

ORDINANCE NO. 5638

AN ORDINANCE AMENDING ORDINANCE NO. 4447, WHICH ADOPTED THE CITY OF ALBANY COMPREHENSIVE PLAN AND MAP, BY AMENDING THE HOUSING BACKGROUND SUMMARY, LAND USE SUMMARY AND POPULATION FORECAST SECTIONS OF THE COMPREHENSIVE PLAN TEXT AS PART OF PERIODIC REVIEW, ADOPTING FINDINGS, AND DECLARING AN EMERGENCY. (FILE NO. CP-01-06)

WHEREAS, the City is in Periodic Review, a process through which the City is updating its Comprehensive Plan, Plan Map, Development Code and Zoning Map in accordance with a work program approved by the State Department of Land Conservation and Development in 1997; and

WHEREAS, the housing background summary has not been updated since 1988 and does not include a current residential buildable lands inventory; and

WHEREAS, the population projections go to 2005 and need to be updated with current projections; and

WHEREAS, the land use background summary in Chapter 9 provides outdated figures on existing land uses in 1985 and land use projections to 2005; and

WHEREAS, the Comprehensive Plan needs to remain current and responsive to community needs, retain long-range reliability, and incorporate the most recent and reliable information; and

WHEREAS, the City conducted a residential buildable lands inventory and Housing Needs Analysis in 2005; and

WHEREAS, on January 30, 2006, the Planning Commission held a public hearing on the proposed amendments and then recommended approval based on findings contained in the staff report and evidence presented at the public hearings; and

WHEREAS, the Albany City Council held a public hearing on February 8, 2006, concerning the proposed Housing and Population Projections amendments; and

WHEREAS, the Albany City Council reviewed the amendments recommended by the Planning Commission and the testimony presented at the public hearing and then deliberated; and

NOW THEREFORE, THE PEOPLE OF THE CITY OF ALBANY DO ORDAIN AS FOLLOWS:

Section 1: The Albany Comprehensive Plan text is hereby amended as shown in the attached Exhibits A, B and C for the sections listed below:

- Exhibit A: Chapter 4: Housing Background Summary
- Exhibit B: Chapter 9: Land Use Background Summary
- Exhibit C: Chapter 3: Population Forecasts

These exhibits, upon adoption of this Ordinance, shall supercede the corresponding sections of the former Comprehensive Plan. Language shown in the exhibits as having been struck is removed from the Comprehensive Plan and language shown in bold is added to the existing text.


Section 2: The findings and conclusions contained in the staff report and attached as Exhibit D are hereby adopted in support of this decision.

IT IS HEREBY DECLARED Inasmuch as this Ordinance is necessary for the immediate preservation of the peace, health and safety of the citizens of the City of Albany, an emergency is hereby declared to exist; and this ordinance shall take effect immediately upon passage by the Council and approval by the Mayor.

Passed by Council: February 8, 2006

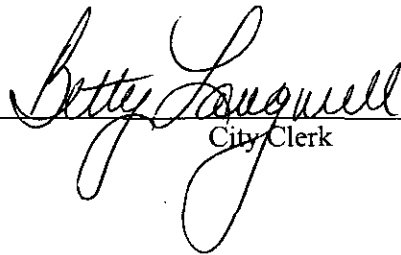
Approved by Mayor: February 8, 2006

Effective Date: February 8, 2006



Mayor

ATTEST:



City Clerk

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GOAL 10: HOUSING

BACKGROUND SUMMARY

Housing is one of the most basic and fundamental needs of our society. Yet, despite how basic the need, each community makes choices and policies that ~~provide a totally unique~~ **affect the** mix of housing types and opportunities for its citizens. These choices also change over time as preferences, lifestyles, and needs change. ~~For example, in Albany during the time from 1970-80, there was a significant shift from single family housing to multiple family housing. Prior to this time, single family construction comprised the vast majority of new housing construction. Yet after 1970, less than one half of new housing construction was single family units.~~

~~During the period of 1980 to the present, there has been another shift in new housing construction. The majority of new 1980's housing units are manufactured homes. In 1980, only 4.5 percent of the existing housing in the Urban Growth Boundary was manufactured housing. For the last seven years this housing type has comprised over 40 percent of all new housing construction. In recognition of this trend, new standards were developed to allow greater flexibility for those wishing to place manufactured homes outside of manufactured home parks and subdivisions.~~

HOUSING TRENDS AND SUPPLY

Albany offers a variety of residential choices. According to the 2000 Census, Albany had 16,108 households and 17,389 housing units, including vacant units.

Before 1970, single-family construction comprised the vast majority of new housing. In the 1970s, Albany experienced the largest residential construction boom of the last three decades, including a significant amount of multi-family construction. Manufactured housing took off in the 1980s, constituting 40% of all new building permits issued. Housing construction was balanced among housing types in the 1990s.

The traditional detached single-family dwelling (including manufactured homes on individual lots) seems to be the preferred housing type to buyers and builders in Albany, accounting for 83% of the building permits from 2000 through 2005. This trend is in part due to the low interest rates during this period.

About two-thirds of Albany's housing stock was single-family detached housing in 2005. Approximately one-fourth of Albany's housing was multi-family units, and over ten percent were duplex to quad units.

Albany's Housing Inventory by Type, 2005

Housing Type	# Units	%
Single-Family	12,273	62.1%
Manuf. Home Park Units	989	5.0%
2-4 units	2,098	10.6%
Apartments (5 or more units)	4,414	22.3%
Total Units	19,774	100.0%

Source: 2005 assessor's data and Albany building permits.

Not included in the housing inventory are approximately 600 rooms/beds in assisted living¹ and nursing homes or Alzheimer's care facilities. (Albany's 539 independent living senior/retirement units are included in the 2005 inventory by housing type.)

