



Comprehensive Plan Map and Zoning Map Amendments Staff Report and Recommendation

Community Development Department, Planning Division

REPORT DATE:	July 31, 2017
HEARING DATE:	August 7, 2017
LAND USE REQUEST:	Proposed legislative amendments to the Comprehensive Plan Map and Zoning Map to address a spot zone situation in the 2300 block of Cedar Street.
FILE NUMBER:	311-17-000028-PLNG
FILE NAME:	Cedar Street Comprehensive Plan Map and Zoning Map Amendments
PROPERTY LOCATION:	2323 and 2335 Cedar Street
OWNERS/APPLICANT(S):	<u>Applicant:</u> City of Forest Grove <u>Property Owners:</u> Jerry L. & Cheryl S. Brown, 43578 NW Purdin Rd., Pacific Trust, 2335 Cedar St., Forest Grove, OR 97116
COMPREHENSIVE PLAN AND ZONING DESIGNATIONS:	Comprehensive Plan Map Designation: General Industrial –GI Base Zone Designation: General Industrial - GI
HISTORIC DISTRICT	Not Applicable
APPLICABLE DECISION CONSIDERATIONS, STANDARDS AND CRITERIA:	<u>Comprehensive Plan Map Amendment:</u> Oregon Statewide Land Use Planning Goals Forest Grove Comprehensive Plan policies Metro Regional Framework Plan Metro Urban Growth Management Functional Plan <u>Zoning Map Amendment:</u> City of Forest Grove Development Code: §10.2.770 et. seq. (Zone Change Review Criteria)
REVIEWING STAFF:	Daniel Riordan, Senior Planner
RECOMMENDATION:	The proposed Comprehensive Plan Map and Zoning Map amendments meet the requirements of the applicable decision considerations, standards and criteria. Therefore, staff recommends approval of the proposal.

DRAFT

I. LAND USE HISTORY

The subject property is located on Cedar Street just south of 24th Avenue. This area includes a mixture of land use including single family residential homes, small scale apartments, industrial uses on 23rd Avenue and property owned by Pacific University including Cannery Field and associated parking.

The subject property comprises two tax lots created by partition plat 1997-064. The lots are under separate ownership. One lot (2335 Cedar Street) is approximately 0.20 acre in area and is improved with a single family home constructed in 1938. A small detached garage is also located on this lot. The second parcel (2323 Cedar Street) is a vacant flag lot approximately 0.31 acre in area. This vacant lot is adjacent to a 50-car parking lot and the Cannery Field area owned by Pacific University.

The land use history for this area goes back to the late 1800's. The Curtis Addition subdivision along the east side of Cedar Street directly across from the subject property was created in 1894. The Curtis Subdivision to the north of the subject property was created shortly thereafter in 1906.

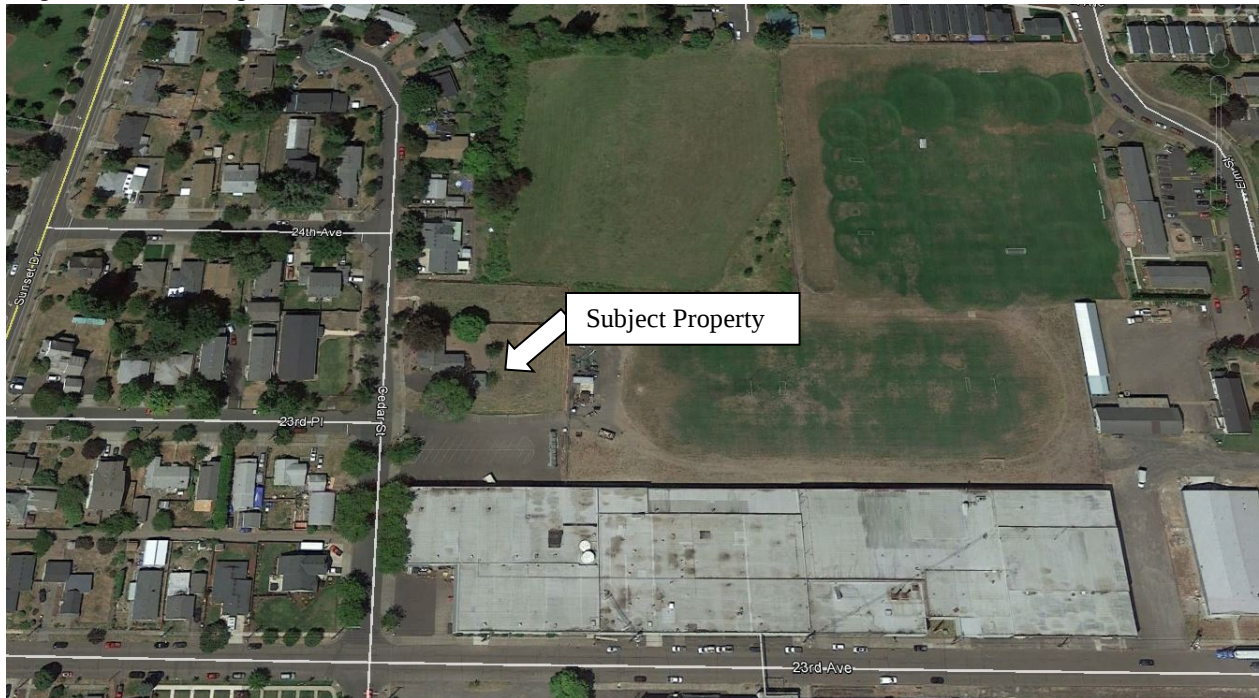
The 1980 Comprehensive Plan Map identified the subject property as well as the Cannery Field land owned by Pacific University as General Industrial. By 1987 a portion of the area Cannery Field area was re-designated on the Comprehensive Plan Map as Semi-Public – College. In 2002, Pacific University filed for a zone change (ZC-02-02) to re-designate a 4.25 acre portion of an 8.13 acre site from General Industrial (GI) to Multi-Family Residential (A-2). With adoption of the Development Code in 2009 the A-2 designation became the Residential Multi-Family High (RMH) zone. In 2003, the Planning Commission approved a Conditional Use Permit (CU-03-02) for the Cannery Field Athletic Complex in the A-2/RMH zone.

