



City of Florence
A City in Motion

City of Florence

Housing Needs Analysis and Economic Opportunities Analysis: Volume 1: Summary Report



DRAFT

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Section I. SUMMARY



Located on the Oregon Coast, Florence is a modern and forward-looking city whose people know a striving business economy is at the heart of making a great living community. Florence lies at the mouth of the Siuslaw River on the Pacific Ocean. Located in Lane County, Florence is approximately 50 miles west of Eugene, the Lane County seat.

This document summarizes updates for two important elements (chapters) of the *Florence Realization 2020 Comprehensive Plan* relating to housing and the local economy. The Florence Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) includes updates to the following:

- Local urban growth boundary (UGB) requirements (land needs) for providing an adequate land needed to accommodate 20-year employment and population growth forecasts.
- A determination of 20-year UGB land needs (for employment and residential development) based upon a growth forecast for jobs, population and housing that's consistent with regional employment growth forecasts and coordinated city/county population growth forecasts.
- An analysis of buildable vacant, part-vacant and re-developable land inventory (BLI) for all land within the UGB that's planned to accommodate employment and housing growth.
- Ways to strengthen the local economy and address housing needs through the adoption of new economic goals, objectives, policies and recommendations.

Detailed technical analysis and findings for this EOA and HNA update are provided in the Florence EOA and HNA Volume 2: Technical Report, which is available on the City's website.

MEGA TRENDS AFFECTING FLORENCE

The City of Florence currently has a population of 8,680 within its City limits, and functions as a regional service center for approximately 17,000 people that live within 20 miles of the City.

Despite modest population growth for many of Oregon’s communities, Florence has not fully recovered from the Great Recession, which officially ended in 2009. And while Lane County’s unemployment rate closely resembles the state average, Florence’s economic circumstances reflect those of other coastal communities, with higher unemployment, more seasonal part-time workers, older inhabitants and lower income levels than its state and county counterparts.

Since year 2000, population in the City of Florence increased by 19.5%, up from 7,263 residents in 2000 to 8,680 in 2016 (0.4% annual avg. growth rate). One reason why Florence population has been growing more slowly than the state and county is attributed to its high concentration of retirees. This is evidenced by the median age of Florence residents (60.4) compared with Lane County (39.3).

The high share of retirees on fixed incomes combined with a service-oriented economy has had a bearing on Florence’s relatively low incomes. Median household income in Florence (\$33,950) is currently well below Lane County (\$44,103) and Oregon (\$51,243).

According to Zillow.com, average home values in Florence (\$234,800) are about 7% below the pre-recession peak levels (\$253,200). Over the past two years, there has been a measurable increase in existing home sales activity in the Florence, with an average of 360 sales per year.

While housing in Florence is comparatively lower than homes in Eugene, Springfield and Creswell, the low household income levels are creating a housing affordability challenge. The combination of relatively low-wage service jobs, lack of apartment inventory and recent surge in home prices is also driving up rental rates and exacerbating a workforce housing shortage.

New building construction in Florence and Dunes City continues to be dominated by single family housing. Over the past few years the City has issued 30-33 building permits per year, which is down significantly from pre-recession peak activity of 200+ new building permits in 2005-2006.

National migration patterns will likely continue to generate faster population growth for Oregon in comparison to the rest of the nation. According to the U.S. Census Bureau, population in the Western U.S. is projected to grow at an average annual rate of 1.6%, compared to 1.0% nationally over the next 20 years. With comparably lower cost of living and favorable quality of life factors, Florence will likely experience in-migration of retiring baby boomers relocating from urban areas (mostly within Oregon, California and Washington).

HOUSING OPPORTUNITIES

Population within the Florence UGB is projected to grow from 10,486 to 12,554 over the next 20 years (0.9% avg. annual growth rate).

As population is attracted to Florence, the need for all types of housing will increase. This HNA supports long-range planning focused on expanding Florence’s housing inventory to accommodate baseline population growth plus some “pent up” workforce housing and special needs housing demand.

Under the recommended scenario, Florence should plan for 1,624 net new dwelling units over the next 20 years. This net new housing need is expected to consist of: 764 owner-occupied dwellings, 597 renter-occupied dwellings and 263 short-term rental units.



