ECONorthwest
ECONOMICS · FINANCE · PLANNING

DATE: March 14, 2019
TO: Keizer Housing Needs Analysis Project Advisory Committee
CC: Nate Brown and Shane Witham, City of Keizer
FROM: Bob Parker and Sadie DiNatale, ECONorthwest
SUBJECT: PROJECT ADVISORY COMMITTEE MEETING 3: OVERVIEW OF KEY AGENDA ITEMS AND PAC INPUT

PAC #3 – Key Agenda Items

The Project Management Team for Keizer's Housing Needs Analysis will present the following objectives for the third Project Advisory Committee Meeting.

1. PAC recommends a **needed housing mix** assumption to inform the residential land needs sufficiency analysis.

2. PAC recommends a **needed housing density** assumption to inform the residential land needs sufficiency analysis.

3. PAC confirms or modifies the strategic priorities to inform the housing strategy.

4. PAC provides direction on which strategies/actions you want more detail on.

To inform PAC discussion and ultimate decisions, please review this cover memo as well as the draft report provided as part of this packet.

Needed Housing Mix and Density

Cities are required to determine the average density and mix of *needed* housing over the next 20-years (ORS 197.296(7)). Keizer is using a 2019 to 2039 planning period. The determination of needed density and mix over the 2019 to 2039 period must consider the five factors listed in ORS 197.296(5) that may affect future housing need:

(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity and need pursuant to subsection (3) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last periodic review or five years, whichever is greater. The data shall include:

    (A) The number, density and average mix of housing types of urban residential development that have actually occurred;

    (B) Trends in density and average mix of housing types of urban residential development;

    (C) Demographic and population trends;

    (D) Economic trends and cycles; and

(E) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

Please review the draft report which provides information about each of these factors as it relates to Keizer. The following two-subsections will help guide your decision about needed (1) housing mix, and (2) average density.

Housing Mix

ECONorthwest modeled a preliminary needed mix scenario for PAC consideration. It deviates slightly from Keizer's existing housing mix to account for Keizer's demographics and population trends. We invite you to read through Chapter 5 of the draft report to learn how the housing mix assumptions impacts the analysis. Pay particular attention to:

- Exhibit 59, which illustrates the forecast of demand for new dwelling units using the preliminary needed mix assumption and Keizer's existing housing mix.

- Exhibit 60, which allocates housing to planning designations using the preliminary housing mix assumption.

- Exhibit 63, which presents the needed housing mix (to be determined by the PAC). If the PAC decides the needed housing mix should be different than what is listed (60% SFD, 7% SFA, and 33% MF), we will update this exhibit and the rest of the analysis to correspond to the PAC's recommendation.

Input needed from PAC:

- What share of Keizer's needed housing should be single-family detached, single-family attached, and multifamily? Note: these housing types are broad categories, but housing typologies within these categories are diverse.

Housing Density

We invite you to read through chapter 5 and chapter 6 of the draft report to learn about how housing density assumptions alter other parts of the analysis. Pay particular attention to:

- Exhibit 61, which outlines Keizer's historic residential densities using a 2000 to 2018 analysis period.

- Exhibit 63, which presents the needed densities (to be determined by the PAC). If the PAC decides the needed densities should be different than what is listed, we will update this exhibit and the rest of the analysis to correspond to the PAC's recommendation.

- Exhibit 64, which illustrates how many dwelling units can be accommodated on Keizer's buildable residential lands using historic densities for housing built in Keizer's portion of the UGB between 2000 and 2018.

Input needed from PAC:

- To accommodate all 3,591 needed dwelling units within Keizer's existing UGB, Keizer would need to increase its average densities of new housing built over the planning period. Keizer's historic, average net density is 6.8 units per net acre. Does increasing densities make sense to the PAC?

Strategic Priorities

To inform conversations about Keizer's housing strategy, ECONorthwest and City Staff preliminary outlined possible strategic priorities for the housing strategy:

Preliminary Strategic Priorities, Keizer

Possible strategic priority:	What strategic issues does this address?
Land Availability: Plan for a 20-year supply of suitable land to meet housing needs.	▪ Addresses insufficient residential land supply within Keizer's portion of the UGB. ▪ Balancing housing density and housing type with land supply. ▪ Achieve a suitable density and mix to meet population needs.
Wider Variety of Housing Types: Provide opportunities for housing development – particularly "missing middle" types – to meet housing needs at all income levels.	▪ Improve housing supply, affordability, and quality ▪ Address what market is not achieving (Are developers encouraged to be innovative?) ▪ Need for more missing middle housing types (e.g., duplexes, tri-plexes, quads townhomes, small apartment complexes (<10 units) ▪ Need for housing across the affordability spectrum ▪ Need to preserve Keizer character
Housing Affordability: Identify strategies to support affordable housing.	▪ Populations experiencing housing cost burden is high – particularly for renters ▪ Cost of homeownership housing products are increasingly unaffordable ▪ Increasing cost of land, materials, and labor ▪ Housing underproduction – available housing leading to inflated market ▪ Underproduction of housing affordable to workforce is impacting economy
Funding Sources: Evaluate funding tools to support residential development.	▪ Insufficient funds to implement a housing strategy.

Please review the draft housing strategy included in your meeting packet. Appendix A presents a menu of housing strategy options for your consideration. We provided these examples for discussion purposes; some may not make sense for Keizer, others may. The consultant team and City staff already removed a few of the strategies from consideration, as they are not necessarily suitable for Keizer or Keizer has already taken steps to address the particular option. The previously excluded options were: inclusionary zoning, transfer or purchase of development rights program, parcel assembly program, land banking or land trust program, vertical housing tax abatement program, multiple-unit limited tax exemption program, affordable housing property tax abatement program, streamline zoning code and other ordinances, administrative/procedural reform, expedited/fast-track building permits, provide density bonuses to developers, homeownership/rental assistance program, housing rehabilitation programs, and linkage fees. Staff and the consulting team agree that these are policies that would have limited impact in Keizer due to funding limitations, land inventory characteristics, or other factors

Input needed from PAC:

- What do you think about these priorities as a starting place? What is missing?

- From your perspective, what strategies from Appendix A are suitable for Keizer?