Chapter 5 Lake Oswego Buildable Lands Inventory and Capacity Analysis

This Chapter looks at Lake Oswego's capacity to absorb additional housing units on buildable residential land under existing policies and land use regulations.

In Section 5.1, we analyze the capacity of remaining buildable residential land within the Lake Oswego USB to accommodate new residential development. Looking at residential housing types that are allowed by right – under clear and objective standards – in existing residential zoning, we also determine the resultant residential mix.

In Section 5.2, we describe actual housing types that have been permitted within the Lake Oswego USB since 1998. Information on actual densities was not readily available. This analysis is required by ORS 197.296 and will be useful in assessing the probability of achieving Metro housing unit capacity targets.

In Section 5.3, we summarize the results of Metro's capacity analysis for the LO subarea (US Census Tracts). The Lake Oswego subarea includes all of the USB *except* the northern portion of Mountain Park.

In Section 5.4, we consider comments from development experts in Lake Oswego and evaluate the likelihood of achieving planned capacity without policy and land use regulation changes.

5.1 Lake Oswego Revised Buildable Land Inventory and Resultant USB Capacity

Winterbrook worked with Lake Oswego staff to update the Lake Oswego Buildable Land Inventory (BLI, 2009), in order to determine the City's capacity for dwelling units and ability to meet Metro Title 1 and Division 007 requirements. This section discusses the results of that BLI.[1]

According to OAR 660-007-0005 Definitions, there are two types of "buildable land" – "vacant land" and "developed land likely to be redeveloped".

[1] The full BLI methodology is included in Appendix B: Buildable Lands Inventory Methodology.

(3) "Buildable Land" means residentially designated land within the Metro urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses.[2]

(7) "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the likelihood that existing development will be converted to more intensive residential uses during the planning period."

As shown in Table 5-1, Lake Oswego's BLI identified 77.4 vacant buildable acres planned for residential use. Development of these acres in accordance with current zoning would result in 332 to 448 additional dwelling units.

Table 5-1: Residential Dwelling Unit Capacity[3] on Vacant Lands

Zone / Plan	Min Density	Max Density	Net Build-able Acres	DU Cap Min	DU Cap Max
R-0	20.0	34.0	0.0	0	0
R-2	12.0	28.5	2.2	26	62
R-2.5	17.4	28.5	0.4	8	13
R-3	10.3	12.9	0.5	5	7
R-5	7.0	8.7	4.4	30	38
R-6	5.8	7.3	0.6	4	5
R-7.5	4.6	5.8	33.0	153	192
R-10	3.5	4.4	18.5	64	81
R-15	2.3	2.9	17.7	41	51
Total			**77.4**	**332**	**448**

Source: City of Lake Oswego, Winterbrook Planning

Table 5-2 summarizes partially vacant or "infill" capacity on residential lands.[4] We did not include capacity of land in mixed use zones, because

[2] OAR 660-007-0005(3) continues: "Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:
(a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
(b) Is subject to natural resource protection measures determined under statewide Planning Goals 5 or 15;
(c) Has slopes of 25 percent or greater;
(d) Is within the 100-year flood plain; or
(e) Cannot be provided with public facilities."

[3] Minimum densities under current zoning apply only to subdivisions.

[4] These are lands with existing development, but with lot sizes 2.5 times or larger than minimum zoned lot size.

design review standards in these zones are not clear and objective. **As shown in Table 5-2, there is infill capacity for 1,080 to 1,708 additional dwelling units.**

Table 5-2: Residential Dwelling Unit Capacity on Partially Vacant Lands

Zone / Plan	Min Density	Max Density	Net Build-able Acres	DU Cap Min	DU Cap Max	Existing Units	Infill Cap Min	Infill Cap Max
R-0	20.0	34.0	5.6	113	191	44	69	147
R-2	12.0	28.5	0.0	0	0	0	0	0
R-2.5	17.4	28.5	0.0	0	0	0	0	0
R-3	10.3	12.9	12.5	130	162	33	97	129
R-5	7.0	8.7	18.1	126	158	43	83	115
R-6	5.8	7.3	0.0	0	0	0	0	0
R-7.5	4.6	5.8	242.7	1,128	1,409	631	497	778
R-10	3.5	4.4	179.5	625	782	332	293	450
R-15	2.3	2.9	80.5	187	234	145	42	89
Total			**538.9**	**2,308**	**2,936**	**1,228**	**1,080**	**1,708**

