

TO: Eugene City Council

FROM: Envision Eugene Technical Resource Group (Sue Prichard, Shawn Boles, Mia Nelson, Britany Quick-Warner, Ed McMahon, Josh Skov, Rick Duncan)

SUBJECT: Urban Growth Boundary Expansion Analysis for Single-Family Homes

DATE: December 10, 2014

The Technical Resource Group (TRG) reviewed analysis prepared by City staff concerning an Urban Growth Boundary expansion analysis for single-family homes on October 23, 30 and November 20, 2014. This review included:

- An overview of the methodology for estimating the housing capacity of the study areas
- An overview of the state requirements for the UGB expansion analysis process
- An explanation of how several study areas were excluded from further consideration per the state required process
- An overview of the three remaining study areas under consideration:
 - Bailey Hill/Gimpl Hill
 - Crest/ Chambers
 - Bloomberg/ McVay
- Cost estimates for providing major infrastructure to the three remaining study areas under consideration at both a study area scale and disaggregated to portions of each study area

The TRG is in general agreement with staff's analysis that led to consideration of the three remaining study areas. The TRG would also like to pass along the following information that is relevant to Urban Growth Boundary expansion decisions.

Population Forecast. The 20-year need for both single-family and multi-family housing is most likely being undercounted as a result of the currently adopted population forecast. This forecast attributes too much of the county-wide population to the smaller cities in Lane County, and does not reflect Eugene's historical share of the county-wide population. Additionally, the potential for climate refugees is not taken into consideration in the current forecast. While a new forecast is underway by Portland State University, the TRG does not recommend using these new figures in the current UGB expansion process. In addition to waiting until mid-2015 for the new forecast to be official, the 20-year planning horizon would need to be updated to 2015 which would require updating much of the technical analysis to date.

Development Challenges. Based on maps that show what properties currently have homes in each of the study areas (using address points as an indicator of existing homes), the TRG had the following observations. The Bailey Hill/ Gimpl Hill study area and the Crest/ Chambers study area are characterized by lots that are sizeable and many of which have large homes located on them. These homeowners may choose not to subdivide their properties either because they enjoy their current

lifestyle or because the cost to develop their property is too high. The Bloomberg/ McVay study area is characterized by lots that are smaller in size with a narrow and deep configuration and a majority of those lots are already developed. Given existing development, costs to serve, lot configurations and surrounding topography, a majority of these lots also may not prove to be sub-dividable in the future.

Although the TRG noted significant logistical problems and alarmingly high infrastructure costs in all study areas and sub-areas reviewed, the TRG agreed that two sub-areas within the Bailey Hill/Gimpl Hill study area (BG-1 and potentially BG-2) would be the most cost-effective and logical to include in a UGB expansion for single-family homes. Infrastructure investment that is required to serve areas already inside the UGB would be further leveraged by expanding into these two sub-areas. Estimates for all other study areas and sub-areas indicated excessively large infrastructure investments compared to the number of units served. *Note: The mechanism to fund the extension of capacity enhancing infrastructure to expansion areas is System Development Charges (SDC's). Under current practice, these new costs would be paid for through system-wide collection of SDC fees. The TRG recommends that other funding mechanisms are considered to offset costs of infrastructure.*

Urban Reserves. The 20-year planning horizon is a relatively short time-period when considering the expense of infrastructure. This is particularly true when the number of single-family homes that require a UGB expansion is relatively small and the cost of extending infrastructure to the study areas is relatively high. Urban Reserves allow communities to plan for a 30 to 50-year time horizon, thereby making decisions that take the longer-view and a more comprehensive approach into consideration. While Eugene's 20-year UGB must be adopted before Urban Reserves can be established, the same analysis can be used thereby leveraging the work done to date. The TRG is unanimous in its recommendation to pursue Urban Reserve planning.