



**HOUSING NEEDS ANALYSIS PROJECT ADVISORY COMMITTEE
DECEMBER 20, 2018 2:00 PM
NEWBERG CITY HALL
414 EAST FIRST STREET**

- I. Call Meeting to Order
- II. Introductions (10 min)
- III. Overview of Housing Needs Analysis (ECO - 20 min)
- IV. Desired Outcomes (Committee - 30 min)
- V. Buildable Lands Inventory (50 min)
 - a. Methods
 - b. Preliminary Results and Maps and Tables
 - c. Discussion
- VI. Next Steps
- VII. Public Comment
- VIII. Adjournment

QUESTIONS? COME TO THE COMMUNITY DEVELOPMENT DEPT. AT 414 E FIRST STREET, OR
CALL 503-537-1240

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the Office Assistant II of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the Office Assistant II at (503) 544-7788. For TTY services please dial 711.

Memorandum of Understanding between the Oregon Dept. of Land Conservation and Development and the City of Newberg

Oregon Housing Planning Project – Housing Needs Analysis

This Memorandum of Understanding explains and memorializes a no-cost working relationship between the Oregon Department of Land Conservation and Development (DLCD) and Newberg (City). The purpose of this collaboration is to update the City's Housing Needs Analysis (HNA).

I. BACKGROUND

Every region of Oregon is experiencing housing availability or affordability problems, or both. In some cases, the comprehensive plan for the urban area is out of date so housing needs have not been determined. In other cases, the need may be known but the zoning code presents barriers to the development of needed housing or does not allow a variety of housing types to meet the diverse needs of residents.

DLCD will provide technical assistance (via a Consultant) to the City for the purpose of increasing the supply and affordability of housing within the boundaries of the City. Technical assistance will be provided to complete products needed to update comprehensive plans and zoning codes, or adopt other housing strategies, to help ensure that the City can satisfy its housing needs. DLCD will hire consultants to also provide a code audit or code update to help ensure the zoning code allows, and does not include barriers to, development of needed housing.

DLCD has received a special appropriation of funds for 2018-2019 to assist cities in updating their comprehensive plans and land use regulations to promote housing availability and affordability. The Oregon Housing Planning Project (Project) is financed with State of Oregon General Funds. State funds are paid under this Agreement by DLCD to ECONorthwest (Consultant), who will assist the City as described in the Scope of Work below. No funds will be given to the City for tasks outlined in this MOU or any expenses incurred by the City as a result of this Project.

II. PROJECT OBJECTIVE AND MAJOR DELIVERABLES

The primary objective of this Project is to prepare hearings-ready draft comprehensive plan amendments to update the HNA for the City. This includes the completion of the following deliverables:

- A BLI (Buildable Lands Inventory)
- A housing needs projection
- An RLNA (Residential Lands Needs Analysis)
- Identification of measures for accommodating needed housing

City adoption of the amendments is not anticipated to occur during the Project. The specific tasks and deliverables for the City of Newberg are outlined below in Section 5.

III. ROLES AND RESPONSIBILITIES

City: Overall management of the Project will be the responsibility of the City. City will appoint a Project Manager to be the City's principal contact person for DLCD's Contract Administrator and the Consultant on all matters dealing with the Project.

Specific project management duties of the City will include:

- a. Coordinating project schedule and deliverables with Consultant;
- b. Coordinating City staff and Consultant work;
- c. Ensuring the timely delivery of supporting data/information to Consultant;
- d. Reviewing and editing Consultant work;
- e. Appointing one or more project advisory committee(s);
- f. Noticing, scheduling, and managing advisory committee meetings and public official work sessions and public hearings, if any. Activities include preparing and distributing meeting notices, agendas, and summaries; and assisting the Consultant with meeting facilitation.

DLCD: DLCD will provide financial, administrative, and technical assistance to the Project. DLCD will participate in advisory committees. Additional technical assistance may be provided as requested by the City or Consultant. DLCD will review and approve Consultant's work, invoices, and progress reports. DLCD will review the Consultant's performance and deliverables with the City prior to paying invoices received by the Consultant. DLCD will assist in the mediation of Consultant/City conflicts, or issues with the project or deliverables.

IV. KEY CONTACTS

City of Newberg

Doug Rux
Community Development Director
414 E First St
Newberg, OR 97132

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503-537-1212

City of Newberg

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414 E First St
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503-554-7778

Department of Land Conservation and Development

Project Manager
Kevin Young
635 Capitol St. NE Ste. 150
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503-934-0030

Regional Representative

Angela Carnahan
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angela.carnahan@state.or.us
503-934-0056

Consultant

Beth Goodman, Project Manager
ECONorthwest
222 SW Columbia Street, Suite 1600
Portland, OR 97201

goodman@econw.com
541-505-7203

V. SCOPE OF WORK

This Project for the City of Newberg is composed of the following tasks. The City and Consultant must create interim project deadlines as needed to manage the Project (see Task 1). All Consultant work must be completed no later than June 30, 2019. Requests by the City or Consultant to change the Scope of Work outlined in this MOU, intended to modify the tasks or deliverables of the Consultant, must be reviewed and approved by DLCD.

Task 1: Project Kick-Off

The purpose of the project kick-off is for Consultant to become familiar with local conditions and with City's planning documents, for the parties to confirm the purpose, goals, and objectives of the project. Consultant will contact City via a conference call to ask preliminary questions, establish project expectations, refine the project schedule, and familiarize itself with city-specific concerns. The consultant will also be expected to provide input on public outreach strategies which the city can employ to engage the public on the value of the housing needs analysis. Consultant will verify the action items identified through this initial conference call with the participating city and will develop and share a proposed schedule for the actions required for the completion of all tasks. The level of detail required for the proposed project schedule should be determined and with mutual agreement by the City and the Consultant.

Task 1 Consultant Deliverables:

- Project Charter Memorandum
- Summary of major tasks and action items for the Project
- Proposed Project schedule

Task 1 City Deliverables:

- 1.1 Copy of relevant comprehensive plan and code sections
- 1.2 Building permit and housing data to support the HNA
- 1.3 Information from the Housing Newberg Work Group
- 1.4 Information from Newberg's Affordable Housing Task Force (2009) and Affordable Housing Commission
- 1.5 Information from the 2016 Newberg Downtown Improvement Plan and in process Riverfront Master Plan

- 1.6 Prepare project website
- 1.7 Project Advisory Committee appointments

Deadline: Kick-off conference call to be held on or before September 31, 2018

Task 2: Buildable Lands Inventory (BLI)

Consultant will provide project overview and present project schedule at this initial meeting for the Project Advisory Committee. Consultant will also prepare a draft inventory of buildable land consistent with OAR Chapter 660, Division 8. The BLI will be used to determine the City's residential land need in Task 4. The BLI will be refined based on discussion with the Project Advisory Committee at one or two committee meetings.

City will schedule, provide notice and an agenda for initial Project Advisory Committee meeting and subsequent ones if needed, to provide project overview, establish the role of the committee and review the draft BLI product. Consultant will coordinate with City on meeting arrangements and facilitate the Project Advisory Committee meeting. The Project Advisory Committee may consider more than one deliverable at a meeting.

Task 2 Consultant Deliverables:

- Preliminary Draft BLI
- Presentation materials to explain preliminary draft BLI analyses and findings to the Project Advisory Committee
- Facilitate Project Advisory Committee meeting, provide meeting summary notes and other relevant documents (**meeting 1**)
- Presentation materials to explain preliminary draft BLI analyses and findings to the public and interest groups
- 2nd Project Advisory Committee meeting to present final draft BLI (**contingent meeting, if needed**)
- Facilitate 2nd Project Advisory Committee meeting and provide summary notes and other relevant documents

Task 2 City Deliverable:

- 2.1 Project Advisory Committee meeting notice(s) and agenda(s)
- 2.2 Briefing to Planning Commission
- 2.3 Briefing to City Council

Deadline: Draft BLI, Initial Project Advisory Committee meeting, and contingent meeting if needed to be held on or before December 15, 2018.

Task 3: Housing Needs Projection

Consultant will prepare a draft housing needs projection which will be used to determine the City's residential land need in Task 4. The 20-year housing needs projection must be consistent with the requirements for determining housing needs in Goals 10 and 14, OAR chapter 660, division 8, and applicable provisions of ORS 197.295 to 197.314 and 197.475 to 197.490. The

projection findings will be shared and refined based on discussions with the Project Advisory Committee at one committee meeting.

City will schedule, and provide notice and an agenda, for one Project Advisory Committee meeting to review the draft housing needs projection product. Consultant will coordinate with City on meeting arrangements and facilitate the meeting. The Project Advisory Committee may consider more than one deliverable at a meeting.

City will schedule at least one public workshop or open house to present draft housing needs and buildable lands data and findings. City will solicit input from the public on the draft deliverables. Consultant will coordinate with City on meeting arrangements and facilitate the public workshop(s) or open house(s).

Task 3 Consultant Deliverables:

- Draft housing needs projection
- Presentation materials to explain draft housing needs analyses and findings to the Project Advisory Committee, the public, and interest groups
- Facilitate Project Advisory Committee meeting (**meeting 2**)
- Project Advisory Committee meeting summary notes
- Public Workshop or Open House facilitation
- Public Workshop or Open House meeting summary

Task 3 City Deliverables:

- 3.1 Project Advisory Committee meeting notice and agenda
- 3.2 Participant sign-in sheets for Project Advisory Committee meeting and Public Workshop or Open House
- 3.3 Public meeting notice
- 3.4 Briefing to Planning Commission
- 3.5 Briefing to City Council

Deadline: Draft projection, Project Advisory Committee meeting and public workshop or open house to be held on or before February 28, 2019.

Task 4: Residential Land Needs Analysis (RLNA)

Based on the outcomes of Tasks 2 and 3, Consultant will prepare a draft RLNA that addresses how much land and what zoning the City needs to accommodate its Housing Need, comparing the demand and supply provided in the deliverables produced in Tasks 2 and 3. The RLNA will be shared and refined based on discussions with the Project Advisory Committee at one committee meeting.

If the analysis shows that the Housing Need cannot be accommodated by the City's existing comprehensive plan, the RLNA will be developed concurrently with Task 5 in order to consider accommodating Housing Needs through changes to the comprehensive plan and land use regulations as required by OAR Chapter 660, Divisions 8 and 24.

City will schedule and provide notice and an agenda for one Project Advisory Committee meeting to review the draft RLNA product. Consultant will coordinate with City on meeting arrangements and facilitate the Project Advisory Committee meeting. The Project Advisory Committee may consider more than one deliverable at a meeting.

Task 4 Consultant Deliverables:

- Draft RLNA
- Presentation materials to introduce preliminary residential land need analyses and findings to the Project Advisory Committee, the public, and interest groups
- Facilitate Project Advisory Committee meeting and provide summary notes and other relevant documents (**meeting 3**)

Task 4 City Deliverable:

- 4.1 Project Advisory Committee meeting notice and agenda
- 4.2 Participant sign-in sheets for meeting
- 4.3 Briefing to Planning Commission
- 4.4 Briefing to City Council

Deadline: Draft RLNA and Project Advisory Committee meeting to be held on or before April 30, 2019 if needs can be met. Alternative is May 31, 2019 if housing needs cannot be met and Task 4 needs to be in parallel with Task 5

Task 5: Measures to Accommodate Needed Housing, or Recommended Measures to Facilitate Housing Affordability

If the RLNA determines that there will be a deficit of land by the end of the planning period, Consultant will identify options for changes to the City's comprehensive plan and land use regulations needed to address housing and residential land needs determined in previous tasks. This task may be completed concurrently with Task 4.

If the RLNA determines that adequate land exists to meet residential needs for the planning period, Consultant will prepare a report with recommendations for measures that the community should consider that would facilitate housing affordability in the community.

City will schedule and provide notice and an agenda for one or more Project Advisory Committee meetings to review the housing-accommodation product. Consultant will coordinate with City on meeting arrangements and facilitate the Project Advisory Committee meetings. The Project Advisory Committee may consider more than one deliverable at a meeting.

City will schedule at least one public workshop or open house to present draft residential land need and housing accommodation data, findings, and recommendations; or to present the draft report to include recommendations for measures to consider to facilitate housing affordability. City will solicit input from the public on the draft deliverables. Consultant will coordinate with City on meeting arrangements and facilitate the public meeting(s).

Task 5 Consultant Deliverables:

- Options for changes to City’s comprehensive plan and land use regulations to address housing and residential land needs
- Presentation materials to introduce housing accommodation recommendations to the Project Advisory Committee, the public, and interest groups
- Facilitate Project Advisory Committee meeting, provide meeting summary notes and other relevant documents (**meeting 4**)
- Presentation materials to explain preliminary Accommodation Measures and Housing Affordability analyses and findings to the public and interest groups
- Public Workshop or Open House facilitation
- Public meeting summary
- Facilitate Project Advisory Committee meeting to refine housing recommendations, provide meeting summary notes and other relevant documents (**meeting 5**)
- Final draft hearings-ready HNA

Task 5 City Deliverables:

- 5.1 Project Advisory Committee meeting notices and agendas
- 5.2 Public meeting notice(s)
- 5.3 Participant sign-in sheets for meetings and Public Workshop or Open House
- 5.4 Briefing to Planning Commission
- 5.5 Briefing to City Council

Deadline: Draft Conclusions and Recommendations Report and Project Advisory Committees meetings to be held on or before May 31, 2019.

VI. OTHER CONSIDERATIONS


This agreement will be effective as of the date of the last signature. The termination of this document may occur by mutual consent of the parties with 60 days written notice.

Except as provided herein, nothing in this Memorandum of Understanding shall be construed as obligating the other party to expend funds or obligate future payment of money authorized by law and administratively available for this work.

City of Newberg



Signature of Mayor




Date



Printed Name

Department of Land Conservation & Development



Jim Rue, Director

11.20.18
Date

DATE: December 19, 2018
TO: Newberg Housing Needs Analysis Project Advisory Committee (PAC)
CC; Keshia Owens and Doug Rux
FROM: Bob Parker and Margaret Raimann
SUBJECT: NEWBERG HNA: PROJECT CHARTER, SUMMARY OF MAJOR TASKS, AND SCHEDULE

This memorandum presents the draft Project Charter for the City of Newberg’s Housing Needs Analysis (HNA).¹ It includes the three deliverables listed in Task 1 of our work program:

- Project Charter Memorandum
- Summary of major tasks and action items for the Project
- Proposed Project schedule

Purpose

For any collaborative process to proceed smoothly it is helpful for those involved to agree at the outset on the purpose of the partnership and on the procedures and principles by which the group understands it will conduct its interactions and decision making. This Charter describes the project’s goals and objectives and expectations of the teams. The Charter establishes communication procedures, identifies potential project risks and outlines a recommended strategy for addressing these risks. The Charter will also identify other procedures or operations unique for the project.