~~There are approximately 13,500 housing units within the Urban Growth Boundary. A major outstanding feature of Albany's housing stock is the large number (approximately 18 percent) of high quality single family historic~~

¹ Meals, nurses and other services are provided or available in assisted living, nursing and other care facilities.

homes ~~built before 1945 that are more than 50 years old~~. Many of these are considered ~~historic~~ in **National Register Historic Districts or on the Local Historic Inventory** and special regulations have been enacted to preserve and enhance their historic character.

~~Housing costs have continued to be marginally lower in Albany than in other Willamette Valley cities of comparable size or larger. Rental rates also follow this marginally lower trend. Vacancy rates for apartment units have hovered around 3.3 percent. In terms of the sale market, the local multiple listing service averaged nearly 600 properties for sale throughout 1987. The vast majority of these were single family homes. Average sales prices for homes in 1987 were between \$50,000 and \$60,000 with a typical range of \$40,000 to \$120,000.~~

Housing Affordability. Housing values grew faster than incomes between 1990 and 2000. Albany's median household income increased by 47% between 1989 and 1999, rising from \$26,873² to \$39,409. The median value of owner-occupied housing increased by 120%, from \$60,000 in 1989 (including North Albany) to \$132,600 in 1999. The median gross rent increased by 50%, from \$396 to \$594 a month between 1989 and 1999 (Census). In 2000, the Census estimated that Albany had 3,000 apartments that rent between \$500 and \$749 a month.

Housing prices rose between 2000 and 2005, while rents stayed roughly the same. The average sales price for Albany homes increased by 3.8% annually, going from \$134,410 in 2000 to \$174,198 through September 2005³. The average sales price per square foot went from \$85 to \$106 in Linn County and from \$95 to \$109 in Benton County.

~~Even with these relatively "affordable" housing prices, the cost of housing presents a problem for many middle- and low-income households in Albany. Especially hard hit are those households headed by senior citizens, by females, or by minority groups. An estimate of nearly 50 percent of Albany's renters spend over 25 percent of their income for housing. In 2000, 24% of owner-occupied households paid 30% or more of their income on housing, up from 14% in 1990. About 43% of renters spent 30% or more on housing in 2000, up from 38% in 1990.~~

~~Another factor that will influence housing choices in the future is the trend toward smaller household sizes. This trend has been evident over the last 40 years nationally, as well as in Albany. It is anticipated that it will continue with household sizes averaging 2.22 persons in the year 2005, down from the 2.46 persons per household reported in the 1980 census. Other trends that have recently been identified at the national level are that young people are tending to leave home later, thus postponing their need for housing alternatives and that first-time home buyers are tending to be older. With information gained from the 1990 census, these and other trends will be better identifiable.~~

PROJECTING HOUSING NEED TO 2025

The following variables are known to affect the type and amount of housing need in a community: age of householder, household size, housing tenure, household income, household composition, and population projections.

Age. Age and income have been found to have a stronger correlation with housing ownership and housing choice than other demographic variables.⁴ Albany's median age increased to 34.6 in 2000, up from 32.7 in 1990 and 27.6 in 1980. The 45-to-64 age group grew from 16% of Albany's total population in 1980 to 22% in 2000. Most of these baby boomers will transition to "empty nesters" and into retirement over the next

² Because the 1990 Census data dates before the annexation of North Albany, the 1990 median household income is a weighted average of the Albany median income of \$24,474 (11,768 households) and the North Albany median household income of \$44,466 (1,523 homes).

³ Sales data from the Mid-Willamette Valley Multiple Listing Service website: www.wvmls.com.

⁴ Oregon Housing Needs Model Methodology, Oregon Housing and Community Services Department.

20 years. Seniors 65 and older accounted for 23% of all households in 2000. Half of the senior households were headed by someone 75 and older. The number of seniors 75 and older is projected to grow from 13% in 2000 to 19% of Albany's population by 2020.

Tenure (Owned vs. Rented Units). Albany's home-ownership rate increased between 1990 and 2000 from 53.5% to 59.5%. Not surprising, owner-occupied housing is predominantly single-family detached housing, including manufactured homes on lots and in parks. More surprising is that single-family detached and manufactured housing accounted for over 25% of all rental units.

Household Size. Household size has a direct impact on the number of housing units needed. A slight change in household size can result in a difference of hundreds of housing units for Albany. Over the past few decades, household size has been decreasing. Albany's household size decreased by 0.4% between 1990 and 2000. The City assumes the rate of decline in household size will continue to slow and stabilize over the next 20 years to 2.43 in 2025.

Population Projections. Detailed information on Albany's population trends and forecasts can be found in Chapter 3 of this Plan. Based on population estimates prepared by Portland State University, Albany's population is growing faster than Albany's official 1999 County-coordinated and adopted forecast to 2020. The adopted forecast assumed a 1.4% annual growth rate, resulting in a 2025 population of 57,030.

Estimates through 2004 indicate Albany averaged 2.2% growth annually between 1996 and 2004. Because of the higher growth rate, City staff calculated a new population forecast to use for projecting future housing needs to 2025. The forecast uses an annual growth rate of 1.5% over the next 20 years, which is a lower average than Albany has experienced the last 10 years in case the housing boom ends abruptly. The 1.5% annual rate is applied to Albany's 2004 Portland State University's population estimate of 44,030 and continued to 2025. This forecast predicts Albany will pass 60,000 in 2025.

HOUSING NEEDS PROJECTIONS

The Oregon Housing Needs Model developed by the Oregon Housing and Community Services Department was used to calculate housing needs required by Goal 10. Using demographic variables, the model helps predict future housing needs at prices that can be supported by Albany's population. The model uses income and age of householder data from the 2000 Census and housing data by type and price collected by City staff in 2003 (using 2002 assessor's information).

Both the 1999 adopted population forecast and the new projection were run through the housing model. The newer forecast will be used to determine housing needs to 2025.

