

In the matter of legislative action) Comprehensive Plan Amendment:
by the City of Roseburg) CPA-23-002

BEFORE THE ROSEBURG CITY COUNCIL

FINDINGS OF FACT AND ORDER

I. NATURE OF APPLICATION

The City has initiated a legislative amendment to adjust its Urban Growth Boundary (UGB). The method being used to make the adjustment is referred to by statute as a “UGB Exchange”, but has been more commonly referred to locally during the process as the “UGB Swap”. The UGB Exchange would move the UGB line in such a way as to create no net increase in the number of possible future dwelling units that would be allowed. Two privately-owned properties would be removed from the UGB: ±91.5 acres on the hillside east of NW Daysha Drive (owned by John and Donna Atkinson) and ±198.5 acres on the hillside north of NE Barager Avenue (owned by Barry Serafin). The area to be added to the UGB is ±220 acres and is located on the west side of the City, generally bounded by the South Umpqua River and NW Troost Street, a portion of the area commonly known as Charter Oaks. The UGB Exchange results in a decrease in acreage within the UGB, but by providing more flat, easily-developed land will provide new opportunities for residential development.

The amendment includes subsequent land use actions including de-annexations, annexations, revised comprehensive plan designations, zone changes and an amendment of the City/County Urban Growth Management Agreement (UGMA). Approval must be obtained by both the Roseburg City Council and the Douglas County Board of Commissioners for specific land use action items over which their jurisdiction has control.

II. PUBLIC HEARING

A public hearing was held on the application before the Roseburg City Council on July 22, 2024. At that hearing the Roseburg City Council reviewed Land Use File CPA-23-002 and it was made part of the record. The City Council heard testimony from the public concerning the application. The Council closed the public hearing. A motion was made requesting staff to prepare findings of fact on behalf of City Council approving the following land use actions, as referenced in File No. CPA-23-002:

1. Amend the UGB by removing the Serafin and Atkinson properties from the boundary and adding Charter Oaks property to the UGB.
2. De-annexation of the Serafin and Atkinson properties that lie in city limits.
3. Annexation of Troost St. right-of-way to the edge of the new UGB.
4. City Comprehensive Plan Amendment for the Charter Oaks property to include applying the city’s Low Density Residential (LDR) designation to the majority of the Charter Oaks property and applying the Public/Semi-Public (PSP) plan designation to the 17.5-acre property owned by the Roseburg Public School District.
5. Amend the Urban Growth Management Agreement (UGMA) to reflect the UGB Swap and to include Charter Oaks in Subarea 2 of the agreement.

The Council voted unanimously to approve the motion.

III. FINDINGS OF FACT

A. EXISTING CONDITIONS

1. The City Council takes official notice of the Roseburg Urban Area Comprehensive Plan adopted by City Council Ordinance No. 2980 on December 9, 1996 and of the Roseburg Land Use and Development Regulations No. 2363, as originally adopted July 1, 1984, and re-adopted in Ordinance No. 3497 on May 1, 2018, as both have been amended from time-to-time.
2. Notice of the public hearing was given by publication in The News Review, a newspaper of general circulation, at least 10 days prior to the hearing held before City Council.
3. A combined public hearing was held on the application before both the Roseburg Planning Commission and the Douglas County Planning Commission on May 6, 2024. The Planning Commissions heard testimony from the public concerning the application. The Planning Commissions collectively made a motion to close the public hearing at the conclusion of their May 6, 2024 meeting. Both Commissions moved to recommend approval of the UGB Swap to their respective Council and Board. The Roseburg Planning Commission adopted findings recommending City Council approve the UGB Swap proposal on May 20, 2024.
4. The objective of the UGB Swap is to increase residential development capacity in order to meet Roseburg's housing goals for the next 20 years. In 2019, the Roseburg City Council set a goal to develop policies to enhance housing opportunities, which required the City to conduct an updated Housing Needs Analysis (HNA).
5. The HNA (2019, ECONorthwest), made several key findings within its conclusion that help to justify the need for a UGB Swap:
 - A. The population of the City's UGB is forecasted to grow from 30,256 people in 2019 to 35,771 people in 2039, an increase of 5,515 people. This equates to an average annual growth rate of 0.84 percent.
 - B. The growth of 5,515 people will result in demand for 2,768 new dwelling units over the 20-year planning period, averaging 134 new dwelling units annually.
 - C. Sixty percent of the future housing type needed to meet the demand of 2,768 new dwelling units will need to be traditional single-family detached units.
 - D. Roseburg's low density residential land base in which single-family detached units are most typically constructed has constraints to development.
 - E. A UGB Swap can be a key tool in addressing the need for providing more flat and easily developable low-density residential land.

B. PROPOSAL

The proposal consists of the following land use actions:

- A. Amend the UGB by removing the Serafin and Atkinson properties from the boundary and adding Charter Oaks property to the UGB;
- B. De-annexation of the Serafin and Atkinson properties that lie in city limits;
- C. Annexation of Troost St. right-of-way to the edge of the new UGB;
- D. City Comprehensive Plan Amendment for the Charter Oaks property to include applying the city's Low Density Residential (LDR) designation to the majority of the Charter Oaks property and applying the Public/Semi-Public (PSP) plan designation to the 17.5-acre property owned by the Roseburg Public School District; and,
- E. Amend the Urban Growth Management Agreement (UGMA) to reflect the UGB swap and to include Charter Oaks in Subarea 2 of the agreement.

C. PUBLIC COMMENTS

Prior to the City Council public hearing on July 22, 2024, a suite of comment letters were provided to Council and the public through hearing packets published and posted prior to the hearing. Thirty-one letters were written in support of the application and six letters of concern were submitted and included within the Council packet.

At the City Council hearing on July 22, 2024, public testimony included six people testifying in opposition, three people speaking during the "neutral" category, and nine people speaking in support. Four new letters were received in opposition to the proposal, and one letter submitted in support during the hearing itself.

Issues raised *in opposition* to the proposal before City Council, can be generally described as listed below. Below each bullet point item in italics is a finding indicating how the concern has been addressed either within the application material or through public testimony during the course of the hearing.