Project Goals and Objectives

Goals

ECONorthwest interpreted the following goals for the project based off the Memorandum of Understanding with Newberg.

- Assess Newberg’s housing needs.
- Develop measures to accommodate needed housing, informed by public input.
- Identify goals, objectives, and actions to meet Newberg’s housing needs.
- Develop a Housing Needs Analysis that is compliant with all applicable statewide land use policies.

Objectives

The Scope of Work states that “the primary objective of this Project is to prepare hearings-ready draft comprehensive plan amendments to update the HNA for the City.” The elements of this update to the Newberg HNA include:

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.

- A residential buildable lands inventory
- A housing needs projection
- A Residential Land Needs Analysis (RNLA)
- A housing strategy document summarizing measures for accommodating needed housing

Proposed Project Schedule

The following is the general project schedule, subject to adjustments. All DLCD grant funded work must be completed by June 30, 2019.

Task	Dates
Task 1: Project Kick-Off Meeting	November 8, 2018
Task 2: Residential BLI	November 2018 – January 2019
Task 3: Housing Needs Projection	November 2018 – March 2019
Task 4: Residential Land Needs Analysis	January – April 2019
Task 5: Recommended Measures to Facilitate Housing Affordability	January – June 2019

External Communications Protocols

Keshia Owens from the City of Newberg is the city’s project manager. Any external communications (e.g., community members, industry representatives, media, etc.) will be routed through Keshia.

Team Members

The project’s team members include the Project Advisory Committee and the Project Management Team.

Project Advisory Committee

The purpose of the Project Advisory Committee is to:

- Review draft work products, advise on public involvement, and consider public input when making recommendations.
- Advise the project management team on matters regarding housing needs, market conditions, and the buildable lands inventory in Newberg.
- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation of the Newberg Housing Needs Analysis.

- Work collaboratively with, and provide guidance to, the staff and consultant project team in the preparation of the Newberg recommended measures to facilitate housing affordability.

Review, provide input, and recommend a draft Housing Needs Analysis to City Council and Planning Commission. The Project Advisory Committee is made up of Citizen Advisors and Technical Advisors. City Council authorized the selection process. Members are:

Exhibit 1. Project Advisory Committee Members

Citizen Advisors	Technical Advisors
<ul style="list-style-type: none"> ▪ Jessica Cain ▪ Todd Engle ▪ Charlie Harris ▪ Curt Walker ▪ Rick Rogers ▪ Chuck Sabin ▪ Yanira Vera ▪ Greg Koskella ▪ Corey Zielsdorf ▪ Mike Corey ▪ Sam Espindola 	<ul style="list-style-type: none"> ▪ Keshia Owens ▪ Doug Rux ▪ Angela Carnahan

Project Management Team

The Project Management Team (PMT) is comprised of City and consultant staff as shown in the exhibit below.

Exhibit 2. Project Management Team Members

Agency/Firm	Individual	Role and Responsibility
City of Newberg	Keshia Owens	Project Manager
City of Newberg	Doug Rux	Project Support
City of Newberg	Kaaren Hofmann	Project Support
Department of Land Conservation and Development	Angela Carnahan	DLCD Field Representative
ECONorthwest	Bob Parker	Lead, Project Director
ECONorthwest	Beth Goodman	Technical Advisor
ECONorthwest	Margaret Raimann	Project Support

The PMT will meet as needed to provide guidance to the project team; review project deliverables; and make schedule and scope adjustments as needed.

Meeting Guidelines and Protocols

Individuals will be on time to meetings and come prepared to contribute. Individuals are expected to participate respectfully, allow everyone who wants to participate to do so, listen with an open mind, and stay on topic.

For formal meetings (e.g. PAC meetings), the City and consultant team will provide agendas (with time limits for agenda items), draft findings of the task deliverables (e.g., housing needs projection, buildable land inventory, etc.), and PowerPoint presentations. The consultant team will submit the agenda and draft findings of task deliverables to the client at least one week in advance of the meeting for distribution to the PAC. The consultant team will submit the PowerPoint to the client at the PAC meeting (or within one or two days of the meeting).

PAC meetings will start with a meeting overview to set clear expectations and meeting objectives. The City will take verbal record of the meeting with use of a tape recorder. The PAC meetings will be public meetings, and the City will allow time for public comment in the agenda for all PAC meetings. ECONorthwest will provide summary notes of key decisions made at each PAC meeting, as described in the Scope of Work.

Informal meetings (e.g. Project Management Team meetings) will not be recorded, but participants are encouraged to document decisions via personal notes. Topics discussed will not necessarily be predetermined with a formal agenda; they may be discussed informally via email or over the phone.

Tentative Work Plan and Meeting Commitment

Preliminary and subject to change:

- The Project Management Team (PMT) is expected to attend conference calls as well as other meetings as scheduled by the Project Director.
- The Project Advisory Committee (PAC) will attend scheduled meetings (estimated at one meeting per month or fewer), as appropriate, to review and provide guidance on work and work products and public involvement activities, receive regular updates, and provide recommendations. Members are expected to review and comment on work products.
 - **Meeting 1: Buildable Lands Inventory (BLI).** (December 20, 2018) This meeting will include a presentation of the draft residential BLI. We will seek input from the PAC on key assumptions and methods used to produce the draft BLI.
Note: The Scope of Work states that a second PAC meeting to discuss the BLI is optional/discretionary. We recommend that remaining questions on the BLI are addressed during Meeting 2.
 - **Meeting 2: Housing Needs Projection.** (February 27, 2019) This meeting will include a presentation of the draft housing needs projection, and any additional edits to the BLI. We will seek input from the PAC on the findings from the analysis and facilitate a discussion about the results.
 - *Open House/Workshop #1* (February 27, 2019). This meeting will be a public meeting to engage the broader community of Newberg on the results of the draft products. PAC members are encouraged to attend to help seek public input that will inform their recommendations.
 - **Meeting 3: Residential Needs Analysis.** (March 14, 2019) This meeting will focus on the draft residential needs analysis, as well as additional revisions to the housing needs projection and BLI. We will share results from Public Workshop #1 and request feedback on how to integrate public comments into the BLI and HNA.
 - **Meeting 4: Recommended Measures to Facilitate Housing Affordability.** (April 11, 2019) This meeting will focus on the recommended measures to facilitate housing affordability in Newberg. We will facilitate a discussion about key strategic issues raised in the HNA, focusing on potential approaches to addressing the strategic issues, such as potential policy changes, use of financial tools, and other approaches.
 - *Open House/Workshop #2* (May 15, 2019). This meeting will be a public meeting to engage the broader community of Newberg on the recommended measures to facilitate housing affordability. PAC members are encouraged to attend to help seek public input that will inform their recommendations.

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- **Meeting 5: Finalizing the HNA.** (May 15, 2019) This meeting will focus on finalizing the HNA. We will share results from Public Workshop #2 and request feedback on how to integrate public comments into the final document.

Summary of Major Tasks and Action Items

In the Scope of Work for the Project, Task 1 requires a “Summary of Major Tasks and Action Items.” The summary below lists Consultant (ECONorthwest) and City (Newberg) deliverables as listed in the Scope.

