



MEMORANDUM

TO: Comprehensive Plan Citizen Advisory Committee

FROM: Sarah Selden, Associate Planner

SUBJECT: Goal 9 - Employment and Goal 10 - Housing Land: Supply and Demand

DATE: February 17, 2011

Action

The February 22 CAC meeting will focus on a review and discussion of housing and employment land supply and demand. The February 22 meeting is intended to provide the CAC with a framework for understanding the community and regulatory implications for the range of growth forecasts and land use patterns, as it relates to housing and economic development. Discussion of these implications will be a focus of the March CAC/Work Group meeting. At this time, we do not believe there is enough information for the CAC to support a specific forecast. Therefore, we are asking for the CAC's support to move forward with investigating a range of forecasts in order to help understand the ramifications.

Background

Two memos from Todd Chase (FCS Group) are attached. Earlier versions of these memos were presented to the TAC and Work Group for their feedback. The memos draw from the *Draft Economic Opportunities Analysis* (EOA) and *Draft Housing Needs Analysis* (HNA) along with additional analysis based on population forecasts, and present preliminary findings on:

- Inventory of buildable (vacant and partially vacant) residential and employment land by zone, and the capacity of this land to supply future housing units and jobs.
- Projected future housing and employment land need, based on alternative growth forecasts.
- Allocation of future needed housing and employment land by types (i.e. amount of single family/multi-family, owner/renter; industrial/commercial/institutional).
- Summary of land deficiency and regulatory compliance by growth forecast.

The memos present three alternative growth forecasts for CAC consideration, and start to demonstrate what forecasts mean to the comprehensive planning process. For the purpose of submitting a final EOA and HNA to the Department of Land Conservation and Development (DLCD) by the May 31 DLCD grant deadline this spring, the City must select a preliminary population and job forecast for Goal 9 and 10 planning purposes. The City is in the initial stages of coordinating with Metro to arrive at updated job and household (i.e. dwelling) forecasts for 2035 by the end of this year. The Comprehensive Plan Update process will help to inform Metro's Lake Oswego forecast. Please refer to Reference Material 1 of the Population Forecast Memo to understand this process.

As noted at previous meetings, in December 2010, Metro adopted a policy that requires individual jurisdictions to have “no net loss” in their *capacity* to accommodate future growth. This approach replaces their former requirements under Title 1 for jurisdictions to meet specific targets for dwelling units. Coordination with Metro on household and job growth forecasts, however, remains important not only for smart regional planning, but to comply with the State’s Periodic Review administrative rule.

Discussion

Within the Goal 9 and 10 work, the state’s Metropolitan Housing Rule sets the strongest quantitative requirement for periodic review. This rule requires that Lake Oswego provide the **opportunity**, under clear and objective standards¹ for:

- At least 50% detached housing and 50% attached or multi-family housing to be developed (the 50/50 rule); and
- An average density, for new housing constructed on remaining buildable land, of at least 10 dwelling units per net buildable acre (DU/A)

The housing mix and dwelling units per acre requirement apply to a 20 year supply of new dwellings and is reviewed for consistency at the time a jurisdictions enters into periodic review.

The current dwelling unit capacity represented in the attached memos represents all vacant and part-vacant land in residential zones, excluding zones that require a design review process for all development. While it is realistic to assume future housing development in the medium to high density residential zones (R-5, R-3, R-2, R-0), it has come to the City’s attention that under the Building Design Standards (LOC 50.45; applies to all attached and multi-family housing of more than 2 units) the a maximum of 2 units/lot could be developed under strict clear and objective standards. Removing these buildable parcels from Lake Oswego’s housing capacity would reduce the capacity by a few hundred units. This spring, staff will be working with DLCD, the Goal 9 and 10 Work Group and the CAC to outline preferred strategies to meet the state’s requirement for clear and objective standards for needed housing.

The city’s assessment of its housing capacity for purposes of Periodic Review must also include land that is likely to redevelop at a higher number of dwelling units/acre. Staff is in the process of assessing this redevelopment potential for CAC review in March. Likewise, staff is in the process of assessing the redevelopment potential for employment land. This assessment is particularly critical for the City’s economic development planning due to the limited amount of vacant employment land and the assumption that a majority of job growth will happen by increasing the number of jobs per acre on currently developed employment lands.

Conclusion

While the attached memos focus heavily on numbers, planning the city’s economic and housing future is not simply a numbers game. In particular as it relates to economic development, the community’s vision and objectives are expected to drive its Comprehensive Plan goals, policies and implementation strategies. Thus far, the Comprehensive Plan update process has addressed the numbers (growth forecasts, land

¹ Non-discretionary regulations that would likely be interpreted the same by everyone. Clear and objective example: *Rooflines must have a 6:12 pitch*. Discretionary example: *Rooflines must be compatible with the surrounding neighborhood*.

supply and demand, state regulatory compliance), and the community's vision separately. The next step will be to bring these two pieces together and apply the sustainability filter and look thoughtfully at how/ to what extent the Lake Oswego 2035 Vision and sustainability objectives can be realized with different growth forecasts and land use patterns.

At the March 10 CAC/Work Group meeting, the discussion will focus on what each of the growth forecasts would mean and look like for Lake Oswego, and how they would apply to the draft land use scenarios.