Projected Housing Need to 2025

2025 Population Estimates	Owner-Occupied Units	Rental Units	Total Units
1999 Adopted Forecast: 57,030	3,099	1,274	4,373
1.5% Annual Growth: 60,192	3,875	1,829	5,720

Source: Albany Planning Staff and Oregon Housing Needs Model.

The next two tables provide information on the projected housing need by price to 2025, the first for owner-occupied units and the second for rental units.

Owner-Occupied Units: Projected Need^a By Price 2005 to 2025

2005 Value ^b	2005 Inventory	Projected Need to 2025	Net Need or (-Surplus) to 2025
<\$75,000	652	2,299	1,647
\$75 - \$115,000	1,473	1,752	279
\$115 - \$150,000	2,923	1,583	(-1,340)
\$150 - \$190,000	2,937	1,952	(-985)
\$190 - \$280,000	2,401	4,162	1,761
\$280,000 +	509	3,022	2,513
Total	10,895	14,770	3,875

^aUnits needed in 2025 is the total projected need subtracting the 2005 inventory and includes a vacancy rate of 2% for owned units.

^bThe 1999 values used in the housing model were adjusted to 2005 values based on the average increase in housing values between 1999 and 2005.

The model results indicate a need for both low-income and high-end owner-occupied housing, with a current and continued surplus of homes valued between \$115,000 and \$190,000 (2005 values). The model results also indicate a surplus of rental units priced between \$430 and \$909, with the need established for units that rent for less than \$430 a month or over \$910.

Rental Units: Projected Need^a By Price 2005 to 2025

Value in 1999 ^b Dollars	2005 Inventory	Total Projected Need to 2025	Net Need or (-Surplus) to 2025
\$0 - 199	105	1,169	1,064
\$200 - 429	1,559	1,952	393
\$430 - 664	4,063	2,994	(-1,069)
\$665 - 909	1,964	1,712	(-252)
\$910 - 1149	682	1,778	1,096
\$1150 +	303	900	597
Total	8,676	10,505	1,829

^aUnits needed in 2025 is the total projected need subtracting the 2005 inventory and includes a vacancy rate of 6% for rented units.

^bRents have stayed relatively stable between 1999 and 2005 so no adjustments were made.

RESIDENTIAL BUILDABLE LANDS INVENTORY

Residential lands were inventoried in August 2005 to determine the amount of available land to accommodate future housing needs. The inventory included land zoned for residential or mixed uses in the city limits, and land designated residential on the Comprehensive Plan outside the city limits but within the Urban Growth Boundary (UGB). Both vacant⁵ properties and those with further development potential ("partially-developed" land)⁶ were inventoried using 2005 assessor's data and building permit data.

⁵ Properties were considered vacant if improvement values were less than \$10,000 and over 2,000 square feet.

⁶ Properties greater than ¼ of an acre (32,670 square feet) with improvement values greater than \$10,000 were considered partially developed. One-half acre (21,780 square feet) was subtracted from each property to account for an existing dwelling unit.

The following table shows the net amount of developable vacant and partially-developed land in Albany's city limits by zone and in the UGB after factoring for environmental constraints (water bodies, floodplain, wetlands, slopes).

Vacant and Partially-Developed Residential Land by Zone, Sept. 2005

Comp Plan ⁷ Designation	Zoning ⁷ Districts	Vacant Lots >1 ac. Total	Vacant Lots < 1 ac. Total	Partially Developed Acres	TOTAL Buildable Acres
LDR	RR/RS-10	302	75	335	702
LDR	RS-6.5	356	72	261	689
LDR	RS-5	285	8	46	339
MDR/VC	RM-5~	62~	23	44~	129
HDR	RM-3	6	9	5	20
VC	HM, MUR, HD, CB*	0	2.3	7.7	10
VC	WF	2.5	5	2.5	10
City Totals		1,013	194	684	1,899
Residentially Designated Land Outside City Limits in UGB					
URR		703	103	716	1,522
UGB Totals		1,716	297	1,400	3,421

~In RM-5, Vacant Lots > 1 acre includes North Albany Village – approved but not platted subdivision creating 71 lots on 7.8 developable acres. The partially-developed total includes Blossom Crossing, 63 lots on 7.2 developable acres.

*MUR, HD, CB – An estimate of 10 acres is used for developable land in the HM, MUR, HD and CB zones, which assumes redevelopment of vacant lots in CB and upper floor housing HD.

Albany had 1,200 developable vacant residential acres within the City limits and 800 vacant acres within the Urban Growth Boundary (UGB) for a rough total of 2,000 vacant developable acres. Partially-developed land within the City limits and UGB provide another potential 1,400 acres for development.

Property Size. The size of vacant properties can limit redevelopment potential.

The last of the large vacant RM-3 Multiple-Family properties (over 3 acres) developed with subdivisions of single-family detached housing between 2002 and 2005. Of the 20 developable RM-3 acres, no property is larger than 3 acres.

In the RM-5 Limited Multiple-Family zone, the 138 developable acres includes two approved subdivisions totaling 15 acres. Only two vacant properties are larger than 5 acres - totaling 24 acres, and 14 properties are between 1 to 5 acres, totaling 30 acres. The rest are properties less than one acre.

Density Trends. Between 1990 and 2004, new detached single-family subdivisions developed at an average gross density of 3.8 units per acre, ranging between 0.7 and 8.8 units per acre. Multi-family developments averaged 15.3 units per acre. Both multi-family and single-family uses are allowed in some zones so an average of all development was calculated by zone and is used for calculating build-out.

Projected Densities and Potential Development Capacity. The average density of future development is projected to be slightly higher by zone in the next 20-year planning period. This is based on the most recent developments and expected changes to the city's development standards.

