

FACTS RE THE PROPOSED SW-SAZ AND HOUSING NEEDS

As the City Council discusses the SW-SAZ, there should be no misunderstanding that the proposal is not in any way necessary to avoid expanding the Urban Growth Boundary. Put simply, if the SW-SAZ were killed entirely, there would be no impact on the UGB.

This was recently confirmed by City Planning Division staff and is documented in the staff's technical analysis.

SW-SAZ Interview with FAN Board member Josh Newman

<http://southeastneighbors.org/2015/10/05/sw-saz-interview-with-fan-board-member-josh-newman/>

Will [City planner] – City staff worked with the Envision Eugene Technical Resource Group of community members who have consulted on technical issues and we developed a tool to analyze redevelopment opportunities. So 2 or 3 years ago, we applied that tool and looked at what was the redevelopment potential for this area, what we found was that over the next 20-years, this code would create additional opportunities for 60 additional units. So three units per year of new redevelopment above and beyond what the current capacity would be. If a MUPTC or other incentive were added to the code, then we're talking about 250 additional units over the next 20 years, so 12 and a half units per year across the whole area.

Todd [Interviewer] – so is that residential dwelling units? Or some other type of unit?

Will – Yes residential dwelling units.

Todd – That doesn't seem like a lot!

Will – So what we are seeing in terms of technical critique is that it's the economics more than the code that will dictate what happens here. And that's why the code is pretty minimal as a redevelopment tool. Insignificant, really, as a redevelopment tool.

...

Todd – Okay but just a clarification because I think this might be another misconception...which is that development could occur and densification could occur one way or the other so adoption of the proposed rezoning has no bearing on pressure to expand the UGB, would you agree?

...

Jennifer – But you're right about the UGB.

Here is the most recent, official Planning Division staff statement regarding housing capacity.

Envision Eugene

Revised Housing Recommendation

March 2015

Planning for Housing

...

Recommendation

Based on the best available information and analysis, we have discovered that the number of single family homes that can fit inside the current urban growth boundary exceeds our 20 year need. We previously determined that all multi-family housing can fit inside the current urban growth boundary through additional efforts to increase redevelopment. As a result, the revised recommendation includes **no urban growth boundary expansion for housing.**

The following staff statement reveals that it is the economic factors, not zoning, that constrain multi-family housing capacity in the South Willamette area. The staff response doesn't mention that MUPTe cannot be expanded to the South Willamette area until relevant refinement plan policies are adopted by City Council. The City Attorney has written that adopting the SW-SAZ proposal would not satisfy this requirement. So the planning process that should precede code amendments would still have to be done (in a "horse-behind-the-cart manner) before the housing capacity of the South Willamette area could be increased.

POSTED ON THE CITY WEBSITE

Frequently Asked Questions (FAQ)

<http://or-eugene.civicplus.com/index.aspx?NID=2677>

What is MUPTe and why is it being proposed for this area?

Eugene's current economic climate (i.e. low average wages, high construction costs) make redevelopment very challenging for most development types. Student housing and medical offices are the only two types that make financial sense as redevelopment projects. Based on detailed analysis, however, other kinds of mixed use or housing are very unlikely to pencil out. Most of the new redevelopment projects we see downtown, for example, are enabled by public-private partnerships and wouldn't be possible otherwise. The same is true in the **South Willamette Area, where conditions do not support mixed use, multi-story redevelopment.** For this reason, the City Council is proposing to extend the Multi-Unit Tax Exemption (MUPTe) to the South Willamette Area. This will help close the "financial feasibility gap" for a few projects over the years **and help the community avoid expanding the Urban Growth Boundary.**

STAFF REPORT POSTED ON THE CITY WEBSITE

Redevelopment Expected to Occur as a Result of New Zoning in the South Willamette District

February 10, 2014

Overview

A fundamental goal of the South Willamette Concept Plan (SWCP) is to accommodate new businesses and dwelling units (DU) into the district while reinforcing existing development patterns and enhancing compatibility among different uses. The proposed zoning, as part of the SWCP, establishes a framework for how and where new development can meet future needs while remaining within an appropriate scale for the neighborhood. The new SWCP zones can be summarized into three general categories:

...

3. Single Family Options (SFO): Small single family housing developments, such as rowhouses or cottage clusters, located on one or more lots. This form of housing maintains existing allowed densities in single family areas while offering a less common, but increasingly popular, housing option.

NOTE: This is very misleading. The reduced lot sizes allow much higher densities than in R-1 and conflict with the Metro Plan Low Density Residential designation.