Source: City of Lake Oswego, Winterbrook Planning

Table 5-3 brings vacant and infill capacity together, to determine a total dwelling unit capacity in residential zones with clear and objective standards. As shown on Table 5-1, the BLI identifies a capacity for between 1,413 and 2,156 residential dwelling units in Lake Oswego. As shown in Figures 5-2 and 5-3, the potential new units are primarily located in Low Density Residential zones.

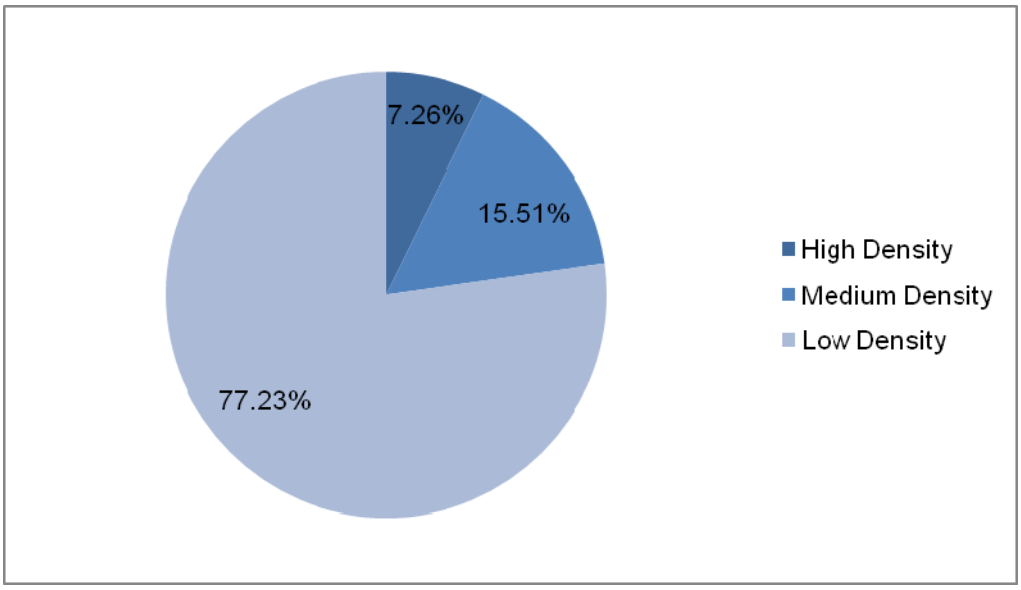
Over 75% of Lake Oswego's dwelling unit capacity is on lands zoned R-7.5, R-10, or R-15. The capacity is primarily based on infill: **nearly 80% of identified dwelling unit capacity (and 93% of the identified "buildable" land supply) in Lake Oswego is located on land with existing residential development.**

Table 5-3: Buildable Lands Inventory Summary[5]

Zone Type	NBA Vacant	NBA Infill	Total NBA	Vacant Cap Max	Infill Cap Max	Total Cap Max	%	Vacant Cap Min	Infill Cap Min	Total Cap Min	%
High Density	2.6	5.6	8.3	75	147	222	10%	34	69	103	7%
Medium Density	5.5	30.7	36.2	49	244	293	14%	39	180	219	16%
Low Density	69.2	502.7	571.9	324	1,317	1,641	76%	259	832	1,091	77%
Totals	**77.4**	**538.9**	**616.3**	**448**	**1,708**	**2,156**	**100%**	**332**	**1,080**	**1,413**	**100%**

