

# FODOR & ASSOCIATES<sup>LLC</sup>

Community  
Planning Consulting

October 10, 2016

## **RE: Analysis of Multifamily Housing Deficit Issue**

Dear Mayor and City Councilors,

The City of Eugene is reporting a 1600-unit deficit in multifamily housing and is identifying policy changes which would create more capacity. However, based on an analysis of actual development in Eugene, it appears that there is no deficit and that a surplus capacity exists.

I have been working with Lloyd Helikson, who has collected data on all the multifamily developments that have occurred since July 1, 2012, the official start date of the Envision Eugene's 20-year planning timeframe. The data includes those projects which are currently planned, but not yet completed, which are counted as completed in 2017.

The remarkable findings include the following:

**Actual development is greatly exceeding projections.** 5,205 dwelling units (du) of multifamily housing are already built or planned for the 5-year period we have data for (2012-17). Envision Eugene (EE) forecasts a need for a total of 6,797 du of multifamily housing over the entire 20-year planning period. Thus, we have already achieved 77% of the needed development with 15 years left to go! It's notable that 88% of this development has occurred without MUPTE subsidies (the 12% MUPTE projects were largely Capstone and Core Campus).

**Development is occurring at a far higher density than assumed.** The actual density of multifamily development on medium- and high-density land since 2012 is 97% and 14% higher, respectively, than what was assumed as the maximum density in the current EE model. This means that our existing land supply can accommodate more development than has been estimated. The development trend since the recession ended in 2009 is toward higher densities. Since EE is a forward-looking plan, this trend should be included in the EE

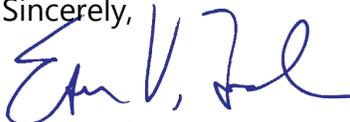
assumptions. The result would show that Eugene already has more than adequate multifamily capacity.

**Much more multifamily development is occurring on commercial lands than assumed.** The EE analysis has assumed only 256 dwelling units will be accommodated on commercial lands. But we have identified 1,098 units that are already built or planned on commercial land in the first 5 years of the 20-year plan. There is considerable capacity for more housing on commercial lands, so it's reasonable to expect this trend to continue. At the current pace, more than 4,000 units could be accommodated on commercial land by 2032.

**Much more redevelopment is occurring than was assumed.** The current EE analysis assumes a total of 716 dwelling units from redevelopment over the entire 20-year planning period. However, our data shows that there are already 2,442 units of redevelopment built or planned. This means far more capacity exists in Eugene for accommodating housing through redevelopment than was assumed. In fact, at the current rate, about 9,000 more dwelling units could be accommodated on redeveloped land than has been forecast in the EE Land Model.

**In conclusion**, we are recommending three changes in the EE Land Model based on an analysis of actual development which has occurred in Eugene. They are: 1) increase density assumed; 2) increase residential capacity on commercial land; and, 3) increase redevelopment estimates. Each of these changes could eliminate the reported 1600-unit deficit. Combined, they demonstrate that there is substantial existing capacity for multifamily housing within the City of Eugene well beyond the projected 20-year demand. Additional supporting information is attached.

Sincerely,



Eben Fodor  
Principal Planner

## **Additional Supporting Material**

The full spreadsheet of multifamily development compiled by Lloyd Helikson has been shared with the Planning Department. Supporting summary data is provided below.

Figure 1 shows that actual multifamily development already built or planned is on pace to significantly exceed the need forecast in Envision Eugene.

