believe this option would accommodate 1000 of the needed 1600 homes.

With regard to accommodating the remaining 600 medium density homes, Option B was favored over Option A. Based on the input received, the main reason appears to be that Option B would still allow all housing types allowed by the current code, thereby preserving flexibility. Option A would change the code to no longer allow detached single family homes. This was seen as less flexible because it would take a needed development form – small houses on small lots – off the table, and decrease land available for single-family housing. Option B preserves the flexibility for developers to mix different housing types on a site, but still achieves the increase in density necessary to provide space for the final 600 homes.

Most community members we heard from support adding housing along our key transportation corridors - the key corridor strategy. However, there were a variety of opinions expressed about how this would be accomplished. A common theme was opposition to the use of development incentives necessary to make the housing financially feasible. In general, respondents appear to support doing neighborhood planning efforts over time to implement the goals of Envision Eugene, as long as city-wide principles are included, such as balancing all seven pillars and looking at the triple bottom line of social equity, environmental responsibility, and economic prosperity.

Other common themes emerged from the questionnaire comments as well as in conversations at events, meetings, and on the phone. These include compatibility with existing neighborhoods, both in terms of building design and off site impacts such as noise and traffic, and concerns about housing affordability for all members of the community.

Public engagement activities are thoroughly discussed in the Multi-family Options Summer Outreach Report, available in full on the City's Envision Eugene [website](#). The report is also available in the Council offices in the Lane County Public Service Building. The executive summary is included as **Attachment B**.

NEXT STEPS

Once the Council provides direction to staff on multi-family housing strategies, staff will finalize the proposed UGB adoption package for delivery to the state. This will begin the formal phase of the UGB adoption process. Public hearings will be scheduled for early 2017 with the Lane County and Eugene Planning Commissions. A timeline is included as Attachment C.

COUNCIL OPTIONS

High Density Homes

1. Direct staff to rely on existing programs and incentives to accommodate 1,000 high density homes in the downtown area.

2. Direct staff to prepare a proposal for new development incentives in other specific areas to meet the need for 1,000 high density homes.

Medium Density Homes

3. Direct staff to prepare code amendments to implement Option A: disallow new single-family detached homes in the R-2 zone. Provide exemptions to this requirement for small lots under half an acre in size, and for subsidized affordable housing projects.
4. Direct staff to prepare code amendments to implement Option B: increase the minimum density required in the R-2 zone from 10 to 14 units per net acre. Provide exemptions from this requirement for small lots under half an acre in size and for subsidized affordable housing projects.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Council direct staff as outlined in options 1 and 4 above.

SUGGESTED MOTIONS

Move to direct staff to prepare the UGB adoption package using the High Density Residential Downtown Redevelopment Strategy and the Medium Density Residential Option B with exemptions for lots under half an acre in size and subsidized affordable housing developments.

ATTACHMENTS

- A. Multi-family Housing Options – List forwarded by Council on July 20
- B. Multi-Family Housing Options – Summer Outreach Report Executive Summary
- C. UGB Adoption Timeline

FOR MORE INFORMATION

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Multi-family Housing Options

Potential Multi-family Housing Strategies per City Council Direction on July 20, 2016	Impact on deficit	Technical Feasibility
Tier 1 - more in-depth analysis:		
<ul style="list-style-type: none"> • High Density Residential (HDR) Downtown Redevelopment Strategy (financial development incentives, project coordination, permit facilitation, EWEB code/park/infrastructure) 	High	High
<ul style="list-style-type: none"> • OPTION A for Medium Density Housing: Amend the zoning code to preserve Medium Density Residential (MDR) land for attached housing types only 	High	High
<ul style="list-style-type: none"> • OPTION B for Medium Density Housing: Amend the zoning code to require single-family detached developments on MDR land to achieve a higher density 	High	High
Strategy added by City Council		
<ul style="list-style-type: none"> • Increase density along key transportation corridors and in core commercial areas (for example, with financial development incentives such as the Multiple Unit Property Tax Exemption) 	High	Not determined
Tier 2 - analyzed but low technical feasibility:		
<ul style="list-style-type: none"> • Re-designate land from one category to another a multi-family or commercial category that can accommodate the unmet need 	Not determined	Low
<ul style="list-style-type: none"> • Increase the minimum density required in the zoning code 	High	Low
<ul style="list-style-type: none"> • Expand the UGB to accommodate the unmet need 	High	Low
<ul style="list-style-type: none"> • Adjust a “baseline” multi-family assumption that impacts how much housing demand or housing capacity we are assuming for the future <ul style="list-style-type: none"> o Number of persons per household in each new home o The mix of new housing types (i.e. single-family vs. multi-family) o The amount of each housing type that is allocated to each type of land use designation o Density of new housing (number of homes per acre of land) 	High	Low