Housing options for special needs, including homeless individuals, families and youth experiencing homelessness should be accommodated by the City. Homeless service centers, such as Siuslaw Outreach Services, currently provide 10-year round beds (Hope House DV Shelter) and 9 seasonal beds for the local population in Florence. It is recommended that Florence adopt a target of accommodating an additional 20-30 year-round beds and 10-20 seasonal beds for special needs population.

This effort will require the City to work with various non-profits, County and State government entities and faith-based organizations to identify appropriate sites/locations for various forms of housing, such as:

- Emergency Shelters
- Transitional Micro-Housing
- Permanent Housing
- Community Service Centers for Youth and Singles

The planned net new housing mix over the next 20 years would consist of: 858 single-family detached homes, 145 manufactured housing units, 265 townhomes/duplexes, 357 multifamily housing units, and 40+/- special needs housing units. The amount of required land area to accommodate this level of housing development is expected to be approximately 231 acres (gross buildable land area).

ECONOMIC OPPORTUNITIES

Retirees, tourism and services are the primary “economic engines” driving the Florence economy, and spur job growth primarily in health care, hospitality and retail sectors.

Top employers in Florence include health care (Peace Harbor Hospital, Willamette Valley Cancer Institute), the Three River Casino, assisted living facilities (Regency Florence and Spruce Point), local elementary and high schools and major retail establishments (including Fred Meyer and Safeway).

Favorable quality of life and cost of living advantages will continue to attract retirees to Florence. This in-turn generates demand for senior and assisted living and along with healthcare services.

Increased tourism and visitor spending is a bright spot for communities along the Oregon coast. Visitor spending in Western Lane County (includes Florence and Dunes City) reached a record \$110.1 million in 2015, and continued to increase throughout 2017.

In recognition of Florence’s regional advantages for attracting tourism and retirees, proximity to natural features (Pacific Ocean, Siuslaw River, Oregon Dunes National Recreational Area and the Siuslaw National Forest and Elliott State Forest), and strong local desire to retain and attract family wage jobs, this EOA recommends policy strategies aimed at increasing growth in the following sectors:

- Outdoor Gear/Recreation
- Craft Food/Beverage
- Software/Information Technology
- Forest Products and Modular Home Construction
- Health Care Services
- Entrepreneurs
- Artisan Makers
- Hospitality
- Continuing Care Facilities

This EOA recommends that the City of Florence adopt goals and policies focused on attaining the most positive job growth forecast, which plans for 1,286 net new jobs over the next 20 years.

Industrial uses (including outdoor gear/recreation, craft food/beverage production, artisan makers, forest products and modular home construction) would require nearly 20 acres of vacant land area. This would require a mix of 1-5 acre sites and possibly one 10 acre site.



Small to medium traded-sector “light industrial” businesses would benefit from land zoned for industrial along with permitted ancillary commercial/retail areas. Artisan “maker” businesses could be accommodated in a shared adaptive reuse building or in industrial flex buildings (e.g., 12,000 square foot single level tilt-up buildings).

Services would primarily consist of 1-2 level commercial buildings with a mix of professional and health service occupations (including software/information technology and health care services), plus locations for lodging and food service establishments (craft food/beverage and hospitality).

It is anticipated that up to 574 new lodging rooms would be needed over time. This assumes 3 to 4 new hotels and a few bed and breakfasts are added to the City over the next 20 years.

Retail and food service establishments could be accommodated through a mix of infill and redevelopment along with one additional grocery-store anchored shopping center on a 5-6 acre site.

In addition to many home-based businesses, Florence should plan for a few 1-2 level office buildings as part of a professional center with a mix of health care and business services. Business services,

such as insurance, real estate, finance, accounting and consulting may also be accommodated as part of a new retail shopping center.

A public or non-profit incubator building should be planned with the goal of accommodating 6-10 startup businesses at any given time. This facility would likely require 5,000 to 7,000 SF of floor area and could be part of an adaptive reuse or infill development project.

Government uses reflected in this analysis pertains primarily to public safety occupations such as police and fire, which may require additional space needs over time. The need for other public or community facilities, such as schools and parks facilities have not been evaluated at this time.

Based on the job growth forecasts expected under the recommended growth scenario, the Florence UGB will require nearly 55 acres of vacant buildable land area plus redevelopment of existing underutilized buildings/sites (infill) for approximately 53,000 SF of floor area.