⁷ In 2005, Albany's residential single-family (RS) zones included: RS-5, RS-6.5, RS-10, Residential Reserve (RR), and Hackleman Monteith (HM). Zones that allow multiple housing types included: Residential Limited Multiple Family (RM-5), Residential Multiple Family (RM-3), Mixed Use Residential (MUR), Waterfront (WF) and Mixed Use Commercial (MUC). Historic Downtown (HD) and Central Business (CB) also allow housing. Comprehensive Plan designations included Low Density Residential (LDR), Medium Density Residential (MDR), High Density Residential (HDR), Urban Residential Reserve (URR) and Village Center (VC).

Development Capacity of Vacant and Partially-Developed Land

Comprehensive Plan ⁸ Designation	Zoning ⁸ Districts	Developable Acres	Projected Density Per Acre	Potential Capacity in Units
LDR	RR/RS-10	702	3	1,972
LDR	RS-6.5	689	4	2,646
LDR	RS-5	339	6.0	1,847
VC	HM/MUR	2	5.5	11
MDR	RM-5	129	12	1,460
HDR	RM-3	20	12	222
VC	HD, CB	8	12	96
VC	WF	10	15	149
Total - City		1,899		8,403
Outside City URR		1,522	4.5	6,851
Total UGB	Total UGB	3,421		15,254

Note: Capacity does not equal density per acre multiplied by total developable acres because capacity was calculated on a lot by lot basis and totaled by zone. Properties less than the average minimum lot size for single-family units were calculated at one unit. When actually density was known, it was used.

Assuming the projected densities by zone and the development of partially developed land, Albany could accommodate 8,400 new residential units at build-out within the city limits to 2025. Developable land within the UGB could accommodate another 6,800 units, assuming an average density of 4.5 units an acre.

Given the projected demand for 5,720 new units needed between 2005 and 2025, there is enough land within the City limits to meet this need. The next step is to determine if there is enough land zoned appropriately to meet projected housing need by type and price range.

What Zones Can Accommodate Our Different Housing Needs?

Owner-Occupied Housing. Housing priced less than \$115,000 may be feasible as attached housing, small lot housing or condominiums. In 2005, the Residential Limited Multiple Family (RM-5), Residential Multiple Family (RM-3), Mixed Use Residential (MUR), Waterfront (WF) and commercial zones that allow condominiums above retail were the most compatible and feasible zones for this new development. In 2005, detached single-family housing was allowed in all residential zones.⁸

Rental Housing. Apartments are allowed in the RM-5, RM-3, MUR and WF⁸ zones and above retail businesses in several commercial zones. The higher priced rental need could be accommodated with a variety of housing types, including existing or new owner-occupied single-family housing units in all residential and mixed use zones.

Based on the 2005 development standards and types of housing allowed by zoning district, the following table is an estimated distribution of the needed housing units by zoning district.

⁸ In 2005, Albany's residential single-family (RS) zones included: RS-5, RS-6.5, RS-10, Residential Reserve (RR), and Hackleman Monteith (HM). Zones that allow multiple housing types included: Residential Limited Multiple Family (RM-5), Residential Multiple Family (RM-3), Mixed Use Residential (MUR), Waterfront (WF) and Mixed Use Commercial (MUC). Historic Downtown (HD) and Central Business (CB) also allow housing. Comprehensive Plan designations included Low Density Residential (LDR), Medium Density Residential (MDR), High Density Residential (HDR), Urban Residential Reserve (URR) and Village Center (VC).

Estimate of Net Need (or -Surplus) by Price and Zoning District to 2025

Zoning Districts	Owned Units: 3,875	Rental Units: 1,829	Total
RM-3 and RM-5	<\$75,000: 1,597 \$75-115,000: 150	\$0-\$199: 950 \$200-\$429: 293 <i>- 1,069 surplus rental \$430-\$664</i>	1,921
RS-5	\$75-115,000: 10 \$190-280,000: 761 \$280,000+: 210 <i>-485 surplus \$150-190,000</i>	\$910-\$1149: 356 \$1150+: 100 <i>- 440 surplus own-occ \$115-150,000 to rental</i>	512
RS-6.5	\$190-280,000: 600 \$280,000+: 1,000 <i>-300 surplus \$150-190,000</i>	\$910-\$1149: 350 \$1150+: 250 <i>-200 surplus rental \$665-\$909 - 600 surplus own-occ \$115-150,000 to rental</i>	1,100
RS-10/RR	\$190-280,000: 200 \$280,000+: 1,200 <i>-200 surplus \$150-190,000</i>	\$910-\$1149: 200 \$1150+: 150 <i>-200 surplus own-occ \$115-150,000 to rental</i>	1,350
HD, CB, MUR, HM	<\$75,000: 50 \$75-115,000: 50 \$190-280,000: 50	\$0-\$199: 64 \$200-\$429: 50 \$910-\$1149: 100 <i>-40 surplus rental \$665-\$909 -100 own-occ surplus \$115-150,000 to rental</i>	224
WF	\$75-115,000: 19 \$190-280,000: 100 \$280,000+: 50	\$910-1149: 50 \$1150+: 47 <i>-12 surplus rental \$665-\$909</i>	254
MUC	\$75-115,000: 50 \$190-280,000: 50 \$280,000+: 53	\$0-\$199: 50 \$200-\$429: 50 \$910-1149: 50 \$1150+: 50	353
Total			5,714

The next table estimates the number of acres needed by zone to accommodate the projected housing need to 2025 by housing type and price.

Estimated Land Need by Zone 2005 to 2025

Comprehensive ⁹ Plan Designations	Zoning ⁹ District(s)	Estimated # Units Needed	Estimated Units/Acre	Est. Acres Needed	Developable Acres	Remaining Acres (-Deficit)
MDR, VC, HDR	RM-5, RM-3~	1,921	12	160	138~	(22)
LDR	RS-5	512	6	85	339	254
LDR	RS-6.5	1,100	4	275	688	413
LDR	RS-10/RR	1,350	3	500	672	172
VC	WF	247	15	16	10*	(6)
VC	HD, CB, MUR, HM	162	10	16	10*	(6)
VC	MUC*	353	15	24	15*	(9)
Total	Total	5,720				

~ 11 acres of vacant RM-5 and RM-3 properties less than 7,000 square feet, most of which are platted for detached single-family housing that will likely sell for more than \$150,000, was excluded from the total.

