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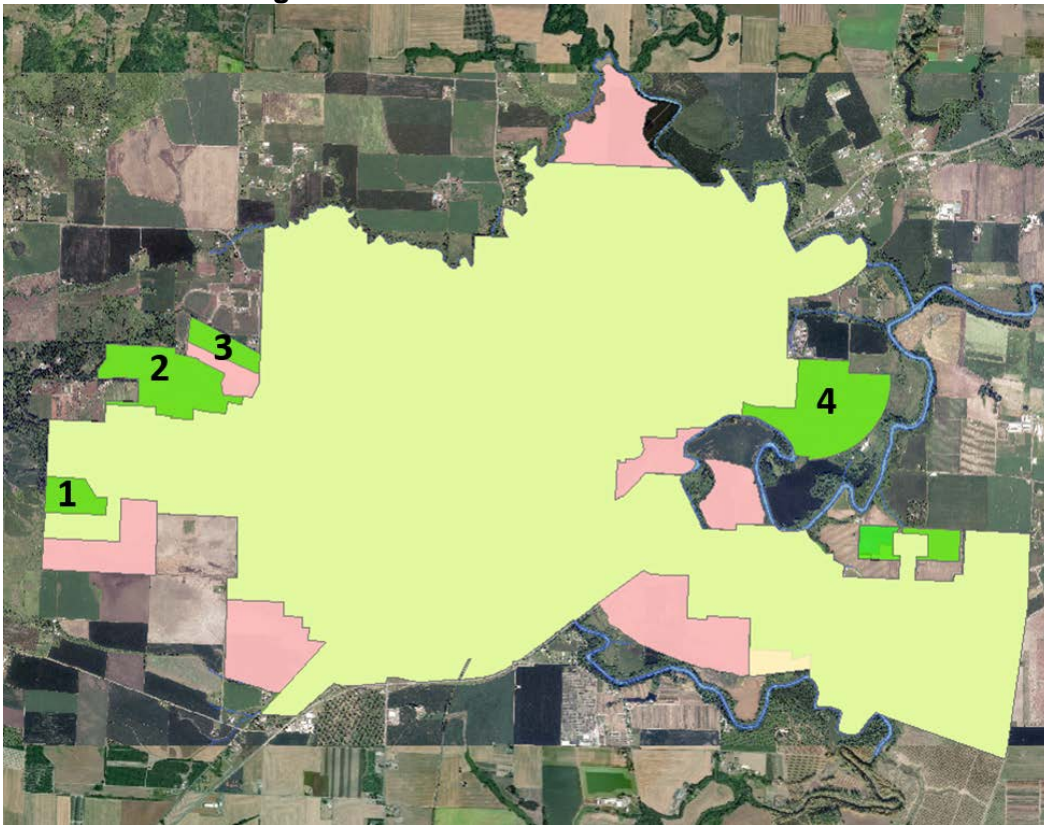
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## MEMORANDUM

**DATE:** January 16, 2019 Meeting  
**TO:** City Council and Housing Project Advisory Committee (PAC)  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** Buildable Lands, Housing Needs, Housing Strategy Update

This memo provides an update with a high level overview of the major work tasks and findings to date. Work is ongoing, and more in-depth data and detail regarding process can be found in materials on the project website.

### What are we starting with?



Numbers indicate areas with residential plan designations which were previously added to the UGB  
Green + Yellow = Current UGB