Future improvement of the Cannery Field site and other land owned by Pacific University is subject to the Pacific University Master Plan, originally adopted in 2006. The Master Plan shows Cannery Field as an opportunity site intended for services supporting the University. The Master Plan indicates the primary development objectives for this site include overflow athletics and recreational facilities, remote parking and university support services. The Plan recognizes the need to ensure future development minimizes negative impacts on adjacent residential neighborhoods by limiting development along the site's edge, planting landscape areas, and abating traffic and parking impacts. Strategies include selecting and locating plants to maintain the privacy of residential backyards, designing parking lot landscaping and lighting in concert with their residential context and adhering to City screening standards including screening maintenance facilities, storage areas and parking areas.

The land use actions affecting the Cannery Field site created a situation over time where the subject property became an isolated area of General Industrial zoning surrounded by Residential Multi-family High zoning. Essentially, the subject property became a spot zone. Two actions are before the Planning Commission to address this situation.

1. Approval of a Comprehensive Plan Map amendment to re-designate the subject property from General Industrial to High Density Residential; and
2. Approval of Zoning Map amendment to re-designate the subject property from General Industrial to Residential Multifamily High.

The area south of the subject property fronting 23rd Avenue is characterized by industrial buildings. One such building is shown on the image below.



C. EXISTING COMPREHENSIVE PLAN DESIGNATION AND ZONING OF SITE AND AREA:

The chart below shows the Comprehensive Plan Designation, Zoning District and existing land use for the subject site and surrounding area. An aerial view of the land use patterns is also provided above.

LOCATION	COMPREHENSIVE PLAN DESIGNATION	ZONE DISTRICT	LAND USE
Site	General Industrial	General Industrial	Single Family Home, Detached Garage and Vacant Lot
North	Semi-Public (Pacific University-Cannery Field)	Residential Multifamily High	Community Garden and Single Family Homes
South	Semi-Public (Pacific University-Cannery Field)	Residential Multifamily High	Surface Parking Lot, Industrial Uses
East	Semi-Public (Pacific University-Cannery Field)	Residential Multifamily High	Athletic field, vacant Land
West	High Density Residential	Residential Multifamily High	Single family and Multifamily Residential

III. REQUIRED APPROVALS AND FINDINGS

The following decision considerations apply to the proposed Comprehensive Plan Map amendment:

- Applicable Oregon Statewide Land Use Planning Goals;
- Applicable Forest Grove Comprehensive Plan policies;
- Metro Regional Framework Plan; and
- Metro Urban Growth Management Plan.

The following criteria apply to the proposed Zoning Map amendment:

- *The zone change is consistent with the Comprehensive Plan Map. When the Comprehensive Plan has more than one implementing zone as shown on the corresponding Table in Article 3, it must be shown that the proposed zone is the most appropriate taking into consideration the purpose of each zone and the zoning pattern of the surrounding land.*
- *The zone change is consistent with relevant goals and policies of the Comprehensive Plan, as identified by the Director.*
- *The site is suitable for the proposed zone and there is a lack of appropriately designated alternative sites within the vicinity. The size of the vicinity will be determined on a case-by-case basis since the impacts of a proposed zone and its potential uses vary. The factors to be considered in determining suitability are parcel size and location.*
- *The zone change is consistent with the adopted Transportation System Plan. Development allowed by the zone change will not substantially impact the functional classification or operation of transportation facilities, or reduce the level of service of transportation facilities below minimum acceptable level identified in the Transportation System Plan. To ensure proper review and mitigation, a traffic impact study may be required for the proposed zone change if it may impact transportation facilities.*
- *Public facilities and services for water supply, sanitary waste disposal, stormwater disposal, and police and fire protection are capable of supporting the uses allowed by the zone. Adequacy of services is based on the projected service demands of the site and the ability of the public services to accommodate those demands.*
- *The establishment of a zone district is not subject to the meeting of conditions.*

The applicable decision considerations and approval criteria are described more fully below. Findings are also provided below.

Oregon Statewide Land Use Planning Goals

Goal 2: Land Use: Goal 2 establishes guidelines for major revisions and minor changes to the Comprehensive Plan. Goal 2 stipulates that a minor change should be based on information that will serve as the factual basis to support the change. The public need and justification for the change should be established.

Finding for Goal 2: The proposed Comprehensive Plan amendment affects two parcels with a combined land area of approximately ½ acre. Re-designating the property from General Industrial to High Density Residential will not have a significant effect beyond the immediate area of the change and is therefore considered to be a minor amendment. This determination is based on the size of the parcels and modest number of housing units the parcels could support. If zoned for high density residential development the two parcels could accommodate as few as

four or as many as ten dwelling units provide parking and building setback requirements are met.

The public benefit of the proposed Comprehensive Plan Map and Zoning Map amendment is to promote development on the property thereby increasing the City's tax base. The property has not developed with an industrial use and is unlikely to become industrial given the relatively small size of the parcel.

Goal 10: Housing: Goal 10 specifies that each city and county must plan for and accommodate needed housing types and to plan and zone enough buildable land to meet those needs.

Finding for Goal 10: The City's Economic Opportunity Analysis shows a need for 3,900 housing units over the next twenty-years based on the Baseline Growth Scenario of 2% per year. Re-designating the subject property from General Industrial to High Density Residential will provide opportunity to meet the identified housing need. Designating the property as High Density Residential also helps the City achieve a minimum development residential density allocation for new construction of eight units per acre that the City must meet overall under the Metropolitan Housing Rule (OAR 660-007-0035).