- **Inadequate transportation facilities in Charter Oaks.** Current residents in and near Charter Oaks have described dangerous conditions on streets and at intersections in the area, suggesting that adding additional traffic to the area will cause transportation safety and roadway capacity concerns. Residents have expressed concern about there being only one way in and out of the area on Troost Street, and that the exact details of future roadway and access points to serve the area have not already been determined and funded. In addition, concerns have been raised concerning data utilized within the City's TIS indicating that new zoning laws could enable the use of duplexes where only single-family dwellings could have been built previously. People suggested that the UGB Swap should not be allowed until the full details and designs of future transportation facilities have been determined.

Kelly Sandow, Sandow Engineering performed a Traffic Impact Study involving the UGB swap (appendices) and spoke on behalf of the City during the public hearing addressing residents' concerns about dangerous conditions on streets and intersections in the Charter Oaks area. Ms. Sandow indicated that even at full build out the streets and intersections within Charter Oaks will perform in accordance with the Transportation Planning Rule (TPR). Although these areas will satisfy TPR requirements, she provided possible safety

improvement recommendations at the intersection of Troost St./Felt St., Troost St./Charter Oaks Dr. and Troost St./Loma Vista Dr. She also provided reference to cross section street requirements that can be anticipated for Troost St. in the future and a recommendation to lower the speed to 25mph through the UGB expansion area. Ms. Sandow indicated that City development code will require the need for future site specific TIS to be performed based upon specific development proposals as those are submitted for review by the City. These additional studies will be able to evaluate details concerning the types of dwellings and the number of trips generated as a result of these dwellings and their impacts on the surrounding street network.

- **Emergency access for first responders in Charter Oaks.** Limited access to the area raised in the context of transportation facilities was also an issue raised concerning emergency access for fire, police and other first responders given the single point of access to the area from Troost Street. People specifically raised the issue of a recent fire at Felts Field Airstrip in Charter Oaks, and the length of time it took for emergency responders to arrive at the fire.

Chief Tyler Christopherson, Roseburg Fire Department (RFD) spoke on behalf of the City during the public hearing and addressed concerns around fire response times and the recent fire at Felts Field Airstrip. Chief Christopherson, indicated that RFD did not respond to the Felts Field fire, as it is currently located outside of the city limits and is within Douglas County Fire District 2 jurisdiction. Water supply was a significant issue and lack of water required it to be trucked into the area, slowing overall response time. If annexed, the City would have three different stations ready to respond, with 12 firefighters, and three engines within six minutes. Water supply will increase based on development and the construction of fire hydrants. The RFD has an ISO classification of 2, while the Douglas County Fire District 2 has an ISO rating of 3. If annexed, fire insurance rates could possibly be adjusted to improve insurance costs as RFD has a lower ISO score, which indicates a better/higher rating.

- **Lack of detailed, final infrastructure plans and funding for sewer and water services.** Similar to concerns raised about the plan for future roadways, residents in the area have concerns that specific future plans for the location and timing of water and sewer improvements have not already been developed. Dry wells and lack of water at the school district site was mentioned.

Jim Baird, General Manager of the Roseburg Urban Sanitary Authority (RUSA) spoke in favor of the application during the public hearing addressing plans for future expansion of the sewer system with the Charter Oaks area. Mr. Baird indicated that the Charter Oaks area has had a long history of being evaluated for a future sewer system by referencing studies performed in 1967, 1975, 1977, and 1995. Most recently, Mr. Baird described a preliminary layout of the

expansion of the existing sewer system into the area completed in 2018. This preliminary layout involves the upsizing of an existing pump station, which would be completed by RUSA and the extension of the sewer main, which would typically be driven by a future developer. Favorable time frames for how quickly sewer improvements could occur within the area were estimated to be approximately 3-5 years.

- **Old and/or inaccurate data.** Data supporting planning efforts is out of date and should be revised and updated based on current conditions. Density calculations showing 673 units both entering and leaving the UGB are based on flawed assumptions regarding buildability, and do not align precisely with data used in the City's Buildable Lands Inventory (BLI) and other planning documents. A previous draft version of the application identifies that the East Roseburg/Dixonville subarea was the preferred area over the Charter Oaks subarea.

As provided throughout the application, the City followed state and local law when applying the criteria necessary to justify the UGB swap proposal. Assistance with the application was provided by 3J Consulting, an independent consulting firm that specializes in land use services. Feedback from state and local agencies including the Oregon Department of Land Conservation and Development (DLCD), Oregon Department of Transportation (ODOT), Oregon Department of Fish and Wildlife (ODFW), Oregon Department of State Lands (DSL), Douglas County Planning and Public Works Departments, Douglas County On-Site Wastewater Division, and the Roseburg Urban Sanitary Authority (RUSA) concerning the details and analysis used within the application was sought throughout the development of the application. In addition, the City has sought feedback from 1000 Friends of Oregon, a private non-profit organization that advocates for land-use planning. None of these agencies or organizations have indicated that we have used old and inaccurate data or flawed assumptions. None of them have presented evidence or testimony opposing the application.

Claims made that a previous draft version of the application identifying the East Roseburg/Dixonville subarea as the preferred area over the Charter Oaks subarea are inaccurate. Old versions of the application, as well as the current version of the application indicate that in order to select a final exchange or swap area for inclusion in the UGB, the Wilbur, Charter Oaks, and Roseburg East/Dixonville subareas were ranked from best potential site (1), to worst potential site (3), for priority lands in criteria in OAR 660-024-0067(2) and for each of the Goal 14 Boundary Location factors. The subarea with the lowest total score was determined to be the preferred area for the exchange. See Table 20, Final Ranking of Study Area Subareas on page 116 of the application.

Charter Oaks ranked lower than the Wilbur and Roseburg East/Dixonville subareas for the prioritization analysis identified in OAR 660-024-0067, but this

is not the sole measure by which the subareas were ranked. Four Goal 14 locational factors were also evaluated in the ranking, in which the Charter Oaks subarea ranked highest in each category. Final ranking of both the prioritization analysis in OAR 660-024-0067 and each Goal 14 Boundary Location factor indicate that Charter Oaks is the preferred subarea for the UGB Swap, both in previous iterations of the application and the final draft.

