



CITY OF LAKE OSWEGO

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MEMORANDUM

TO: Comprehensive Plan Citizen Advisory Committee

FROM: Sarah Selden, Associate Planner

SUBJECT: Draft Analysis of Housing & Employment Needs and Implementation Strategies

DATE: April 21, 2011

ACTION

Review and provide feedback on the draft assessment of 20-year housing and employment needs and potential strategies for meeting these needs. The CAC's feedback will provide direction for the May 30 draft Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) that will be submitted to the State for grant compliance. The CAC will review a full draft of these documents at their May 19 meeting.

INTRODUCTION

The draft EOA and HNA will provide the factual basis as the City begins to discuss goals and policies related to housing and economic development this summer. These are not intended to be the final EOA or HNA that the City Council needs to adopt along with the updated Comprehensive Plan. Rather, these drafts will provide a summary of the technical information that we have gathered and reviewed to date including: land supply, housing/jobs demand, potential gap between state mandates and the community's vision on supply and demand, and potential strategies to address the gap.

It is important to remember that the next full year will be devoted to refining and developing specific implementation strategies associated with the technical findings in these documents. In other words, particularly in regard to the implementation strategies, there is no need to finalize those to the level of adoption-ready specificity during this phase. These drafts should instead include a good list of strategy concepts for further exploration over the next year.

DISCUSSION

On April 7 and 14, the Comprehensive Plan TAC and Goal 9 and 10 Work Group reviewed preliminary findings of housing and employment need. The draft assumptions and analysis has been updated following these meetings, and will continue to be refined based on Planning Commission and CAC feedback prior to finalizing the draft documents.

A significant component of recent work has been an analysis of the potential for new dwellings and employment land through redevelopment. The State's housing rule requires that the City's inventory of buildable housing land include parcels likely to redevelop within the 20-year planning timeframe, and result in additional dwelling units. The State's economic development rule does not require a redevelopment analysis, however, determining Lake Oswego's capacity for future jobs through redevelopment was an important analysis due to the limited supply of vacant employment land. A housing attainability analysis is another key component of the HNA. This analysis allocates needed dwelling

units by type and tenure (owner v. rental) based on demographic forecasts for Lake Oswego and regional income attainability.

The following pages present key findings related to housing and employment demand/need and supply. Potential implementation strategies are attached, and discussion questions are summarized in the Conclusion section on page 7.

Housing Analysis

Forecasts

The CAC and Work Group have supported carrying forward two dwelling unit forecasts for the draft HNA. A single population forecast will need to be submitted by the time the City completes Periodic Review. Metro is currently working with Lake Oswego and other cities to coordinate updated forecasts by the end of 2011. Please note that all forecasts are for the Lake Oswego Urban Services Boundary (USB).

Table 1: Housing Forecasts

Low Forecast <i>Most recent 10-year trend, based on 2010 Census data.</i>	2010 est.	Proj. 2035	2010 -2035 Change	Avg. Annual Change	AAGR*
Population	43,094	47,307	4,213	169	0.37%
Housing Units	19,166	21,040	1,874	75	0.37%

Medium Forecast <i>Growth rate consistent with Metro's adopted 2005 dwelling unit forecast for Lake Oswego.</i>	2010 est.	Proj. 2035	2010-2035 Change	Avg. Annual Change	AAGR*
Population	43,094	51,100	8,006	320	0.68%
Housing Units	19,166	22,726	3,560	142	0.68%

* Average Annual Growth Rate

Attainability and Unit Type

Within the total number of needed dwelling units, it's important that Lake Oswego provide an opportunity for the mix of dwelling unit types needed by future residents. Goal 10 and its implementing statutes call for Lake Oswego to meet the housing attainability needs commensurate with the region. **Table 2** illustrates the share of regional households that fall within each income category. The numbers were recently updated from 2007 and the change is shown for illustrative purposes.