Task 1: Kick off

Consultant Deliverables:

- Project Charter Memorandum
- Summary of major tasks and action items for the Project
- Proposed Project schedule

City Deliverables:

- Copy of relevant comprehensive plan and code sections
- Building permit and housing data to support the HNA
- Information from the Housing Newberg Work Group
- Information from Newberg’s Affordable Housing Task Force (2009) and Affordable Housing Commission
- Information from the 2016 Newberg Downtown Improvement Plan and in process Riverfront Master Plan
- Prepare project website
- Project Advisory Committee appointments

Deadline: Consultant deliverables and initial conference call with city to be held on or before December 21, 2018.²

Task 2: Buildable Lands Inventory (BLI)

Consultant Deliverables:

- Preliminary Draft BLI

² The original deadline in the signed Memorandum of Understanding between the Oregon Department of Land Conservation and Development and the City of Newber was “September 31, 2018.”

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- Presentation materials to explain preliminary draft BLI analyses and findings to the Project Advisory Committee
 - Facilitate Project Advisory Committee meeting, provide meeting summary notes and other relevant documents (**meeting 1**)
 - Presentation materials to explain preliminary draft BLI analyses and findings to the public and interest groups
 - 2nd Project Advisory Committee meeting to present final draft BLI (**contingent meeting, if needed**)
 - Facilitate 2nd Project Advisory Committee meeting and provide summary notes and other relevant documents

City Deliverables:

- Project Advisory Committee meeting notice(s) and agenda(s)
- Briefing to Planning Commission
- Briefing to City Council

Deadline: BLI and initial project advisory committee meeting to be held on or before January 30, 2019.³

Task 3: Housing Needs Projection

Consultant Deliverables:

- Draft housing needs projection
- Presentation materials to explain draft housing needs analyses and findings to the Project Advisory Committee, the public, and interest groups
- Facilitate Project Advisory Committee meeting (meeting 2)
- Project Advisory Committee meeting summary notes
- Public Workshop or Open House facilitation
- Public Workshop or Open House meeting summary

City Deliverables:

- Project Advisory Committee meeting notice and agenda
- Participant sign-in sheets for Project Advisory Committee meeting and Public Workshop or Open House

³ The original deadline in the signed Memorandum of Understanding between the Oregon Department of Land Conservation and Development and the City of Newberg was December 15, 2018.

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- Public meeting notice
 - Briefing to Planning Commission
 - Briefing to City Council

Deadline: Draft housing needs projection, advisory committee meeting, and public meeting to be held on or before March 30, 2019.⁴

Task 4: Residential Land Needs Analysis (RLNA)

Consultant Deliverables:

- Draft RLNA
- Presentation materials to introduce preliminary residential land need analyses and findings to the Project Advisory Committee, the public, and interest groups
- Facilitate Project Advisory Committee meeting and provide summary notes and other relevant documents (**meeting 3**)

City Deliverables

- Project Advisory Committee meeting notice and agenda
- Participant sign-in sheets for meeting
- Briefing to Planning Commission
- Briefing to City Council

Deadline: Draft RLNA and advisory committee meeting to be held on or before April 30, 2019.⁵

Task 5: Measures to Accommodate Needed Housing, or Recommended Measures to Facilitate Housing Affordability

Consultant Deliverables:

- Options for changes to City's comprehensive plan and land use regulations to address housing and residential land needs
- Presentation materials to introduce housing accommodation recommendations to the Project Advisory Committee, the public, and interest groups
- Facilitate Project Advisory Committee meeting, provide meeting summary notes and other relevant documents (**meeting 4**)

⁴ The original deadline in the signed Memorandum of Understanding between the Oregon Department of Land Conservation and Development and the City of Newberg was February 28, 2019.

⁵ The original deadline in the signed Memorandum of Understanding between the Oregon Department of Land Conservation and Development and the City of Newberg was May 1, 2019.

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- Presentation materials to explain preliminary Accommodation Measures and Housing Affordability analyses and findings to the public and interest groups
 - Public Workshop or Open House facilitation
 - Public meeting summary
 - Facilitate Project Advisory Committee meeting to refine housing recommendations, provide meeting summary notes and other relevant documents (**meeting 5**)
 - Final draft hearings-ready HNA

City Deliverables:

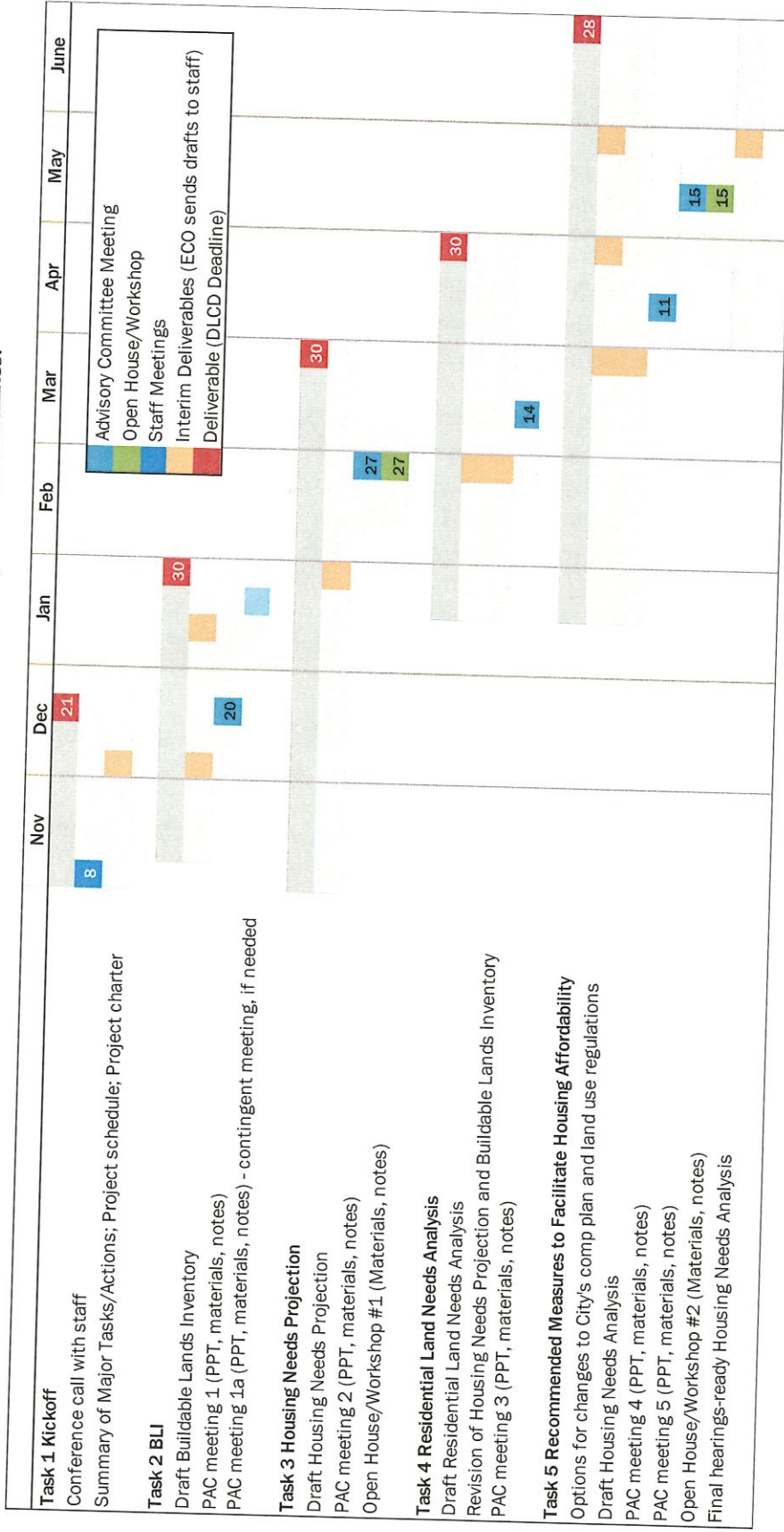
- Project Advisory Committee meeting notices and agendas
- Public meeting notice(s)
- 5.3 Participant sign-in sheets for meetings and Public Workshop or Open House
- Briefing to Planning Commission
- Briefing to City Council

Deadline: Draft Conclusions and Recommendations Report and advisory committee meeting to be held on or before June 28, 2019.⁶

⁶ The original deadline in the signed Memorandum of Understanding between the Oregon Department of Land Conservation and Development and the City of Newberg was May 31, 2019.