FLORENCE UGB BUILDABLE LAND INVENTORY

Using the buildable land inventory (BLI) methodology consistent with OAR 660024 and OAR 660-038, the Florence BLI was prepared using Geographic Information Systems (GIS) data that is consistent with the City of Florence and Lane County's current land use zoning assumptions.

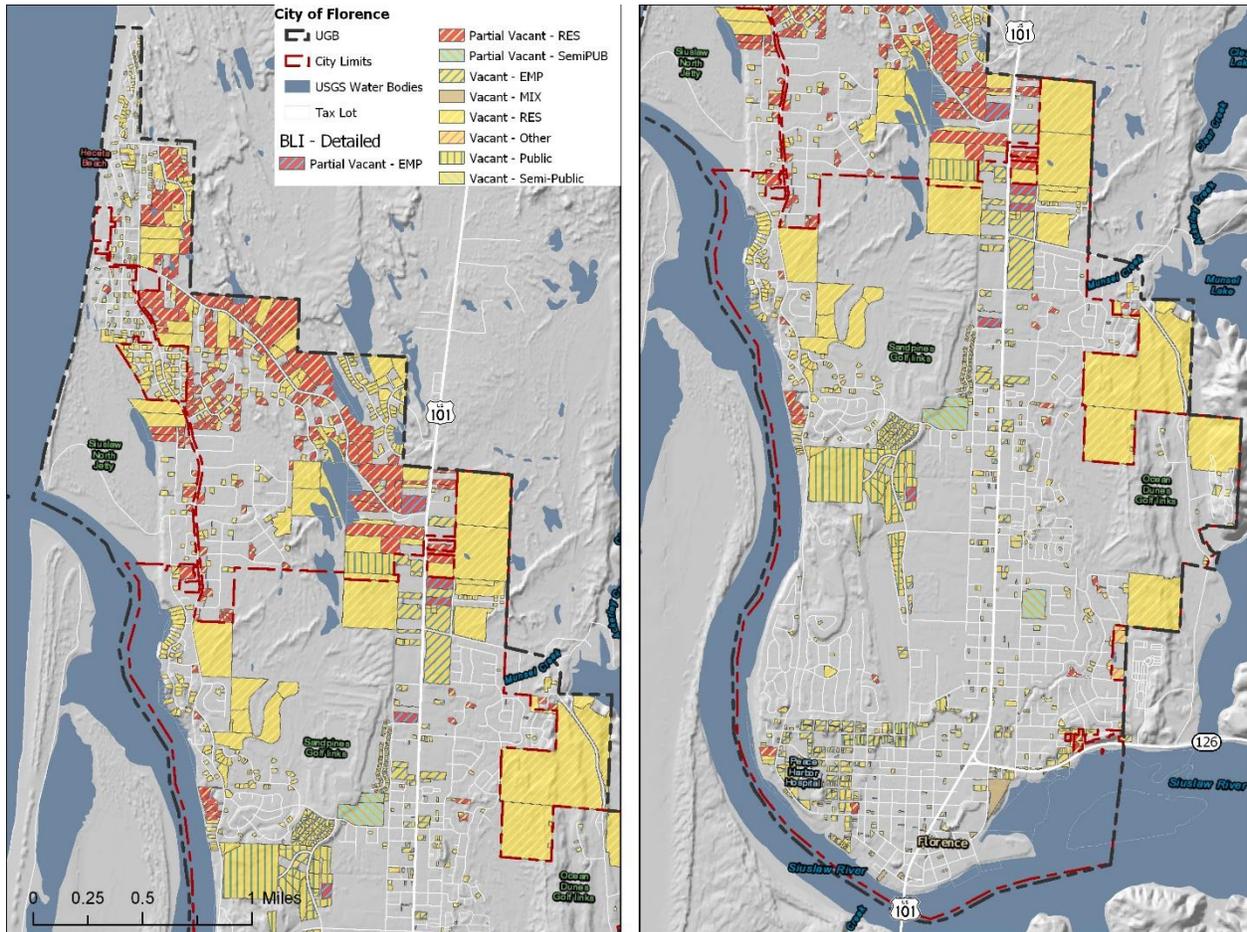
The BLI findings indicate that the existing amount of vacant and redevelopable land within the Florence UGB is generally sufficient to accommodate planned 20-year housing needs and employment growth forecasts, even under the highest growth scenarios.