- **Environmental impacts.** Wildlife habitat information in the application based on a study conducted prior to 1980 is too old to be trustworthy and should be updated.

The City recognizes that the inventory referenced within our staff report and findings document is from 1980. This inventory was conducted by Douglas County in an effort to inventory special bird habitat with the assistance of ODFW for the County Comprehensive Plan. This is discussed on page 162 of the UGB Swap application. A map of the area inventoried is on page 163. This is also referenced on page 187 under Natural Resources Policy #15.

The criteria requires the City to evaluate and indicate consistency with Statewide Planning Goal #5 (Open Spaces, Scenic and Historic Areas and Natural Resources). The goal indicates, "To protect natural resources and conserve scenic and historic areas and open spaces." The City has to use the best available data in order to meet this criteria. As this is an area outside the City's UGB, we must rely on studies performed by either the County or State concerning these issues. The heron rookery identified in the inventory is in an area outside of the where the UGB is proposed. No other significant wildlife population exists in the area that is inventoried by ODFW. It should be noted that areas within the floodway and riparian setback when annexed will be required to adhere to City standards helping to ensure protection of the river and riparian corridor.

- **Community engagement was insufficient, and the project favors development over community concerns.**

Stuart Cowie, Community Development Director spoke on behalf of the City during the public hearing concerning the UGB Swap application and public process. Mr. Cowie indicated that the City had been working on the UGB Swap application for the last six years and referenced opportunities for community engagement during this time. Community open houses were held in 2018, 2019 and 2024. Multiple updates concerning the UGB Swap were provided to the City Planning Commission and City Council during public meetings over the six-year period. Opportunity for public comment was provided during the goal setting sessions in 2020, in which City Council identified the pursuit of a UGB Swap as an item to help enhance housing opportunities. The City created a webpage devoted to the UGB Swap at the beginning of 2024, in an effort to provide citizens with information, upcoming events, and an invitation to reach out to City staff with comments or questions.

- **Roseburg has no demonstrated need for additional low-density residential land.** The 2019 Housing Needs Analysis identifies that Roseburg has a surplus of Low Density Residential land. Goal 14 requires that there be a “demonstrated need” before a change to the UGB can be made allowing additional low-density residential capacity.

The HNA indicates that Roseburg has an approximate surplus of 352 gross acres of low-density residential land. If this were all that the HNA provided concerning this issue than the opposition would be correct in indicating that there is no “demonstrated need” concerning the UGB Swap. However, the HNA clearly indicates that Roseburg’s low-density residential land base has constraints to development and that the City needs to implement actions offered within the HNA to overcome these barriers promoting housing opportunity. One of the action items identified was to implement a land swap of sloped land within the UGB for flat land outside of the UGB.

The HNA Executive Summary, specifically lists, “Roseburg’s Low Density Residential land base has constraints to development,” as a key finding of the HNA. See page x, Executive Summary.

One of the nine key findings described within the “Conclusions” portion of the HNA found on page 84, identifies the following,

“Roseburg’s Low Density Residential land base has constraints to development. More than one-quarter of Roseburg’s vacant land in Low Density Residential is partially vacant (247 of 885 acres). In addition, two-thirds of Roseburg’s vacant and partially vacant buildable land in Low Density Residential is on slopes of 12% to 24.9% (568 or 885 acres). Development of partially vacant land can be challenging for a number of reasons, including that it occurs when landowners are ready to subdivide and in cases where partially vacant land is on a relatively small lot (i.e., a lot smaller than five or ten acres), the amount of residential development that can occur is relatively small (and generally more expensive to build). Development on land with moderate slopes is also often more expensive because it generally occurs as lower densities (fewer dwelling units per acre) and on land without urban infrastructure where it may be more expensive to serve because of requirements for road construction or requirements for special equipment (such as pump stations). Developing new housing in these areas may be more expensive, providing fewer opportunities for development of market-rate affordable housing affordable to middle-income households. The Housing Strategy describes actions that the City can take to overcome these barriers, such as allowing a wider range of single-family housing development (such as cottage clusters), implementing a land swap of sloped land within the UGB for flat land outside of the UGB, increasing allowable densities (or setting minimum densities) and removing other barriers to development.”

Implementing a land swap of sloped land within the UGB for flat land outside of the UGB was a key finding that helped the City move forward with the idea of a UGB Swap in the first place. This key point is stated on page 6 of the introduction and summary portion of the City's application (Exhibit A), along with four other findings from the HNA used to justify the UGB Swap. The 5th listed item indicates the following, "A UGB Swap can be a key tool in addressing the need for providing more flat and easily developable low density residential land."

The results of the residential capacity analysis contained within the HNA, further demonstrates the need for more easily developable low-density residential land. On page 79 of the HNA, it indicates the following, "Stakeholders have expressed concerns about the development capacity of low-density residential land on slopes of 12% to 24.9%. This represents 64% of vacant and partially vacant buildable land designated as low-density residential. Roseburg has 568 acres of Low Density Residential on these slopes. If we assume that these lands develop at 2.0 dwelling units per gross acre, rather than the 2.9 dwelling density assumption, Low Density Residential would have capacity for 2,055 new dwelling units, roughly 500 fewer dwelling units than the estimate provided under the 2.9 dwelling density assumption.

It is not unreasonable to expect that all of the 885 acres of vacant, unconstrained land in Low Density Residential will develop at an average of 2.9 dwelling units per acre. Other cities in Oregon have development on moderate slopes (like 12% to 24.9% slopes) at densities around 3.0 dwelling units per acre. However, developing housing on slopes is generally more expensive than developing comparable housing on flat land. The large amount of land in moderate slopes in Roseburg (64% of the vacant land in Low Density Residential) may inhibit development of housing affordable to Roseburg's households. In addition, the lack of urban infrastructure (roads, municipal water, and sewer) to many areas with slopes make development of these lands much more expensive and complex, especially if the developer is paying for infrastructure. If the developer is able to develop fewer dwelling units per acre on slopes, which is generally the case, the costs of infrastructure on a per unit basis will be higher because there are fewer units to spread infrastructure costs among. In addition, infrastructure on slopes may be more expensive than on flat land, with requirements for additional infrastructure (such as pumping stations) and higher costs of building roads.