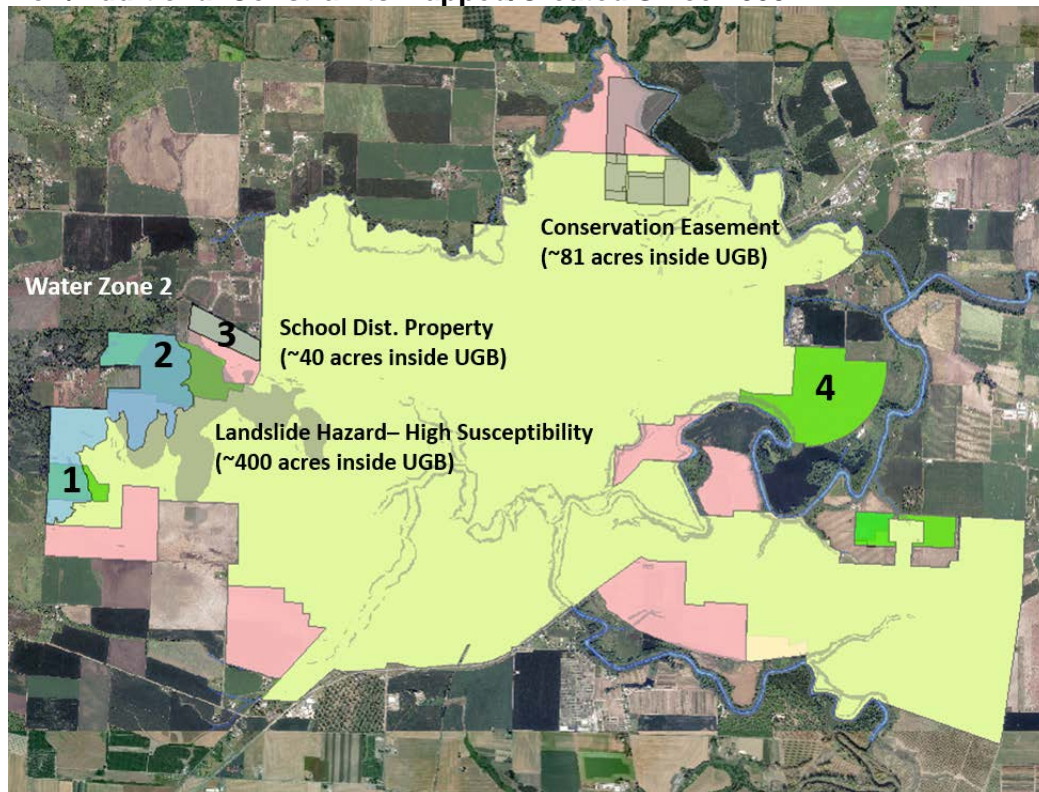
Yellow: UGB before expansion. (~7,048 "polygon" acres)

Green: Areas added to UGB to meet 2003-2023 needs (+~483 "polygon" acres)

Red: Areas ultimately not added to UGB to meet 2003-2023 needs (+~836 "polygon" acres)

- In 2003, the residential need analysis for 2003-2023 identified a need for about 6,014 new dwelling units to meet needs through 2023, requiring a total of about 1,400 acres of residentially zoned land for residential uses, with a deficit of 537 acres to be added to the UGB for residential uses in residential plan designations. The additional 537 acres would accommodate 3,065 of the 6,014 needed dwellings, at an average density of 5.7 dwellings/gross acre, with a 60/40 housing mix. The 60% included single-family detached dwellings, while the 40% included multi-family and single-family attached housing. The 537 acres was a portion of a total deficit of 1,035 acres of residentially designated land to be added to the UGB for residential and other uses forecast to occur on residential land (group quarters, parks, schools, public facilities, religious uses, etc.). The total land need for all of these uses on residential land, with the available land in the UGB plus additional land was 1,538 acres of residentially designated land. This reflected 242 acres, or 15% efficiency, to reduce the need from a total of 1,780 residentially designated acres. This didn't include the need for uses on commercially and industrially designated land.
- Ultimately, approximately 483 gross acres in 5 areas were finally added to the UGB. This included the following:
  - 423 acres in 4 areas with residential plan designations
  - 60 acres in 1 area with a commercial plan designation (There was a later 30 acre UGB exchange of commercial land in 2008).
- Additional acreage totaling approximately 836 acres in 7 additional areas, proposed for inclusion to meet the identified land needs for 2003-2023, was subsequently removed from the UGB upon appeal.

