

CITY COUNCIL MONTHLY MEETING CALENDAR

Oct-19						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5 Sister Cities' Japanese Festival, 10am
		CCI 5:30pm	FG Rural Fire Board Mtg	EDC Noon	FGS&CC 1st Friday	
6	7 Planning Comm 7pm	8 ODF 8am Library Comm 6:30pm	9 Municipal Court Sister Cities Mtg 4:45pm	10 SC Subcomm 5:30pm	11	12 Public Services Open House 10am-2pm
13	14 CITY COUNCIL 5:30 PM - WORK SESSION (Vision & Values) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM	15 Western WC Fire Task TBD Library Friends & Family 5pm	16 P&R 7am CFC 5:15pm	17 Red Cross Blood Drive 1pm-6pm, Comm Aud PAC 5pm	18	19
20	21 Chamber Luncheon Planning Comm 7pm	22 HLB 6:30pm	23 Municipal Court PSAC 7:30am	24 Sustainability 6pm	25 ODF 8am	26 Nyuzen arrives
<i>Rippe out Oct 22 - 27</i>						
27	28 CITY COUNCIL 5:30 PM - JOINT WORK SESSION FG, Cornelius & School Board FG SCHOOL OFFICE, 1728 MAIN ST 7:15 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM	29 Nyuzen Delegation Sayonara Dinner 6pm - Comm Aud (RSVP)	30 Complete Count Committee 6pm - Rogers Room	31		
Rippe returns	<i>Nyuzen Student Delegation Visit - October 26 - 30</i>		<i>Nyuzen Departs</i>			
Nov-19						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2 Mayor's Ball FGS&CC 6pm
					FGS&CC 1st Friday	
3	4 Planning Comm 7pm	5 CCI 5:30pm	6 Municipal Court FG Rural Fire Board Mtg	7 EDC Noon	8	9
10	11 CITY OFFICES CLOSED	12 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM	13 Red Cross Blood Drive 1pm-6pm, Comm Aud	14 Police Station Public Open House 5pm, Comm Aud	15	16 Rippe out
17	18 Chamber Luncheon Planning Comm 7pm	19 Western WC Fire Task TBD	20 Municipal Court P&R 7am CFC 5:15pm	21 PAC 5pm Sustainability 6pm	22	23
<i>Rippe out Nov 16 - 24</i>						
24	25 CITY COUNCIL 5:30 PM - WORK SESSION(s) 6:45 PM - Council Holiday Greeting 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM	26 HLB 6:30pm	27 PSAC moved to 12/4	28 CITY OFFICES CLOSED	29 CITY OFFICES CLOSED	30
Rippe returns						
Dec-19						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1		2	3	4	5	6
				Municipal Court	LOC Training Municipal Fundamentals 1pm- 5pm, Comm Aud	7
	Planning Comm 7pm	CCI 5:30pm	PSAC 7:30am	EDC Noon	FGS&CC 1st Friday	Holiday Parade
8	9 CITY COUNCIL 5:30 PM - WORK SESSION(s) 7:00 PM - REGULAR COUNCIL MEETING COMMUNITY AUDITORIUM	10 Red Cross Blood Drive 1pm-6pm, Comm Aud Library Comm 6:30pm	11	12 State Public Notary Seminar (Free) 1pm-4pm, Comm Aud	13	14
15	16 Chamber Luncheon Planning Comm 7pm	17 Western WC Fire Task TBD HLB 6:30pm	18 Municipal Court P&R 7am CFC 5:15pm	19 PAC 5pm Sustainability 6pm	20	21
22	23 NO CITY COUNCIL MEETING	24 Red Cross Blood Drive 1pm-6pm, Comm Aud HLB moved to 12/17	25 CITY OFFICES CLOSED	26	27	28 Sustainability moved 12/19
29		30	31			

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A place where families and businesses thrive.

CITY COUNCIL MEETING AGENDA

**MONDAY, OCTOBER 14, 2019
COMMUNITY AUDITORIUM
1915 MAIN STREET**

**5:30 PM WORK SESSION (Vision & Values Scope)
7:00 PM CITY COUNCIL REGULAR MEETING**

Forest Grove City Council Meetings are televised live by Tualatin Valley Community Television (TVCTV) Government Access Programming, Ch 30. To obtain the programming schedule, please contact TVCTV at 503.629.8534 or visit <http://www.tvctv.org/government-programming/government-meetings/forest-grove>.

PETER B. TRUAX, MAYOR

Thomas L. Johnston, Council President
Timothy A. Rippe
Ronald C. Thompson

Elena Uhing
Adolph “Val” Valfre, Jr.
Malynda H. Wenzl

All meetings of the City Council are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Council as follows:

➔ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

➔ **Citizen Communications** – Anyone wishing to address the Council on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Council, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235.

City Council meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder, aruggles@forestgrove-or.gov, 503-992-3235, at least 48 hours prior to the meeting.

5:30

WORK SESSION:

The City Council will convene in the Community Auditorium to conduct the following work session. The public is invited to attend and observe the work session; however, no public comment will be taken. The Council will take no formal action during the work session.

- ***Vision and Values, Sara Wilson, SSW Consulting, Facilitator (1.5 hour)***

(PowerPoint Presentation)
Jesse VanderZanden, City Manager

7:00

1. **REGULAR MEETING:** Roll Call and Pledge of Allegiance

7:05

1. A. **EMPLOYEE RECOGNITIONS:**

- *Matthew Smith, Police Captain*
- *Frank McGrew, Police Sergeant*
- *Matthew Glem, Police Officer*
- *Samuel Younce, Police Officer*
- *Vicky Cook, Library Associate, 30 Years of Service*

J. F. Schutz, Police Chief

Colleen Winters, Library Director

2. **CITIZEN COMMUNICATIONS:** Anyone wishing to speak to Council on an item not on the agenda may be heard at this time. *Please sign-in before the meeting on the Citizen Communications form posted in the foyer.* In the interest of time, please limit comments to two minutes. Thank you.

3. **CONSENT AGENDA:** See Page 4

4. **ADDITIONS/DELETIONS:**

5. **PRESENTATIONS:**

(PowerPoint Presentation)

7:30

5. A.
 - *Family Justice Center, Judy Willey, Board President, and Toni Loch, Executive Director*

(PowerPoint Presentation)
Nathan Jones, Youth Services Librarian

7:45

5. B.
 - *Library Summer Reading Program Update*

Colleen Winters, Library Director

Dan Riordan, Senior Planner
Bryan Pohl, Community Development Director

8:00

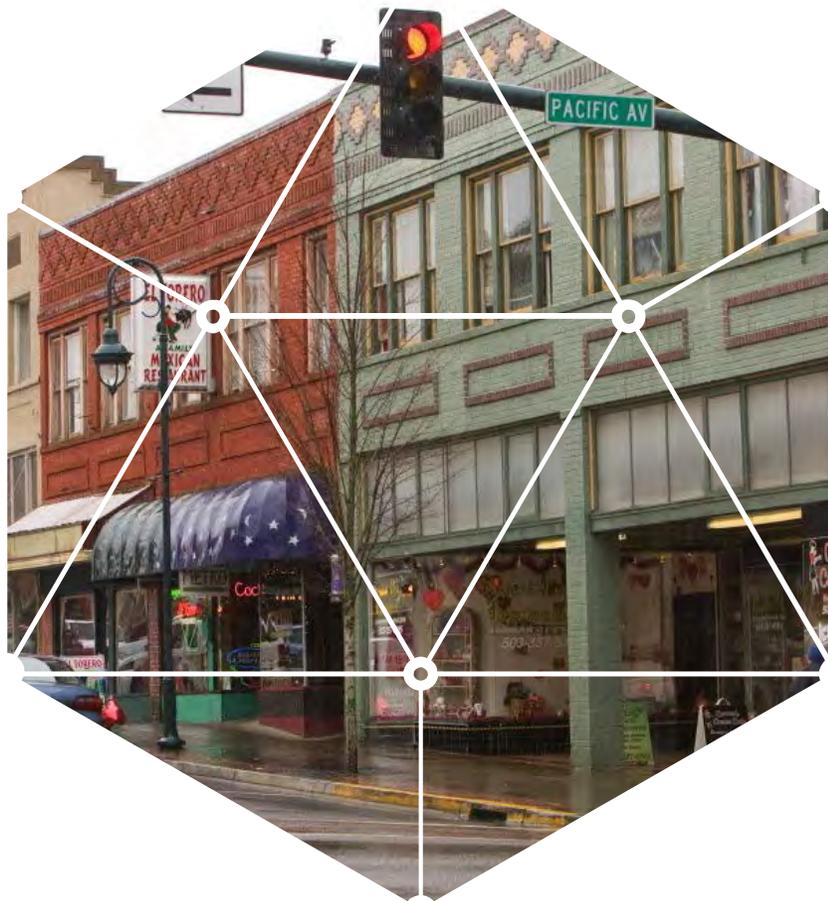
6. **CONTINUE PUBLIC HEARING AND SECOND READING OF ORDINANCE NO. 2019-12 ACCEPTING THE UPDATE TO THE CITY OF FOREST GROVE HOUSING NEEDS ANALYSIS AND AMENDING THE TEXT OF THE FOREST GROVE COMPREHENSIVE PLAN TO ADD THE 2019 HOUSING NEEDS ANALYSIS UPDATE AS A TECHNICAL APPENDIX; FILE NO. 311-19-000016-PLNG**

Jesse VanderZanden, City Manager

-
- | | | |
|--|--------------------|--|
| Paul Downey, Administrative Services Director
Jesse VanderZanden, City Manager | 8:10
10mins | 7. <u>RESOLUTION NO. 2019-52 CONSENTING TO THE TRANSFER OF CONTROL OF THE FRANCHISEE AND OF THE CABLE FRANCHISE GRANTED TO FRONTIER COMMUNICATIONS CORPORATION TO NORTHWEST FIBER, LLC, WITH CONDITIONS</u> |
| Michael Kinkade, Fire Chief
Paul Downey, Administrative Services Director
Jesse VanderZanden, City Manager | 8:20 | 8. <u>RESOLUTION NO. 2019-53 AUTHORIZING THE EXPENDITURE OF DEPARTMENT OF HOMELAND SECURITY GRANT FUNDS IN THE GENERAL FUND FOR A FIREFIGHTER POSITION IN THE FOREST GROVE FIRE DEPARTMENT</u> |
| Michael Kinkade, Fire Chief
Paul Downey, Administrative Services Director
Jesse VanderZanden, City Manager | 8:30 | 9. <u>RESOLUTION NO. 2019-54 AUTHORIZING THE EXPENDITURE OF DEPARTMENT OF HOMELAND SECURITY GRANT FUNDS, CITY OF FOREST GROVE (CITY) FUNDS, AND PAYMENTS FROM OTHER PARTICIPATING AGENCIES FOR THE PURCHASE OF SELF-CONTAINED BREATHING APPARATUS AND RELATED EQUIPMENT</u> |
| City Councilors | 8:40 | 10. <u>CITY COUNCIL COMMUNICATIONS:</u> |
| Jesse VanderZanden, City Manager | 9:00 | 11. <u>CITY MANAGER'S REPORT:</u> |
| Peter Truax, Mayor | 9:05 | 12. <u>MAYOR'S REPORT:</u> |
| | <u>9:15</u> | 13. <u>ADJOURNMENT:</u> |

3. **CONSENT AGENDA:** Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).
- A. Approve City Council Regular Meeting Minutes of September 9, 2019.
 - B. Approve City Council Work Session (Neighborhood Mixed-Use Zoning District) Meeting Minutes of September 23, 2019.
 - C. