



# | Memorandum

**To:** Comprehensive Plan Citizen Advisory Committee

**Date:** February 2, 2011

**From:** Todd Chase, AICP

**RE:** Draft Goal 10 (Housing) Draft Findings

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## INTRODUCTION

This memorandum includes draft findings from the supplemental planning analysis described in our February 3 presentation to the TAC and February 10, 2011 presentation to the Goal 9 & 10 Workgroup. The work reflected in this memorandum includes the following items:

- Regulatory Requirements
- Purpose of the Supplemental Analysis
- Methodology
- Draft Findings
- Policy Issues and Considerations

The City of Lake Oswego is undergoing a periodic review of its Comprehensive Land Use Plan per Oregon LCDC requirements. As part of the Comprehensive Plan update, the city must address the requirements of State Goal 10 (OAR 660-008), and its implementing/guiding measure: Division 7 Metropolitan Housing Rule (OAR 660-007).

In short, the Metropolitan Housing Rule (MHR) requires that Lake Oswego adopt local Comprehensive Land Use Plan amendments that *provide the opportunity* for meeting the minimum density and dwelling mix, tenure and affordability considerations (see complete MHR summary in **Appendix A**). According to the MHR, new residential construction in the City of Lake Oswego is to consist of at least 50% attached single family housing or multifamily housing; and the City must provide “clear and objective” zoning and development code standards that provide an overall density of ten or more dwelling units per net buildable acre.

Cities within the Metro planning boundary must also comply with the Title 1 of the Urban Growth Management Framework Plan, which requires cities to meet certain housing and employment growth targets. However, in December 2010 Metro Council adopted Ordinance No. 10-1244B, which replaced dwelling capacity target number with a “no net loss policy”. Title 1 now requires the City to maintain the existing dwelling unit capacity by ensuring that any proposed zone change does not reduce the city’s overall dwelling unit capacity. If a zone change is proposed to reduce the dwelling capacity, then that capacity must be accounted for somewhere else in the city.

This memorandum focuses on overall housing demand and vacant land need issues.

## METHODOLOGY

The overall housing demand and vacant BLI methodology is intended to be consistent with the MHR requirements (**Attachment A**). The following steps were performed to help identify housing demand and land supply issues:

1. Calculate gross buildable land inventory (BLI) of vacant and part-vacant residential-zoned land. Also consider the potential for redevelopment within the Urban Services Boundary (USB).
2. Determine min and max housing capacity allowed with current zoning on vacant BLI
3. Utilize steps 1 & 2 to calculate low growth forecast, and the Lake Oswego Population Baseline Report prepared by FCS Group (8/19/10) to determine medium forecast
4. Apply Metropolitan Housing Rule (MHR) density, mix & affordability requirements
5. Compare dwelling demand forecast to dwelling capacity
6. Consider MHR density and mix requirements
7. Provide for required dwelling units over the next 20 years

In the case of Lake Oswego, the most recent adopted jobs and 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). Preliminary employment and 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, two growth forecast scenarios are assumed:

**Low Growth Forecast:** equates to the amount of new housing (based on the MHR of clear and objective standards) and population that could likely be provided in the Lake Oswego USB with no changes to existing land supply or current zoning.

**Medium Growth Forecast:** assumes that the overall population/household 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 2010 (by FCS GROUP)*. It should be noted that this medium growth forecast has also been “peer reviewed” by Metro staff and has been recommended by the Goal 9 and 10 work group as a baseline forecast to be used in the Goal 10 (Housing) update work now underway.

Preliminary population and household growth forecasts for the Lake Oswego USB planning area are summarized in **Table 1**.

**Table 1 Summary of Growth Forecasts, Lake Oswego USB, 2010 – 2035**

<b>Low Growth Forecast, 2010 to 2035</b>					
<b>(city estimates of buildout, status quo zoning - not consistent with Metro forecasts)</b>					
<b>Low Growth</b>	<b>2010 est.</b>	<b>Proj. 2035</b>	<b>Change</b>	<b>Annual Change</b>	<b>AAGR</b>
Population*	43,094	48,266	5,172	207	0.45%
Households*	17,956	20,111	2,155	86	0.45%

\* Based on city planning staff buildable land inventory and capacity calculations, and 2.4 persons per dwelling unit.