Source: City of Lake Oswego, Winterbrook Planning

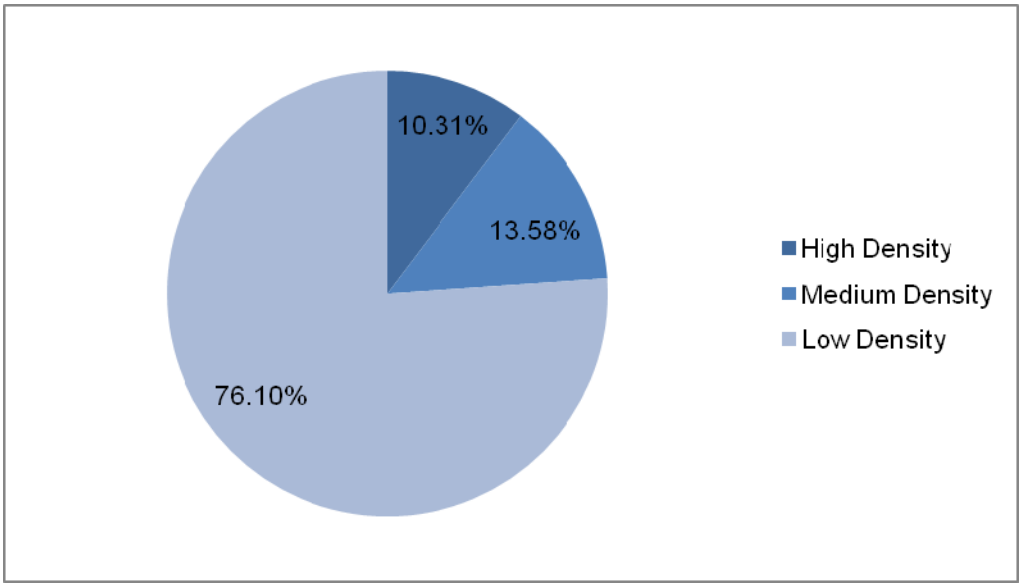
Figure 5-A: Buildable Lands Minimum Capacity by Zone Type



Source: Winterbrook Planning

[5] The following definitions and abbreviations apply to Table 5-3 and Figures 5-A and 5-B: High Density – Residential zones including R-0, R-2, and R-2.5; Medium Density – Residential zones including R-3, R-5, and R-6; Low Density – Residential zones including R-7.5, R-10, and R-15; NBA – Net buildable acres; Cap – Capacity; and Cap Max (Min) – Maximum or minimum capacity under existing zoning. Note: Table 5-3 Infill NBA includes land used for 1,228 existing dwelling units. Table 5-3 Infill capacity excludes existing dwelling units.

Figure 5-B: Buildable Lands Maximum Capacity by Zone Type



Source: Winterbrook Planning

5.2 ACTUAL DEVELOPMENT

This section reviews development in the Lake Oswego City Limits from 1998 through 2008 – identified as "actual" development. Actual development data was compiled by City Staff using building permits and development approvals. (A review of "actual development" is required by ORS 197.296.)

As shown in Table 5-4, Lake Oswego saw development of 1,692 new dwelling units from 1998 to 2008. Of these, 59% were detached single family dwellings, 31% were multi-family dwelling units, and 10% were attached single family units. SDUs and duplexes accounted for less than 1% of new dwelling units.

Table 5-4: Actual Development, Lake Oswego 1998-2008

	SDU	Duplex	MF	Attached SF	Detached SF	Total
1998	0	0	266	0	146	412
1999	0	2	24	19	116	161
2000	0	0	0	48	99	147
2001	0	0	0	47	102	149
2002	2	0	0	18	82	102
2003	0	0	176	3	76	255
2004	0	2	24	10	94	130
2005	0	0	30	8	102	140
2006	2	0	0	6	93	101
2007	2	0	0	11	63	76
2008	0	0	0	0	19	19
	6	**4**	**520**	**170**	**992**	**1,692**
	0%	**0%**	**31%**	**10%**	**59%**	**100%**

Source: City of Lake Oswego, Winterbrook Planning

Table 5-5 summarizes developed units into two categories – attached and detached. This is useful for evaluating compliance with Division 007 housing mix requirements. Attached dwellings include SDUs, duplexes, multi-family, and attached single family units. Detached dwellings include detached single family units and manufactured homes on individual lots. As shown in Table 5-5, 59% of units developed in Lake Oswego from 1998-2008 were detached single family units, and 41% were attached units. Two-thirds (67%) of attached unit development during this timeframe resulted from three senior apartment developments at Mary's Woods.