After accounting for environmental constraints such as wetlands, waterways, flood prone areas, and steep slopes, the BLI in the City of Florence consists of over 710 gross buildable acres of land area. There is an additional 488 acres of unconstrained vacant, part-vacant and redevelopable acres of land area outside the city limits but inside the current Florence UGB.

Within the city limits, there are 385 acres of private-owned land and 176 acres of public/non-profit-owned land. In addition, there is approximately 150 acres of redevelopable land area (where the assessed land value exceeds building improvement value).

While this amount of land area is sufficient to accommodate 20-years of planned housing and employment growth, there may be a need to make minor adjustments (less than 10 acres and within ¼ mile of the existing UGB) of the UGB from time to time to enhance the development feasibility of new Planned Urban Developments (PUDs).

Florence Vacant Land Inventory



COMMUNITY INPUT SHAPES NEW POLICY DIRECTIONS

As part of the BLI, HNA and EOA update, the City of Florence conducted significant community and business outreach in 2017. To learn more about community ideas for housing and economic development, the City administered a questionnaire. 661 people completed the questionnaire, including nearly 40 surveys that were completed in Spanish. This input was used along with feedback from the Housing and Employment Opportunities Project (HEOP) Committee to generate a set of current economic and housing goals, objectives, policies and recommendations.

HOUSING GOALS, OBJECTIVES, POLICIES AND RECOMMENDATIONS

Housing Goals

1. The Zoning Ordinance shall provide for varying housing types to accommodate development of affordable, decent, safe and sanitary housing opportunities for people at all economic segments of the community.
2. The City shall plan for adding 1,664 net new housing units and shall maintain a sufficient supply of buildable land within the Urban Growth Boundary to meet community needs over the next 20 years.
3. City codes and standards shall be enforced for the purpose of maintaining and upgrading the housing supply.
4. The City shall encourage the rehabilitation of substandard housing as a method to meet the high costs of housing and to conserve the housing stock.
5. The City shall recognize workforce housing, mobile homes, manufactured housing and multifamily dwellings as an important part of the overall housing stock, if well situated.

Housing Objectives

1. Support a variety of residential types and new concepts that will encourage housing opportunities to meet the housing needs for households of varying incomes, ages, size, taste and lifestyle.
2. Maintain a high standard of housing construction through enforcement of the Building Code.
3. Maintain a livable environment by placing open space requirements in residential PUDs.
4. Periodically review development code regulations and the zoning map to ensure they encourage a variety of housing types, such as accessory dwelling units, tiny houses, big houses, senior housing, manufactured homes, etc.
5. Periodically update the City's Housing Needs Analysis (HNA) to ensure that there is a sufficient supply of land to accommodate 20-years of planned housing needs for the community.
6. Apply plan designations, zoning districts and regulations to implement the mix of housing indicated in the adopted Housing Needs Analysis.



Housing Policies

1. The City shall enforce a fair housing ordinance that forbids discrimination in the rental, sale or financing of housing based on race, sex, color, religion, national origin, age, or marital status.
2. Housing programs to meet the needs of the City's workforce, elderly and special needs families shall be pursued.
3. Annex where necessary and zone an adequate supply of residential land to accommodate the city's housing needs.
4. Develop and nurture local and regional affiliations and alliances to provide affordable housing.
5. Coordinate with county, state and housing developers to identify, obtain and leverage funding sources for the development of workforce housing, affordable housing and special needs housing.
6. Work with local non-profit organizations, other jurisdictions and health and social service organizations to develop a coordinated, regional approach to homelessness.

Housing Recommendations

Housing Supply/Diversity

1. Unsafe or unhealthy housing conditions should be eliminated.
2. The City should encourage innovative design techniques (such as clustering, townhouses or condominiums) in appropriate areas, as a method to preserve open space, to lower the costs of housing and public facilities, and to maintain vegetative cover.
3. Support periodic UGB expansions within 1 mile of existing city limits to accommodate housing needs and to ensure that cost economies are realized for the city and property owners.