Metro Regional Framework Plan

The Metro Regional Framework Plan establishes a land use concept for the Portland region. Under the Metro Charter and state law, cities and counties within Metro's boundaries are required to comply and be consistent with the Regional Framework Plan.

The Metro Regional Framework Plan contains policies growth management and land use planning for matters of metropolitan concern. The Metro Regional Framework Plan establishes a hierarchy of mixed-use, pedestrian friendly centers that are well connected by high capacity transit and corridors. The Framework Plan establishes Regional Centers, Town Centers, Corridors, Transit Station Communities, neighborhoods, and Industrial and Employment areas.

Finding: If approved, the proposed Comprehensive Plan Map and Zoning Map amendment will result in the re-designation of ½ acre of land from General Industrial to High Density Residential/Residential Multifamily High. The subject property is surrounded by land currently owned by Pacific University designated as High Density Residential. The amendments support the Metro Regional Framework Plan by promoting additional housing near the Town Center and a nearby employment area.

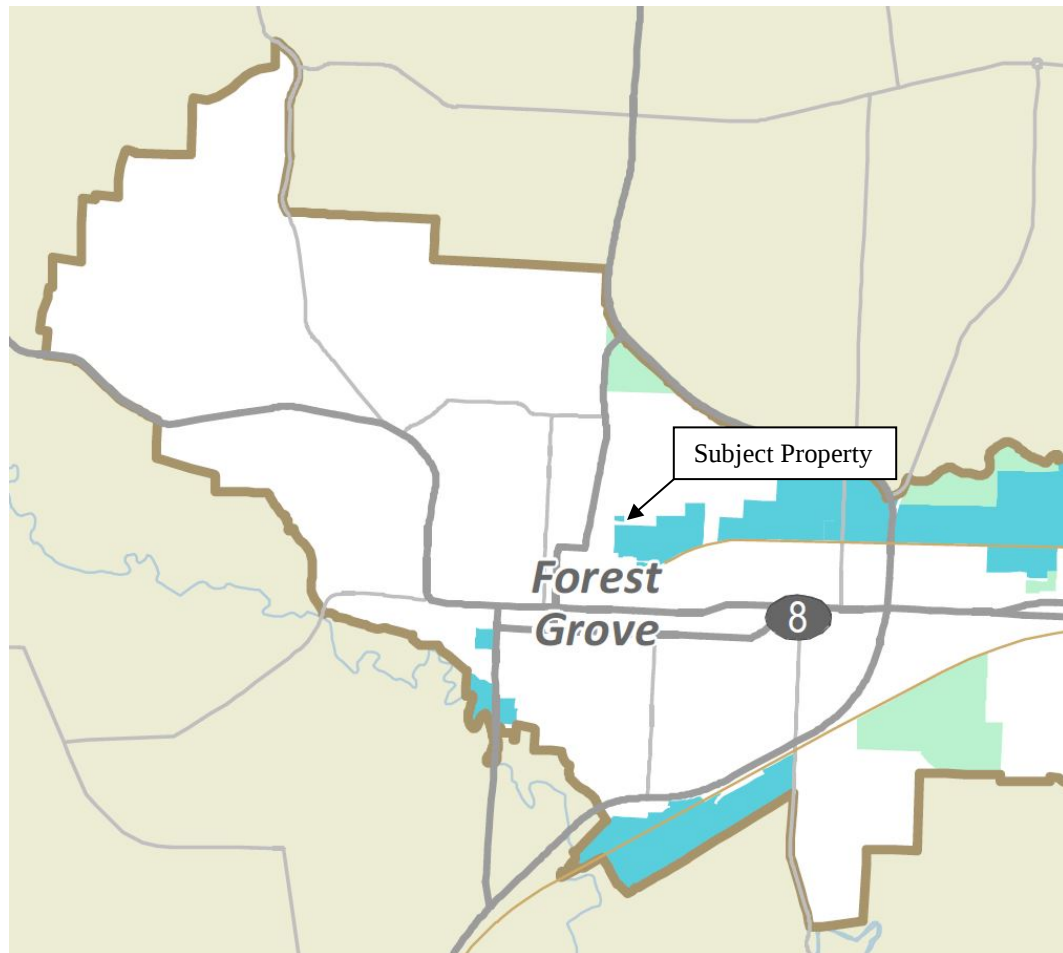
Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan implements provisions of the Metro Regional Framework Plan including promoting a compact urban form. The following chapter of the urban Growth Management Functional Plan is applicable to the proposed Comprehensive Plan Map and Zoning Map amendment since the property is currently zone for industrial uses:

- Title 4: Industrial and Other Employment Areas

The subject property is identified as an Industrial Area on the Metro Employment and Industrial Area Map as shown below. Therefore, the provisions of Title 4 pertaining to map amendments apply to the subject property.

For context, the blue areas on the map are designated Industrial Areas and the green areas are Employment lands. The subject property (small blue square) is not connected to the Industrial Area located south of the site.



Under Urban Growth Management Function Plan §3.07.450(C), a city or county may amend its comprehensive plan or zoning map designation to allow uses in an Employment or Industrial area upon making a demonstration that:

(1) The property is not surrounded by land designated on the map as Industrial Area, Regionally Significant Industrial Area or a combination of the two;

Finding: The subject property is surrounded by land designated Residential Multifamily High on the Zoning Map. The subject property is not surrounded by land designated as Industrial Area, Regionally Significant Industrial Area or a combination of the two. Therefore, the subject property qualifies for a potential re-designation from an industrial to a non-industrial zone such as Residential Multifamily High.