<b>Medium Growth Forecast, 2010 to 2035</b>					
<b>(city estimates and FCS "medium" forecasts; consistent with Metro 2005 adopted forecast)</b>					
<b>Medium Growth</b>	<b>2010 est.</b>	<b>Proj. 2035</b>	<b>Change</b>	<b>Annual Change</b>	<b>AAGR</b>
Population*	43,094	51,981	8,887	355	0.75%
Households**	17,956	21,292	3,336	133	0.68%

\* Based on Lake Oswego Baseline Population Forecast (FCS report), Aug. 2010.

\*\*Assumes 2.4 PPHH in 2010, and growth rate equal to Metro forecast from 2005.

Once the annual average population and household growth rates and job forecasts were created, a series of assumptions were used to allocate population to housing demand.

## DRAFT FINDINGS

### Buildable Land Inventory

The City of Lake Oswego Planning Department staff estimates that the current vacant residential BLI consists of approximately 77.3 acres of net buildable residential land area and 538.9 acres of part vacant residentially zoned area.<sup>1</sup>

The vacant land area is permitted to accommodate approximately 447 dwelling units at current zoned capacity levels. The existing residential BLI and dwelling capacity for vacant residential-zoned land area in the Lake Oswego USB is summarized in **Table 2**.

<sup>1</sup> Note, these BLI estimates are preliminary estimates of vacant and part-vacant residential land area within the Lake Oswego USB. The city has deducted wetlands and steep slopes over 25% to be consistent with DLCD's Goal 10 workbook.

**Table 2 Summary of Vacant Residential Buildable Land Inventory and Potential Dwelling Capacity Levels**

Zone/Plan Designation	Vacant Acres	Maximum Allowed Density (Dus/A)	Maximum Allowed/ Permitted Dwellings
R-0	0.0	34.0	0
R-2	2.2	28.5	63
R-2.5	0.4	28.5	11
R-3	0.5	12.9	6
R-5	4.4	8.7	38
R-6	0.6	7.3	4
R-7.5	33.0	5.8	191
R-10	18.5	4.4	81
R-15	17.7	2.9	51
<b>Total</b>	<b>77.3</b>	<b>5.8</b>	<b>447</b>

Source: City of Lake Oswego, Winterbrook Planning.

In addition to the vacant land inventory, Lake Oswego has many part-vacant “infill” opportunities that are mostly located in lower-density residential areas, including 242.7 acres of R-7.5, 179.5 acres of R-10, and 80.5 acres of R-15 land area. The part-vacant land inventory is expected to provide up to 1,708 net new dwellings at build-out with existing land use zone/plan designations (see Table 3). However, the city must still determine if the existing development regulations “clearly and objectively” result in the maximum capacity levels, and if such standards are not in place, the city must adopt new policies and code amendments that create a “clear and objective” process for providing this level of new development.

**Table 3 Summary of Part-Vacant “Infill” Residential Buildable Land Inventory and Potential Dwelling Capacity Levels**

Zone/Plan Designation	Part Vacant Acres	Maximum Allowed Density (Dus/A)	Maximum Allowed Dwellings	Dwelling Unit Cap (Max)	Less Existing Dwelling Units	Maximum Net New Dwellings
R-0	5.6	34.0	191	191	44	147
R-2	0	28.5	0	0	0	0
R-2.5	0	28.5	0	0	0	0
R-3	12.5	12.9	161	162	33	129
R-5	18.1	8.7	157	158	43	115
R-6	0	7.3	0	0	0	0
R-7.5	242.7	5.8	1,408	1,409	631	778
R-10	179.5	4.4	790	782	332	450
R-15	80.5	2.9	233	234	145	89
<b>Total</b>	<b>538.9</b>	<b>5.5</b>	<b>2,941</b>	<b>2,936</b>	<b>1,228</b>	<b>1,708</b>

Source: City of Lake Oswego, Winterbrook Planning.