Table 2: Housing Attainability Findings - Greater Portland Region (households by HUD income limits)

Income Limit Classification	2007 Est. (Draft HNA)	2010 Est. (Current Est.)	Notes
High (120% or more of Median Income)	28%	35%	Share of higher-income households went up
Upper Middle (80%-120% of Median Income)	20%	20%	Middle-Income households dropped from 40% to 34%
Lower Middle (50% -80% of Median Income)	20%	14%	
Low (30%-50% of Median Income)	16%	19%	Lower-Income household share stayed about the same
Very Low (less than 30% of Median Income)	16%	11%	
Total	100%	100%	

Based on demographic forecasts for Lake Oswego and the housing attainability mix above, the following assumptions were made for the allocation of housing by unit type. The initial allocations have been revised based on Work Group recommendations to better align the housing type with existing land use patterns.

Table 3: Assumptions for Housing Attainability and Mix

	Owner-Occupied Dwelling Units (DUs)	Renter-Occupied DUs	All DUs	Density (DU/Net Buildable Acre)
Housing Tenure Distribution	64.5%	35.5%	100%	
Distribution of Housing by Unit Type				
Detached Large Lot SF (>5,000 sq.ft.)	34%	5%	23.7%	5.0
Detached Small Lot SF (<= 5,000 sq.ft.)	20%	6%	15.0%	9.0
Attached SF (Rowhouses, Secondary Dwelling Units, Zero Lot Line)	32%	19%	27.4%	14.0
Duplex/Triplex	6%	20%	11.0%	8.0
Multifamily (Apartments, Condos)	8%	50%	22.9%	30.0
Total	100%	100%	100%	

Source: Housing tenure estimates from Draft Housing Needs Analysis, Winterbrook/EcoNW; housing type mix assumptions by FCS GROUP.

The allocation of unit type was then converted into acres of land need for low, medium, and high density zoning categories. **Table 4** compares the land need to the supply, and concludes that under either the Low or Medium dwelling unit forecast, there is a deficit of *vacant* medium and high density residential land. **Tables 5** and **6** below demonstrate how redevelopable land can help to fill the deficit through existing capacity for new housing units in medium-high density residential zones, and in mixed-use centers.

Table 4: Revised Draft Findings for Housing Needs for Attainability and Mix

Housing Type	Land Supply (net buildable acres)	Land Need (net acres)		Vacant Land Surplus or (Deficit) (net acres)	
		Low Forecast	Medium Forecast	Low Forecast	Medium Forecast
Low Density (R7.5, R10, R15)	572	120	228	452	344
Medium Density (R3, R5)	36	62	118	(26)	(82)
High Density (R0, R2, R2.5)	8	14	27	(6)	(19)
Total	616	197	374	419	242

Source: based on findings presented in prior tables

This deficit could mainly be addressed by redevelopment

Redevelopment Potential

As a required component of the City’s buildable land inventory, an analysis was conducted to determine the amount of medium and high-density residential land and mixed-use commercial land that is likely to redevelop over the next 20 years, and result in additional housing units. Using 2010 Clackamas County Assessor data, parcels where the improvement value is 150% or less of the land value are considered redevelopable. This assumption falls within Metro’s assumptions for regional redevelopment potential. Existing condos properties were not included in the redevelopment analysis due to the complexity of redeveloping such properties under multiple ownership.

Table 5: Summary of Redevelopment Potential in Medium-High Density Residential Zones

Net Acres with medium to very high redevelopment potential	78.5
Potential New Dwellings	1,144
Less Existing Dwellings	(330)
Potential Net New Dwellings	814

Source: City of Lake Oswego, January 2011.

Table 6: Potential Housing Units on Mixed-Use Redevelopment Lands in Key Districts (Downtown, Foothills, Boones Ferry, Kruse Way)

Zone/Plan Designation	Dwelling Units as % of FAR	Max New Dwellings*	Less Existing Units	Net New Max Units*
GC/OC	20-50%	152	0	152
NC/RO	20-50%	6	0	6
OC/R3	20-50%	9	0	9
EC	10-80%	1,272	9	1,263
HC	0-10%	22	0	22
CR&D	0-10%		0	
EC/RO	20-80%	933	422	511
Total		2,394	431	1,963

*Assumes 1,150 SF floor area per average dwelling unit.

Source: FCS Group, 2011.

Metropolitan Housing Rule Compliance

Division 7 of the Oregon Administrative Rules (known as the Metropolitan Housing Rule) helps to implement Goal 10 within the Portland Metropolitan urban growth boundary. The purpose of this rule is to assure opportunities for the provision of adequate numbers of needed housing units and the efficient use of land. The rule includes two key requirements:

- Provide the opportunity for a 50/50 mix of attached and detached housing. Lake Oswego has met this requirement by allowing zero lot line (attached single family) dwellings in all residential zones.
- Provide the opportunity for an average density of at least 10 dwelling units per net buildable acre. Staff and consultants have analyzed the ability to meet this requirement through vacant and redevelopable land capacity, and additional targeted strategies. **Table 7** below describes the results of this analysis. In summary, based on these assumptions and potential strategies, the City could be very close to meeting the 10 du/nba requirement. Refinements to the potential strategies below, or additional strategies could reasonably close the gap.

Table 7: Options for Meeting MHR Density Requirement

	Dwellings Needed Per MHR	Net New Dwelling Potential	Dwelling surplus or (gap)
1. New Dwellings on Existing Vacant and Part-Vacant Land Inventory in Lake Oswego USB	(6,160)	2,155	(4,005)
2. Additional Capacity on Redevelopment Land (assumes Improvement-to-land value ratio of 1.5 or less, and net parcel size over 0.2 acres in area)			
<ul style="list-style-type: none"> • Net New Dwellings on Medium-Density R Zones (R-O, R-2, R-2.5, R-3, R-5): 127 acres 	(1,270)	1,330	60
<ul style="list-style-type: none"> • Net New Dwellings on Mixed-Use Zones (GC, NC/RO, OC/R-3, EC, HC, EC/RO): 121 acres 	(1,210)	2,088	878
<ul style="list-style-type: none"> • Increase housing in Boones Ferry Corridor (various strategies may be used) 	-	110+	110+
<ul style="list-style-type: none"> • Plan and Zone Change for Foothills Industrial Area (14.6 +/- acres) 	(146)	1,300	1,154
<ul style="list-style-type: none"> • New Goals and Standards for SDUs (equates to 12% of detached single family lots) 	-	1,750	1,750
Total	(8,686)	8,733	47 +/-

Source: City of Lake Oswego, FCS Group 2011.

Staff and project consultants have been approaching compliance with OAR 660-007-0035 *Minimum Residential Density Allocation for New Construction* based on our total amount of vacant, part-vacant and redevelopable land. Planning Commissioners and others have questioned the logic behind the 10 du/nba requirement. Questions include why the City must provide the capacity for 8,000+ dwelling units when the 20-year population forecast only anticipates the need for up to about 3,500 dwelling units, and how the City met this requirement in the past based on vacant land. In response to these questions, staff are exploring whether we could comply with the buildable land inventory using an alternative methodology, which may allow the City to focus on strategies to meet the projected need, rather than focusing on strategies to meet the density requirement. Staff is coordinating with DLCD on our approach and will share information with the CAC as we learn more.

Employment Analysis

Forecasts

Four forecasts have been developed for Lake Oswego's 20-year employment growth. The Low, Medium, and High forecasts were shared with the Work Group at the March 10 meeting. A new forecast, named here as "Medium-High" was added.

- **Low Growth Forecast:** Assumes job growth equates to population growth rate in low forecast; and no net loss/gain of industrial or government jobs.
- **Medium Forecast:** Assumes job growth equates to population growth rate in medium forecast; and no net loss/gain of industrial or government jobs.
- **Medium-High Forecast:** Consistent with long-term growth rates for employment sectors based on the most recent 10-year (2008-2018) employment forecast for job sectors in Clackamas County (Region 15), and are extrapolated to year 2035.
- **High Forecast:** Assumes job growth rates consistent with Metro 2009 Urban Growth Report, extrapolated to year 2035.

The Goal 9 & 10 Work Group felt the Medium-High forecast should be carried forward as a reasonable aspiration to elevate Lake Oswego's economic base. To be consistent with the Housing forecast range, staff suggests carrying forward two employment forecasts in the draft EOA and looks to the CAC to provide direction.