*An estimate of 10 acres is used for developable land in the HD, CB, MUR and HM zones, which assumes redevelopment of vacant lots in CB and HD and of upper floors for housing. WF developable acres total assumes complete redevelopment of several properties. The MUC zone allows for commercial and residential, so only a portion of vacant MUC land (15 of approximately 40 vacant acres) is shown in this table.

There is enough low-density single-family residential acreage (800 acres surplus) within the city limits to accommodate projected growth for those housing types and price ranges to 2025.

Due to the projected need for 2,500 owner-occupied units less than \$115,000 and 1,500 rental units renting for less than \$465, there is not enough land within the city limits zoned for medium-density or multi-family uses to meet this need. Assuming all vacant and partially developed RM-5 and RM-3 properties build-out with "affordable" units and some affordable housing is also built in Village Center zones (MUC, MUR, CB, HD and HM), projections indicate a need for roughly 30 acres of medium-density housing.

Currently there is no land designated Medium Density or Village Center on the Comprehensive Plan map outside the city limits. We hope to designate some land in these categories in the area south of Oak Creek, where a refinement land use plan is underway (January 2006).

Approximately 100 acres of available residential land will likely be needed for new public schools and parks, as well as for churches and assisted-living facilities. There is plenty of Low Density land available to accommodate public needs and housing needs.

Some of the land designated for residential uses (Urban Residential Reserve) outside the city limits will likely be needed for future commercial uses.

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⁹ In 2005, Albany's residential single-family (RS) zones included: RS-5, RS-6.5, RS-10, Residential Reserve (RR), and Hackleman Monteith (HM). Zones that allow multiple housing types included: Residential Limited Multiple Family (RM-5), Residential Multiple Family (RM-3), Mixed Use Residential (MUR), Waterfront (WF) and Mixed Use Commercial (MUC). Historic Downtown (HD) and Central Business (CB) also allow housing. Comprehensive Plan designations included Low Density Residential (LDR), Medium Density Residential (MDR), High Density Residential (HDR), Urban Residential Reserve (URR) and Village Center (VC).

Staff Comments: This section of the Comprehensive Plan includes dated information on existing land uses within the Urban Growth Boundary and a dated buildable lands inventory that projects land need to 2005. We have a commercial buildable lands inventory in the Plan under Goal 9: Economic Development and are proposing to add an updated buildable lands inventory to Goal 10: Housing. Therefore we propose to delete this section of the Plan.

GOAL 14: URBANIZATION

LAND USE BACKGROUND SUMMARY

Land use planning is an ongoing process which reflects today's values and tomorrow's hopes and aspirations. The best way to anticipate future land use needs for the Albany area is to first develop an understanding of existing land uses. After this understanding is gained, projections for anticipated needs of the future can be made. This is a process that will continually need to be revised and updated as conditions, as well as needs, change over time.

As part of the periodic review update process, Planning Department staff prepared an update to the Urbanization Background Report that was prepared in 1980. This update covered the period from 1980 to 1985. A summary of this updated information is presented below. A complete copy of this information can be found in the Background Report. While conditions did not change substantially, there were some land use changes.

EXISTING LAND USE

During the period of January 1, 1980, to December 31, 1985, there were 993 acres of land annexed to the city. A total of 670 new residential units were also built during this period. At the end of 1985, residential development utilized 3,238 acres of land within the Urban Growth Boundary (UGB), making it the largest single land use. Commercial development increased by 37 acres to a current total of 354 acres. Commercial land uses account for approximately 2.6% of the total UGB area. Industrial land uses also increased by 18 acres during the five year period to a total of 420 acres. This accounts for approximately 3.1% of the total UGB area. The following table identifies existing land use by general type.

~~The following table gives a snapshot of the distribution of land uses within Albany's Urban Growth Boundary in 2005 compared to 20 years ago.~~

SUMMARY OF EXISTING LAND USE BY TYPE

TYPE OF LAND USE	NO. OF ACRES	% OF UGB
Residential	3,238	23.86
Commercial	354	2.61
Industrial	420	3.10
Public and Semi Public	1,049	7.73
Rights-of-Way	1,988	14.65
Undeveloped	6,519	48.05
Total	13,568	100.00

Source: Estimated by the Albany Planning Division based on a land use inventory compiled in June 1978 and updated with Planning Department records for the period ending on December 31, 1985.

LAND USE NEED

A land use need analysis was undertaken in March 1986 to determine the amount of land needed for each major land use category to the year 2005. Residential and commercial land use needs were determined by population projections while industrial land use need was determined by a market analysis approach. Acreage amounts for other land use categories were determined by other assumptions which are explained more fully in the Goal 14: Urbanization Background Report. The following acreages were determined to be needed.

LAND USE NEED SUMMARY

TYPE OF LAND USE	ACREAGE IN USE	TOTAL ACREAGE NEEDED BY 2005	ADDITIONAL AMOUNT REQUIRED
Residential	3,238	4,536	1,298
Commercial	354	534	180
Industrial	420	1,127	707
Public and Semi Public	1,015	1,184	169
Rights of Way	1,988	2,325	337
Vacant	6,558	N/A	N/A

COMPREHENSIVE PLAN SUMMARY

The table below identifies a summary of the Comprehensive Plan Map designations as of December 31, 1985. It is interesting to note that during the period from Plan adoption on December 17, 1980 to December 31, 1985, there were only three Comprehensive Plan Amendments. These three amendments redesignated 60.68 acres.