## **Housing Mix Requirements**

According to the MHR requirements, Lake Oswego *“must provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances.”*

Based on the expected development capacity levels described earlier, Lake Oswego could potentially provide up to 2,155 dwelling units without changes to existing zone/plan standards or USB boundary, if “clear and objective” development standards are adopted that provide this level of development. In light of the fact that the city currently allows development of single family attached housing to be constructed in all of its residential zones, the Lake Oswego’s current zoning already provides for the opportunity of meeting or exceeding the MHR housing mix requirements (which requires the opportunity for at least 50 percent of new housing units to be attached single family housing or multiple family housing).

## **Housing Density Requirements**

According to the MHR requirements, Lake Oswego *“must provide for the overall density of ten or more dwelling units per net buildable acre.”*

Based on the *draft Housing Needs Analysis* report by Winterbrook Planning, Lake Oswego now has an average residential density level of 5.5 units per buildable acre.

If we assume that Lake Oswego has an estimated 616.2 acres of vacant and part vacant residential buildable land area, then the minimum amount of new dwelling units needed to meet MHR requirements would be 6,160 dwellings (at an average density level of 10 dwellings/acre).

Since it has been determined that Lake Oswego can provide up to 2,155 dwellings on the remaining vacant residential zoned lands, if “clear and objective” standards are adopted, the average density level that would result would be about 3.5 dwellings per acre (which is well below the city’s existing density and the MHR required minimum density of 10 dwellings/acre). Unless the city can provide for an additional 4,005 dwelling units (through clear and objective standards and related infill and redevelopment policies) in the current USB, Lake Oswego would not be in compliance with the MHR density requirements. In this scenario, new “clear and objective” policies would be needed to support additional residential growth and development levels.

## **Housing Demand Growth Expectations**

The analysis of year 2035 housing land need by land use zoning type determined that with the low growth forecast Lake Oswego could provide up to 2,155 additional dwelling units inside the USB and would need to make amendments to its zoning and development code to ensure that housing could be developed under “clear and objective” standards. Under this forecast, Lake Oswego would not comply with MHR requirements.

Under the medium growth forecast, Lake Oswego’s 2035 forecast would be consistent with the adopted Metro housing unit demand forecasts. The preliminary draft findings indicate that under the medium growth forecast, between now and year 2035, Lake Oswego would need to provide the opportunity for approximately 3,336 net new dwelling units to meet the Metro forecast. Lake

Oswego would need to make some land use code and policy amendments in strategic locations such as corridors and centers, in order to accommodate the demand.

The preliminary draft assumptions and findings for the medium growth forecast indicate that Lake Oswego would need to provide the opportunity for an additional 1,181 dwellings beyond the current zoned dwelling unit capacity levels within the existing USB (see **Tables 4A and 4B**).

**Table 4A Housing Need Forecast Assumptions, Low Growth Forecast, 2035**

Estimated 2010 Households	17,956
Forecasted 2035 Households	20,111
Change in Households/Dwelling Demand*	2,155
Less Zoned Dwelling Capacity on Vacant Lands	(2,155)
Additional Dwelling Demand Unmet by Vacant Lands*	-

*\* To meet Metro Title 3 and MHR requirements the city would need to provide this level of housing demand plus another 4,005 dwellings inside the USB with new policies and clear and objective standards.*

**Table 4B Housing Need Forecast Assumptions, Medium Growth Forecast, 2035**

Estimated 2010 Households	17,956
Forecasted 2035 Households	21,292
Change in Households/Dwelling Demand*	3,336
Less Zoned Dwelling Capacity on Vacant Lands	(2,155)
Additional Dwelling Demand Unmet by Vacant Lands	<b>1,181</b>

*\* To meet Metro Title 3 and MHR requirements the city would need to provide this level of housing demand plus another 2,824 dwellings inside the USB with new policies and clear and objective standards.*

### Housing Attainability

The MHR also requires Lake Oswego to assure that the local housing needs forecast meet the needs of the “area” residents (at the metropolitan area level, not just city level) at “all income levels.” Based on the draft Housing Needs Analysis report by Winterbrook Planning (pages 58-60), the analysis of housing market segments helps determine a targeted mix of housing tenancy by income segment and housing type (see **Table 5**).

