

City of Lake Oswego Discussion Draft Housing Implementation Strategies

Oregon Administrative Rule (OAR) 660-007 (the Metropolitan Housing Rule or MHR) outlines what local governments in the Portland region must do to comply with Statewide Planning Goal 10. It requires cities to supply sufficient land over a 20-year planning period to provide opportunities for the development of adequate numbers of new needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of Oregon households. It also requires that they allow for flexibility of housing locations, types and densities.

The Administrative Rule for Goal 10 states that local comprehensive plans must provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing and that the opportunity exist for new development to occur at an average overall density of 10 dwelling units per net buildable acre. This means that land needed for streets, natural areas, and open spaces are excluded from the calculation. In addition, the rule requires that the opportunity also exist for these dwelling units to be built under clear and objective standards without discretionary review criteria.

LAKE OSWEGO HOUSING CONTEXT

The City of Lake Oswego has prepared a draft vision for its future. Language specific to Complete Neighborhoods and Housing follows:

We manage growth by providing the opportunity for a variety of attractive and compatible housing that serves a range of ages, incomes and households. Our distinct and walkable neighborhoods contribute to the city's small town feel. Mixed-use districts enhance adjacent residential areas by providing access to quality jobs, housing, transit, entertainment, services and shopping. Higher density housing is located along transportation corridors and town centers to preserve the character of our existing neighborhoods.

The following set of policy options have been developed in response to state requirements and local aspirations. Headings are shown in bold. These considerations and recommendations have been compiled from previous housing strategies as well as conversations with the Comprehensive Plan Citizen Advisory Committee, Goal 9 and 10 Work Group and Planning Commission. The policy options are intended to create the framework for updates to the Lake Oswego Comprehensive Plan and a new chapter on Complete Neighborhoods and Housing.

Growth Forecast

Lake Oswego is required to coordinate its population and employment forecast with Metro. In the case of Lake Oswego, the most recent adopted population forecast for the Lake Oswego area is from 2005 (Metroscope Generation 2.3) and is now being updated by Metro staff (release date expected December 2011). Current, 2010 population is 43,000 in the USB. Preliminary population forecasts for the Lake Oswego area have also been released as part of the 2009 Metro Urban Growth Report (jobs

and population forecasts are still being refined and are planned for release by Metro in December 2011). Hence, for planning purposes, three job growth forecast scenarios are assumed:

Low Growth Forecast is consistent with the 2010 census. It assumes that the overall growth is consistent with recent housing and related population growth within the Lake Oswego USB, with no changes to existing land supply or zoning.

Medium Growth Forecast assumes that the overall growth rate is consistent with the adopted Metro 2005 forecasted growth rate for the Lake Oswego USB area; and the “medium growth” forecast identified in the *Lake Oswego Baseline Population Report, August 2009 (by FCS GROUP)*.

Population Growth 2010-2035

	2010	2035	Change	AAGR
Low	43,094	47,307	4,213	0.37%
Medium	43,094	51,100	8,006	0.68%

It should be noted that this medium growth forecast has also been “peer reviewed” by Metro staff and has been recommended by the CAC as a baseline forecast to be used in the Goal 10 (Housing) update work now underway.

Demographic and Redevelopment Aspirations

Lake Oswego’s vision for Complete Housing and Neighborhoods includes an aspiration to accommodate a range of ages, incomes and households. Demographic trends indicate an aging population in Lake Oswego. The largest population cohort in Lake Oswego is the 45 to 64 year old group, compared to Tigard, Clackamas County and the Portland MSA, where the 20 to 44 year old cohort is the largest. This suggests that people are remaining in or moving to Lake Oswego to retire and indicates a need to plan for housing oriented toward older age groups that typically demand smaller units with lower property maintenance requirements.

Lake Oswego has relatively few younger, working-age families when compared with Tigard, Clackamas County and the region. Discussions with the Citizen Advisory Committee and the community as a whole have indicated a specific desire to attract more young families with children to which are vital to the City and schools in particular. This suggests that higher housing costs in Lake Oswego compared with neighboring jurisdictions may be a barrier for young families. In order to provide a diversity of housing types and densities, the City may want to consider planning for housing types more affordable for these families.

Other aspirations adopted by the City in 2009 include high hopes for new housing and redevelopment in the Downtown, Lake Grove and Foothills areas, supported by accessible, walkable pedestrian environments.

Vacant Land Supply/Redevelopment

Lake Oswego has a relatively limited supply of vacant land area inside the USB, and now must rely on redevelopment and optimization of the remaining vacant land inventory to be consistent with Metropolitan Housing Rule (MHR) requirements.

Lake Oswego Land Supply

	Acres	Units
Vacant	77.3	447

Possible Strategy

Lake Oswego should continue to emphasize policies that encourage or support redevelopment at designated areas (such as mixed-use and neighborhood centers); and policies and code that supports new accessory dwelling units; single family attached housing; and multifamily housing, especially in designated centers.

Metropolitan Housing Rule

Lake Oswego is required to meet MHR requirements for housing mix and density target levels on buildable land. Lake Oswego has a limited amount of vacant land and needs to develop strategies to meet future housing needs and MHR requirements in a way that fits within the city's unique character. Lake Oswego's residential zones allow for attached "zero lot line" housing; this has met the Division 007 housing mix standard for past Periodic Review compliance. The average density of buildable (vacant, part-vacant, or likely to redevelop within 20-year planning timeframe) residential land is pending analysis and will be available at the TAC meeting.

The MHR also requires the City to provide an opportunity for all needed housing to be developed under clear and objective development standards. "Needed housing" includes all single family and multi-family attached and detached housing; this requirement is not exclusive to the "buildable" portion of the city. Multi-family housing in Lake Oswego currently goes through a design review process with the Design Review Commission. If the data finds a need to count these units, the City may need to change review criteria to meet clear and objectives standards. This does not mean that these uses have to be approved outright.

Possible Strategies

Lake Oswego has several policy options for meeting housing needs.

1. Increase certainty and comply with Division 007 standards in Mixed Use Zones:
 - Amend mixed-use zones in town centers and along transit corridors to encourage redevelopment with higher density attached and multifamily housing under clear and objective review standards. This May require a separate approval path for residential projects in these areas.
 - Ensure development standards do not impede residential investment in town centers and along transit corridors.

Other Complete Neighborhood and Housing Strategies for Consideration

In addition to the policy options above, other options to help implement the elements of the vision designed to help meet the Complete Neighborhoods and Housing element include the following.

1. Strategically explore redesignation in select locations near centers with transportation options and other amenities to focus new development and redevelopment in the best areas for Lake Oswego while maintaining the integrity of single family neighborhoods. Options include:
 - Adopt a new R-4 small lot single-family zone, to be used in combination with courtyard infill development standards in partially developed areas.
 - Amend use standards in low and medium density residential zones to allow for more efficient infill development by encouraging, under clear and objective standards,:

- Courtyard infill development in low and medium density residential zones near transit corridors and town centers
 - Cottage development
 - Secondary dwelling units in all low density residential zones
 - Allowing duplexes on corner lots in low and medium density residential zones
2. Amend zones and development standards related to parking, open space and building height in appropriate locations to allow for higher densities under clear and objective standards.
- Increase allowable densities and heights.
 - Reduce parking requirements.
 - Make allowances for meeting landscaping requirements on unbuildable land.
 - Permit greater lot coverage to make it easier to provide structured parking.
 - Adjust the floor area ratio to allow taller buildings or independent parking structures.
 - Remove or objectify and limit subjective buffering requirements in downtown areas.
3. Consider the following recommendations in alignment with the recommendations of the Affordable Housing Task Force and local housing aspirations to attract young families and to allow residents to age independently in place:
- Establish a minimum percentage of affordable units in all developments that receive assistance from the Lake Oswego Redevelopment Agency.
 - Work toward a goal of “no net loss” of existing affordable housing through incentives and other means.
 - Improve the permitting process to allow for needed housing types including secondary dwelling units while respecting neighborhoods.
 - Avoid “one size fits all” approaches for different geographic areas in Lake Oswego.