Table 8: Employment Forecasts

Low Growth Forecast	2010 Estimate	2035 Projection	Change 2010-2035	Average Annual Change	AAGR*
Employment	20,538	22,546	2,008	57	0.37%
<i>Retail</i>	<i>1,551</i>	<i>1,760</i>	209	6	<i>0.51%</i>
<i>Commercial/Services</i>	<i>13,382</i>	<i>15,181</i>	1,799	51	<i>0.51%</i>
<i>Industrial</i>	<i>2,834</i>	<i>2,834</i>	----	----	0%
<i>Government/Education</i>	<i>2,771</i>	<i>2,771</i>	----	----	0%
Medium Growth Forecast	2010 Estimate	2035 Projection	Change 2010-2035	Average Annual Change	AAGR*
Employment	20,538	24,354	3,815	109	0.68%
<i>Retail</i>	<i>1,551</i>	<i>1,948</i>	396	11	<i>0.91%</i>
<i>Commercial/Services</i>	<i>13,382</i>	<i>16,801</i>	3,419	98	<i>0.91%</i>
<i>Industrial</i>	<i>2,834</i>	<i>2,834</i>	----	----	0%
<i>Government/Education</i>	<i>2,771</i>	<i>2,771</i>	----	----	0%
Medium-High Growth Forecast	2010 Estimate	2035 Projection	Change 2010-2035	Average Annual Change	AAGR*
Employment	20,538	25,398	4,859	194	0.85%
<i>Retail</i>	<i>1,551</i>	<i>2,142</i>	590	24	<i>1.30%</i>
<i>Commercial/Services</i>	<i>13,382</i>	<i>17,297</i>	3,915	157	<i>1.03%</i>
<i>Industrial</i>	<i>2,834</i>	<i>2,492</i>	(142)	(14)	<i>-0.51%</i>
<i>Government/Education</i>	<i>2,771</i>	<i>3,468</i>	697	28	<i>0.90%</i>

High Growth Forecast	2010 Estimate	2035 Projection	Change 2010-2035	Average Annual Change	AAGR*
Employment	20,538	34,280	13,741	550	2.07%
<i>Retail</i>	<i>1,551</i>	<i>2,691</i>	<i>1,140</i>	46	2.23%
<i>Commercial/Services</i>	<i>13,382</i>	<i>23,001</i>	<i>9,619</i>	385	2.19%
<i>Industrial</i>	<i>2,834</i>	<i>4,251</i>	<i>1,417</i>	57	1.63%
<i>Government/Education</i>	<i>2,771</i>	<i>4,336</i>	<i>1,565</i>	63	1.81%

Employment Land Need

Lake Oswego has a total of 20.2 acres of vacant employment land, consisting of 12.3 acres of commercial and mixed use, 6.9 acres of institutional, and 1 acre of industrial. The four forecasts above, along with a hybrid designed to reflect available vacant land, were analyzed to determine their land needs, compared to supply. The following table summarizes this information and highlights where additional land would be needed. **Table 10** below demonstrates the capacity for meeting this need through redevelopment in key employment areas.

Table 9: 20-Year Demand Forecast and Vacant Land Supply, Lake Oswego USB

Commercial and Mixed Use	Vacant Land Supply				
	Low	Medium	Med-High	High	Hybrid
Land Supply	12.3	12.3	12.3	12.3	12.3
Land Demand	10.0	20.0	40.0	95.0	14.0
Land Surplus or (Deficit)	2.3	(7.7)	(27.7)	(82.7)	(1.7)
Institutional	Vacant Land Supply				
	Low	Medium	Med-High	High	Hybrid
Land Supply	6.9	6.9	6.9	6.9	6.9
Land Demand	1.0	1.0	9.0	21.0	9.0
Land Surplus or (Deficit)	5.9	5.9	(2.1)	(14.1)	(2.1)
Industrial	Vacant Land Supply				
	Low	Medium	Med-High	High	Hybrid
Land Supply	1.0	1.0	1.0	1.0	1.0
Land Demand	1.0	2.0	0.0	24.0	(3.0)
Land Surplus or (Deficit)	0.0	(1.0)	1.0	(23.0)	(2.0)

Redevelopment Potential

There are about 103 acres of mixed-use land area with medium to very high redevelopment potential in Lake Oswego (could accommodate about 1,600 net new jobs).

The analysis of redevelopment opportunities is based on the ratio of assessed improvement value to land value for each tax lot using 2010 Clackamas County Assessor data where parcels with a ratio of 1.5 or less are considered redevelopable. The results provided in **Table 10** indicate that there is a significant amount of redevelopment potential within the Lake Oswego USB. The redevelopment analysis identifies more than 121 acres with economic development potential in the Downtown, Foothills, Kruse Way and Boone’s Ferry areas.

Table 10: Potential Mixed-Use Redevelopment Parcels with less than 1.5:1 improvement-to-land-value ratio and greater than ¼ Acre, Lake Oswego USB

Zoning	Downtown	Foothills	Kruse Way	Boones Ferry	Subtotal
GC	0.0	0.0	0.0	21.3	21.3
NC/RO	0.0	0.0	0.0	2.3	2.3
OC/R3	0.0	0.0	9.9	2.1	12.0
EC	14.8	0.0	0.0	0.0	14.8
HC	0.0	0.0	29.0	0.0	29.0
CR&D	0.0	0.0	0.0	0.0	0.0
EC/RO	0.0	25.7	0.0	0.0	25.7
I (Foothills area)	0.0	14.6	0.0	0.0	14.6
OC	0.0	0.0	0.0	1.6	1.6
Total	14.8	40.2	38.9	27.3	121.2

Source: analysis by city of Lake Oswego and FCS GROUP.

Potential Housing and Employment Implementation Strategies

Attachments 1 and 2 outline potential strategies for meeting housing and employment need, and complying with state requirements. Implementation strategies will be explored with the CAC as the group begins to review and update the Comprehensive Plan housing and economic development goals and policies beginning this summer.

CONCLUSION

Employment Discussion Questions:

- Which two employment forecasts does the CAC recommend carrying forward for the scenario assessment? Or, should a different hybrid be developed?
- Should any additional implementations strategies be explored? Should any potential strategies from Attachment 1 be updated or eliminated?
- Are there challenges or opportunities that need to be explored in this draft?
- Are there any ideas or questions that should be placed in a “Parking Lot” to be explored as a part of the Plan update?

Housing Discussion Questions:

- The draft strategy for compliance with the requirement for 10 DU/NBA focuses the opportunity for increased housing capacity in mixed-use town centers, maintaining the existing zoning for low-density residential neighborhoods.
 - Do the strategies for meeting the state’s requirement to provide the opportunity for an average density of 10 du/nba seem reasonable? What strategy could be used to close the remaining gap?
- Should any additional implementations strategies be explored? Should any potential strategies from Attachment 1 be updated or eliminated?
- Are there challenges or opportunities that need to be explored in this draft?
- Are there any ideas or questions that should be placed in a “Parking Lot” to be explored as a part of the Plan update?

ATTACHMENTS

1. Draft Goal 9 and Goal 10 Implementation Strategies

Goal 9 – Economic Development

Potential Implementation Strategies

The City of Lake Oswego has prepared a draft vision for its future. Language specific to Economic Vitality follows:

We are a community where people can live, work, play and meet their daily needs for goods and services. We build upon the intellectual capital of the community to attract new ventures, retain local businesses and connect to the global economy. We are business-friendly and a regional model for employment and mixed-use centers that attract quality jobs.

The following is a description of policy considerations and possible response to state requirements and local aspirations – headings are shown in bold text. These considerations and recommendations have been compiled from previous economic development strategies as well as conversations with the Comprehensive Plan Citizen Advisory Committee, Goal 9 and 10 Work Group and Planning Commission.