**Table 5 Housing Attainability Assumptions**

Market Segment by Income	Income range	Number of Households	Percent of Households	Financially Attainable Products	
				Owner-occupied	Renter-occupied
High (120% or more of MFI)	\$91,500 or more	867	28%	All housing types; higher prices	All housing types; higher prices
Upper Middle (80%-120% of MFI)	\$61,000 to \$91,510	616	20%	All housing types; lower values	All housing types; lower values
Lower Middle (50%-80% of MFI)	\$38,130 to \$61,000	621	20%	Manufactured on lots; single-family attached; duplexes; small lot single-family; SDUs; "cottage" or "courtyard" housing	Single-family attached; detached; manufactured on lots; apartments; small lot single-family; SDUs; "cottage" or "courtyard" housing Apartments; manufactured in parks; duplexes; small lot single-family; SDUs; "cottage" or "courtyard" housing
Low (30%-50% or less of MFI)	\$22,880 to \$38,130	491	16%	Manufactured in parks	Small lot single-family; SDUs; "cottage" or "courtyard" housing Apartments; new and used government assisted housing
Very Low (Less than 30% of MFI)	Less than \$22,880	536	17%	None	None

Source: Draft Housing Needs Analysis, April 2010, Winterbrook and ECONorthwest.

Lake Oswego can determine preliminary housing requirements by dwelling unit type by applying the housing attainability findings from the draft Housing Needs Analysis to the growth forecast. The results of the *draft Housing Needs Analysis* indicate a targeted allocation of housing tenancy and types, which is summarized in **Table 6**.

**Table 6 Housing Need Forecast Assumptions, Medium Growth Forecast, 2035**

	Owner-Occupied Dus	Renter-Occupied Dus	All Dus	Density (DU/NBA)
<b>Housing Tenure Distribution</b>	64.5%	35.5%	100%	
<b>Distribution of Housing by Unit Type</b>				
Detached Large Lot SF (>5,000 sq.ft.)	29%	4%	20%	5.0
Detached Small Lot SF (<= 5,000 sq.ft.)	28%	6%	20%	9.0
Attached SF (Rowhouses, SDUs, Zero Lot Line)	28%	6%	20%	14.0
Duplexes/Accessory Dwellings	2%	25%	10%	8.0
Multifamily (Apartments, Condos)	13%	59%	29%	30.0
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

Source: Lake Oswego Housing Needs Analysis, Winterbrooke/ECONorthwest, April 2010.

The result of applying these dwelling mix and tenancy assumptions to the housing growth forecasts results in a forecast of 2035 housing needs, which is summarized in **Tables 7A and 7B**. To meet the long-range growth forecasts and housing attainability requirements, it appears that Lake Oswego would need to provide the following level of residential land supply to meet the 2035 growth forecasts:

- Detached Single Family Land Need: 135 acres (low forecast) to 209.1 acres (medium forecast)
- Attached and Multifamily Land Need: 79.6 acres (low forecast) to 123.1 acres (medium forecast)

**Table 7A Housing Need Forecast by Housing Tenancy, Low Growth Forecast, 2035**

	Owner-Occupied Dus	Renter-Occupied Dus	All Dus	Housing Land Need (acres)
<b>Distribution of Housing by Unit Type</b>				
Detached Large Lot SF (>5,000 sq.ft.)	403	31	434	86.7
Detached Small Lot SF (<= 5,000 sq.ft.)	389	46	435	48.3
Attached SF (Rowhouses, SDUs, Zero Lot Line)	389	46	435	31.1
Duplexes/Accessory Dwellings	28	191	219	27.4
Multifamily (Apartments, Condominiums)	181	451	632	21.1
<b>Total</b>	<b>1,390</b>	<b>765</b>	<b>2,155</b>	<b>214.6</b>

Source: derived from applying the housing forecasts to housing mix.