Infrastructure and Development

4. Provide a design and development assistance program (DDAP) to help property owners evaluate redevelopment potential.
5. Reestablish the downtown preservation and rehabilitation program which will incentivize façade improvements.
6. Develop an accessory dwelling unit (ADU) Program which will clarify ADU policies in Florence and allow for increased housing opportunities in and near Old Town.
7. Conduct a developer/property owner recruitment and outreach campaign to encourage new and innovative developments in Florence.
8. Conduct an audit of the development code in Florence to identify and address barriers to workforce housing development.
9. Outside established neighborhoods, set parking requirements and building setbacks to the minimum standards that will meet the community's needs in order to reduce land utilized for parking, reduce the cost of housing development, and encourage walking, transit use and a compact development pattern.

10. Prioritize capital improvement projects that support development of affordable homes and neighborhoods.
11. Participate in public/private development projects, in association with the Florence Urban Renewal Plan.
12. Encourage development of a tiny home artist/maker village with shared common areas and sustainable energy elements.

Housing Attainability

13. Explore local and regional funding options to support development of housing for low- and moderate-income households.
14. Pursue state and federal grants to design and finance affordable housing.
15. Pursue partnerships with Lane Community College to develop student housing.
16. Set fees and system development charges (SDCs) on new construction of affordable housing as low as possible while ensuring necessary infrastructure to make neighborhoods cost-effective places to live and good investments for homeowners.
17. Offer expedited review and permitting for residential or mixed-use projects that meet certain criteria (e.g., receive local, state or federal affordable housing funding for development of workforce housing).
18. Offer a 10 or 20-year property tax exemption to low-income rental housing projects that meet certain criteria (e.g., receive local, state or federal affordable housing funding and are outside the tsunami inundation zone).
19. Involve major employers in efforts to develop and support housing affordable to their workforce.
20. Provide density bonuses and/or reduced parking requirements for affordable housing developments
21. Establish an Affordable Housing Advisory Committee to establish and oversee an affordable housing program that identifies specific actions to increase the supply of housing that is affordable to low to middle income individuals and families.
22. Utilize affordable housing funds to provide incentives to developers of income-restricted dwelling units.
23. Establish an affordable housing funding mechanism, such as a housing levy or construction excise tax on new building permits (based on valuation).
24. Locate affordable housing throughout the city and especially in areas with good access to transit, employment, education and shopping.
25. Consider pre-approving ADU and other housing designs to accelerate their development process and lower housing costs.
26. Periodically examine and revise the municipal code to reduce barriers to new affordable housing development

27. Utilize various mechanisms to ensure the continued affordability of affordable housing the City has built, required or incentivized.

Special Needs Housing

28. Encourage housing options for special needs populations, including independent living for seniors, assisted living, memory care, drug and alcohol rehab and mental health facilities.
29. Integrate housing for people with special needs into neighborhoods throughout the city, avoid concentrations.
30. Encourage the development of senior-friendly housing opportunities, particularly in areas near services and amenities.
31. Promote the provision of support services, including transportation options, to allow seniors and those with special needs to remain in their own homes or non-institutional settings.
32. Support public and private housing and services for people who are homeless.
33. Review municipal code to ensure compliance with the Affirmatively Furthering Fair Housing rule.¹

Short-term Rentals

34. Establish a cap on the number of short-term vacation rental properties available in residential zones.
35. Prepare clear and objective city policy that defines and limits short-term rentals.

¹ See <https://www.hudexchange.info/programs/affh/>

ECONOMIC DEVELOPMENT GOALS, OBJECTIVES, POLICIES AND RECOMMENDATIONS

Goals

1. The City shall encourage actions and activities that promote the availability of new employment in the community, especially family wage jobs.
2. The City shall support efforts to obtain technical and employability skills needed by existing and prospective employers.
3. The City shall work to improve networks within the county, the region, and the state in support of economic and business development.
4. The City shall plan for at least 1,286 net new jobs and shall maintain an adequate supply of buildable employment land within the Florence UGB to accommodate 20 years of planned job growth within the community.
5. Create a community where business and talent will stay and thrive.