(2) The amendment will not reduce the employment capacity of the city or county;

Finding: The amendment will have a negligible impact, if any, on the employment capacity of the City or County. The subject property is less than ½ acre in size, is partially developed with a single family home and does not contribute to the

employment base of the City. The subject property has been designated General Industrial since at least 1980 and the property has not converted to industrial use. Given the negligible impact to the City or County's employment capacity, the subject property qualifies for potential re-designation from General Industrial to Residential Multifamily High.

(3) If the map designates the property as Regionally Significant Industrial Area, the subject property does not have access to specialized services, such as redundant electrical power or industrial gases, and is not proximate to freight loading and unloading facilities, such as trans-shipment facilities;

Finding: The subject property is not designated as Regionally Significant Industrial Area. Since the subject property is not designated as a Regionally Significant Industrial Area the property is qualifies for potential re-designation from General Industrial to Residential Multifamily High.

(4) The amendment would not allow uses that would reduce off-peak performance on Main Roadway Routes and Roadway Connectors shown on the Regional Freight Network Map in the RTP below volume-to-capacity standards in the plan, unless mitigating action is taken that will restore performance to RTP standards within two years after approval of uses.

Finding: The subject property is located on Cedar Street and is not designated as a Main Roadway Route or Roadway Connector on the Regional Freight Network Map in the RTP. Therefore, the amendment will not allow uses that would reduce off-peak performance on Main Roadway Routes or Roadway Connectors or impact volume-to-capacity standards in the RTP. For the reason stated above, the subject property qualifies for re-designation from General Industrial to Residential Multifamily High.

(5) The amendment would not diminish the intended function of the Central City or Regional or Town Centers as the principal locations of retail, cultural and civic services in the their market areas; and

Finding: The proposed amendment will allow for residential development near the Forest Grove Town and Pacific University. The Forest Grove Comprehensive Plan encourages residential development near the Town Center to support retail activity and other uses in the Town Center. Therefore, the amendment will not diminish the intended function of the Forest Grove Town Center as a principal location of retail, cultural and civic services. For the reason stated above, the subject property qualifies for re-designation from General Industrial to Residential Multifamily High.

(6) If the map designates the property as Regionally Significant Industrial Area, the property subject to the amendment is ten acres or less; if designated Industrial Area, the property subject to the amendment is 20 acres or less; if designated Employment Area, the property subject to the amendment is 4 acres or less.

Finding: The subject property is not designated as a Regionally Significant Industrial Area. Therefore, this factor does not apply to the amendment.

3.07.450(D) A city or county may also amend its comprehensive plan or zoning regulations to change its designation of land on the Employment and Industrial Areas Map in order to allow uses not allowed by this title upon a demonstration that:

(1) The entire property is not buildable due to environmental constraints; or

Finding: The subject property is buildable and not subject to environmental constraints. This factor does not apply.

(2) The property borders land that is not designated on the map as Industrial Area or Regionally Significant Industrial Area; and

Finding: The property does not border land designated as Industrial Area or Regionally Significant Industrial Area. This factor applies to the proposed amendment and indicates the property is eligible for re-designation from General Industrial to High Density Residential.

(3) The assessed value of a building or buildings on the property, built prior to March 5, 2004, and historically occupied by uses not allowed by this title, exceeds the assessed value of land by a ratio of 1.5 to 1.

Finding: The existing single family home was constructed in 1938. Based on information from the Washington Assessment and Taxation Department, the estimated assessed value of the improvement is \$94,969. The estimated assessed value of the land for both parcels subject to the proposed Comprehensive Plan Map and Zoning Map amendment is a combined is \$89,921. The ratio of improvement value to land is 1.06 and does not exceed a ratio of 1.5 to 1. Therefore, this criterion is not a qualifying factor supporting the proposed Comprehensive Plan Map and Zoning Map amendment.

Forest Grove Comprehensive Plan Policies

The proposed amendment is consistent with Forest Grove Comprehensive Plan Housing Policy 1.2 which states: "Evaluate requests for rezoning from non-residential to residential development zones based on the following factors:

- A. Identified housing needs contained in an adopted Goal 9: Analysis;
- B. Ability to provide services in a cost-effective and efficient manner;
- C. Potential of the site to support higher density development;
- D. Site characteristics including topography; and
- E. Land use location policies of the Comprehensive Plan."

Finding for Factor A: The City's Goal 9 Economic Opportunity Analysis shows a need for an additional 3,900 dwellings under the Baseline (2% annual growth rate) scenario and 4,737 dwellings under the Medium (2.3% annual growth rate) scenario. Re-designating the property High Density Residential will help to meet this housing need.

Finding for Factor B: The subject property is located within a developed area of the City and is served by the full array of City services. An 8-inch PVC sanitary sewer line is present in the Cedar Street right-of-way adjacent to the property. There is also a 15-inch storm sewer line present on the Cedar Street right-of-way adjacent to the property. A water line is also present along Cedar Street and serves the existing single family home.

This site also located approximately one-half mile north of the Forest Grove police station and fire station.

Given the presence of existing utilities and proximity to the police department and fire station this property there is an ability to provide services in a cost-effective and efficient manner.

Finding for Factor C: The site meets the location factors for high density residential development as indicated below. However, the size of the parcels is a limiting factor. The Development Code contains a provision that exempts minimum density requirements for parcels less than ½ acre in area.

Findings for Factor D: The subject property is flat with a slope of less than 1%. Topography is not a limiting factor for development on this site. In addition, the parcels are not irregularly shaped and are configured to allow for further development.