**Table 7B Housing Need Forecast by Housing Tenancy, Medium Growth Forecast, 2035**

	Owner-Occupied Dus	Renter-Occupied Dus	All Dus	Housing Land Need (acres)
<b>Distribution of Housing by Unit Type</b>				
Detached Large Lot SF (>5,000 sq.ft.)	624	47	671	134.3
Detached Small Lot SF (<= 5,000 sq.ft.)	602	71	673	74.8
Attached SF (Rowhouses, SDUs, Zero Lot Line)	602	71	673	48.1
Duplexes/Accessory Dwellings	43	296	339	42.4
Multifamily (Apartments, Condominiums)	280	699	978	32.6
<b>Total</b>	<b>2,152</b>	<b>1,184</b>	<b>3,336</b>	<b>332.2</b>

Source: derived from applying the housing forecasts to housing mix.

Preliminary allocations were made in the *draft Housing Needs Analysis* to assign housing demand to local land use zones by applying the housing types to each zone, using the assumptions shown in **Table 8**.

**Table 8 Housing Type Opportunity by Zone**

Housing Type	Opportunity Zones
Detached Large Lot SF (>5,000 sq ft)	R7.5, R10, R15
Detached Small Lot SF (<=5,000 sq ft), Duplexes	R3, R5
Attached SF (Rowhouses, Zero Lot Line)	R2, R3
SDUs	R7.5, R10, R15
Multi-Family (Apartments, Condominiums, ALF)	R0, R2.5

Source: Lake Oswego Draft Housing Needs Analysis, April 2010.

As indicated in **Table 9**, the results from the preliminary housing analysis generally indicate that the Lake Oswego USB has an adequate amount of low-density land area to meet 2035 forecasts for single family detached housing needs. However, there is an additional need for 22 to 54 acres of land area to support medium density housing forecasts, and an additional need for 13 to 25 acres of land area to support high density housing forecasts.

**Table 9 Comparison of Residential Land Supply and Need by Growth Forecast Scenario**

Housing Type	Land Supply (net buildable acres)	Land Need (net acres)		Land Surplus or (Deficit)	
		Low Forecast	Medium Forecast	Low Forecast	Medium Forecast
Low Density (R7.5, R10, R15)	572	135	209	437	363
Medium Density (R3, R5)	36	58	90	(22)	(54)
High Density (R0, R2, R2.5)	8	21	33	(13)	(25)
<b>Total</b>	<b>616</b>	<b>215</b>	<b>332</b>	<b>401</b>	<b>284</b>

Source: based on findings presented in prior tables. Note, additional land area may be required to fully comply with the Metropolitan Housing Rule.

It should be noted that the amount of growth and land demand levels shown in Table 9 address the housing demand forecast levels of demand growth over the 2010 to 2035 time period, with a planned average density level of at least 10 units per acre.

## LOCAL POLICY ISSUES AND CONSIDERATIONS

Lake Oswego is in the process of revising the Comprehensive Plan to provide an adequate supply of long-term planned residential development within Lake Oswego. The overall findings from the draft Housing Needs Analysis and this supplemental analysis indicate that:

- Lake Oswego has a relatively limited supply of vacant (77.3 acres) and part-vacant (538.9 acres) of buildable residential zoned land area inside the USB.
- The city’s current land use zoning standards may need to be amended to create more “clear and objective” development standards to demonstrate the city’s ability to accommodate the planned zoning capacity for these vacant lands.
- The city appears to already have the proper land use code in place to meet the Metropolitan Housing Rule requirements for housing mix, including the ability to provide at least 50 percent of housing in single family attached and multifamily housing types.
- To meet Metropolitan Housing Rule requirements for planned density levels and housing attainability and mix requirements within the existing USB, the city would need to adopt clear and objective design standard, land use policies and new strategies that include but are not limited to:
  - Policies that result in clear and objective standards to achieve the planned maximum density levels for each residential zone;
  - Policies that support redevelopment of designated areas (such as the Foothills area, downtown, and designated nodes or corridors);
  - Code amendments that support clear and objective standards for adding accessory dwelling units; and
  - Changes to the official zoning map to allow increased housing density in strategic areas.
- The city should also determine which growth rate to assume for long-term planning purposes. The medium growth forecast is consistent with Metro’s adopted long-range housing growth forecast for the Lake Oswego Area and the Metropolitan Housing Rule.

**ATTACHMENT A**  
**LAND CONSERVATION AND DEVELOPMENT DEPARTMENT**  
**DIVISION 7**  
**METROPOLITAN HOUSING**

**660-007-0000**

**Statement of Purpose**

The purpose of this rule is to assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary, to provide greater certainty in the development process and so to reduce housing costs. OAR 660-007-0030 through 660-007-0037 are intended to establish by rule regional residential density and mix standards to measure Goal 10 Housing compliance for cities and counties within the Metro urban growth boundary, and to ensure the efficient use of residential land within the regional UGB consistent with Goal 14 Urbanization. OAR 660-007-0035 implements the Commission's determination in the Metro UGB acknowledgment proceedings that region wide, planned residential densities must be considerably in excess of the residential density assumed in Metro's "UGB Findings". The new construction density and mix standards and the criteria for varying from them in this rule take into consideration and also satisfy the price range and rent level criteria for needed housing as set forth in ORS 197.303.

Stat. Auth.: ORS 183 & ORS 197

Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490

Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87

**660-007-0005**

**Definitions**

For the purposes of this rule, the definitions in ORS 197.015, 197.295, and 197.303 shall apply. In addition, the following definitions apply:

- (1) A "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land, after excluding present and future rights-of-way, restricted hazard areas, public open spaces and restricted resource protection areas.
- (2) "Attached Single Family Housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.
- (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. 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.
- (4) “Detached Single Family Housing” means a housing unit that is free standing and separate from other housing units.
- (5) "Housing Needs Projection" refers to a local determination, justified in the plan, as to the housing types and densities that will be:
- (a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;
  - (b) Consistent with OAR 660-007-0010 through 660-007-0037 and any other adopted regional housing standards; and
  - (c) Consistent with Goal 14 requirements for the efficient provision of public facilities and services, and efficiency of land use.
- (6) “Multiple Family Housing” means attached housing where each dwelling unit is not located on a separate lot.
- (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.

Stat. Auth.: ORS 197.040

Stats. Implemented: ORS 197.295 - 197.314 & 197.475 - 197.490

Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87; LCDC 3-1990, f. & cert. ef. 6-6-90; LCDD 3-2008, f. & cert. ef. 4-18-08

## **660-007-0015**

### **Clear and Objective Approval Standards Required**

Local approval standards, special conditions and procedures regulating the development of needed housing must be clear and objective, and must not have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

Stat. Auth.: ORS 183 & ORS 197  
Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490  
Hist.: LCD 10-1981, f. & ef. 12-11-81

## **660-007-0018**

### **Specific Plan Designations Required**

(1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:

(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;

(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and

(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Stat. Auth.: ORS 183 & ORS 197  
Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490  
Hist.: LCDC 1-1987, f. & ef. 2-18-87; LCDD 4-1999, f. & cert. ef. 7-2-99

## **660-007-0020**

### **The Rezoning Process**

A local government may defer rezoning of land within the urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified:

(1) The plan must contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.

(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective.

Stat. Auth.: ORS 183 & ORS 197  
Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490  
Hist.: LCD 10-1981, f. & ef. 12-11-81

## **660-007-0022**

### **Restrictions on Housing Tenure**

Any local government that restricts the construction of either rental or owner occupied housing on or after its first periodic review shall either justify such restriction by an analysis of housing need according to tenure or otherwise demonstrate that such restrictions comply with ORS 197.303(a) and 197.307(3).