**Figure 1**

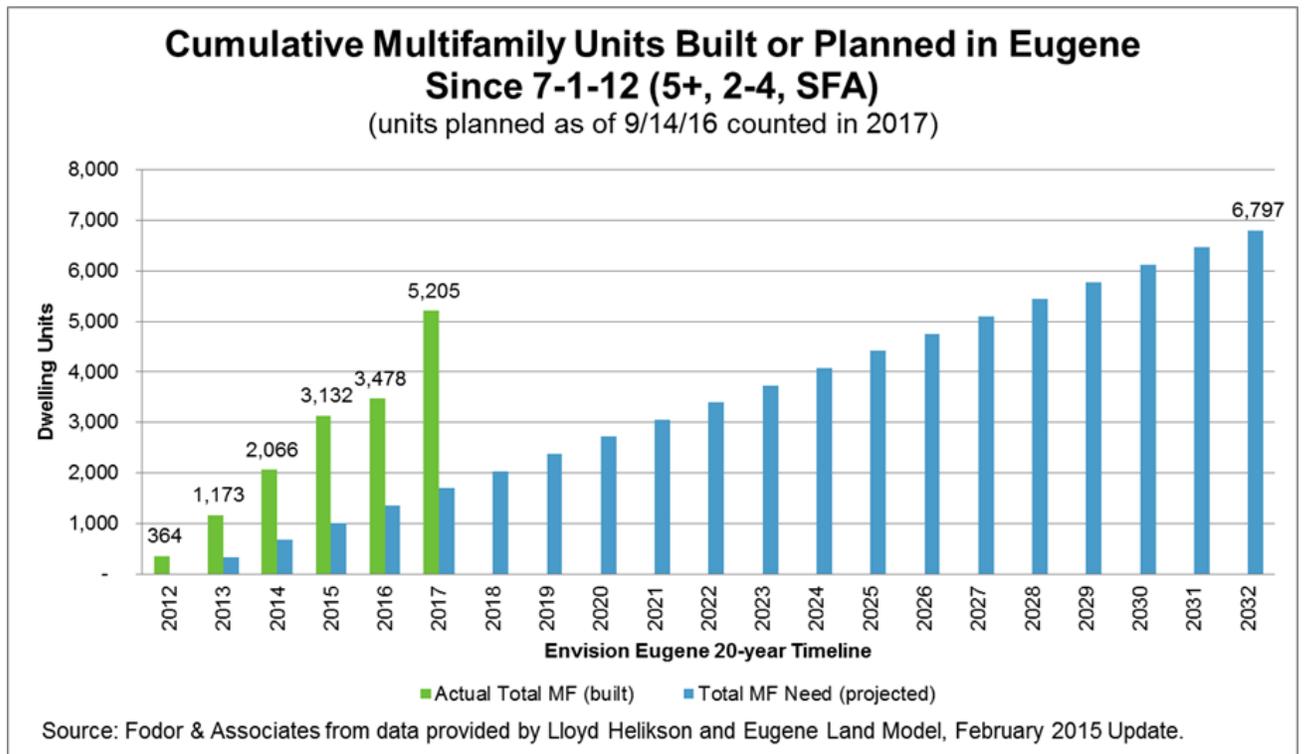
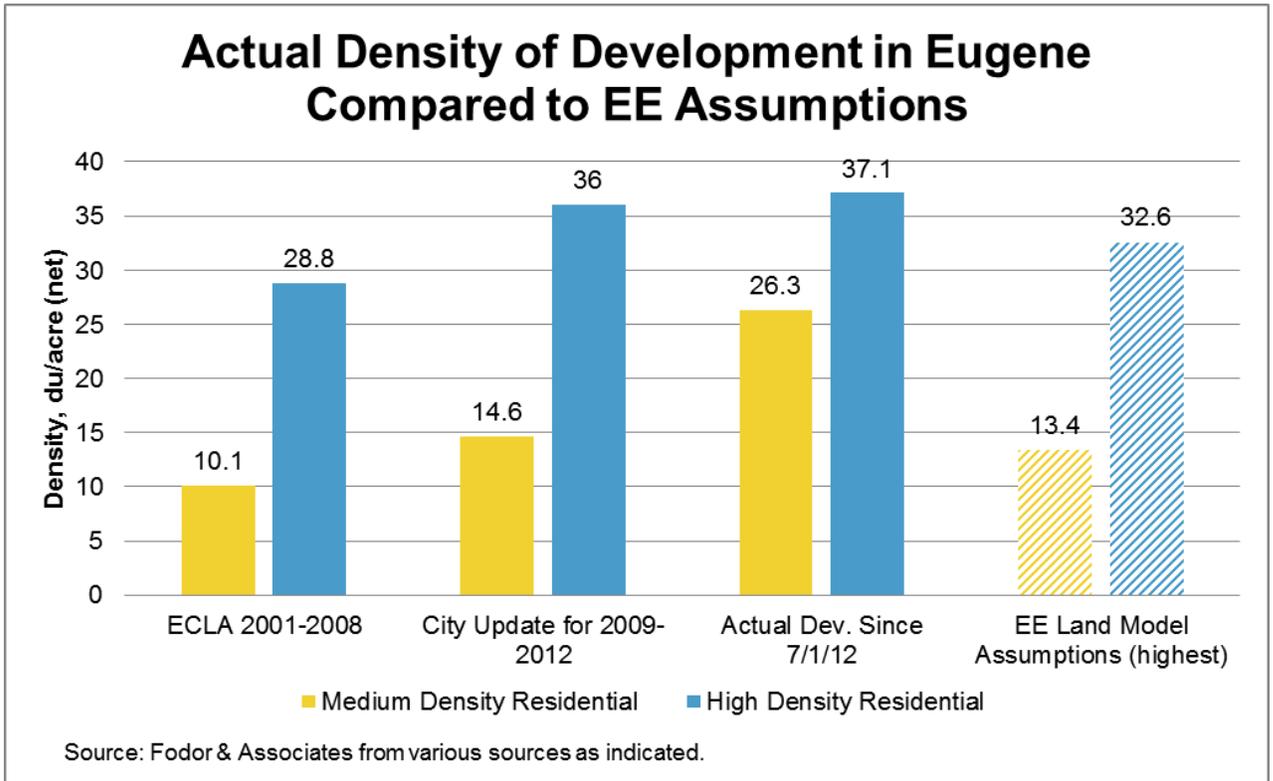