Estimated Impact of New Zoning on Redevelopment Activity

In short, because the market feasibility gap remains so large for higher-intensity uses, new zoning alone does not significantly alter the baseline levels of expected redevelopment in the South Willamette District.

NOTE: And, as a result not adopting the new zoning would not impact the UGB.

Estimated Impact of Lease/Rent Rates on Redevelopment Activity

Note that the total anticipated growth of 250 new DU in South Willamette over the next 20 years per the SWCP can be achieved at a rate just above \$1.33/SF/month, assuming external factors such as construction costs and the application of public financial investment tools remains unchanged.

NOTE: "[A] rate just above \$1.33/SF/month requires a 21% increase in rents and would mean \$1,064 per month rent for an 800 s.f. apartment]

A previous study of three specific properties along South Willamette Street determined that parking requirement reductions in the code, even in scenarios that also included a 22' front setback, increase redevelopment capacity between 156%-283%; for more information, see the 09-04-13 Public Workshop Meeting Report for The Long-Term Vision for South Willamette Street.

NOTE: The SQ-SAZ parking requirement is only 1 space for every two apartments, or up to six bedrooms. Section 9. 3858 (10)(b) allows this to be reduced to one space for every four apartments. The net effect of the analysis above would be double or more the number of residents while providing with less parking, thus exacerbating the negative impact of excess demand for on-street parking.

The staff filing to the Oregon Department of Land Conservation and Development contains disturbingly contradictory statements regarding the role of SW-SAZ. Thus far, the Planning Director has failed to reconcile these inconsistencies.

DLCD NOTICE SUBMITTED BY THE CITY

Findings for Adoption of the South Willamette Special Area Zone

The overall intent of the adoption package is to ... **transform the district** into a vibrant, multi-modal, pedestrian-friendly, mixed-use neighborhood. ...

More specifically, these amendments are **necessary** as part of the City's *Envision Eugene* strategies to **accommodate all of the future need for multi-family housing** (medium and high-density residential) and commercial land inside the current urban growth boundary (UGB) during the next 20-year planning period.

*NOTE: This claim is **inconsistent with the March 2015 analysis** presented to the City Council.*

The proposed amendments and zone changes are, however, a **necessary** part of the City's *Envision Eugene* strategies **for accommodating all of the City's future need for commercial land** inside the current UGB during the next 20-year planning period.

NOTE: There is no supporting data or analysis for this claim. In fact, the prevailing C-2 zoning already allows much more intensive development than the proposed changes to commercial areas.

but the proposed amendments are a **necessary** part of the City's *Envision Eugene* strategies to **accommodate all of the City's future 20-year need for multi-family housing** (medium and high density residential) inside the current UGB during the next 20-year planning period.

*NOTE: This claim is **inconsistent with the March 2015 analysis** presented to the City Council.*

the City proposes to formally designate the subject area consistent with the provisions of OAR 660-012-0060(8) and (10) as a Multi-Modal Mixed Use Area (MMA) ...

OAR 660-012-0060(10) ... a local government may amend a functional plan a comprehensive plan or a land use regulation **without applying performance standards related to motor vehicle traffic congestion** (e.g., volume to capacity ratio or V/C), delay or travel time ...

*NOTE: Although it hasn't received much public attention, the tactic of designating the area as an MMA allows **the City to avoid traffic performance standards**, including the impacts of additional resident vehicle use and reduced off-site parking.*

Some parcels in the subject area **will be preserved at low densities** while other parcels will be re-designated as low-medium, medium, or high density residential.

the low-medium residential designation is a new designation created according to the direction of [Metro Plan] Policy A.9, providing an intermediate option between low and medium residential densities and to specifically implement the newly proposed Single-Family Options (SFO) zoning subdistrict.

NOTE: These statements are highly deceptive. The truth is that by allowing much smaller lots sizes in the SFO zone, the effective density will be increased above the Metro Plan LDR maximum, in violation of ORS.

[Proposed deletion of sentence in South Willamette Subarea Study refinement plan] **Recommendation 6** ~~The zoning and planned use designations for the remainder of the study area should remain as is.~~ In particular, the The area on the east side of Willamette Street between 19th and the Civic Stadium property is an appropriate area for medium density residential development. The area on the east side of Willamette between 19th and 18th is appropriately designated and zoned as commercial.

NOTE: Removing the first sentence would affect areas outside the SW-SAZ. Furthermore, this shows that a long-standing plan policy has been to not change the R-1 zoned areas.