

**Comprehensive Plan Update - Goal 9 and 10 Work Group
Meeting #2
Draft Summary Notes
Council Chamber 4:00 – 6:00 pm
February 10, 2011**

Workgroup members in attendance: Tom Brennan, Doug Cushing, Julia Glisson, Jon Gustafson, Liz Hartman, Dan Vizzini, Sally Moncrieff

Staff: Sarah Selden, Denny Egner, Debra Andreades, Sidaro Sin, Jane Blackstone, Todd Chase (FSC Group)

Todd Chase from FCS Group walked the group through the preliminary forecasts for housing and employment.

The numbers (forecasts, supply, demand) and the community's vision run parallel for awhile, and then converge. There is flexibility in the numbers to respond to the community's aspirations and situation. There are also state/OAR requirements to meet.

The most important thing when looking at supply and demand, is what to do about it to meet the local needs (while keeping state requirements in mind).

Lake Oswego is considered an "inner-ring" community within the Portland metropolitan area, which is very desirable in part due to its proximity to Portland. If Lake Oswego had the vacant land capacity, chances are that it would certainly grow more.

HOUSING

Question: Where did the 2.4 PPD come from?

Todd: 2007 Census had LO at 2.42, he rounded down from there.

Denny: It's more about what the allocation is amongst age groups, and what their housing needs are.
Todd: Many households have multiple generations living under one roof, which is driving the average household size up, but at the same time, people are delaying having kids and there are more aging people.

Todd noted that he thinks the dwelling number for the "medium" is on target, but the population number may need to be reviewed again. Metro is more concerned with the capacity to provide dwellings, than the specific population forecast.

Denny argued that Lake Oswego has some responsibility to the region to accommodate a minimum number of dwelling units; in 1998 we said we'd accommodate ~4,000 units by 2017 to meet Metro's Title 1 targets. Metro has recently removed the requirement for each city to meet a specific target for dwellings, and has replaced it with a policy for "no net loss" in existing density. Lake Oswego has not yet reached the previous dwelling unit target number for 2017. Sid noted of the ~4,000, ~2,000 have been built.

Sally noted the lack of vacant employment land, which will limit industrial growth.

Todd noted the vacancy rate in Kruse way (last he looked it was about 600,000 s.f.), so there's a lot of capacity there to refill jobs. He will take another look at that number.

Question: Does the 2010 estimate of number of employees account for the vacancy rate?

The City has just requested updated employment numbers from the state, so we can update that draft number when we get it.

Doug: On the high growth side, retail looks really high, and for industrial we're so limited in land. As a former member of the Infill Task Force, he knows that the community does not want infill everywhere.

Staff clarified that the State's Metropolitan Housing Rule (MHR) requirement for 10 dwelling units/net buildable acre (du/nba) applies to vacant/part-vacant and redevelopable buildable land for new housing units. The city is also required to provide an opportunity for 50% attached and 50% detached housing. The MHR is reviewed for compliance at each periodic review. The city must provide the opportunity for these requirements over the next 20 year planning period.

There are different options/approaches to meet the MHR housing requirements.

Denny: Foothills would be one opportunity to help meet the 10 du/nba, the tricky thing would be to provide the opportunity for high-density housing under clear & objective standards.

Denny reminded the group that the draft housing Buildable Lands Inventory (BLI) does not currently include capacity for housing units in commercial zones. Could count some housing capacity in these zones if some clear & objective development standards were developed. Todd suggested one option would be to add a requirement for a certain percentage of floor area in commercial buildings to be housing.

State rule requires that the City have the capacity to accommodate (10 du/nba). When the Lake Oswego Comprehensive Plan was acknowledged by the State in 1984, the plan was acknowledged to have the capacity for new housing at 10.2 du/a. However, because the City has been developing under its capacity, when today's capacity is calculated using the existing zoning, the City is short of meeting that 10 du/nba. It appears we've been losing capacity because development isn't occurring at its zoned capacity. We have a minimum density rule (that only applies to subdivision – creation of four or more lots) that is flawed. We allow people to do partitions, where you don't need to meet the min density. The more we do this, the more we put pressure on remaining areas for even higher density (to meet the rule).

Todd: May seem daunting. What PDX has done, is build an FAR envelope all along the corridors and in the commercial centers.

Even under the medium forecast, don't have the capacity to meet the DU/nba

Jon: We know the low housing forecast won't work to comply with state requirements.

Should we analyze a high housing forecast that calls for the number that would meet the 10 du/nba? Should not call out Foothills alone as opportunity to concentrate DU/acre.

Dan: Our approach should start with:

1. What do these numbers mean in terms of meeting sustainable prosperity in 2035: A city that provides the services that the citizens want in a way that citizens can afford?
2. These targets need to find their way back to the neighborhood level. For example, we may need to talk about down-zoning some areas, in turn for higher density elsewhere. Lake Forest, Country Club-North Shore, Forest Highlands, etc.

Opportunity for some people to increase density on their property if they want to.
Also the exercise of asking what the residents want.

To maintain the STATUS QUO of the community, we actually need the high growth model. It drives the economic development piece. The bottom line for the comp plan update process is coming to terms with changing from suburban to urban community in a way that makes sense for Lake Oswego. Scares people because they've seen how it's been done poorly, but it's also been done really well. We also need to be realistic about what we are today: LO is a full-service city, and the largest city in Clackamas County.

Dan: Brainstorm with the neighborhoods. Do a charrette exercise about how to accommodate growth
Idea for March open house: have people look at city growth by sections perhaps. Also look at what other amenities need to go along with the density, like parks and pathways.

Staff need to clarify for everyone what Marylhurst has planned.

ECONOMIC DEVELOPMENT

Dan: Thought that art & culture especially, foodie community agriculture (Todd – that's part of the "green businesses" cluster) should be added as cluster.

Todd: Those arts jobs don't pay well. Dan – but they could serve as attractors for shoppers. There was agreement from the group.

Kruse way currently does include some industrial jobs, incl. manuf. High-end golf bags, freight logistics...

Todd: Redevelopment assumptions: may need to pick hybrid allocation of jobs/land by industry: higher option for institutional given Marylhurst, low for institutional, medium? For commercial and services - where employment growth could be accommodated.

Jane: City does not currently have very good retail supply. Should be targeting at least medium scenario.

Denny: Pilkington appears to be underdeveloped. Question is whether in that entire district, are there things you could do to make it more employee-concentrated.

Dan: What kinds of competitive advantages can LO bring to realize future economic development? It's more than the square footage - interested in what these scenarios do to assessed value. Even more important than job growth is assessed value to support community services.

Liz: Do we reach out to the industrial land owners around Pilkington, to see if they're even interested in redevelopment?

Proposed IP zone change would make uses more flexible, but almost up zone away from industrial. Is industrial important, or employment generally important. Economic Development reps always seem to go after traded sector jobs. Kruse way also has a traded sector component.

Does anyone have examples of higher density industrial? In the past, they were all tall buildings, more densely built because distance was obstacle, but now are spread out.

Staff will look for examples of higher density industrial development for the March meeting.