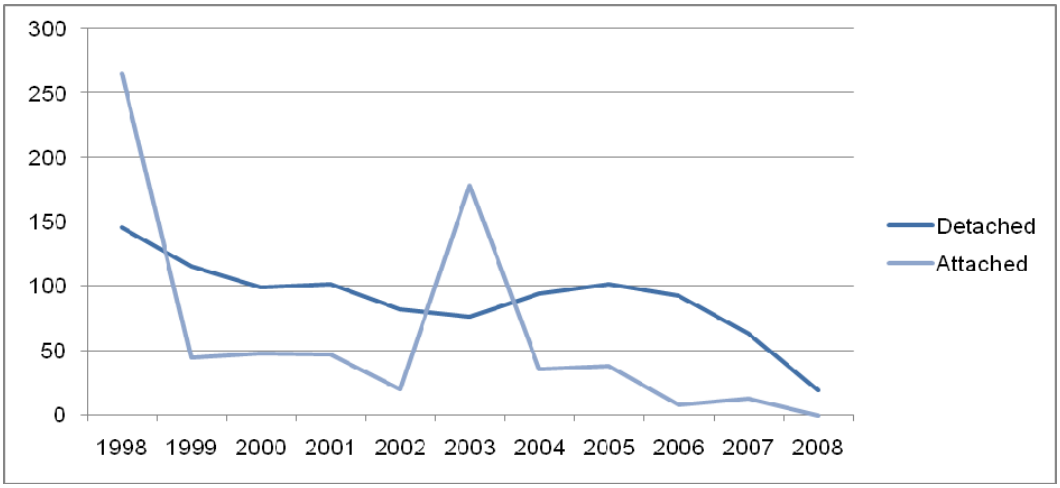
Table 5-5: Actual Development, Attached and Detached Units

	Detached	Attached
1998	146	266
1999	116	45
2000	99	48
2001	102	47
2002	82	20
2003	76	179
2004	94	36
2005	102	38
2006	93	8
2007	63	13
2008	19	0
Total	992	700
Percent	59%	41%

Source: City of Lake Oswego, Winterbrook

Figure 5-C tracks annual attached and detached dwelling unit development. As can be seen on Figure –5-C, attached unit development tends to be sporadic. Detached dwelling construction over time is outpacing attached dwelling construction, but there were years when large numbers of multi-family units were constructed.

Figure 5-C: Actual Development, Attached and Detached Units



Source: City of Lake Oswego, Winterbrook

5.2.1 DEMOLITIONS

To address Title 1 requirements, it's important to track dwelling unit demolitions to determine *net* dwelling unit additions. For example, many detached single family permits were issued for replacement dwellings, resulting in no net increase. The same appears to be true for multifamily redevelopment projects.

Lake Oswego has tracked demolitions since 1998, as shown on Table 5-6. Lake Oswego demolition data indicates that 349 single family dwellings (including two mobile home units), have been demolished since 1998. The City tracked 45 multi-family unit demolitions from 1998 to 2008.

The City tracked a total of 394 dwelling units demolished from 1998 - 2008.

Table 5-6: Demolitions, Lake Oswego 1998-2008

	Single Family	Duplex	Multi-Family	Total
1998	17	0	0	17
1999	21	0	0	21
2000	11	0	0	11
2001	17	0	0	17
2002	23	0	0	23
2003	27	0	0	27
2004	42	0	0	42
2005	63	0	4	67
2006	45	0	0	45
2007	53	0	33	86
2008	30	0	8	38
	349	**0**	**45**	**394**
	89%	**0%**	**11%**	**100%**

Source: City of Lake Oswego, Winterbrook

5.2.2 NET ACTUAL DEVELOPMENT

Table 5-7 shows "net" actual development – new development less demolished units. As shown in Table 5-7, demolitions outpaced new development in 2007 and 2008. Actual housing development, when accounting for demolitions, occurred with a mix of 50% attached and 50% detached from 1998-2008.