Project Schedule

This schedule provides a general timeline of meetings, interim deliverable deadlines, and task deadlines.



DATE: December 13, 2018
TO: Newberg HNA Project Advisory Committee
CC: Keshia Owens and Doug Rux
FROM: Bob Parker and Margaret Raimann - ECONorthwest
SUBJECT: **DRAFT** NEWBERG RESIDENTIAL BUILDABLE LANDS INVENTORY (BLI) METHODS,
DEFINITIONS, AND PRELIMINARY RESULTS

This memorandum presents the draft Buildable Lands Inventory (BLI) methods and preliminary draft BLI results for the City of Newberg's Housing Needs Analysis (HNA).¹ The BLI results will ultimately be included in the final HNA document.

The City of Newberg is preparing to evaluate the sufficiency of lands within its Urban Growth Boundary (UGB) for residential use as part of the Housing Needs Analysis update. A BLI is the primary method to evaluate land supply. The general structure of the standard method BLI analysis is based on the DLCD HB 2709 workbook "*Planning for Residential Growth – A Workbook for Oregon's Urban Areas*," which specifically addresses residential lands.² The steps and sub-steps in the supply inventory are:

1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.
2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total acres.
3. Calculate net buildable acres by plan designation, subtracting land for future public facilities from gross buildable vacant acres.
4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.

The methods used for this study are consistent with many others completed by ECONorthwest that have been acknowledged by DLCD and LCDC.

This memorandum describes the methods and definitions ECONorthwest used to complete the Newberg buildable lands inventory consistent with Goals 10, Goal 14, and OAR 660-008.

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 We note that Newberg is not required to comply with ORS 197.296.

1.1 BLI Methods

The BLI only includes lands within the Newberg UGB—we did not address areas outside the UGB in this study. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-008 and OAR 660-024. The steps in the inventory are:

- **Generate residential “land base.”** This involves “clipping” all of the tax lots in the Newberg UGB with the comprehensive plan layer. The GIS function is followed by a quality assurance step to review the output and validate that the resulting dataset accurately represents all lands designated for residential use in the Newberg UGB consistent with OAR 660-008-0005(2).
- **Classify lands.** Each tax lot is classified into one of the following categories:
 - Vacant land
 - Partially vacant land
 - Developed land
 - Public land
 - Unbuildable land
- **Identify constraints.** We consider areas in steep slopes (over 25%), floodways, 100-year floodplains, areas with landslide hazard, lands with regulated wetlands, and land identified for future public facilities (including the Newberg-Dundee Bypass) as constrained or committed lands. These areas are deducted from lands that are identified as vacant or partially vacant. To estimate the constrained area within each tax lot, all constraints listed above are merged into a single constraint file which are overlaid on tax lots.
- **Tabulation and mapping.** The preliminary results are presented in tabular and map format with accompanying draft narrative at the end of this memo. The maps include lands by classification, and maps of vacant and partially vacant lands with constraints. Table 1 shows data sources to be used for the BLI.

Table 1. Data Sources for Newberg BLI

Data	Source	Description
Tax lots – Yamhill	Yamhill County Assessor, provided by City of Newberg	Tax lot fabric for entire county. Fabric includes roads.
City Boundaries	City	Includes city limit, UGB and urban reserve areas
UGB	Oregon Spatial Explorer	2015 UGBs
Counties	Oregon Spatial Explorer	2015 County boundaries
Streets	City of Newberg	City / county roads
Streams	City of Newberg	Perennial streams
Zoning	Yamhill County	Zoning outside incorporated city boundaries
Landslide areas	DOGAMI SLIDO 3.2 database	DOGAMI mapped landslide areas
Special Flood Area	Oregon Spatial Explorer – statewide FEMA FIRM database	Areas of special flood hazard
Building Footprint	City of Newberg	Building footprints for land inside the Newberg UGB
Wetlands	National Wetland Inventory	Wetlands defined in the National Wetland Inventory

1.2 Definitions

The first step in the buildable inventory is to develop working definitions and assumptions. ECO began the buildable lands analysis with a tax lot database provided by the City’s GIS staff. The City provided ECO with a tax lot database in November 2018. The inventory builds from the tax lot-level database to establish estimates of buildable land by plan designation.³

A key step in the buildable lands inventory is to classify each tax lot into a set of mutually exclusive categories. Consistent with applicable administrative rules, ECO proposes that all tax lots in the UGB be classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant. These lands are subject to aerial photo review; if photos show the land is in a committed use such as a parking lot, an assessment is made to determine if it should be classified as partially vacant or developed.
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use, but which contain enough land to be further subdivided without need of rezoning. This determination is made through review of aerial photographs.
- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.
- *Public land.* Lands in public ownership are mostly considered unavailable for residential uses. This includes lands in Federal, State, County, City, or other public ownership.

³ We also compared the 2018 tax lot data with Newberg’s 2017 BLI and updated development status and included any new tax lots in this version of the BLI. We used updated assessor roll information (September 2017) for assessed value information.

Public lands are identified using the Yamhill County Assessment property tax exemption codes and verified by reviewing ownership. This category only includes public lands that are in a public plan designation and those located in residential plan designations.

- *Undevelopable land.* Tax lots that are too small to practically have a dwelling unit (less than 3,000 square feet), the buildable area of a tax lot (after removing constraints) is less than 3,000 square feet, or the tax lot is inaccessible.

ECO initially classifies land using a rule-based methodology. ECO generated maps that show the results of the application of those rules, with some adjustments made through a validation step based on review of aerial photos and building permit data. **The preliminary results included in this memo are the results of this process.**

1.3 Development constraints

Consistent with state guidance on buildable lands inventories, ECO deducts certain constraints from the buildable lands inventory including wetlands and steep slopes. We use categories that are more restrictive than the definition provided in OAR 660-008-0005(2):

(2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- (c) Has slopes of 25 percent or greater;
- (d) Is within the 100-year flood plain; or
- (e) Cannot be provided with public facilities.

Based on the Division 8 rule and data provided by the City of Newberg and discussions with City staff, ECO deducted the following constraints from the residential lands inventory.

- Land constrained by natural hazards. This includes:
 - Land within floodways. We deducted lands within floodways as identified on the FEMA FIRM maps.
 - Lands within floodplains. We deducted lands in the Special Flood Hazard Area (the 100-year floodplain) from the buildable lands inventory.

- Land with slopes over 25%. Lands with slopes over 25% are considered unsuitable for development.
- Lands with landslide potential. This includes lands identified in DOGAMI's SLIDO 3.0 database.
- Land within natural resource protection areas. This includes wetlands and stream corridors.

1.4 Redevelopable Lands

ECO will also consider infill and redevelopment as part of the buildable lands analysis. OAR 660-008-0005(7) defines redevelopment as follows:

“Redevelopable Land” means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

Thus, the burden is “there exists the strong likelihood that existing development will be converted to more intensive residential uses.” This has proved a difficult standard to operationalize for a number of reasons. Data about historical residential redevelopment is not generally available for most cities. In fact, a 2015 survey conducted by the University of Oregon for the Department of Land Conservation and Development found that only 10% of Oregon cities monitor residential redevelopment. Most of those cities were smaller cities with little development activity to monitor.