Envision Eugene Multi-family Housing Options Summer Outreach Report

October 14, 2016

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Background

Executive Summary

Community Input Opportunities and Input Received

 Summer Events & Drop-in Sessions

 Multi-family Housing Options Questionnaire

 Focused Outreach and Survey of Underrepresented Community Members

 Letter to Property Owners and Discussions (R-2/MDR)

 Other Input

Attachments:

- 1) Multi-family Housing Options- Tiered list as directed by City Council on July 20, 2016
- 2) Key Corridors Strategy Discussion
- 3) Community Outreach Detailed Reports and Materials
 - a) Summer Outreach Events Report
 - b) Multi-family Housing Options Questionnaire –Results Report
 - i) Envision Eugene Multi-family Housing Options Questionnaire – Full Results
 - c) Focused Outreach and Survey of Underrepresented Community Members- Results Report
 - d) Letter to property owners (R-2 zoned or MDR designated)
 - e) Housing Affordability Infographic sheet
 - f) Housing Need Infographic sheet
 - g) Multi-family Housing Options Fact Sheet
- 4) Other Input: Written comments received from July 25-October 12, 2016

Background

On July 20, 2016 the City Council directed staff to proceed with community outreach on the tier one, tier two and key corridors strategies to accommodate Eugene's remaining multi-family housing needs over the next 20 years (Attachment 1). A draft framework of the outreach approach was provided to City Council at the same meeting. The following is a summary of the outreach efforts made and themes that emerged from the results. Detailed information on specific outreach efforts can be found in the attachments to this report.

Executive Summary

Outreach

A variety of outreach methods were used to get feedback from a broad range of Eugeneans (see Attachment 3, Community Outreach Detailed Reports and Materials). Staff produced videos, informational graphics or “infographics” and fact sheets that were distributed through weekly e-newsletters, in person events and the project website. Staff hosted or attended fifteen events and spoke to an estimated 500 residents. An online questionnaire was distributed, soliciting 185 complete responses. Where gaps were found in reaching subsets of the community, staff contacted existing networks to distribute the information and questionnaire. Staff also worked with Cogito, a local public involvement firm, to design focused outreach strategies to reach under-represented groups, including Latino residents, people with lower incomes, and younger people of Eugene. The most successful methods in reaching a broad range of people were the e-newsletters, the infographic sheets, and the videos.

While staff put significant effort into reaching a diversity of stakeholders and community members, we recognize that the number of people we were able to reach represents a relatively small sample. Given this limitation, the opinions and concerns summarized in this report do not reflect those of the whole community. This report instead reflects a sampling of the issues and concerns that may come up as Council works through its decision making process.