The sloped areas in Roseburg have not developed over the last 40 years, likely as a result of being more expensive to develop and lacking infrastructure. Supporting development on sloped lands may require a significant policy intervention, such as subsidizing the costs of infrastructure or other interventions."

These findings located within the HNA, are outlined with the City's UGB Swap application. See page 193 of the application, which states the following, "The City contracted consulting firm ECONorthwest to conduct a Housing Needs

Analysis in 2019, in order to inventory the buildable land, project future availability and needs, and identify policies to meet Roseburg housing goals. The findings of the HNA identified that in an optimistic scenario, there is enough low-density residential land within the UGB to meet the housing demand for 2019-2039. However it follows that, "if no partially vacant Low Density land develops and land on slopes develop at a slower pace or at lower densities, Roseburg may have insufficient land for Low Density development" (HNA pg. 80). The UGB swap will ensure a new supply of vacant, flat, and unconstrained land that will allow developers options for development and be suitable for residential use.

The HNA and the City's UGB swap application clearly indicate that Roseburg's low-density residential land inventory has constraints to development and encourages the City to evaluate other methods or policies in order to promote housing opportunities on low-density residential land. The HNA demonstrates there is a need for low-density residential on flat, unconstrained land that can be more easily developed and identifies the process of a UGB Swap as a tool to be used in order to achieve this need. OAR 660-024-0070(3)(a)(A) is satisfied.

- **State law does not allow a "Swap" of multi-family residential land for low-density residential land or unbuildable land for buildable land.**

Multiple sections within the UGB Swap application address this issue. It is introduced on page 12; Section A, Lands Proposed to be Excluded from the UGB, and analyzed in detail in other sections of the application. The most prevalent section in which an evaluation of the issue is presented can be found on pages 136-144; Section 4, Comparing the Exchange of Lands Based on Type. Additional arguments are made on page 173; Section J, Goal 10: Housing and page 193; Section J, Housing Element, Housing Policy #3.

Concerns have been raised as to why the UGB Swap will remove 23.05 acres of land designated for medium and high-density residential use when the HNA indicates that there is a short supply or deficit of such land types. It's important to note that of the total 23.05 acres of multiple family residential land to be removed from the UGB, 22.40 acres or 97 percent of the property has a slope greater than 25%, which by OAR 660-008-0005(2) means that the land is considered unsuitable as future buildable land. Consistent with guidance in state statute, this medium and high-density acreage was not included within the available land supply for the 2019 Buildable Lands Inventory. As a result, its exclusion from the UGB will not result in a buildable land deficit greater than what was already assessed.

OAR 660-024-0070(3)(a)(A) requires that, "A specific type of residential need is substantially equivalent to the amount of buildable residential land removed." As indicated in the previous findings above, the City has demonstrated through their current HNA that the City has a need for low-

density residential land that is flat, unconstrained and can be more easily developed.

As the medium and high density land being removed is considered unbuildable, the City did not utilize the density provisions enabled on the property by its current zoning designation, rather it analyzed existing development within the city limits to determine median lot sizes for properties that have slopes of 25% or greater on more than half of the total lot.

Analysis within the application indicates that actual development occurring on areas of steep slopes similar to the lands being removed do not support the same level of density that medium or high-density zones allow. Data provided within the "Density Calculation for Final Exchange Area" within the application demonstrates that the median lot size across city lots that have slopes of 25% or greater that cover more than half of the lot or more is 17,919 square feet. The City is using the 15,000 square foot per lot amount to determine what the appropriate density exchange rate is for lands being removed. Based on this factor, the City finds that the higher density lands being removed from the UGB will not have an impact on the high-density development capacity of the City.

While these lands were originally designated for higher density development, the ability to practically develop them as such is highly unlikely. The probability of land being developed into a specific type of housing isn't based solely on the zoning designation, one must factor in the geography, available facilities, and potential costs. Additionally this area is elevated above the High Water Pressure Service zone, which makes it unable to be serviced by city water without additional, costly infrastructure. In short, based on both the conditions of the land and the meetings the City has held with the property owners, this area is unlikely to be used for multifamily housing. Swapping this 23.05 acres, along with approximately 265 acres of low density residential land is determined to be an equivalent tradeoff for the approximately 230 acres of land coming in. The swap will facilitate new opportunities for developers to provide housing options that they would be unable to offer within the existing medium and high-density zoned property being removed.

The opposition presents concerns that the removal of this medium and high-density residential land will limit future multi-family development. However it is important to note that since adopting the HNA in 2019, the City has worked on a number of initiatives which have encouraged an increase in higher density residential unit supply within the UGB. The City finds that these initiatives have offset the identified deficit of high-density residential lands. These initiatives include: a Middle Housing (HB2001) Code Update Project funded by a grant awarded from DLCD, and a Multifamily Housing systems development charge (SDC) deferral program funded through the Diamond Lake Urban Renewal District. Through these initiatives, the City adopted provisions that increased potential development density in existing low-density residential areas and also incentivized multifamily housing development within Mixed Use zones, inside the Diamond Lake Corridor.

These new initiatives are working. The SDC deferral program has attracted the attention of a number of developers. For example since 2019, 406 new units of multifamily housing have been constructed within the Diamond Lake Urban Renewal District. The majority of these units utilized the SDC deferral program and were built within a mixed use zone. One comment from a developer indicated that he could have easily built his apartment complex in nearby cities like Cottage Grove or Grants Pass and they would have filled up just as quickly as they did here, but because of the SDC incentive program and the relative ease of obtaining approval for development in the mixed use zone they chose to construct them in Roseburg.

As a result of being built within the mixed use zone, these new apartments have had a massive impact on meeting the demand for multifamily dwelling units identified in our HNA, but are not captured within the capacity analysis identified in the buildable lands inventory.