Table 5-7: Net Actual Development, Lake Oswego 1998-2008

	Detached	Attached
1998	129	266
1999	95	45
2000	88	48
2001	85	47
2002	59	20
2003	49	179
2004	52	36
2005	39	34
2006	48	8
2007	10	(20)
2008	(11)	(8)
Total	643	655
Percent	50%	50%

Source: City of Lake Oswego, Winterbrook

5.3 METRO DWELLING UNIT TARGETS

We considered Title 1 dwelling unit capacity targets for the Lake Oswego USB as follows:

First, we determined Metro's 1994-2017 dwelling unit target and then subtracted the actual number of dwelling units constructed between 1994 and 2008. Metro Title 1, Table 3.07-1 sets a year 2017 target capacity for Lake Oswego's USB at 4,049 additional dwelling units. As shown in Table 5-8, a net total of 2,030 dwelling units were constructed from 1994 to 2008. **This means that an additional 2,019 units would need to be constructed by the year 2017 to meet the adopted Title 1 housing target for the Lake Oswego USB.**

Table 5-8: Title 1 2017 Capacity

	Dwelling Units
Net Development 1994-2008	2,030
Title 1 Target 1994-2017	4,049
Remaining 2017 Target Capacity	**2,019**

Source: City of Lake Oswego, Winterbrook

Second, we looked at the draft Urban Growth Report's low and high forecasts of population and dwelling units in the Lake Oswego subarea through 2030, as described in Section 3.1. The Growth Report projects that the Lake Oswego "subarea" will grow by 2,500-2,800 dwelling units from 2005-2030. However, **Metro's "subarea" is significantly different than Lake Oswego's USB.**[6]

In order to meet Metro's current Title 1 requirements, Lake Oswego would need to show capacity for the 2,019 dwelling unit figure. Metro has indicated that Lake Oswego has met this standard.

Metro assumes that no substantial policy changes will be necessary to reach the Title 1 target; thus, in terms of zoning, Title 1 represents the *status quo*. Metro also applies generalized zoning categories in its analysis of capacity – not Lake Oswego's actual zones and development standards. Thus, Metro has not reviewed Lake Oswego's comprehensive plan or

[6] The Lake Oswego "subarea" does not include the northern half of the Mountain Park neighborhood – an area including much of Lake Oswego's higher density development (e.g. Jefferson Park Condominiums, One Jefferson Parkway Apartments, Oswego Summit, Eaglecrest Condominiums, etc). While the Lake Oswego "subarea" may be useful for Metro's objective of large scale regional planning, the difference in land base between "subarea" and the USB precludes effective use of Metro's subarea results in a USB analysis.

specific land uses regulations for compliance with the Metropolitan Housing Rule (Division 007) requirements.

Based on the HNA in Chapter 6, it does not appear that meeting Metro's capacity targets will be adequate to meet Lake Oswego's housing needs or the requirements of the Metropolitan Housing Rule (Division 007). To meet local housing needs and Division 007 rule requirements, we recommend policy changes – changes that will increase the overall capacity of the USB and will alter the distribution of housing types and densities that otherwise would have occurred.

5.3.1 Stakeholder/Expert Interviews Regarding Buildable Land Capacity

It is also questionable whether Metro's capacity targets actually can be met in Lake Oswego in low density residential areas under existing regulations.

Appendix A describes interviews with local housing and development experts. All interview results indicated that local experts did not believe single-family infill development was a realistic expectation in Lake Oswego – due primarily to entrenched neighborhood opposition combined with and restrictive code standards.

Interview results indicated that higher density infill and redevelopment opportunities were more realistic in the Downtown and Foothills areas.

5.3.2 Winterbrook Review of Study Area Capacity

Appendix C takes a look at four study areas where vacant and infill land was identified in the BLI. As shown in Appendix C, it would be difficult to create new lots in many partially developed, low density residential areas. Infill in many areas is hampered by access constraints and environmental constraints, and the tendency for existing homes (with relatively high value) to be located in the center of large lots.

5.4 Conclusion

Given that more than three quarters of Lake Oswego's dwelling unit capacity (allowed under clear and objective standards) in the BLI is on partially developed low density residential land with limited infill and redevelopment potential, we believe it would be in the City's interest to

encourage more affordable housing types that that do not depend on the land division process in low-density residential areas. We also recommend that the City encourage increased higher-density residential capacity through redevelopment in Downtown and the Foothills area – by adopting clear and objective approval standards.

To achieve these affordable housing objectives, we believe that code amendments are necessary.