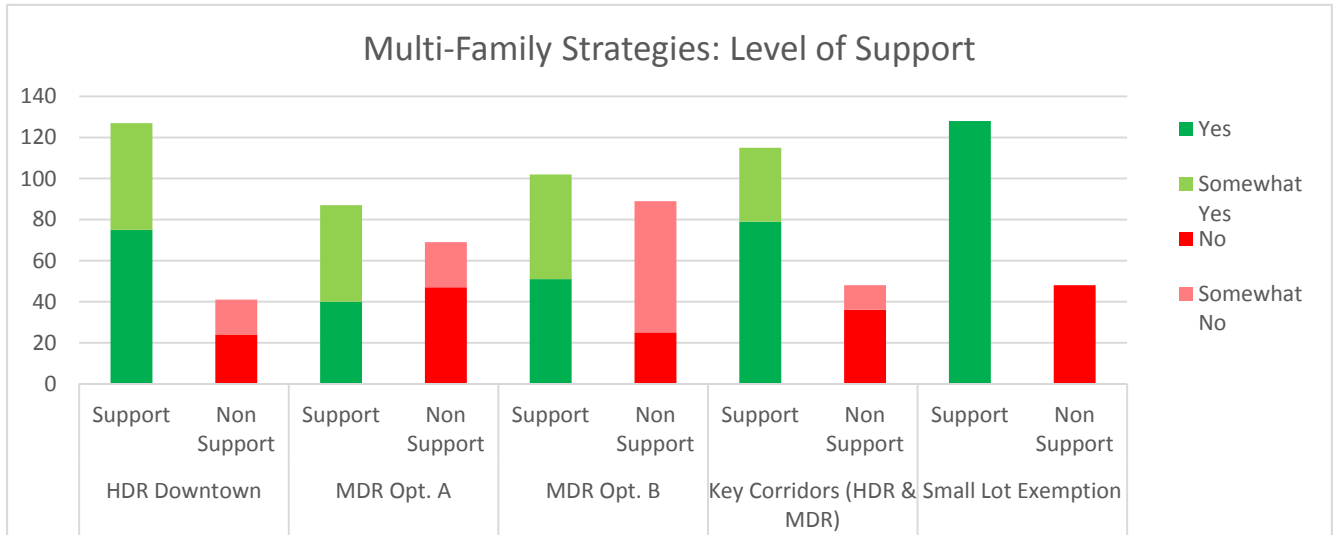
Summary of Overall Input

Topic	Key Takeaways
High density residential downtown redevelopment with existing programs and incentives	<ul style="list-style-type: none">• <i>There is general support for higher density housing downtown compared to other parts of the community.</i>• <i>Part of the community doesn't support the city's analysis that significant housing development will not happen without some sort of action to make it more financially feasible.</i>• <i>Latino input highlighted particular concern with safety and overcrowding associated with adding more housing downtown.</i>
Medium density residential- Option A: Amend the zoning code to preserve the R-2 medium density residential zone for attached housing Medium density residential- Option B: Amend the zoning code to increase the minimum number of homes required in R-2 medium density residential zones from 10 to about 14 homes per net acre	<ul style="list-style-type: none">• <i>About half support/somewhat support medium density residential Option A and B, with slightly more support for Option B. Comments indicate that B seems to be the more flexible of the two options</i>• <i>There is high support for exempting smaller infill lots from either of these new standards.</i>

<p>Key Corridors Strategy- Increase housing density along key transportation corridors and core commercial areas throughout the city (with incentives).</p>	<ul style="list-style-type: none"> • <i>There is support for adding housing to key corridors.</i> • <i>There were few comments either way regarding delay in adoption of the UGB if the key corridor strategy were used to meet the housing deficit.</i> • <i>The conversations around South Willamette impact discussions about this strategy and how key corridors would be implemented, specifically regarding the process for and timing of implementation.</i>
<p>Other multi-family housing strategies suggestions</p>	<ul style="list-style-type: none"> • <i>Most common strategies suggested:</i> <ul style="list-style-type: none"> • <i>Encourage SDUs (Secondary Dwelling Units), tiny houses and other forms of non-traditional housing</i> • <i>More housing on C-2 zoned land or mixed-use developments</i> • <i>expand the Urban Growth Boundary</i> • <i>Examples of other specific strategies suggested:</i> <ul style="list-style-type: none"> • <i>Reduce Traffic Impact Analysis requirements</i> • <i>Update average densities assumed, bring multi-family numbers up to date</i>
<p>Other themes</p>	<ul style="list-style-type: none"> • <i>Concerns about density in general, including building design and off-site impacts of denser housing (parking, etc.) and compatibility with neighborhoods</i> • <i>Opposition/concerns about MUPTE (Multiple Unit Property Tax Exemption) program or incentives in general</i> • <i>Concerns about housing affordability</i> • <i>General concerns about city staff/planning processes</i> • <i>Confusion about MDR Option A and B strategies</i>

Multi-family Housing Options Questionnaire results:

The following results reflect a sample size of 185 respondents. They cannot be read as representative of the community as a whole. Rather, these results raise issues and public concerns associated with planning for multi-family housing, and provide an indication of likely levels of support for the various policy options within the community.



Note: The table above does not reflect those that responded neutral or that they didn't have enough information.



Conclusion

The results of our outreach indicate that there is general support for higher density housing downtown. There are parts of the community that are neutral or supportive of development incentives associated with this strategy, as well as a small but vocal cohort that are not supportive of development incentives. Other concerns, such as about safety downtown and overcrowding, were also stated.

The results also indicate that there is general support for the key corridors strategy. While the concept of higher density along corridors is widely supported, it should be noted that given current market conditions, subsidies or incentives would need to be introduced in these areas in order to address our housing needs. Development incentives face significant community opposition, and it would take time for the City to design and implement them in additional areas of the community. See Attachment 2 for more information about how this strategy could be implemented.

While there was no significant difference of support for Medium Density Residential Option A or Option B, Option B is more flexible and has slightly more support. There is a high degree of support for exempting smaller infill lots from either of these new standards.

Community input also resulted in a list of other strategies to consider to accommodate multi-family housing. Some of the most commonly suggested strategies are included on the tiered list of multi-family housing options previously provided to Council July 20, 2015. Comments on those that could impact the multi-family housing deficit are discussed in this report.