**New/Additional Constraints Mapped/Created Since 2003**



- Since 2003, additional constraints and/or potential constraints were identified or established on lands, including lands added to the UGB and lands already within the UGB:
  - Approximately 40 acres added to the UGB are owned by the School District, and are not available for residential development (Area 3 on map).
  - Approximately 81 acres in the existing UGB became subject to a perpetual conservation easement (as did a portion of adjacent lands now outside the UGB).
  - Areas identified as high landslide susceptibility hazard were mapped, including areas within the UGB and lands added to the UGB, including approximately 126 acres of the approximately 158 acres added to the UGB labeled as Area 2 on the map. This hazard designation also applies to lands already in the UGB. In total, this subject area within the current UGB is estimated at close to 400 acres, not including areas along the banks of streams. (Areas mapped as moderate and low landslide susceptibility hazard are not included on the map above).
- A significant portion of Areas 1 and 2 added to the UGB, as well as lands already in the UGB, are within water service Zone 2, and those lands won't be available for development until a new reservoir serving Zone 2 has been developed. The portion of Zone 2 within the UGB includes approximately 287 acres, including approximately 270 vacant and partially vacant acres, before deducting constraints. (Properties with a least a portion of their areas within Zone 2 total 382 acres). Water service Zone 2 poses a timing constraint for development. It is unlikely that a Zone 2 reservoir would be constructed until there is a decision about growth areas that will affect the sizing and funding of construction. (Zone 2 also includes a portion of the lands mapped within the high susceptibility landslide hazard area).
- Since 2003, additional capacity has also been provided in the UGB through upzones of some properties, and through re-designation of some non-residential lands to residential designations.

### **What needs are we planning for?**

We are planning for housing needs for the short, medium, and long term. State law requires the standard planning process to address needs for a 20-year period. The 20-year planning period is 2021-2041, starting approximately when the city could expect to have a program in place to address the need, yet prior to the next round of population forecasting from Portland State University. We have also opted to evaluate shorter- and longer-term needs, including 5-, 10- and nearly 50-year needs. Housing needs must be based on the official population forecast issued by Portland State University, shown below. Key years and intervals are shown which relate to the planning periods.

**PSU Population Forecast for McMinnville UGB**

<b>July 1</b>	<b>Forecast</b>
<b>Year</b>	<b>Pop.</b>
2017	34,293
2018	34,759
2019	35,231
2020	35,709
2021	36,238
2022	36,776
2023	37,321
2024	37,875
2025	38,437
2026	38,985
2031	41,813
2041	47,498
2067	62,803

Based on the population forecast, the population change for different periods is shown below. On average, this is roughly 560 additional people per year.

<b>Population Forecast</b>						
<b>Change</b>						
2018-2021	3 Years	1,479	1,479	1,479	1,479	1,479
2021-2026	5 Years		2,747	2,747	2,747	2,747
2026-2031	5 Years			2,828	2,828	2,828
2031-2041	10 Years				5,685	5,685
2041-2067	26 years					15,305
<b>SUM</b>		<b>1,479</b>	<b>2,747</b>	<b>5,575</b>	<b>11,260</b>	<b>26,565</b>
		<b>2018-2021</b>	<b>2021-2026</b>	<b>2021-2031</b>	<b>2021-2041</b>	<b>2021-2067</b>

The public process is guided by a Project Advisory Committee, and the committee guides the decision-making, with review and direction on assumptions and methodologies regarding the housing needs analysis, buildable lands inventory, and housing strategy.

Using the population forecast, housing needs are calculated, accounting for average household size, vacancy rates, and share of population that are forecast to live in group quarters. On average, this is roughly 220 new dwelling units per year. This doesn't include persons forecast to live in group quarters, which is added back when calculating land needs for group quarters.

<b>Housing Need</b>						
<b>New Units Needed</b>						
2018-2021	3 years	581	581	581	581	581
2021-2026	5 Years		1,078	1,078	1,078	1,078
2026-2031	5 Years			1,111	1,111	1,111
2031-2041	10 Years				2,232	2,232
2041-2067	26 years					6,010
<b>SUM</b>		<b>581</b>	<b>1,078</b>	<b>2,189</b>	<b>4,421</b>	<b>10,431</b>
		<b>2018-2021</b>	<b>2021-2026</b>	<b>2021-2031</b>	<b>2021-2041</b>	<b>2021-2067</b>

The **housing need** provides much more detail about the needs of different households and housing affordability. The identified housing need is also used to estimate residential land needs. It provides the basis for estimating the housing mix and overall average density based on analysis of historic trends as well as estimation of housing that will be affordable to people at all income levels.