Findings for Factor E: Land Use Location Factors – High Density Residential

Factor	Finding
Slope less than 10%.	The subject property is flat with a cross-slope of less than 1%. This factor is met.
Carrying capacity of the land given presence of wetland, soil characteristics, and infrastructure capacity.	The City's 1992 Wetland Inventory reviewed in 2011 indicates no wetlands are present on the subject property. The site is served by the full array of City services including water, storm sewer, sanitary sewer and electricity. Sufficient infrastructure capacity exists and urban development is assumed in the City's facility master plans including the Water Master Plan, Waste Water Master Plan, Storm Drainage Master Plan and Transportation System Plan.
Sites located within ¼ mile of planned or existing transit service.	The subject property is located approximately 1/3 mile north of the Pacific Avenue transit corridor and 600 feet from the GroveLink east loop route which traverses Cedar Street and University Avenue. Since the site is within 1/4 mile of a GroveLink route this factor is met.
Sites adjacent to existing or planned parks open space.	The site is adjacent to the Cannery Filed open space area owned by Pacific University. Cannery field is approximately 15.6 acres in area. Although Cannery Field is not a designated park it provides open space type amenities. The subject property is located approximately 700 east of Lincoln Park. Since this property is near open space the intent of this factor is met.
Sites within ¼ mile of designated employment areas.	The subject property is within one block of the 23 rd Avenue industrial area located south of the site. This factor is met.
Constructed with single family residential development if approved through planned residential development process.	No planned development is proposed. Therefore, this factor is not applicable.
Creation of nodes to facilitate transit extension.	This location is not part of a node intended to support transit service. Therefore, this factor is not applicable

Zoning Map Amendments Review Criteria (DC §10.2.770):

A. The zone change is consistent with the Comprehensive Plan Map. When the Comprehensive Plan has more than one implementing zone as shown on the corresponding Table in Article 3, it must be shown that the proposed zone is the most appropriate taking into consideration the purpose of each zone and the zoning pattern of the surrounding land.

Finding: This proposal includes a concurrent Comprehensive Plan amendment.

B. The zone change is consistent with relevant goals and policies of the Comprehensive Plan, as identified by the Director.

Finding: The proposed amendment is consistent with Forest Grove Comprehensive Plan Housing Policy 1.2 which states: "Evaluate requests for rezoning from non-residential to residential development zones based on the following factors:

- A. Identified housing needs contained in an adopted Goal 9: Analysis;
- B. Ability to provide services in a cost-effective and efficient manner;
- C. Potential of the site to support higher density development;
- D. Site characteristics including topography; and
- E. Land use location policies of the Comprehensive Plan."

Findings pertaining to consistency with the applicable Comprehensive Plan policies are provided above in the previous section addressing the Comprehensive Plan policies and land use location factors.

C. The site is suitable for the proposed zone and there is a lack of appropriately designated alternative sites within the vicinity. The size of the vicinity will be determined on a case-by-case basis since the impacts of a proposed zone and its potential uses vary. The factors to be considered in determining suitability are parcel size and location.

Finding: The proposed site is suitable for the proposed zone as indicated by the findings for the land use location criteria described above for Factor E. The subject area is partially improved with a residential dwelling. The adjacent vacant lot is configured as a flag lot. This configuration lends itself to residential development.

D. The zone change is consistent with the adopted Transportation System Plan. Development allowed by the zone change will not substantially impact the functional classification or operation of transportation facilities, or reduce the level of service of transportation facilities below minimum acceptable level identified in the Transportation System Plan. To ensure proper review and mitigation, a traffic impact study may be required for the proposed zone change if it may impact transportation facilities.

Finding: The proposed zone change is consistent with the adopted Transportation System Plan since development allowed by the proposed Residential Multifamily High zone will not substantially impact the operation of the Cedar Street. Cedar Street is local road serving predominantly residential uses and Pacific University. The area to the east,

west and north of the site is currently zoned Residential Multifamily High. The Transportation System Plan assumes multifamily development in this area and the addition of ½ acre of multifamily zoned land should not significantly increase traffic volumes assumed in the Transportation System Plan for this area.

E. Public facilities and services for water supply, sanitary waste disposal, stormwater disposal, and police and fire protection are capable of supporting the uses allowed by the zone. Adequacy of services is based on the projected service demands of the site and the ability of the public services to accommodate those demands.

Finding: The subject property is located within a developed area of the City and is served by the full array of City services. An 8-inch PVC sanitary sewer line is present in the Cedar Street right-of-way adjacent to the property. There is also a 15-inch storm sewer line present on the Cedar Street right-of-way adjacent to the property. A water line is also present along Cedar Street and serves the existing single family home.

This site also located approximately one-half mile north of the Forest Grove police station and fire station.

City services are capable of supporting the modest number of dwellings that would be allowed by the Residential Multifamily High zone on this ½ acre site if re-designated from General Industrial. The City's facility master plans including the Water System Master Plan, Wastewater Master Plan, and Storm Drainage Master Plan all assume multifamily residential development in the immediate area near the subject property.

F. The establishment of a zone district is not subject to the meeting of conditions.

Finding: No conditions are proposed for this zone change.

IV. ALTERNATIVES

The Planning Commission has the following alternatives:

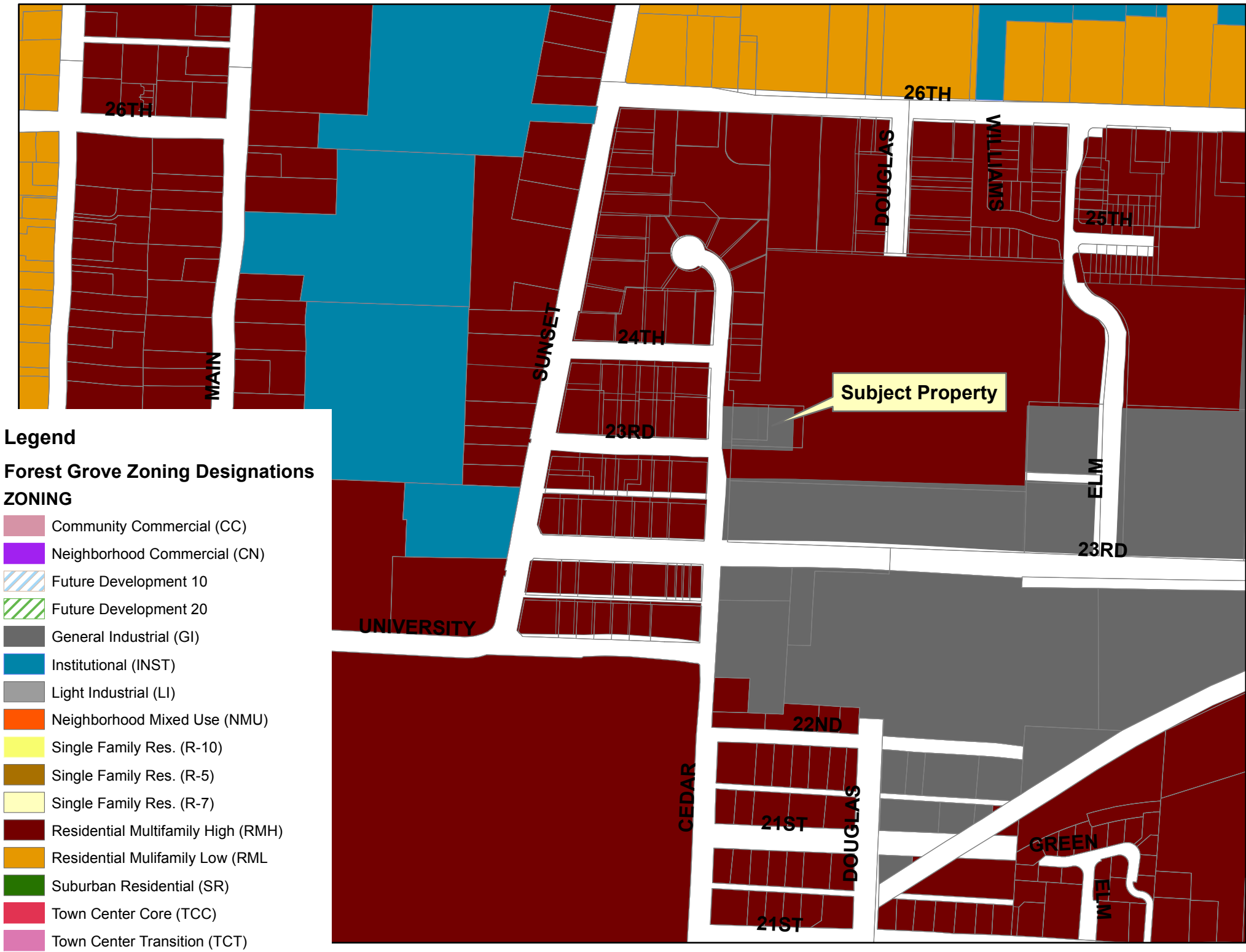
1. Approve the proposed Comprehensive Plan Map and Zoning Map amendments;
2. Deny the proposed Comprehensive Plan Map and Zoning Map amendments stating reasons for doing so;
3. Continue the matter to a date certain for further consideration.

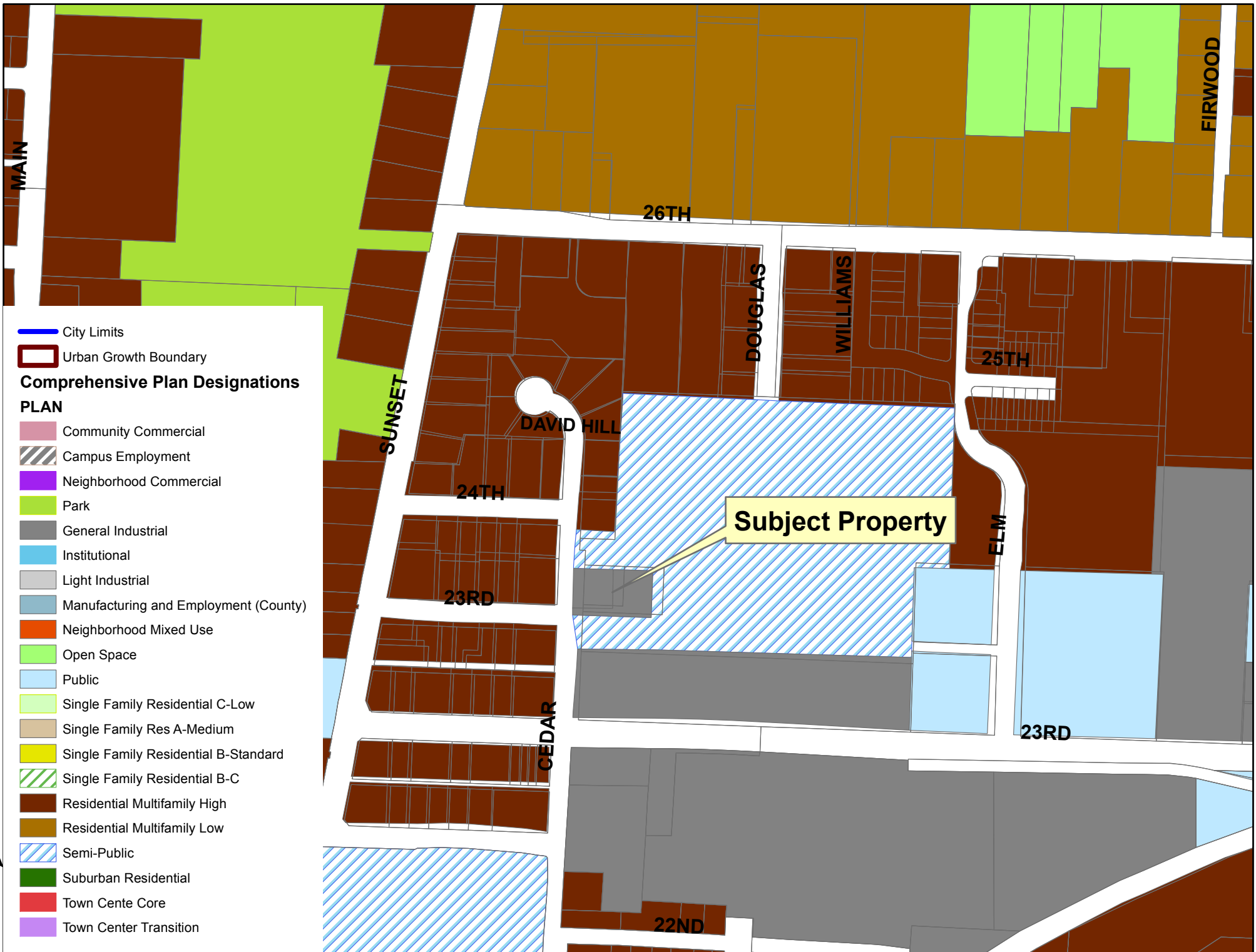
V. SUMMARY AND RECOMMENDATION

The proposed Comprehensive Plan Map and Zoning Map amendments meet the requirements of the applicable decision considerations, standards and criteria as described in this report. Therefore, staff recommends approval of the proposal.

VI. EXHIBITS

Exhibit A	Comprehensive Plan Map
Exhibit B	Zoning Map
Exhibit C	Legal Notice







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PLANNING COMMISSION MEMO

TO: *Planning Commission*

FROM: *Daniel Riordan, Senior Planner*

MEETING DATE: *August 7, 2017*

PROJECT TEAM: *Daniel Riordan, Senior Planner; and Jon Holan, Community Development Director*

SUBJECT TITLE: *Affordable Housing Needs Assessment and Policy Recommendations Report*

ISSUE STATEMENT: City Council identified as an objective for FY 2017-18 the need to prepare a white paper on the issue of affordable housing. To assist with this objective Council established two committees: an ad-hoc affordable housing community advisory committee and an ad-hoc technical advisory committee. This work session allows staff to update City Council on the committees' efforts to date and gives Council the opportunity to provide additional direction to staff.

BACKGROUND: The two ad-hoc committees included 25 participants representing affordable housing organizations and interested citizens. Participating organizations included:

- Washington County Housing;
- Washington County Community Development;
- Washington County Land Use and Transportation;
- Metro;
- Community Action;
- Community Housing Fund;
- Network for Affordable Housing;
- West Tuality Habitat for Humanity;
- Pacific University;
- United Church of Christ;
- Luke-Dorf;
- Sustainability Commission
- Public Safety Advisory Commission;
- Economic Development Commission
- Bienestar;
- Adelante Mujeres;

- Homebuilders Association;
- City of Cornelius; and
- REACH Community Development Corporation

The Community and Technical Advisory Committees held a kick-off meeting in November 2016 to review the scope of the project, expected outcomes and schedule. In addition to the kick-off meeting, the Committee met during January, February, March, and June. As work progressed the separate community and technical advisory committees merged allowing committee members to share their perspectives and experiences with one another. This resulted in informative discussions and helped to expedite the process since fewer meetings were necessary.

Early-on the Committee recommended an approach for addressing affordable housing in Forest Grove. The recommended approach is based on a continuum of housing starting with basic shelter, moving toward subsidized then market-rate rental housing, and for the ownership-side, affordable single family housing options and market-rate single family housing. This approach provides the basis for the program and policy recommendations developed by the Committee and included in the draft Affordable Housing Needs Assessment and Recommendations (Attachment A).

The Committee also agreed to a working definition of affordable housing. The Committee defined affordable housing to mean housing that requires a household to spend no more than 30% of household income on housing related expenses. The committee's work focused on the affordable housing needs of low- and moderate-income households. In general terms, low-income households are those with incomes between 30% and 50% of median income. Moderate-income households have income between 50% and 80% of median income. Typically, affordable housing programs use the median income for a county and is usually adjusted based on family size. Since the 2015 median income for Forest Grove (\$48,411) is considerably lower than Washington County's (\$66,754), the City's median income provides a better measure for assessing the true extent of the City's affordable housing needs and is the recommended approach to use.

The issue of homelessness was raised as part of the Committee's discussion. The Committee noted that the notion of homelessness and affordable housing are sometimes considered part of the same issue. However, the Committee recognized the topics are different with one exception. The Committee reached consensus that the homelessness connection to affordable housing is to create transitional housing for certain homeless persons needing more permanent solutions rather than relying on temporary shelters. The Committee recommends City Council further explore the homeless situation by establishing an ad-hoc committee on the subject of homelessness separate from the affordable housing issue.

The culmination of the Committee's work to date is the preparation of a draft Affordable Housing Needs Assessment and Recommendation (see Attachment A). The purpose of the document is to:

- Address the City Council objective to prepare a white paper on the issue of affordable housing as it pertains to Forest Grove;
- Document City specific affordable housing needs;

- Identify possible policy and program approaches for City Council consideration to address identified affordable housing needs; and
- Provide a basis for future City Council goal setting and budget discussions.