In previous studies by ECONorthwest and other organizations, redevelopment has been addressed by assuming that a certain percentage of residential growth will be addressed through redevelopment, generally from 5% to 20% of new residential development.⁴

A complex interaction of factors influences redevelopment potential:

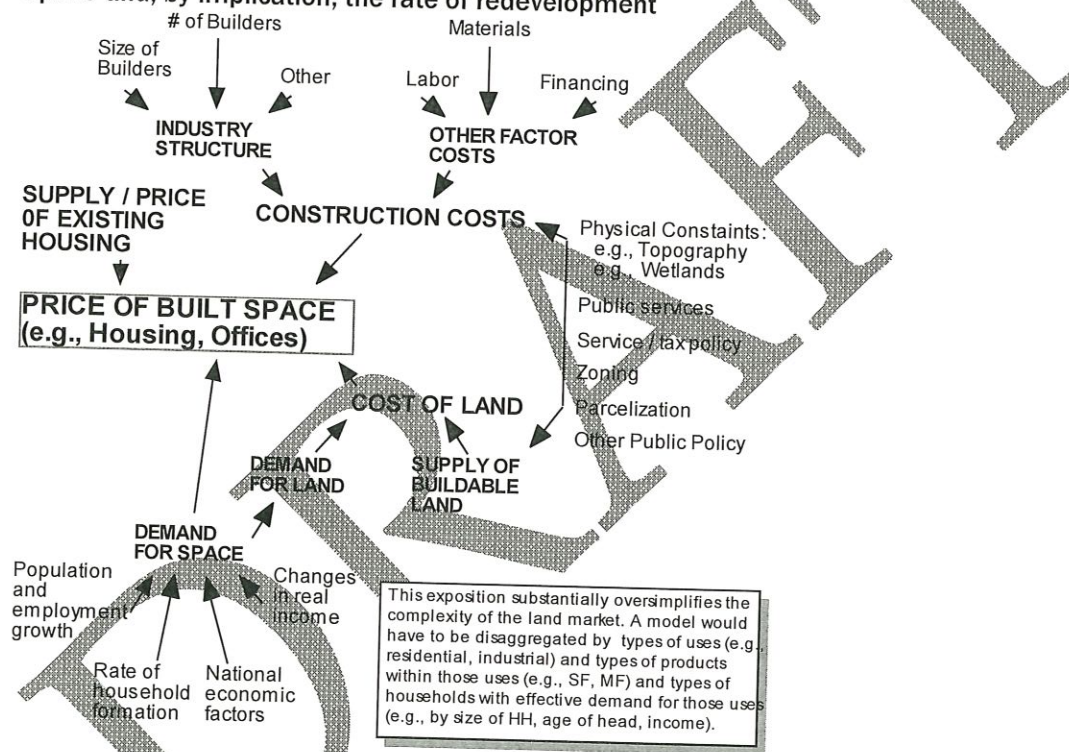
- Achievable Pricing – Given the product type and location, what lease rates or sales prices are achievable?
- Entitlements – What do local regulations allow to be built?
- Development Cost – What is the cost to build the range of product types allowed(entitled) at that location?
- Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

⁴ ECONorthwest used this method in studies for the following cities: Redmond, Madras, Ontario, Lebanon, Coburg, and Ashland all of which have been adopted and acknowledged by DLCD.

It is difficult, if not impossible, to consider the relationship of all these factors and how they will influence redevelopment rates within a city, and they may be constantly changing

One commonly used method to estimate capacity for infill and redevelopment is by arraying residential tax lots on the basis of the ratio of their improvement value to their land value.⁵ A ratio of less than 1:1 (i.e., where the improvement is worth less than the land) is a typical threshold. While that method is reasonable, convenient, and relatively inexpensive, people familiar with the process of redevelopment correctly point out that the redevelopment decision is affected by many other factors (see Figure 1), and that many parcels with ratios less than 1:1 will *not* redevelop during the 20-year forecast period, and many parcels with ratios greater than 1:1 will *will* redevelop. The ratio is hardly a definitive measure of “strong likelihood.”

Figure 1: Some of the factors that fact the price of built space and, by implication, the rate of redevelopment



The professional literature of planning, urban economics, real estate, and appraisal does not have much to say about redevelopment rates. Conceptually, the factors likely to influence redevelopment (broadly, the conditions of demand, supply, and price for built space and the factors that go into creating that built space) are clear enough, but the magnitude of the empirical relationships has few studies and no professional consensus. The property owner / developer decision to redevelop is not simply deterministic, but complexly probabilistic. The

⁵ An improvement to land value ratio compares the assessed value of the improvements with the assessed value of the land. For example, an improvement to land value ratio of 0.75:1 shows that the improvement is worth the less than the land (75% as much as the land). A ratio of 2:1 shows that the improvement is worth twice the value of the land.

requirements of Oregon law withstanding, no real estate analyst would have any confidence in making a property-specific assessment for every property in an urban area of the likelihood that the property would redevelop over a 20-year period.

We have limited data available on which to make assumptions, yet assumptions are necessary to develop estimates. We suggest consideration of the following methods:

1. Treat “infill” as a subset of “redevelopment.”
2. Vacant and partially vacant lots are not infill or redevelopment lots.
3. Address infill as a function of two factors:
 - a. Accessory dwelling units
 - b. Lot partitions (single-family lots that are divided into 2 or 3 sublots)
4. Estimate redevelopment potential using the following methods:
 - a. Identify single-family residences in multifamily zones. To the extent possible, document an assumption about the percentage of those lots that would develop at higher densities.

In short, if using these definitions and the safe harbors for developed and partially vacant land, this is how the terms would be applied under statutory provisions.

- New development on sites classified as “buildable sites” would be considered “new development.” Buildable sites include unconstrained portions of vacant sites and partially vacant sites (sites larger than ½ acre, with capacity deducted for the first ¼ acre for development). Sites classified as vacant and partially vacant must all be mapped and assigned capacity.
- New or additional development that adds new units on sites classified as “fully developed” (sites with a residence, less than ½ acre per the safe harbor), as well as larger fully developed sites such as multi-family developments, would be considered “infill” and/or “redevelopment.” Fully developed sites aren’t mapped as “buildable” and aren’t assigned capacity. Instead, informed assumptions about the extent of infill and redevelopment that will occur provide a basis for estimating how much of the new housing need will be accommodated through infill and redevelopment, without mapping specific sites where infill and redevelopment are likely to occur.

In some respects, “new development” on smaller partially vacant sites might be what most people would intuitively consider infill rather than new development. However, the classification above ensures mutually exclusive classifications consistent with applicable provisions of state law, including requirements for mapping and assigning capacity. Some housing strategies for smaller developments will still be appropriate regardless of the technical definition and classification used in the BLI.

1.5 Preliminary BLI Results

ECONorthwest completed preliminary results of the residential buildable lands inventory (BLI) for the Newber HNA on December 5, 2018. The remainder of this memo provides tabular summaries, descriptions of the preliminary results, and a series of maps. Chapter 2 of the HNA will provide a more detailed summary of the final results.

NOTE TO REVIEWERS: THE DATA PRESENTED IN THIS SECTION IS PRELIMINARY AND SUBJECT TO CHANGE BASED ON PAC COMMENTS, STAFF REVIEW, AND OTHER FACTORS.

Land Base

As defined above, the land base for the Newberg residential BLI includes all tax lots in the urban growth boundary (UGB) in residential plan designations. Table 2 shows the land base by generalized plan designation in the UGB. There are 6,733 tax lots in the land base, accounting for 2,233 acres.

Table 2. Land base by plan designation, Newberg UGB, 2018

Generalized Plan Designation	Number of taxlots	Percent	Total taxlot acreage	Percent
Low-Density Residential	3,418	51%	1,285	58%
Medium-Density Residential	2,900	43%	821	37%
High-Density Residential	415	6%	127	6%
Total	6,733	100%	2,233	100%

Source: Yamhill County, ECONorthwest analysis

Development Status

Table 3 shows tax lots in the land base by development status. We used a rule-based classification (defined in the methods and definitions above) to define an initial development status. Then, we used a rapid visual assessment method and previous 2017 BLI classifications to confirm this development status using aerial imagery. There is one tax lot that is either vacant or partially vacant and is pending staff review, in addition to further review and validation by staff and advisory committee members for any other tax lots in question.

Table 3. Development status before constraints are applied, by zone and plan designation, Newberg UGB, 2018

Generalized Plan Designation	Total acres on vacant taxlots	Total acres on partially vacant taxlots	Total acres on either vacant or part. vac. taxlots	Total committed acres			
				Developed	Unbuildable	ROW	Public or Exempt
Low-Density Residential	223	379	8	659	1	4	10
Medium-Density Residential	112	76	0	590	0	0	42
High-Density Residential	2	14	0	106	0	0	6
Total	336	469	8	1,356	1	4	58

Source: Yamhill County, ECONorthwest analysis

Table 4 shows development status with constraints applied and resulting in buildable acres. Of the 2,333 total acres in the land base, 1,393 are committed acres (which includes developed, unbuildable, right-of-way,⁶ and public or exempt), 148 are constrained acres, and 691 are buildable acres.

Table 4. Development status with constraints, by zone and plan designation, Newberg UGB, 2018

Generalized Plan Designation	Total acres	Committed acres	Constrained acres	Buildable acres
Low-Density Residential	1,285	688	76	520
Medium-Density Residential	821	599	65	157
High-Density Residential	127	106	8	13
Total	2,233	1,393	148	691

Source: Yamhill County, ECONorthwest analysis
 Note: We classified the "vacant or partially vacant" tax lot as vacant in this version of the BLI.

Draft BLI Maps

The maps at the end of this memo show the results of the preliminary BLI. They include maps of development status, buildable land (vacant and partially vacant tax lots), and comprehensive plan designations used in the land base. ECONorthwest will continue to refine the results of the BLI based on conversations and review with City staff and the project advisory committee.

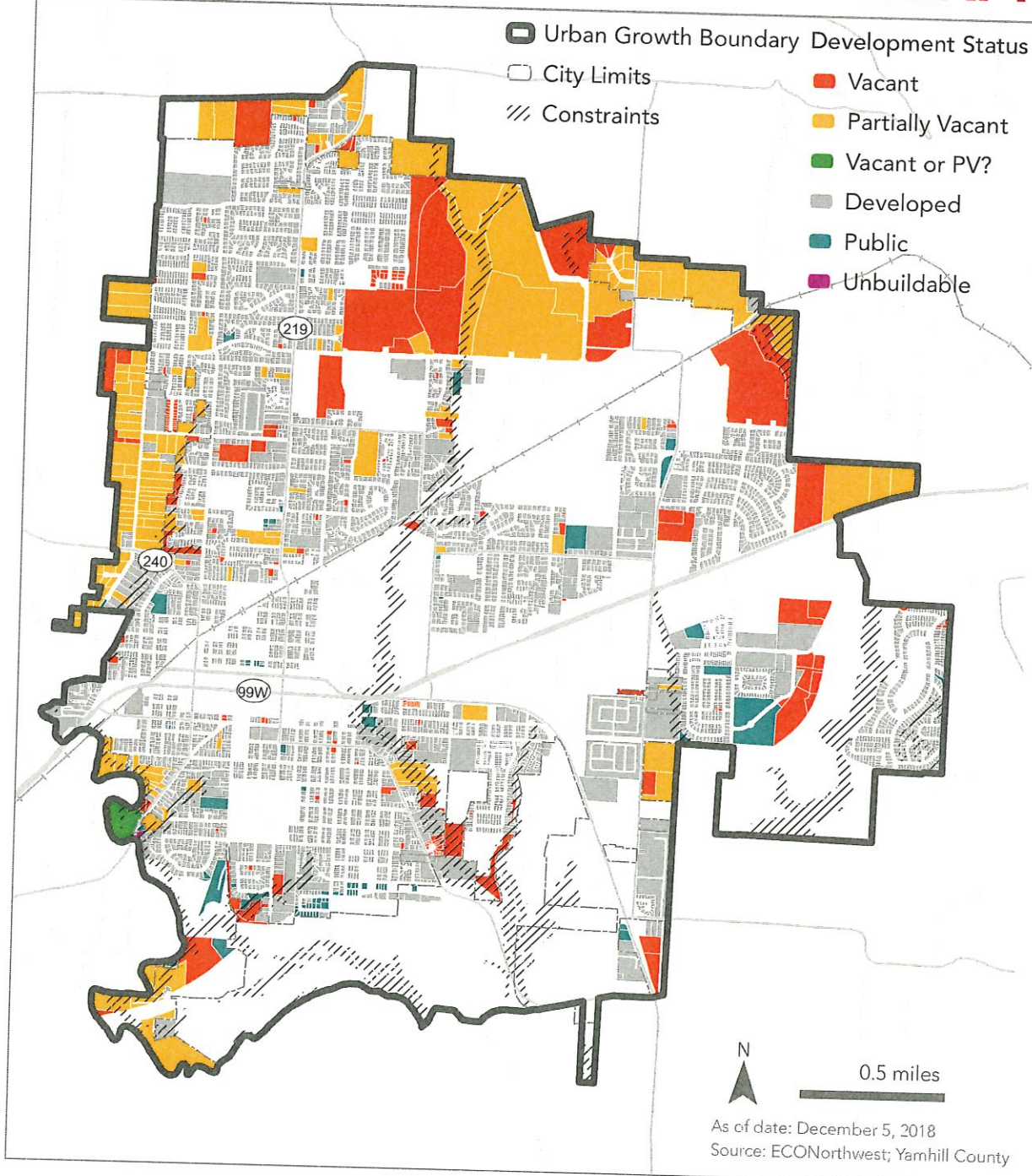
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⁶ Only right-of-way that is coded as a residential tax lot in the dataset, e.g. private right of way in a subdivision, is included in this number. Most major right-of-way is excluded from the land base. We can completely exclude these tax lots in future iterations of the BLI.

Newberg Buildable Lands Inventory

Residential Development Status

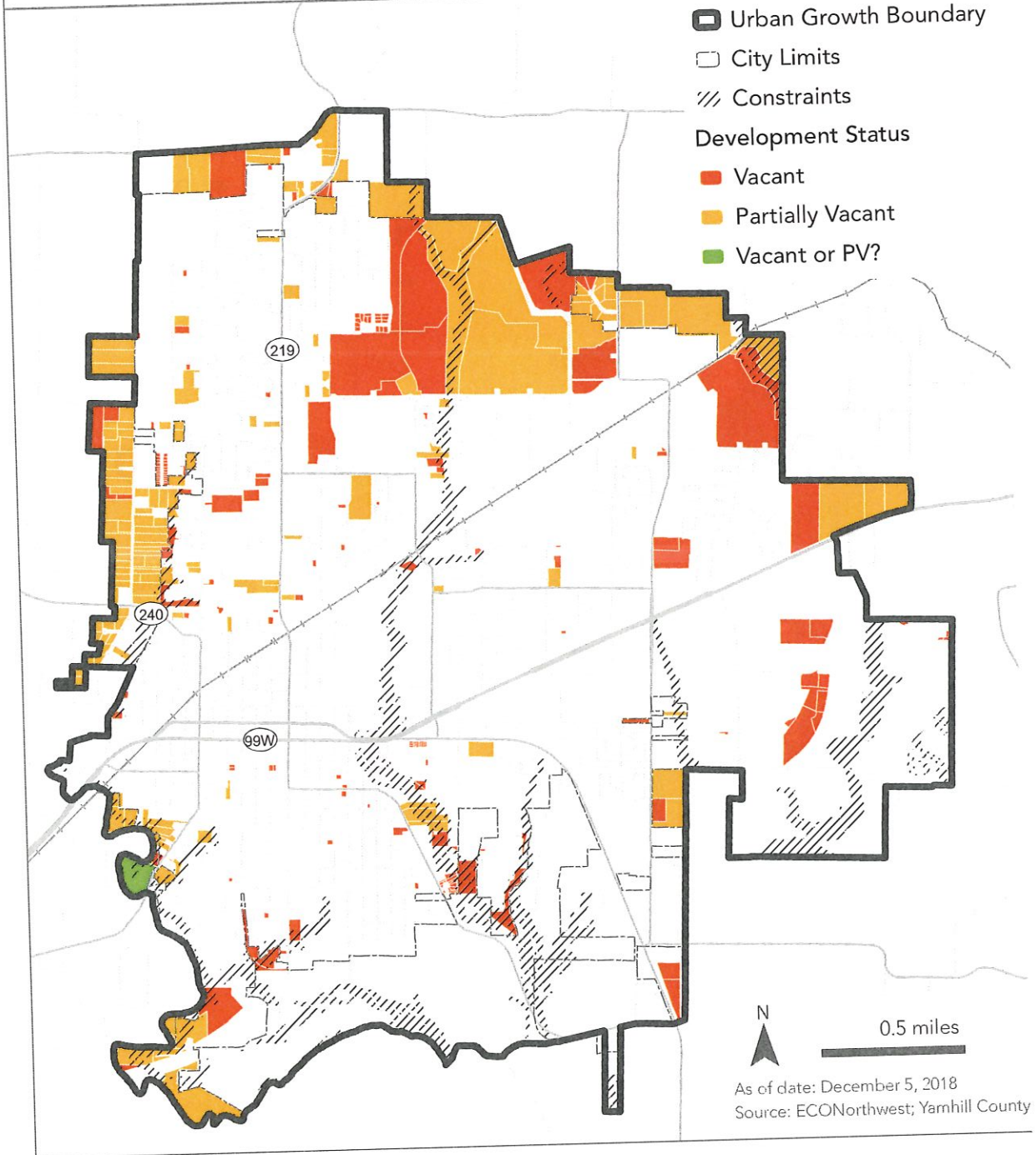
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Newberg Buildable Lands Inventory

Residential Buildable Land

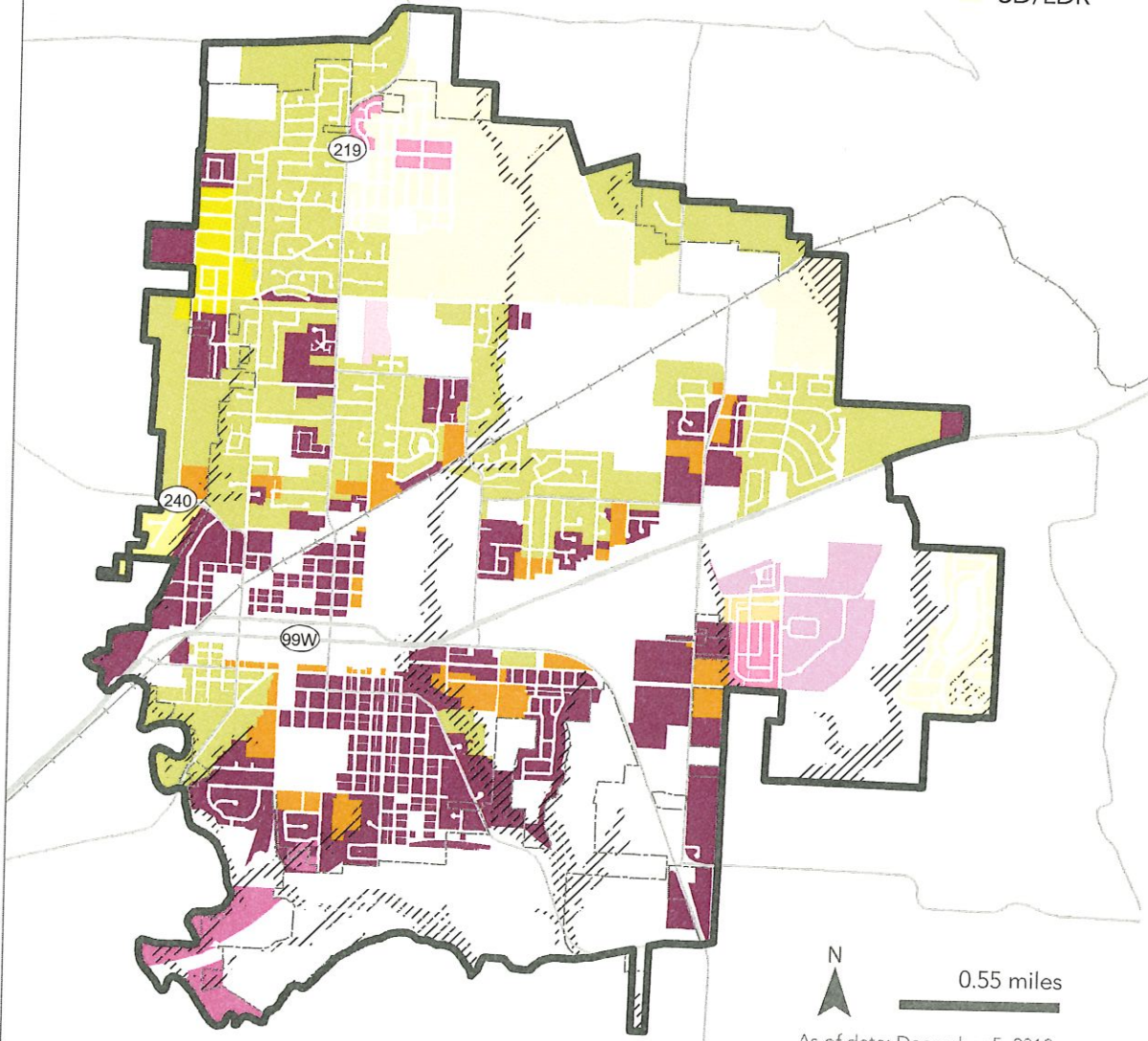
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Newberg Buildable Lands Inventory Comprehensive Plan Designations

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- | | | |
|--|--------|---------|
| Urban Growth Boundary Comprehensive Plan Designation | MDR/RD | LDR |
| City Limits | HDR | LDR-6.6 |
| Constraints | HDR/SP | LDR/1A |
| | MDR | SD/MRR |
| | | SD/LDR |



As of date: December 5, 2018
Source: ECONorthwest; Yamhill County