The **residential land need** is the “demand” side of the equation. The residential land need typically accounts for all land uses that may locate on lands with residential comprehensive plan map designations. It also accounts for assumptions about residential development that may occur on commercial lands that allow for residential use, whether as a separate use or as part of mixed use development.

The **buildable land inventory** provides the “supply” side of the equation. This is compared to the residential land need to determine if there is surplus or deficit of buildable lands in the UGB.

The **housing strategy** includes qualitative and quantitative aspects. If there is a deficit of land, the city must determine how it can meet more of the need inside the UGB, expand the UGB, or a combination of the two in order to meet identified needs. The qualitative aspect of the housing strategy includes policy about how the city wants to meet the identified needs in a way that creates quality neighborhoods with enduring value.

**How does the Buildable Land Inventory (BLI) work?**

The inventory identifies the total acres of land inside the UGB. For a full urbanization report, this would look at all land use types on lands within all comprehensive plan map designations. A residential BLI looks at a narrower set of issues: what lands are available for uses that are forecast to locate on residentially-designated lands, and what commercial lands are available for residential use?

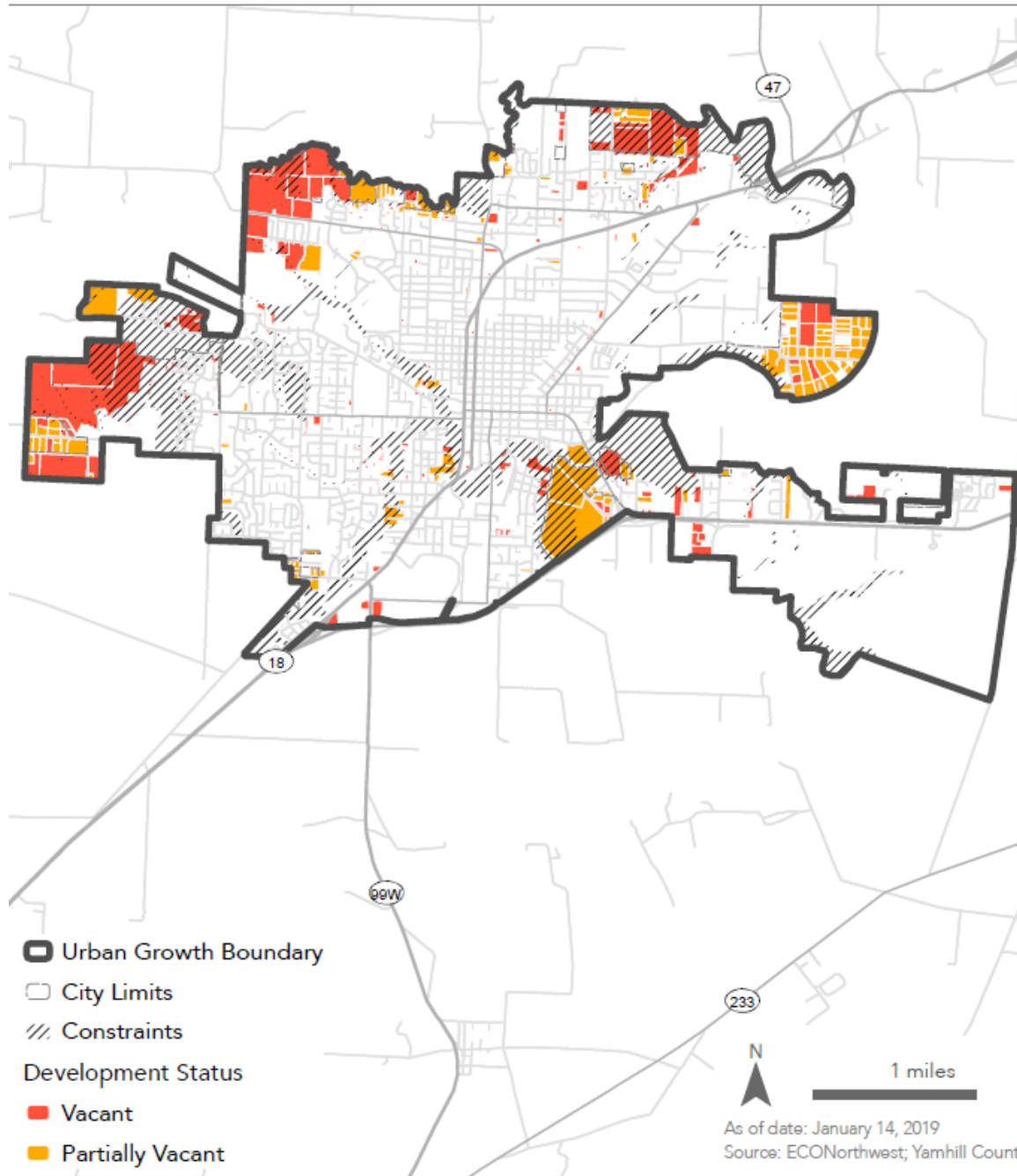
The sites are classified as developed, partially vacant, and vacant. In addition, assumptions are made about the extent of infill and/or redevelopment that may occur. Buildable lands are identified, and constraints are identified, such as natural features, hazards, and sites which can’t be provided with services. Once this is accounted for, residential capacity calculations are made and assigned to properties. This is then compared to the residential need to determine if there is a surplus or deficit of lands in the UGB to meet needs. Efficiency measures can be adopted to accommodate more of the need on those lands.



