

PAC MEETING #3, EXHIBIT #2

DATE: December 18, 2018
TO: McMinnville Buildable Lands Inventory, Housing Needs Analysis, and Housing Strategies Public Advisory Committee (PAC)
CC: Heather Richards and Tom Schauer
FROM: Bob Parker and Beth Goodman
SUBJECT: PROJECT BACKGROUND – RESIDENTIAL BUILDABLE LANDS INVENTORY, HOUSING NEEDS ANALYSIS, AND HOUSING STRATEGY

This memorandum provides background information for McMinnville’s Buildable Lands, Housing Needs Analysis, and Housing Strategy (“the project”).¹

What is this project about?

Housing affordability is a pressing issue in McMinnville. The city last looked at housing needs in 2001. The City has been working to address immediate issues related to homelessness and housing affordability. This project will take a forward look at the city’s current and future housing needs for all citizens across the income spectrum and how to plan ahead to address them. The city’s Comprehensive Plan and official planning documents still reflect a Housing Needs Analysis adopted in 2001 and a revised Residential Buildable Lands Inventory adopted in 2003². The study has three parts:

1. **Residential buildable lands inventory (BLI).** In Oregon, cities have Urban Growth Boundaries (UGBs) which must accommodate residential, employment, and other land needs for the next 20 years. The Residential Buildable Land Inventory will identify how much land within the UGB is already developed and how much remains available to meet future housing needs. It will answer the questions of
 - o How much land does the city currently have to accommodate new housing?
 - o How much new housing can that land accommodate?
2. **Housing needs analysis (HNA).** The Housing Needs Analysis will identify “what” the needs are. It is based on an official population forecast, and it will identify the number and characteristics of households the city needs to plan for today and in future years. Further, it will identify the different types and mix of housing to meet the needs for McMinnville’s households of different income levels. Based on this information, it will identify how much land will be needed for different housing types. It will compare the capacity of the current residential buildable land supply

¹ This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

² In 2003 the city adopted a revised BLI as part of the larger McMinnville Urban Area Growth Management and Urbanization Plan which included the UGB expansion.

in the UGB to the identified residential land need to determine if current plans and policies will meet these needs. If the needs won't be met, the City must develop new plans and policies to meet the need - within the UGB, through a UGB expansion, or a combination of the two. The HNA will answer the following questions:

- What housing has been built in the recent past?
 - How much will McMinnville grow and how much new housing will be needed to accommodate that growth?
 - What types of housing do current and future residents need?
 - Does the city have enough land to accommodate housing for the next 20 years?
3. **Housing strategy.** The Housing Strategy will identify “how” to address identified housing needs. The Housing Strategy will establish policies to meet the identified needs in ways that will provide housing choice for McMinnville’s citizens, providing a livable community of great neighborhoods. The project will identify potential strategies to address community needs now and in the future. This task will include preparation, and ultimately adoption of plan and code amendments.

Background & Context

The City of McMinnville initially adopted a UGB in January 1981, intended to meet needs for a 20-year period from 1980-2000. The City of McMinnville last initiated a Housing Needs Analysis in 2000 for a planning period of 2000-2020 as part of a comprehensive review of its 20-year needs. In 2007-2008, the City submitted a UGB amendment to DLCDC for inclusion of 1,188 gross acres resulting in a total inclusion request of 890 buildable acres (of which 537 buildable acres were designated to meet identified housing needs) in addition to adoption of a number of land use efficiency measures.

This UGB amendment was subsequently appealed on a number of issues. The key issue was that the Court of Appeals found that the city had not justified its inclusion of prime and high-value farmland, instead of rural residential “exception” areas, and agricultural areas of poorer soils.

Final action on the appeal was a Court of Appeals remand in July 2011 approving inclusion of only 216.8 buildable acres of exception only land in the UGB, meeting a portion of the identified housing need, with the other 320.2 acres of identified buildable residential need remaining unmet. The city has approved some plan amendments and rezones since that time from lower to higher density residential designations. Other than some smaller non-residential to residential plan amendments and zone changes, no additional land has been added to the residential plan designation since land was added in 2007-2008.

Annexation of residentially designated land within the unincorporated UGB has been subject to voter approval since an initiative passed in May 1996 until the practice was overturned

statewide. Annexations of land in McMinnville during that twenty-year timeframe total 468.4 acres with at least 189.9 of those acres designated for uses other than housing.

What is statewide planning Goal 10?

McMinnville also has obligations to comply with Oregon’s statewide planning rules. Statewide Planning Goal 10 requires cities to plan for housing needs³. It states:

Goal 10: To provide for the housing needs of citizens of the state.

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

A plain English explanation of the goal is that cities must provide enough land to accommodate needed housing for people at all income levels.

What goes into a buildable lands inventory, housing needs analysis and housing strategy?

The Housing Needs Analysis and Buildable Lands Inventory will answer several questions:

- How much will McMinnville grow in the next 5, 10, 20 and 50 years?
- How much housing does McMinnville have now? What are the characteristics of the existing housing supply such as housing type, cost, location, and others?
- How many new homes will be needed to accommodate projected growth? How many of each residential structure type (e.g., single family, multi-family, etc.) are required?

³ 197.303 “Needed housing” defined. (1) As used in ORS 197.307, “needed housing” means all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development under 42 U.S.C. 1437a. “Needed housing” includes the following housing types:

(a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and

(e) Housing for farmworkers.

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- How many acres of residential land in the McMinnville Urban Growth Boundary are vacant and buildable?
 - Does the community have enough land to accommodate the projected households?
 - What policy options does the city have to accommodate the needs of all current and future households? What strategies can the city implement and adopt to address identified needs.

What is the project schedule?

The project started in July 2018 and will finish in May 2019. At this time the City should have an adoption ready Buildable Lands Inventory, Housing Needs Analysis and Housing Strategy, at which time the City will start a public process of consideration with the intent of using the results as the foundation to plan for Urban Reserve Areas (URAs) in 2020, and for an Urban Growth Boundary (UGB) amendment by 2022 if warranted.

Who makes decisions and provides input?

The City established a Project Advisory Committee (PAC) to provide input throughout the project. The PAC will guide the project process, will provide direction on key assumptions, and will ultimately make recommendations to the McMinnville Planning Commission and City Council. The City Council will ultimately make decisions about changes to housing policies.

Will there be opportunities for me to be involved?

Yes! The City will organize two public workshops to present results of the study and potential policy options for your input at key points in the process. Those workshops are tentatively scheduled for January 2019 and March 2019. The City has also established a Project Advisory Committee (PAC) for the project that will be meeting regularly over the coming months. You can access information about the PAC as well as project materials on the city website:

<https://www.mcminnvilleoregon.gov/planning/page/buildable-land-inventoryhousing-needs-analysishousing-strategy>

You can also provide direct input to Tom Schauer, the city's project manager at 503-474-5108 tom.schauer@mcminnvilleoregon.gov