The following elements are contained in the draft Affordable Housing Needs Assessment and Recommendations:

- Chapter 1: Introduction including purpose, recommended approach to affordable housing, identification of affordable housing need and a note on homelessness;
- Chapter 2: Defining affordable housing;
- Chapter 3: Overview of local demographic and socio-economic data;
- Chapter 4: The state of affordable housing in Forest Grove including overview of subsidized affordable housing units, market-rate apartment data and assessment of apartment vacancy rate;
- Chapter 5: Factors affecting affordable housing;
- Chapter 6: Community housing questionnaire results;
- Chapter 7: Overview of affordable housing concepts;
- Chapter 8: Affordable housing policy framework;
- Chapter 9: Affordable housing policy and action recommendations; and
- Chapter 10: Monitoring approach

The draft document identifies local affordable housing needs based on the number of extremely-low and low-income households in Forest Grove, and severely cost-burdened households. Extremely-low income households are those earning 30% or less of the City's median annual income of approximately \$48,000. Low-income households are those earning between 30% and 50% of the City's median annual income. Severely cost-burdened households are those paying more than 50% of their income on housing related costs.

Metro maintains an inventory of subsidized housing units throughout the Portland region. This inventory shows there are 652 subsidized affordable housing units in Forest Grove. The US Census Bureau's American Community Survey indicates there are approximately 2,015 extremely-low and low-income households in Forest Grove. Based on this and the existing number of subsidized units in Forest Grove there appears to be a need for an additional 1,400 affordable housing units in the City. The estimate of 1,400 additional affordable housing units is also consistent with the number of severely cost-burdened households in Forest Grove. The American Community Survey shows there are 1,495 severely cost-burdened households in Forest Grove. It should be noted however, the American Community Survey indicates there are approximately 3,000 households in Forest Grove that spend more than 30% of their household income on housing costs. Spending more than 30% of household income on housing costs is considered to be cost burdened just not severely cost burdened. Therefore, the estimated need of an additional 1,400 affordable housing units is a conservative estimate.

To address the affordable housing need the Committee considered a variety of programs and strategies. The list of high priority programs and strategies is provided below.

- Amend the Development Code to reduce barriers for construction of accessory dwelling units;
- Waive or reduce system development charges for accessory dwelling units;
- Amend the Development Code to allow micro-houses in manufactured home parks or as part of a cottage cluster;
- Adopt an ordinance establishing an affordable housing tax exemption program similar to the program adopted by Washington County;
- Work with Washington County to evaluate the potential for establishing a construction excise tax program to fund affordable housing incentives;
- Amend the Forest Grove Urban Renewal Plan to allow the use of tax increment revenue for affordable housing incentives;
- Promote the acceptance of project based housing vouchers in all market rate multifamily projects receiving City incentives for affordable housing; and
- Continue partnerships to encourage affordable homeownership opportunities and to preserve and construct affordable housing.

In addition to the high priorities listed above, the assessment and recommendations document includes medium and low priority actions for City Council consideration. The medium and low priority actions are identified in Chapter 9 of Attachment A. While the list above indicates the Ad-hoc Committee's top priorities, the Committee recommends City Council also consider the medium and low priorities in developing an affordable housing program for the City.

NEXT STEPS

City Council held a work session on July 10, 2017 to discuss the Committee's work. The next step is for City Council to adopt a resolution accepting the Needs Assessment and Policy Options Report. This is tentatively scheduled to occur on August 14, 2017.

ATTACHMENT

- A. Forest Groves Needs Assessment and Policy Recommendations Report
<http://www.forestgrove-or.gov/planning/page/affordable-housing-strategy>



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Date: August 7, 2017

To: Planning Commission

From: James Reitz (AICP), Senior Planner

Re: Development Code Text Amendment Request

ISSUE: The duplex at 1710 19th Avenue was recently damaged by a fire. The site is located in the General Industrial zoning district, and the owner would like to replace it with a new duplex. However, new residential uses in the GI zoning district are not permitted (except for security personnel), and the non-conforming use replacement provisions of the Development Code (see below) do not include duplexes. The code specifically refers to single-family (1 unit) and multi-family (3 or more units) but does not include duplexes. The owner has requested that the Planning Commission consider a text amendment in the update to include duplexes in the Nonconforming Development - Exceptions section.

10.7.125 EXCEPTIONS - The following exceptions to the nonconforming development regulations are allowed by this Code:

- A. **Existing single-family dwellings and manufactured homes within an existing mobile home park in all commercial and industrial zones may be reconstructed or replaced within one (1) year after being removed or destroyed.** (emphasis added)
- B. Existing single-family dwellings in the Community Commercial Zone shall be allowed to enlarge or expand despite their nonconforming status. They may also be relocated within the Community Commercial Zone, but only to replace an existing single-family home, provided that the result is a net reduction of nonconforming uses.
- C. Existing multifamily dwellings in all residential and commercial zones may be reconstructed within one (1) year if destroyed by any cause not intended by the owner.
- D. Existing nonresidential structures in the Town Center zone districts may be reconstructed to the same height of the existing building within one (1) year.
- E. Any property use that was classified a non-conforming use under the Forest Grove Zoning Ordinance on December 2, 1982, shall be considered a permitted use.

10.12.210 Meaning of Specific Words and Terms

D8. Dwelling-Related Definitions:

- a. Dwelling -
- b. Accessory Dwelling Unit -
- c. Apartment Or Multiple-Family Dwelling - A structure containing at least three (3) dwelling units in any vertical or horizontal arrangement, located on a single lot or development site, but excluding single-family attached building types on two (2) or more contiguous lots.
- d. Duplex - Two (2) dwelling units placed so that some structural parts are in common and are located on a single lot.
- e. Single-Family Dwelling:
 - (1) Attached Dwelling - Two (2) or more dwelling units attached side by side on two (2) or more contiguous, separate lots with some structural parts in common at a common property line.
 - (2) Detached Dwelling - One (1) dwelling unit, freestanding and structurally separated from any other dwelling unit or buildings, located on a lot.
 - (3) Manufactured Home - Factory-built, single-family structures that meet the National Manufactured Home Construction and Safety Standards Act (42 U.S.C. §5401), commonly known as the U.S. Department of Housing and Urban Development (HUD) code.