These apartments simply could not have been constructed on the medium and high-density residential land designations we are proposing to remove as part of the UGB Swap. Because this land was not considered as being part of the current buildable land supply in the first place, removing it from the UGB shall have little consequence on the assessed need for medium and high-density residential land. The land simply has very little development capacity. The logical way to address this is to transfer that potential development capacity to a less constrained area through the UGB Swap.

Additionally, the City finds that there are discrepancies between the Roseburg Urban Area Comprehensive Plan Map and the current zoning designation for the Atkinson Site. City staff concludes that some areas were erroneously zoned as a higher density than intended in the Comprehensive Plan Map. Approximately 8.9 acres of High Density Residential (HDR) comprehensive plan designated property exists as compared to 23.05 acres of medium and high-density residential zoning. This discrepancy creates issues concerning the compatibility of existing zoning with the location and total property acreage designated as high-density residential in the Comprehensive Plan.

The City asserts that based upon the findings listed above the City's HNA has established a need for low-density residential land that is unconstrained for development purposes. In addition, the findings demonstrate that the location of the medium and high-density residential land being removed from the UGB do not reflect the true density in which the zoning enables these properties to achieve. As they are located now it is highly unlikely they would ever develop. The City is using the average lot size for lands located on similar slopes in order to apply an appropriate density transfer to the Charter Oaks area. Applying a medium and or high-density designation to this area would be inappropriate given the current pattern of development and the fact that the neighborhood has indicated that they do not support the idea of high-density units within their area. Given that the City has seen successful multi-family

development growth in other areas of the City utilizing other policies identified within the HNA to promote this type of growth, the City is justified in removal of the 23.05 acres of medium and high-density residential land. OAR 660-024-0070(3) is satisfied.

- **The application improperly establishes a preliminary study area by excluding property based on factors that are not part of the criteria and by establishing and improperly removing subareas from the study area.**

In accordance with OAR 660-024-0065(1), the City established a preliminary study area of 1.5 miles around its existing UGB in order to evaluate land that could be included as part of the UGB Swap.

Before engaging in specific prioritization criteria for land evaluation the City eliminated certain lands from the preliminary study area prior to moving forward with the remainder of the study area analysis. The lands that were immediately excluded consisted of large tracts of ownership that were only designated as resource land. Because all of these lands are planned and zoned by Douglas County as either farm or forestlands or a combination thereof, the City finds that consideration of these lands would be inconsistent with state law, as well as, unsupported by the policies and objectives of the Douglas County Comprehensive Plan. This was the primary determinant in removing them from the preliminary study area. Additional factors in removing these areas included data from the Oregon Department of Geology's Statewide Landslide Information Database for Oregon (SLIDO), which identified significant portions of these properties as being inventoried with a high or very high landslide susceptibility rate. Other considering factors were the extension of public infrastructure to these areas.

The City utilized the exclusion criteria contained within OAR 660-024-0065(4 & 7) to remove subareas. Evaluation of each subarea is provided within the application from pages 40 – 53.

- **Viable farmland will be lost if the UGB Swap is approved.** Farmland in the area is used to grow food and will no longer be available. Mike Ritchie provided a statement indicating that he raised seed crops on agricultural land in Charter Oaks for about 5-6 years with and without irrigation.

Claims made that the agricultural land within the Charter Oaks area is used to produce food for human consumption is inaccurate. Agricultural land outside the Charter Oaks subarea within the Melrose and Garden Valley vicinity may be used to produce food, but the designated agricultural land inside the Charter Oaks subarea has only minimally been used to cultivate grasses.

During the public hearing testimony was provided by Kelly Guido, who owns a larger piece of agricultural zoned property within the subarea between Felt St. and Cloake St. Mr. Guido indicated that he was the property owner who

allowed Mr. Ritchie to lease his property for free in order to raise grass seed, but that Mr. Ritchie didn't stick around very long and then moved out of the area. Mr. Guido who himself farms cherries, hazelnuts, hay and cows indicated that the land within the Charter Oaks area is not great for farming. Had it been Mr. Ritchie may have stuck around for longer with the use of Mr. Guido's property for free. Mr. Guido indicated that one of the primary issues with farming the property is the surrounding residential neighborhood. Cows get out of the pasture into neighboring properties, or if one was to grow grapes, people would complain about the noise and pesticide sprays. Mr. Guido indicated that the property isn't great for agricultural land and that the property identified within the Charter Oaks subarea hasn't been used for agricultural purposes for years.

Pages 147 – 156 of the application confirm Mr. Guido's testimony. The application finds that based on aerial imagery evidence provided through a collection of aerial photos taken during the spring and summer months of 1979, 1989, 1998, 2002, 2008, 2013, 2019, and 2022 that there has been minimal farming activity on the lots zoned Farm Grazing within the Charter Oaks subarea.

Further evidence indicates that of the eight properties zoned Farm Grazing within the Charter Oaks subarea, excluding the Fairlea subdivision, which was platted for residential purposes, only one property is receiving special tax assessment for Exclusive Farm Use. Discussion with the property owner confirmed the City's findings that the properties have only been used minimally for grass cultivation when the owner stated the following, "We are solely using the property for hay. Unfortunately, the property does not have access to viable irrigation, so the yields are not strong and the nutrient density is low-meaning that grazing is not the best option either. The impacts to historical farm use would be negligible."

Additional testimony within the application from Nikki Messenger, a resident of the Charter Oaks subarea for 16 years indicated the following, "During that 16 years, there was very little agricultural activity on any of the lands surrounding us. Some years (not all), the grass south of Troost was mowed and baled for hay. Two (maybe three) of the years we were there, sheep would be dropped off in the field behind us (north) to graze for less than a month and then picked back up. I'm assuming this was done for the owner to have some record of farm use to be able to realize reduced taxes. The grazing quality was poor enough that the sheep would often end up in my front yard during the short time they were there."

City Council finds that the Charter Oaks area has experienced little to no farming activity over the last 45 years and that Goal 14 compatibility requirements are satisfied.