SUMMARY OF COMPREHENSIVE PLAN MAP DESIGNATIONS

COMP PLAN MAP DESIGNATION	NO. OF ACRES	% OF ACRES
Residential	7,403	54.6
Commercial	733	5.4
Industrial	1,151	8.5
Open Space	1,405	10.4
Public Facilities	886	6.5
Rights of Way	1,988	14.6
Total	13,568	100.0

CONCLUSION

Based on the foregoing analysis, the Urban Growth Boundary as acknowledged in 1982, continues to provide sufficient buildable lands for all of the projected needed land uses for the Albany Urban Growth Boundary area. The Comprehensive Plan has balanced these anticipated land use needs with appropriate land use designations. These land use designations also provide sufficient amounts of land in each category to meet the anticipated needs of the community.

Staff Comments: The proposed amendments to this section update population trends and forecasts.

GOAL 9: ECONOMY

POPULATION TRENDS AND FORECASTS ~~BACKGROUND SUMMARY~~

Many aspects of the Comprehensive Land Use Plan are based upon population projections. These projections were developed from an analysis of past growth rates, current trends, and statewide demographic characteristics. Because these projections are based on assumptions, all of which are subject to change, they should be used only as indicators of expected growth and not as goals and objectives to be used as measures of the Plan's success. The most important value of population projections is in determining the need for land use types and facilities to service expected growth. Since substantial public investments will be made in public facilities to accommodate this growth, it is imperative that population projections be evaluated and updated on a regular basis.

~~The Albany area experienced significant growth during the period from 1950-80. However, this growth came to an abrupt standstill in the early 1980's as economic conditions changed dramatically in the area. While Albany did not lose population, as did other areas throughout the state, growth slowed down significantly. The revised population forecasts that were prepared as part of this update process reflect this lower rate of growth. These forecasts project an Albany population of 45,870 in the year 2005. The previously prepared forecasts had projected a population of 61,060 by the year 2000.~~

POPULATION TRENDS

Oregon. Between 1990 and 1999, almost 70% of Oregon's population growth was from net migration (in-migration minus out-migration), with the remaining 30% from natural increase (births minus deaths). Net migration to Oregon dropped from 35,000 in 1996 to 18,000 in 1999¹. The primary reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment.

Willamette Valley. The Willamette Valley has historically been the center of growth in Oregon. Population growth in the Willamette Valley has exceeded that of the state in every decade except the 1970s. Almost 70% of Oregon's population is located in the Willamette Valley, which contains only 14% of the state's land area. Most of the Willamette Valley's population is concentrated in the metropolitan areas of Portland, Salem, and Eugene.²

Population Growth Rates 1970-2000

	1970	1980	1990	2000	Avg. Ann. Growth Rate		
					1970-80	1980-90	1990-2000
U.S.	203,211,926	226,545,805	248,709,873	281,421,906	1.1%	1.0%	1.3%
Oregon	2,091,385	2,633,156	2,842,321	3,421,399	2.3%	0.8%	2.0%
Willamette Valley	1,446,594	1,788,577	1,962,816	2,280,606	2.1%	0.9%	2.1%
Benton County	53,776	68,211	70,811	78,153	2.4%	0.4%	1.0%
Linn County	71,914	89,495	91,227	103,069	2.2%	0.2%	1.3%
Albany	18,181	26,540	33,523	40,852	3.9%	1.1%	2.2%
Linn Co.	18,181	26,540	29,558	35,030	3.9%	1.1%	1.9%
Benton Co.		6	3,965	4,980	na	na	2.6%

Sources: U.S. Census Bureau and Center for Population Research and Census, Portland State University. Average annual growth rates calculated by the City.

Note: The original 1990 Census population for Albany was 29,462 (29,441 in Linn County and 21 in Benton County). The Census Bureau officially adjusted the 1990 population of Albany to include the 1991 annexation of North Albany, which is in Benton County. The 1980-90 growth rates for Albany are calculated using the pre-annexation population, and the 1990-00 growth rates are calculated using the post-annexation population.

¹ State of Oregon, Employment Department. 1999. *1999 Oregon In-migration Study*.

² The Willamette Valley is composed of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Washington, and Yamhill counties.

Albany. Albany grew faster than the nation, Oregon, and Linn and Benton Counties in each decade from 1970 to 2000. Between 1980 and 1999, Albany's annual average growth rate was 1.55%.

Albany's share of Linn County's population increased from 25% in 1970 to 34% by 2000. The 1991 annexation of North Albany (in Benton County) added 3,860 residents to Albany, making Albany the second-largest city in Benton County, following Corvallis.

Reflecting state trends, net migration accounted for about 66% of population growth in Linn County in the 1990–1999 period. The 1999 Oregon In-migration Study shows that migrants to Region 4 (Benton, Lincoln, and Linn Counties), are relatively young and well-educated.

The following table shows Albany's annual population estimates prepared by Portland State University's Population Research Center and Census figures since 1980.

Year	US Census	PSU	% Change	Linn	Benton
1980	26,540				
1981		27,100	2.11%		
1982		27,450	1.29%		
1983		27,500	0.18%		
1984		27,900	1.45%		
1985		27,911	0.04%		
1986		27,950	0.14%		
1987		28,060	0.39%		
1988		28,020	-0.14%		
1989		28,030	0.04%		
1990*	33,523	29,540	5.39%	29,525	15
1991*		33,850	0.98%	29,975	3,875
1992		34,200	1.03%	30,310	3,890
1993		34,350	0.44%	30,375	3,975
1994		35,020	1.95%	30,945	4,075
1995		36,205	3.38%	32,005	4,200
1996		37,095	2.46%	32,745	4,350
1997		37,830	1.98%	33,290	4,540
1998		38,925	2.89%	34,185	4,740
1999		40,010	2.79%	35,030	4,980
2000	40,852	41,145	2.84%	36,005	5,140
2001		41,650	1.23%	36,410	5,240
2002		42,280	1.51%	36,895	5,385
2003		43,600	3.12%	37,565	6,035
2004		44,030	0.99%	37,815	6,215
2005		45,360	3.00%	not available	

<u>Long Term Average Annual Growth Rates</u>	
2.28%	Previous ten years
1.66%	1980 to present

*The original 1990 Census figure for Albany was 29,462. In 1995, this figure was officially revised to 33,523 to include all annexations through 1993, including the 1991 North Albany annexation. The percent increase between 1990 and 1991 reflects the pre-annexation figures.