Community Economic Development Objectives

Community Economic Development Objectives help guide the development of the EOA. The community objectives define the scope of the analysis and findings necessary to support the resulting land use decisions. Some may rise to the level of a goal or policy. Others may be more appropriately refined to become strategies over the next year. Not all directly applicable to the EOA and will be further developed over the next year.

Working Draft Community Economic Development Objectives:

- Maintain and grow a strong local employment base to provide jobs for Lake Oswego residents and support a high quality of life.
- Support and grow existing and locally-owned businesses.
- Support business incubation and employment growth within the city by providing a diversity of space/site opportunities.
- Provide flexibility in employment zones that supports economic resilience and sustainability while minimizing negative impacts.
- Focus redevelopment and intensification of jobs (e.g., jobs per acre) in employment corridors and centers.
- Provide opportunities for a range of industrial and employment uses. Actively pursue environmentally responsible businesses.
- Pursue living wage employment opportunities, such as an emphasis on creative class opportunities and clusters that build on Lake Oswego’s intellectual capital, proximity to universities and colleges and connection to the I-5 corridor. These could include but would not necessarily be limited to science, engineering, education, computer programming, research, arts, media and design.
- Explore long term redevelopment opportunities in the southwest industrial area, along Bangy Road, along the Kruse Way corridor, and in Foothills.
- Create the opportunity for employment well served by transportation options.
- Maintain Lake Oswego’s exceptional quality of life by investing in infrastructure and services that support residents and businesses.

Vacant Land Supply/Redevelopment

According to the City's Buildable Lands Inventory, Lake Oswego has a limited supply of vacant land area inside the USB of approximately 20 acres, seven of which are at Marylhurst/Mary's Woods. Therefore, the City must rely on redevelopment and optimization of the remaining vacant land inventory to retain and attract business investment and employment opportunities.

Possible Strategies

1. Identify areas for increased, redeveloped employment densities.
2. Strengthen the City's redevelopment program; identify redevelopment tools, strategies and priorities.
3. Use incentive-based approaches and/or regulatory strategies to promote redevelopment and greater development intensity (mixed-use redevelopment with combined retail or office uses and housing), especially in centers and corridors. Options include, but are not limited to:
 - Using urban renewal and tax increment financing for the development of infrastructure necessary to stimulate economic growth
 - Exploring reduced system development charges where merited
 - Changing development standards or restrictions (overall or for certain types of desired development)
 - Assembling land
 - Investing in structured parking, requiring less parking and/or increasing public transportation use

Commitment to Provide a Short-Term Land Supply

Cities must provide a competitive short-term supply of land. Short-term is defined as developable within one year. Cities must also include detailed strategies for preparing the total land supply for development and replacing the short-term supply of land as it is developed. The policies should identify a process for regular review of the short-term supply of employment land.

Possible Strategies

Monitor and update Buildable Lands Inventory to assess annually the adequacy of short and long-term supplies of buildable employment land.

Commitment to Provide Adequate Sites and Facilities

Cities must include policies to designate an adequate number of sites of suitable sizes, types and locations for their employment need. Cities also must have policies that provide necessary public facilities and transportation facilities through public facilities and transportation system planning.

Possible Strategy

Address the public facility needs of business and economic development through identifying and programming needed public facilities and services. Update public facility plans according to the economic development vision, objectives and strategies.

Discuss and resolve the desired balance between industrial and employment land.

Other Considerations

Small Businesses

Home occupations are an important form of land use efficiency in Lake Oswego. Home occupations offer an employment land use efficiency because they are typically located in existing dwellings and do not require additional land or built space.

Possible Strategy

Emphasize policies that encourage or support home-based employment for sole practitioners while balancing neighborhood quality of life. Provide more opportunities by adding greater flexibility with home occupations.

Goal 10 – Housing

Possible Implementation Strategies

As stated in the introduction, City of Lake Oswego has prepared a draft vision for its future. Language specific to the Complete Neighborhoods and Housing action area, the vision states:

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. 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.

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 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.

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.

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 and 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 and appears to meet this requirement.

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 there is 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.
2. Develop policies to encourage SDUs in walkable areas close to transit corridors and commercial nodes.

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 re-designation 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 strategies 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.