Issues raised in support of the proposal before and during the initial public hearing on July 22, 2024 can be generally described as follows:

- **Housing shortage and impacts to residents, businesses, community vitality and economic growth.** Recruitment and retention for local firms is harmed by the lack of available housing in the area. Roseburg is losing jobs and people to other communities with more buildable land and available housing units, especially newer single-family homes. Impacts are also being felt in the provision of medical services, schools, and industrial firms who miss out on employees due to the limited availability of housing. Expanding housing production on the flat land in Charter Oaks would mitigate against this ongoing shortage.

Comments submitted into the record from some of Roseburg's most significant employers including CHI Mercy Health, Aviva Health, Evergreen Family Medicine, Adapt Integrated Health Care, Roseburg Public School District, Umpqua Community College, Lone Rock Resources, FCC Commercial Furniture, and Con-Vey have all indicated the common theme of struggling to recruit and maintain employees based on a lack of available housing. In addition, local business and economic advocacy organizations such as the Roseburg Chamber of Commerce, Umpqua Economic Development Partnership, CCD Business Development Corporation, and the City of Roseburg Economic Development Commission echo the same message from the businesses they represent. Each of these organizations support the UGB Swap and have submitted testimony indicating the need for the UGB Swap to help provide workforce housing.

Jared Cordon, Superintendent of Roseburg Public Schools indicated the following during the public hearing, "What I would say as an employer who hires 50 to 60 people a year, is about a third of those individuals can't find housing. Housing shortage is absolutely and unequivocally an obstacle for recruiting and maintaining our workforce talent in our community."

Expansion into the Charter Oaks area as a result of the UGB Swap will provide the opportunity for workforce housing. See pages 171 – 174 of the application which provides findings in regards to statewide planning goal 10, involving Housing. Goal 10, indicates the following, "To provide for the housing needs of citizens of the state."

Goal 10 requires local governments to inventory buildable residential lands and encourage the development of a housing supply that varies in location, type, density, and affordability commensurate with the financial capabilities of households. The Housing Element of the Roseburg Urban Area Comprehensive Plan provides an analysis of housing needs for the area and policies to implement. The City recognized that the assumptions and findings on housing needs provided within the original Comprehensive Plan may not reflect the current conditions.

The directive to update the Comprehensive Plan to include a new HNA

stemmed from the 2017-19 Roseburg City Council Goals adopted on April 24th, 2017. One of the goals states the following, "Support and adopt policy development and implementation to enhance housing and community development." In response, City Staff sought funding for an HNA. The HNA would act as a starting point for developing policies and actions that would specifically address city goals around housing deficiencies that the community is currently experiencing. In fall of 2018, the City applied for a grant through DLCD to fund an HNA as an update to the Comprehensive Plan. Grant funds were allocated to a professional consulting group who prepared the HNA in partnership with City staff. City Council adopted the findings of the HNA as an amendment to the Comprehensive Plan Housing Element on August 26, 2019. Periodic coordination with DLCD staff occurred prior to, during, and after completion of the project and the City provided notice of the proposed legislative amendment to the DLCD by way of a Post Acknowledgement Plan Amendment notification.

The primary goals of the HNA were to: (1) project the amount of land needed to accommodate the future housing needs of all types within the Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the UGB to determine if it is adequate to meet that need, (3) fulfill state planning requirements for a 20-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

This UGB Swap application is the culmination of one of the primary programmatic options provided in the HNA. The HNA Housing Policies and Actions Memorandum specifies within its action items that the City should explore a UGB swap to meet housing goals. Among these includes Policy 1.1a. "Evaluate swapping constrained residential land within UGB for unconstrained buildable residential land outside UGB."

- **Constrained lands.** Much of Roseburg's residential land supply is on steep slopes, above the area where water services are available without expensive new water tanks and other infrastructure development, and where roads and utilities are difficult to construct. The flat, serviceable land in Charter Oaks does not have the same topographical constraints and would be more likely to develop.

Comments submitted into the record from local realtors, engineering and planning firms, and developers confirm the City's findings indicating that much of Roseburg's residential land supply is on steep slopes with significant development constraints.

Ben Tatone, a local realtor and developer, who currently builds approximately half of the new residential single-family, duplex and townhome style development within our City provided the following testimony, "I'd like to augment my support of the UGB Swap by restating the position I've shared before, which is that our buildable lands inventory is significantly smaller than

it appears on the books due in large part to the percentage of slope that we have delineated as the threshold for 'buildable.' The ground at the upper end of what we now consider buildable in terms of topography is so expensive to develop that attempts to do so will likely never be undertaken, making their inclusion in the buildable lands inventory a deceptive overstatement of what is actually available."

Alex Palm, Principal of i.e. Engineering, a local survey, engineering and planning firm that does work on a significant portion of new residential development within the city limits provided the following testimony, "I get phone calls every month from northwest developers and home builders wanting to come to Roseburg and develop and build housing. Every property of any size they look at, and it's been the same 10-20 properties for the last 10-plus years, are either covered in wetlands, have FEMA floodplain and floodway issues, are located on the sides of hills that are too steep to develop, or there is no feasible way to get sewer, water, and other utilities to the sites. I've been taking these calls for over a decade now and watched over and over again as Roseburg misses out on housing opportunities because of our lack of developable ground."

Further testimony has been provided by Neil Hummel, owner of the Neil Company Real Estate, who has been practicing real estate in Roseburg and Douglas County for the past 51 years. Mr. Hummel has indicated in a written statement provided to Council during the public hearing the following statement, "Many builders tell me that they would build in the city if there was land available. Roseburg is out of affordable building land because what raw land that is remaining is too steep or above the utilities they need to serve them. Currently, the only option they have is to build in other bordering cities which they are doing. If Roseburg is going to continue to grow and prosper, the UGB needs to be expanded to keep up with demand."

Findings within the application on pages 192 – 194 address policies identified in the Housing Element of the Roseburg Comprehensive Plan. The overarching housing policy for the City is the following, "To ensure the opportunity for, and the provision of, safe, affordable housing in sufficient numbers, types, size and locations to meet the needs of all citizens in the Roseburg urban area."