POPULATION PROJECTIONS

The state requires each county to establish a population forecast for the entire county and to coordinate this forecast with the local governments within its boundary.³ The state's long-term forecast for population growth for Linn and Benton Counties is shown below.

Forecast Population Growth for Linn and Benton Counties, 2000-2040

Year	Benton County Forecast			Linn County Forecast		
	Amount	Change	% Change	Amount	Change	% Change
2000	79,291			104,894		
2005	82,116	2,825	3.6	110,573	5,679	5.4
2010	85,080	2,964	3.6	116,053	5,480	5.0
2015	88,167	3,087	3.6	121,593	5,540	4.8
2020	91,345	3,178	3.6	127,158	5,565	4.6
2025	94,668	3,323	3.6	132,909	5,751	4.5
2030	98,024	3,356	3.5	138,812	5,903	4.4
2035	101,481	3,457	3.5	144,834	6,022	4.3
2040	104,998	3,517	3.5	150,551	5,717	3.9

Source: State of Oregon, Office of Economic Analysis.

~~The development of Albany population projections was a careful process in which a number of alternative growth scenarios were evaluated. These alternatives were reviewed and discussed with other nearby jurisdictions, planning agencies, business leaders and other public and private parties interested in evaluating economic and growth-related issues. The preferred forecast is a derivation of the official state adopted population projection prepared by the Bureau of Population and Census Research at Portland State University. Based on past growth trends and anticipated future trends, Albany is projected to most likely continue to grow at a marginally increasing percentage of the overall statewide anticipated growth. These projections should be re-evaluated after 1990 census information is available. More detailed information on population characteristics, including an analysis of the Albany area population and methodology used in projecting population, is included under Goal 9: Economy, Background Report.~~

In 1997 and 1998, Albany representatives met with those from Linn and Benton Counties to arrive at a population forecast to 2020. This forecast was adjusted by the Department of Land Conservation and Development and adopted by both counties in 1999. The forecast assumes an annual average increase of 1.4%, which is consistent with state projections for a slower growth rate over the forecast period. Albany's adopted population forecast to 2020 is 53,200 residents.

Albany's Adopted Population Forecast to 2020 by County

Year	City Total	Linn County	Benton County
2000*	40,852	35,748	5,104
2005	43,400	38,090	5,310
2010	46,450	40,840	5,610
2015	49,710	43,790	5,920
2020	53,200	46,950	6,250

Source: City of Albany, Planning Division.

*2000 figure is from the Census.

³ ORS 195.025 and ORS 195.036.
 Comprehensive Plan

*Page numbers are subject to change in final document

Albany's population grew by an average of 2.3% per year between 1996 and 2005. This growth rate is much higher than the 1.4% growth rate used in the Albany's official adopted forecast above. According to estimates by Portland State University, Albany's Benton County population was close to the 2020 projection in 2004 at 6,215 persons.

Due to higher growth than projected in the county-adopted forecast, staff calculated three additional population growth scenarios to 2025 in 2005. Growth scenario 1 uses a moderate average annual growth rate of 1.5% applied to Albany's 2005 Portland State University's population estimate of 45,360. Scenario 2 uses a 1.9% average annual growth rate. Scenario 3 assumes a continuation of a high annual growth rate of 2.2%, beginning with Albany's 2005 estimated population.

Albany Population Growth Scenarios to 2025

YEAR	2000	2005	2010	2015	2020	2025
1999 Adopted County-Coordinated Forecast to 2020.	39,550	42,600	45,870	49,400	53,200	57,030
Scenario 1: 1.5% Ave. Annual Inc.	40,852*	45,360	48,666	52,642	56,711	61,093
Scenario 2: 1.9% Ave. Annual Inc.	40,852*	45,360	49,836	54,754	60,157	66,093
Scenario 3: 2.2% Ave. Annual Inc.	40,852*	45,360	50,574	56,387	62,869	70,096

Source: Albany Planning staff. The 1999 adopted County-Coordinated forecast continues the 1.4% growth rate to 2025.
 *2000 figures are from the Census Bureau.

Due to unpredictable growth cycles, population forecasts should be reviewed and adjusted every few years in order to plan for future needs.

**MARGINALLY INCREASING PERCENTAGE
OF STATEWIDE TOTAL**

*(Over Past Trends)
(Projections Rounded to Nearest 10)*

YEAR	TOTAL ALBANY		POPULATION (INCLUDES UGB AREA)
	STATE POPULATION	% OF STATE	
1985	2,676,171	0.01230	32,911 (Actual)*
1986	2,717,652	0.01233	33,510
1987	2,759,776	0.01237	34,140
1988	2,802,552	0.01240	34,750
1989	2,845,992	0.01243	35,380
1990	2,890,105	0.01246	36,010
1991	2,917,561	0.01250	36,470
1992	2,958,407	0.01253	37,070
1993	2,999,824	0.01256	37,680
1994	3,041,822	0.01259	38,300
1995	3,094,600	0.01263	39,090
1996	3,137,924	0.01266	39,730
1997	3,181,855	0.01269	40,380
1998	3,226,401	0.01272	41,040
1999	3,271,570	0.01276	41,750
2000	3,304,300	0.01279	42,260
2001	3,350,560	0.01282	42,950
2002	3,397,468	0.01255	43,660
2003	3,445,032	0.01289	44,410
2004	3,493,263	0.01292	45,130
2005	3,542,168	0.01295	45,870

* Population figures are for the city of Albany and its Urban Growth Boundary Area combined. Actual population within the city of Albany for 1985 was 27,911 while the Urban Growth Boundary Area population was 5,000. Population as of July 1, 1988, was estimated at 28,020 for the incorporated portion of Albany.