Figure 2 (below) shows that the actual density of multifamily development in Eugene has increased significantly since 2009, after the recession. The original 2001-2008 planning data from the Eugene Comprehensive Lands Assessment (ECLA) was update by the City by averaging it with newer 2009-2012 data. We believe using post-2008 data better reflects the actual density that is occurring, and will continue to occur over the 20-year planning period. Using the City's 2009-2012 actual densities would add more than 500 dwelling units of capacity. Using data for the more-recent development since 2012 would add more than 4,000 du of capacity within our UGB (see Table 1).

**Figure 2**



**Table 1**  
**Eugene Multifamily Housing Supply Adjustments for Actual Increased Density\***  
 Dwelling Units

	EE Current Land Model	Based on 2009-12 Actual	Based on 2012 to Present Actual
Vacant Land			
MDR	2,152	2,345	4,229
HDR	1,054	1,164	1,200
Partially Vacant Land			
MDR	2,272	2,475	4,465
HDR	555	613	632
<b>Total Supply (du)</b>	<b>6,033</b>	<b>6,597</b>	<b>10,525</b>
<b>Capacity Increase (du)</b>	<b>NA</b>	<b>564</b>	<b>4,492</b>

\*Note: A conservative (low) estimate was required since the EE Land Model does not indicate inventory of partially vacant MDR and HDR land. Actual capacity increases will be higher than shown here.

As shown in Table 2, almost half of all multifamily development since 2012 has been redevelopment (47%). With 2,442 dwelling units of redevelopment in the first five years, we could reasonably expect a total of more than 9,000 units on redeveloped land over 20 years, whereas the City has only assumed 716 dwelling units.

**Table 2**  
**Multifamily Dwelling Units Built or Planned Since 7-1-12**  
(includes 5+ units, 2-4 units, and SFA)

Land Use**	2012	2013	2014	2015	2016	2017*	Total	Redevelopment	% Redevelopment
LDR			119			440	559	22	4%
MDR	57	223	52	551	50	243	1176	132	11%
HDR	285	485	256	140	293	262	1721	609	35%
GO	4	3					7	7	100%
COMM	18	98	466	183	3	400	1168	1098	94%
PUBLIC						243	243	243	100%
S-WS				192		139	331	331	100%
<b>Total</b>	<b>364</b>	<b>809</b>	<b>893</b>	<b>1066</b>	<b>346</b>	<b>1727</b>	<b>5205</b>	<b>2442</b>	<b>47%</b>

Source: Fodor & Associates from data for Eugene compiled by Lloyd Helikson.

\*Units planned, but not built as of 9/26/16 are counted in 2017

\*\*Notes: LDR, MDR, and HDR are low-, medium-, and high-density residential. GO is general office; Public includes UO dormitory; S-WS is Walnut Station Special Area Zone. SFA is single-family attached.

