



CITY OF LAKE OSWEGO

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## MEMORANDUM

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**TO:** Goal 9 and 10 Work Group

**FROM:** Sarah Selden, Associate Planner

**SUBJECT:** Draft Housing Needs Analysis & Employment Opportunities Analysis Reports

**DATE:** May 5, 2011

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### ACTION

Review and provide feedback on the draft Housing Needs Analysis (HNA) and Employment Opportunities Analysis (EOA) reports. The Work Group's feedback will help to refine the reports prior to DLCD submittal at the end of May, for compliance with the City's DLCD technical assistance grant.

### DISCUSSION

The draft EOA and HNA summarize the technical information to date and will provide the factual basis as the City begins to discuss goals and policies related to housing and economic development. The Work Group has reviewed many of the technical details in pieces and most recently a rough draft of the employment and housing land need analysis. The full reports bring together the demographic and trend information, with the land supply and need, policy implications and draft implementation strategies. Following are some key questions and information for the Work Group's review and discussion.

#### Review of Both Documents

Staff would like the group's feedback on the following general items, relevant to both reports:

- Do the potential implementation strategies make sense for Lake Oswego to meet identified deficiencies? Should any strategies be added?
- Do the reports provide the necessary background information to begin policy and implementation discussions as we begin to review the economic development and housing chapters of the Comprehensive Plan?

#### Review of EOA

- Table 17 (p. 28) summarizes type of building floor area demand for the four employment forecasts. Note that all but the high growth forecast have flat or negative industrial demand. This is also reflected in the growth rate summary Table 12 (p. 25).
  - *Given the draft vision statement and community economic development objectives, is this an appropriate range and distribution of floor area by type as we move into policy and implementation discussion?*
- If the community wants to achieve higher levels of employment there are things the City must do to help make redevelopment happen. If the community wants lower levels of employment and redevelopment, the City would not develop new policies or programs, and rather let the private sector determine the future.

- *If the City should help to facilitate redevelopment and employment growth, what strategies should be considered for example to revitalize the IP zone, the Kruse Way area, Foothills, downtown and Lake Grove? Do we need to do more to save land for industrial purposes or is it more appropriate plan for broader office employment uses?*
- Goal 9 only requires us to look at vacant land supply. In doing that we have the results shown on Table 20. However, if we were to also consider redevelopable lands as shown in Table 11, it appears there is adequate employment lands to accommodate the range of potential demand.

## Review of HNA

### Metropolitan Housing Rule

- When staff last updated the Work Group, it was noted that different approaches were being explored for how the City could comply with the State's requirement for an average density of 10 dwelling units/net buildable acre for new construction (the Metropolitan Housing Rule). More specifically, staff was exploring with DLCD the options for computing buildable land for the purpose of this density calculation. The hope was that we could count only the "needed housing" lands, based on population forecasts (up to 3,560 for the medium growth forecast). DLCD has clarified that the computation is based on *all* land in the City's buildable land inventory (including vacant, part-vacant, and redevelopable land), not just projected need.
- DLCD staff also clarified, however, that the City could choose to pursue an alternative computation provided under *OAR 660-0045: Metropolitan Housing Rule, Computation of Buildable Lands*, whereby the City could take the average density acknowledged by DLCD at our last Periodic Review (10.4 du/nba), and demonstrate the impact of any zone changes since that time. The work done on the city's current inventory of buildable lands was still needed to ensure we had the capacity in appropriate zones to meet projected need. However, using the latter approach to the Housing Rule would allow the City's policy discussion and implementation work to focus on providing for the community's needed housing rather than focusing on strategies such as those listed in Table 23 to arrive at an 8,000 unit capacity. We are not required to demonstrate compliance with the Metropolitan Housing Rule as part of the draft HNA, but will need to update document to reflect the new information.

### Need Analysis

- New Tables 19-20 (p. 22-23) have been added to the housing need analysis portion of the report that demonstrate housing attainability based on area income levels, and corresponding rent or home sale prices, and type of dwelling. Information on housing stock available in these different price categories still needs to be folded into the report.
  - *Do the assumptions for dwelling type and tenure (owner/renter) make sense for these income categories and Lake Oswego's projected and desired demographics?*
- Table 22 (p. 25) demonstrates that Lake Oswego has capacity through vacant, part-vacant and redevelopable land under existing zoning to meet the projected housing allocations. Additional strategies listed in Table 23 and the draft implementation strategies, such as Foothills redevelopment, increasing secondary dwelling units (SDUs), and facilitating cottage cluster housing may provide additional options to meet housing need in particular for the medium and low attainability categories.
  - *Should any additional strategies be considered in the implementation section of the report?*

### **Next Steps**

The CAC will be reviewing/receiving updates on these reports on May 19. Over the next few weeks, staff will be incorporating feedback from all of the advisory groups into the document. A draft will be submitted to DLCD by May 30 and a copy of the submittal made available to the Work Group. The City Council will also receive a copy of the draft documents in their weekly digest by the end of the month.

Starting this summer and into early next year, we will be review goals and policies of the Comprehensive Plan. These documents will be used to facilitate those discussions.

### **ATTACHMENTS**

1. Draft Employment Opportunities Analysis
2. Draft Housing Needs Analysis
3. Draft Community Vision