## Buildable Lands

# McMinnville Buildable Lands Inventory

## Buildable Land by Development Status



***Development Status with Constraints***

Zone/Plan Designation	Total acres	Committed acres	Constrained acres	Buildable acres
<b>City Limits, by Zone</b>				
R-1 Single Family Residential	824	595	147	82
R-2 Single Family Residential	1,200	990	156	55
R-3 Two Family Residential	386	347	33	6
R-4 Multiple-Family Residential	664	529	114	21
O-R Office/Residential	25	22	2	0
C-3 General Commercial	613	535	17	61
<b>UGB, by County Zone or Plan Des.</b>				
EF-80 (County Zone)	117	18	31	68
LDR9000 (County Zone)	3	0	0	3
VLDR-1 (County Zone)	3	1	0	2
Residential Plan Des.	533	55	253	224
<b>Zone 2</b>	<b>382</b>	<b>8</b>	<b>174</b>	<b>200</b>
<b>Total</b>	<b>4,749</b>	<b>3,100</b>	<b>928</b>	<b>721</b>

Of the 721 buildable acres identified, approximately 61 buildable acres are in commercial plan designations, and the majority of those lands will likely develop with commercial use. The remaining 660 buildable acres are within a residential plan designation. Of that, approximately 200 acres are in water service Zone 2, and will be unlikely to be available for development prior to construction of a Zone 2 reservoir and water infrastructure. Not all of the 660 buildable acres of residentially designated land will be available for residential development. The 660 acres is gross acres, from which right-of-way will be deducted. In addition, some non-residential uses will locate on property with residential plan designations. For illustrative purposes only, a 20% deduction for street right-of-way would be about 132 acres, leaving net acreage of about 528 acres of land in residential plan designations for residential and non-residential use. Once final calculations have been made for gross to net adjustments and acres in non-residential use, capacity and density factors will be applied to properties to determine the aggregate capacity of those lands.

**Next Steps**

Through the established public process, work will continue on the housing mix and average density analysis, on review of the capacity analysis in the buildable lands inventory to identify baseline surplus/deficit, and on the housing strategy.

A key decision point is whether the scope should be amended to a full urbanization study to account for all land uses and all needed plan designations (residential, commercial, industrial, public, and semi-public). This would provide for comprehensive accounting of all land needs for a common planning period. It would also provide the information needed to allow for planning of areas and neighborhoods with a mix of uses, consistent with Great Neighborhood Principles.