The UGB Swap is designed to help meet the City's need for single-family detached and single-family attached units. As defined within the Roseburg HNA, single-family detached units include traditional stick-built single-family dwellings seen in most typical residential subdivisions, manufactured homes on lots and in mobile home parks, and accessory dwelling units. Single-family attached units mean all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses. The HNA forecasts a demand of approximately 1,875 of these types of units between 2019 and 2039. Assuming that all of the new Charter Oaks area were to develop, the available density makes up only about 36% of the forecasted

demand.

1,875 new single-family detached or attached units accounts for 70 percent of the type of needed housing over the 20-year planning horizon. This means that approximately 94 new single-family detached or single-family attached units must be built every year in order to meet the demand. Unfortunately, in the last 5 years since the HNA has been adopted on average the City is only seeing approximately 30 new single-family detached or attached units being constructed. The bottom line is we are falling behind in the amount of these types of homes that need to be built. Based on evidence provided within the HNA, the UGB Swap application, and testimony provided above from experts that have worked in real estate and development within our communities for years, the primary factor in this deficit is the lack of unconstrained buildable lands.

As an aside, the City as a result of implementing other types of policies to incentivize multi-family dwelling construction has seen an influx of apartment units over the last 5 years since the adoption of the HNA. 402 new units have been constructed within the Diamond Lake Urban Renewal District. A primary factor in their development was the utilization of the system development charge deferral program. These apartment complexes were built on relatively flat, unconstrained lots within the Mixed Use zone through conditional use permit approvals.

The HNA identifies that 30% of the needed housing between 2019 and 2039 must be multi-family. Over a 20-year period this equates to 803 new multi-family dwelling units. Based on the recent construction of 402 new units since 2019, 50% of this needed housing type has already been met within the first 5 years of the 20-year planning horizon.

In order to meet the demand for single-family detached and attached units the City must make decisions enabling the availability of low-density residential land in areas less encumbered by slope and infrastructure barriers. City Council finds that the UGB Swap is compatible with Goal 10, Housing and the Housing Element of the City Comprehensive Plan enabling the opportunity for housing in sufficient numbers, types, and location to meet the needs of the community.

- **City Budget.** Adding additional housing and tax base to the city will increase the city's budget and help with rising cost increases.

Steve Loosley, a long time Roseburg resident, whose family has had extensive experience developing residential real estate inside the city limits for the past 40 years, provided the following testimony. In written and verbal statements offered to the Planning Commission and City Council Mr. Loosley indicated the following, "The City general fund expenses are increasing faster than the general fund revenues, which are primarily derived from property taxes. Two-

thirds of the City's budget comes from property taxes, because of the lack of developable land the property tax base is practically frozen. Labor costs drive about three-fourths of the City budget. Costs increased by 8%, but the revenue only went up about 4%. This is not sustainable. The solution is to expand the UGB in the Charter Oaks area enabling houses to be built and thereby increasing the City's tax base."

- **Economic Growth.** With accounts from local businesses - seeing work done in other communities and very little work being done in our own community shows lack of development and growth. Other cities have surpassed Roseburg in economic growth due to lack of available housing and buildable land.

Testimony provided by Brian Prawitz, Executive Director of the Umpqua Economic Development Partnership during the public hearing portion of the City Council meeting indicated the following concerning the economic status of the Roseburg community.

Mr. Prawitz said, "From an economic development perspective we are trailing behind other cities in Oregon when it comes to solving the big issues around economic development – like housing, providing childcare options, perfecting ways to recruit and keeping medical providers and other professionals. We need to lead by taking strides toward solutions to these challenges. Other communities are figuring it out. They are competing – and winning – in the effort to attract the best talent. Including the talent we grow here and export there. We need to give people a reason to move here and we need to give our own young people a reason to stay. Increasing the housing inventory in Roseburg is a major step. Our current employers are starving for employees. New businesses can't seriously think about coming here. All while our kids are looking for affordable places elsewhere to live and raise their kids. We need more of them to choose Roseburg. Until we take steps to compete, we will continue to lose medical providers, educators, engineers, and families to Medford, Eugene, Bend, Corvallis, and Coos Bay even though it might be more expensive to live there."

See page 187 of the application for additional findings describing consistency with the Roseburg Urban Area Comprehensive Plan policy to encourage economic growth by demonstrating a positive interest in existing and new industries, especially those providing above-average wage and salary levels, an increased variety of job opportunities, a rise in the standard of living, and utilization of the resident labor force.

- **Future land use approvals will adequately address oppositions concerns.** Concerns raised about the future construction of public infrastructure, including roadway design, sewer main extensions, and fire access will be reviewed and evaluated to ensure they are built to current land use and development requirements within the Roseburg Municipal Code. This will be a requirement of any future land division once annexed into the City

limits.

Pages 174 – 182 of the application address compatibility with Goal 11 - Public Facilities and Services. Pages 190 – 192 reference the City's Comprehensive Plan concerning the Public Facilities and Services Element. Each of these sections speak to concerns raised about the future construction of public infrastructure, including roadway design, sewer main extensions, and fire access.

Goal 11 states, "To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development."

The Public Facilities and Services Element of the Roseburg Urban Area Comprehensive Plan establishes a policy framework that guides and supports the types and levels of urban services that meet the needs of Roseburg's urban environment. The City does not have a centralized Facilities Master Plan, but instead has a collection of master plans that are updated each on their own schedule. Among these plans include: Water System Master Plan, Storm Drainage Master Plan, RUSA Collection System Master Plan, and Transportation System Plan. Following the passage of this proposal, it will be necessary to update the appropriate master plans and program needed improvements into the City's financial plan.

The UGB swap will not immediately require the City to extend public facilities to any property, however it does begin the planning process to do so. The City has evaluated public facilities within the proposed exchange area by hiring consultants to provide technical analysis of existing and needed systems (Sandow Engineering, Transportation Analysis UGB Swap). The City also met with Roseburg Urban Sanitary Authority, the area's public agency sewer provider, who has retained i.e. Engineering to provide technical analysis to evaluate the impact on the existing system and improvement needed to support the proposed Charter Oaks subarea.