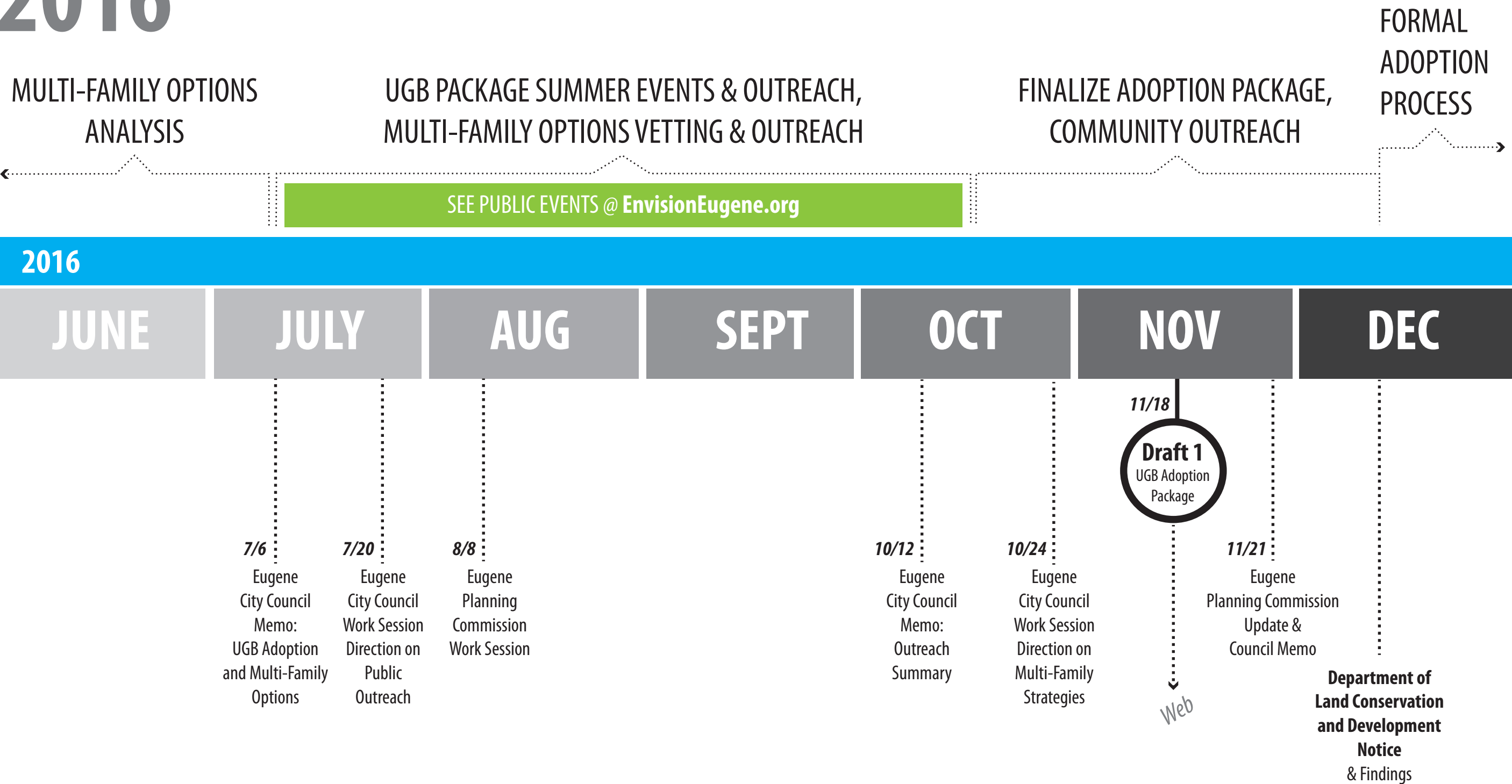
Some of the suggestions were directed at how housing develops (e.g. affordability and building design) without a clear relationship to solving our multi-family housing need. Community members indicated concern with potential impacts from infill development that would occur at increased densities under Option A or B. In either scenario there are concerns about adding more housing to established neighborhoods or rezoning single-family areas (despite the fact that Options A and B do not rezone single family areas). We also heard concerns about increased density (building design and off-site impacts), and concerns about the roles of city staff, neighborhood residents, and city-wide boards and commissions, in addition to concerns about equitable, fair planning processes.

From our work reaching out to underrepresented members of the community, we learned that people are interested in what the city is doing, and are happy to be asked for their opinions. Providing more information up front could increase the amount of input received and reduce uncertainty and misunderstanding. Focus groups with a broad range of people ahead of a questionnaire or input opportunity could be a good way to increase the input and provide learning opportunities about city projects. Finally, following-up with folks about why we do planning, what we are trying to achieve and how their input is being used is helpful even if people disagree with the outcome.

Envision Eugene UGB Adoption Package Timeline

UPDATED OCT. 7, 2016

2016



2017