Objectives

1. Foster a culture of creativity and entrepreneurship and encourage private businesses to grow
2. Support the business ecosystem by providing clear development codes, processes, and information
3. Develop strategic approach to business retention, by conducting periodic business outreach and discussing the pros and cons of Florence with existing business community.
4. Provide resources to local businesses to help them grow and expand including available data, city-owned spaces available for rent, and outreach activities to promote local businesses.
5. Continue to support the RAIN program to help new start-up businesses grow and expand.
6. Maintain and invest in infrastructure and opportunity sites including improvements to Hwy. 101 and city-wide fiber availability.
7. Support high-speed internet telecommunications networks and facilities.
8. Plan for a 20-year supply of suitable commercial and industrial land on sites with a variety of characteristics (e.g., size, locations, and visibility).
9. Encourage the development of industrial lands with value-added manufacturing and food/beverage processing businesses.

Policies

1. Work with the Chamber of Commerce and other partners to develop a marketing plan and branding materials that describe Florence's advantages/amenities for businesses.

2. Work with property owners and their representatives to ensure that key development and redevelopment sites are known, ready to develop, and marketed.
3. Maintain a system to monitor the supply of vacant commercial and industrial lands and buildings.
4. Allow workforce housing development within all industrial, commercial and mixed-use zones.
5. Foster Florence's recreation and tourism based economy, particularly during off-peak times.
6. Sponsor tourism-related events, marketing and advertising.
7. The City shall develop incentive programs to assist businesses with expansion, relocation and/or upgrading of existing storefronts and landscaping.
8. The City shall continue to support the mission of the Port of Siuslaw to create quality jobs and businesses through the development of Port facilities.

Recommendations

Business Expansion

1. The City should periodically update the City's website for use, among other purposes, to promote business and economic development opportunities in the Florence area.
2. The City should continue to improve the airport to enhance utility for general and commercial uses.
3. The City should encourage and support the Port of Siuslaw in nurturing water-related tourism and recreation, fishing of all kinds including aquaculture, and water-dependent commercial and industrial activities, and to diversify into light industry and manufacturing, high technology related businesses and other non-water-dependent activities.

Infrastructure and Development

4. The City should continue to implement the Florence Downtown Implementation Plan in order to preserve and enhance the Downtown area.
5. Support development of additional aviation research and technology buildings.
6. Conduct feasibility study for developing an ATV research and development complex
7. Conduct feasibility study for redevelopment of the Lotus building site and other sites for a public/private development "maker community" with artist residences and shared space for glass/metal fabrication, artist gallery/showrooms and events.
8. The City should continue to work to improve vehicular access connecting Florence to other communities, particularly on Highway 126.
9. Evaluate incentives to lower development costs for business expansion, such as deferral of systems development charges (e.g., use of an Enterprise Zone).
10. Administer programs that support local businesses, such as the RAIN Program, Façade Improvement Loan Program, Energy Efficiency Loan Program and Business Expansion Loan Program.

11. Explore creation of a natural emergency preparedness training center.
12. Coordinate capital improvement planning to ensure infrastructure availability on employment land and pursue funding for needed infrastructure to support economic development activities.
13. Develop fiber optic network telecommunications and natural gas infrastructure necessary to support business retention and attraction.
14. Identify changes to Florence’s zoning code or entitlement process to simplify the development process. Ensure that the City’s building permitting and land use entitlement processes support business growth.
15. Conduct feasibility study for developing a “bricks and mortar” business incubator facility and sustaining its operations.
16. Consider changes to the development code to allow a wider range of commercial uses (such as hotels and retail/wholesale outlets) within industrial zones.
17. Consider changes to the development code to allow workforce housing and multifamily housing as a conditional use within industrial zones.

Tourism and Marketing

18. The City should continue to support anchor tourism destinations such as our local golf resorts, Old Town, water-related recreational opportunities, and expanded shopping opportunities.
19. The City should continue to develop and improve recreational facilities and sites for tourist to draw more visitors to the town. Such activities may include Siuslaw Estuary Water Trail kayak launches, viewing platforms for bird watchers, trail signage, Frisbee golf, in city open space areas (such as 3 Mile Prairie), and a family recreational development in the Old Town area.
20. The City should develop and implement an effective marketing strategy for the Pacific View Business Park.

Workforce Development & Training

21. Work with the Lane County Community College and Florence High School and other community partners to support local workforce training opportunities particularly in the construction trades, health, human safety, culinary arts, renewable energy and other and software development professions.
22. Sponsor development of a “virtual network” database of local residents/retirees/volunteers to match skills with local trades.

If you would like to know more about the City of Florence’s work efforts now underway for housing and economic development please contact the Planning Department at 541-997-8237.