Although the proposed amendment to the UGB line will encompass a significant portion of the Charter Oaks area, only the right-of-way along Troost St. is proposed to be immediately annexed into the city limits as part of this process. Capital improvement projects for facilities will be determined in future stages, following more annexation and development of land. The City publishes a 5-year capital improvement plan that gets reviewed at least every two years to reflect the needs of the community and changes in resources for financing capital projects.

Urban services shall be made available in new areas as properties are annexed into the city limits, with funding typically driven by developers. These projects will be financed through a number of means such as Local Improvement Districts (LIDs), developer dedications, and advanced financing agreements.

Conversion of land for urbanization is governed by an Urban Growth Management Agreement (UGMA), which when applied works to satisfy the intent of the Comprehensive Plan policies. The City of Roseburg and Douglas County UGMA was originally adopted in 1984. The first principle of the UGMA, found in Section 1.1 of the document states, "that the City and County agree to implement the City's Comprehensive Plan as the plan for the Urban Growth Area defined as the unincorporated area within the Roseburg UGB. The Roseburg Urban Area Comprehensive Plan, in conjunction with additional agreements within the UGMA, shall establish the standards and procedures for review and action on comprehensive plan amendments, land use ordinance changes, proposed land use actions, provision of services, public improvement projects, and other related matters which pertain to implementing the City Plan within the urban growth area."

Any proposed residential subdivisions will not be permitted within the new Charter Oaks area without prior annexation of lands into the City limits and extension of public sewer and water services. Land use approval will be required subject to the development requirements contained within the Roseburg Municipal Code. Current land use development code helps to ensure that notification is provided to surrounding property owners prior to development occurring. This helps to confirm that discretionary development standards are appropriately being administered.

Alex Palm, Principal of i.e. Engineering, a local survey, engineering and planning firm provided the following testimony during the public hearing to City Council. Mr. Palm indicated the following, "Conditions of approval are placed on each and every development to make certain that all criteria are followed in order to address neighboring concerns, but also ensure Charter Oaks doesn't paint itself into a corner. One of the latest approvals I helped a client obtain inside the City limits was for a 10-lot subdivision. The approval contained 56 development conditions in order to make sure it was built correctly. Please remember there are a huge amount of guardrails in place to make sure the development of Charter Oaks is done in a sane and orderly manner."

Roseburg Municipal Code 12.02.010 indicates that the purpose of the Land Use and Development Regulations is to provide for an orderly and efficient transition from rural to urban land use by ensuring that development of property is commensurate with the character and physical limitations of the land, and, in general, to promote and protect the public health, safety, convenience, and welfare.

City Council finds that the UGB Swap is consistent with the policies identified in Goal 11 - Public Facilities and Services and the City's Comprehensive Plan concerning the Public Facilities and Services Element. Council further acknowledges that land within Charter Oaks to be used for future development, requiring access to both sewer and water, will be required to be

annexed and follow all development requirements as outlined with the Roseburg Municipal Code.

D. PROCEDURAL

Comprehensive Plan Amendments are required to satisfy approval criteria contained within Roseburg Municipal Code (RMC) Section 12.10.020 – Legislative action procedures.

E. REVIEW CRITERIA

Pursuant to RMC 12.10.020(F)(2) the proposed legislative amendment must be analyzed for consistency with any substantive criteria deemed to apply, including policies within the Roseburg Urban Area Comprehensive Plan, Oregon Statewide Planning Goals, and other provisions of the Roseburg Municipal Code.

As required by RMC 12.10.020(F)(2) the legislative request for the UGB Exchange and subsequent land use actions was reviewed by the City based on the applicable criteria as follows:

- ORS 222 – “Boundary Changes, Annexations, Withdrawals”
- OAR 660-024 – “Urban Growth Boundaries”
- Oregon Statewide Planning Goals
- Roseburg Urban Area Comprehensive Plan Policies

Analysis and subsequent findings demonstrating consistency with the above listed criteria is provided in the Urban Growth Boundary Exchange Proposal: Staff Report and Findings document dated April 15, 2024, attached as Exhibit A. Findings adopted by the Roseburg Planning Commission dated May 20, 2024, recommending City Council approve the proposed UGB Swap, attached as Exhibit C, also provides evidence demonstrating consistency with the above listed criteria.

Findings located within this document, as well as testimony provided during the course of the City Council public hearing by City staff, witnesses called to speak on behalf of the application, and testimony provided in support of the proposal, sufficiently address the applicable criteria listed above and demonstrate that the proposal is consistent with these requirements and satisfies all necessary standards.

IV. CONCLUSION

Based on the findings provided within the April 15, 2024 Urban Growth Boundary Exchange Proposal: Staff Report and Findings document, the Planning Commission Findings, and testimony provided in support of the proposal during the public hearing, City Council concludes that the legislative amendment meets the criteria for approval in RMC Section 12.10.020.

V. ORDER

City Council therefore **APPROVES** the legislative amendments as listed below:

- A. Amend the UGB by removing the Serafin and Atkinson properties from the boundary and adding Charter Oaks property to the UGB;
- B. De-annexation of the Serafin and Atkinson properties that lie in city limits;
- C. Annexation of Troost St. right-of-way to the edge of the new UGB;
- D. City Comprehensive Plan Amendment for the Charter Oaks property to include applying the city's Low Density Residential (LDR) designation to the majority of the Charter Oaks property and applying the Public/Semi-Public (PSP) plan designation to the 17.5-acre property owned by the Roseburg Public School District; and,
- E. Amend the Urban Growth Management Agreement (UGMA) to reflect the UGB swap and to include Charter Oaks in Subarea 2 of the agreement.



 Larry Rich, Mayor

8-12-24

 Date



 Stuart Cowie, Community Development Director

8/12/24

 Date

City Councilors:
 Larry Rich (Mayor)
 David Mohr (Council President)
 Shelley Briggs Loosley
 Ellen Porter
 Tom Michalek
 Kylee Rummel
 Patrice Sipos
 Ruth Smith
 Andrea Zielinski

Exhibit A – April 15, 2024 Urban Growth Boundary Exchange Proposal: Staff Report and Findings (aka Application)

Exhibit B – Appendices

Exhibit C – May 20, 2024 Roseburg Planning Commission Findings of Fact and Order