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STAFF REPORT Comprehensive Plan Amendment

<u>HEARING BODY</u>	CITY COUNCIL
<u>HEARING DATE</u>	Wednesday, February 8, 2006
<u>HEARING TIME</u>	7:15 p.m.
<u>HEARING LOCATION</u>	Council Chambers, Albany City Hall, 333 Broadalbin Street SW

GENERAL INFORMATION

DATE OF REPORT:	January 23, 2006 and February 1, 2006
FILE:	CP-01-06
TYPE OF APPLICATION:	Legislative amendments to update the Comprehensive Plan text with a current residential buildable lands inventory (BLI) and population projections.
REVIEW BODY:	City Council
APPLICANT:	City of Albany, Community Development Department

NOTICE INFORMATION

A Notice of Public Hearings was published in the *Albany Democrat-Herald* on January 23, 2006. At the time this staff report was prepared, January 23, 2006, the Albany Planning Division had received no written comments.

STAFF RECOMMENDATIONS

APPROVAL of the Comprehensive Plan Amendments.

PLANNING COMMISSION RECOMMENDATION

APPROVAL of the Comprehensive Plan Amendments.

STAFF ANALYSIS**Comprehensive Plan Text Amendment, Planning File CP-01-06**

The Albany Development Code (ADC) contains the following review criteria which must be met for these legislative amendments to be approved. Code criteria are written in *bold italics* and are followed by findings and conclusions.

- (1) *A legislative amendment is consistent with the goals and policies of the Comprehensive Plan, the statewide planning goals, and any relevant area plans adopted by the City Council.*

The following Comprehensive Plan goals and policies are applicable to the proposed amendments:

- Remains current and responsive to community needs.
- Retains long-range reliability.
- Incorporates the most recent and reliable information.
- Remains consistent with state laws and administrative rules.
- Undertake periodic review and/or update of the Albany Comprehensive Plan at least every four to seven years.

FINDINGS

- 1.1 The following sections of the Comprehensive Plan have not been updated since 1988: Housing Background Information in Chapter 4 (Exhibit A), Population Projections in Chapter 3 (Exhibit C), and the Land Use Background and Land Use Need Summaries in Chapter 9 (Exhibit B). Population and land use need projections (buildable lands inventory) are to 2005. These Plan sections need to be updated in order to have reliable information from which to make land use planning decisions and meet Albany's housing needs.
- 1.2 The City is in Periodic Review, a process through which the City has been updating its Comprehensive Plan, Plan Map, Development Code and Zoning Map in accordance with a work program approved by the State Department of Land Conservation and Development (DLCD) in 1997. The work program includes updating the buildable lands inventory (BLI) for housing and a housing needs analysis to determine if the Urban Growth Boundary (UGB) has sufficient land to meet housing needs for at least 20 years (requirements under Statewide Planning Goal 10 Housing).
- 1.3 Planning staff conducted a buildable lands inventory and housing needs analysis in 2005. A summary of this information is proposed to be adopted into the Comprehensive Plan in Exhibit A. Information includes data on Albany's housing trends, current housing inventory, a projection of future housing needs to 2025, and a residential buildable lands inventory. This current information would replace the dated housing background information and the dated buildable land inventory in Exhibit B, which is proposed to be deleted. This is the most current and reliable information.
- 1.4 The population forecast section of the Comprehensive Plan is also proposed to be updated as shown in Exhibit C. Proposed amendments include population trends, and replacing the 1985 forecast with the most current population forecasts for Linn and Benton Counties and Albany. The state requires each county to establish a population forecast for the entire county and to coordinate this forecast with the local governments within its boundary (ORS 195.025 and 195.036). In 1997 and 1998, City representatives met with those from Linn and Benton Counties to arrive at a population forecast to 2020. This forecast was adjusted by the DLCD and adopted by both counties in 1999.

EXHIBIT D

- 1.5 Portland State University's Population Research Center annually estimates the population of Oregon's cities and counties. Albany's population growth averaged 2.2% annually between 1996 and 2004. This is higher than the 1999 County-adopted forecast to 2020 which assumed a 1.4% annual growth rate. Portland State estimated Albany's 2005 population to be 45,360, which is close to the 1999 forecast for 2010. Because of the higher growth rates, three additional population growth scenarios are also included to consider for projecting future housing needs.
- 1.6 The proposed amendments are needed in order to adequately evaluate applications for Zoning and Comprehensive Plan Map amendments.

CONCLUSION

- 1.1 The proposed Comprehensive Plan text amendments will update the Plan with the most recent and reliable information, which will keep the plan current and provide long-range reliability. This criterion is met.
- (2) *A legislative amendment is needed to meet changing conditions or new laws.*

FINDING

- 2.1 The proposed legislative amendments are necessary in order to plan for future growth in Albany. The proposed amendments will update sections of the Plan with population and land use projections to 2025.

CONCLUSION

- 2.1 This criterion is met because the legislative amendments to the Comprehensive Plan are necessary in order to meet Albany's changing conditions and provide for future needs.

The proposed changes are attached to the ordinance as exhibits:

Exhibit A: Update of housing needs analysis and buildable lands inventory (BLI);

Exhibit B: Deletion of dated information on existing land uses within the Urban Growth Boundary (UGB) and buildable lands information (BLI); and

Exhibit C: Update of population trends and forecasts.

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