Stat. Auth.: ORS 183 & ORS 197

Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490

Hist.: LCDC 1-1987, f. & ef. 2-18-87

## **660-007-0030**

### **New Construction Mix**

(1) Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. Factors to be considered in justifying an alternate percentage shall include, but need not be limited to:

- (a) Metro forecasts of dwelling units by type;
- (b) Changes in household structure, size, or composition by age;
- (c) Changes in economic factors impacting demand for single family versus multiple family units; and
- (d) Changes in price ranges and rent levels relative to income levels.

(2) The considerations listed in section (1) of this rule refer to county-level data within the UGB and data on the specific jurisdiction.

Stat. Auth.: ORS 183 & ORS 197

Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490

Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87

## **660-007-0033**

### **Consideration of Other Housing Types**

Each local government shall consider the needs for manufactured housing and government assisted housing within the Portland Metropolitan UGB in arriving at an allocation of housing types.

Stat. Auth.: ORS 183 & ORS 197  
Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490  
Hist.: LCDC 1-1987, f. & ef. 2-18-87

### **660-007-0035**

#### **Minimum Residential Density Allocation for New Construction**

The following standards shall apply to those jurisdictions which provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing:

- (1) The Cities of Cornelius, Durham, Fairview, Happy Valley and Sherwood must provide for an overall density of six or more dwelling units per net buildable acre. These are relatively small cities with some growth potential (i.e. with a regionally coordinated population projection of less than 8,000 persons for the active planning area).
- (2) Clackamas and Washington Counties, and the cities of Forest Grove, Gladstone, Milwaukie, Oregon City, Troutdale, Tualatin, West Linn and Wilsonville must provide for an overall density of eight or more dwelling units per net buildable acre.
- (3) Multnomah County and the cities of Portland, Gresham, Beaverton, Hillsboro, Lake Oswego and Tigard must provide for an overall density of ten or more dwelling units per net buildable acre. These are larger urbanized jurisdictions with regionally coordinated population projections of 50,000 or more for their active planning areas, which encompass or are near major employment centers, and which are situated along regional transportation corridors.
- (4) Regional housing density and mix standards as stated in OAR 660-007-0030 and sections (1), (2), and (3) of this rule do not apply to small developed cities which had less than 50 acres of buildable land in 1977 as determined by criteria used in Metro's UGB Findings. These cities include King City, Rivergrove, Maywood Park, Johnson City and Wood Village.

Stat. Auth.: ORS 183 & ORS 197  
Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490  
Hist.: LCD 10-1981, f. & ef. 12-11-81; LCDC 1-1987, f. & ef. 2-18-87

### **660-007-0037**

#### **Alternate Minimum Residential Density Allocation for New Construction**

The density standards in OAR 660-007-0035 shall not apply to a jurisdiction which justifies an alternative new construction mix under the provisions of OAR 660-007-0030. The following standards shall apply to these jurisdictions:

- (1) The jurisdiction must provide for the average density of detached single family housing to be equal to or greater than the density of detached single family housing provided for in the plan at the time of original LCDC acknowledgment.

(2) The jurisdiction must provide for the average density of multiple family housing to be equal to or greater than the density of multiple family housing provided for in the plan at the time of original LCDC acknowledgment.

(3) A jurisdiction which justifies an alternative new construction mix must also evaluate whether the factors in OAR 660-007-0030 support increases in the density of either detached single family or multiple family housing or both. If the evaluation supports increases in density, then necessary amendments to residential plan and zone designations must be made.

Stat. Auth.: ORS 183 & ORS 197

Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490

Hist.: LCDC 1-1987, f. & ef. 2-18-87

## **660-007-0045**

### **Computation of Buildable Lands**

(1) The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

(2) The Buildable Land Inventory (BLI): The mix and density standards of OAR 660-007-0030, 660-007-0035 and 660-007-0037 apply to land in a buildable land inventory required by OAR 660-007-0010, as modified herein. Except as provided below, the buildable land inventory at each jurisdiction's choice shall either be based on land in a residential plan/zone designation within the jurisdiction at the time of periodic review or based on the jurisdiction BLI at the time of acknowledgment as updated. Each jurisdiction must include in its computations all plan and/or zone changes involving residential land which that jurisdiction made since acknowledgment. A jurisdiction need not include plan and/or zone changes made by another jurisdiction before annexation to a city. The adjustment of the BLI at the time of acknowledgment shall:

(a) Include changes in zoning ordinances or zoning designations on residential planned land if allowed densities are changed;

(b) Include changes in planning or zoning designations either to or from residential use. A city shall include changes to annexed or incorporated land if the city changed type or density or the plan/zone designation after annexation or incorporation;

(c) The county and one or more city(ies) affected by annexations or incorporations may consolidate buildable land inventories. A single calculation of mix and density may be prepared. Jurisdictions which consolidate their buildable lands inventories shall conduct their periodic review simultaneously;

(d) A new density standard shall be calculated when annexation, incorporation or consolidation results in mixing two or more density standards (OAR 660-007-0035). The calculation shall be made as follows:

(A)(i)  $BLI \text{ Acres} \times 6 \text{ Units/Acre} = \text{Num. of Units}$ ;

(ii)  $\text{BLI Acres} \times 8 \text{ Units/Acre} = \text{Num. of Units}$ ;

(iii)  $\text{BLI Acres} \times 10 \text{ Units/Acre} = \text{Num. of Units}$ ;

(iv)  $\text{Total Acres (TA)} \div \text{Total Units (TU)}$ .

(B)  $\text{Total units} \div \text{Total Acres} = \text{New Density Standard}$ ;

(C) Example:

(i) Cities A and B have 100 acres and a 6-unit-per-acre standard:  $(100 \times 6 = 600 \text{ units})$ ; City B has 300 acres and a 10-unit-per-acre standard:  $(300 \times 10 = 3000 \text{ units})$ ; County has 200 acres and an 8-unit-per-acre standard:  $(200 \times 8 = 1600 \text{ units})$ ; Total acres = 600 -- Total Units = 5200.

(ii)  $5200 \text{ units} \div 600 \text{ acres} = 8.66 \text{ units per acre standard}$ .

(3) Mix and Density Calculation: The housing units allowed by the plan/zone designations at periodic review, except as modified by section (2) of this rule, shall be used to calculate the mix and density. The number of units allowed by the plan/zone designations at the time of development shall be used for developed residential land.

Stat. Auth.: ORS 183 & ORS 197

Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490

Hist.: LCDC 1-1987, f. & ef. 2-18-87

## **660-007-0050**

### **Regional Coordination**

(1) At each periodic review of the Metro UGB, Metro shall review the findings for the UGB. They shall determine whether the buildable land within the UGB satisfies housing needs by type and density for the region's long-range population and housing projections.

(2) Metro shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Stat. Auth.: ORS 183 & ORS 197

Stats. Implemented: ORS 197.295 - ORS 197.314 & ORS 197.475 - ORS 197.490

Hist.: LCDC 1-1987, f. & ef. 2-18-87

## **660-007-0060**

### **Applicability**

(1) The new construction mix and minimum residential density standards of OAR 660-007-0030 through 660-007-0037 shall be applicable at each periodic review. During each periodic review local government shall prepare findings regarding the cumulative effects of all plan and zone changes affecting residential use. The jurisdiction's buildable lands inventory (updated pursuant

to OAR 660-007-0045) shall be a supporting document to the local jurisdiction's periodic review order.

(2) For plan and land use regulation amendments which are subject to OAR 660, Division 18, the local jurisdiction shall either:

(a) Demonstrate through findings that the mix and density standards in this Division are met by the amendment; or

(b) Make a commitment through the findings associated with the amendment that the jurisdiction will comply with provisions of this Division for mix or density through subsequent plan amendments.

Stat. Auth.: ORS 183 & ORS 197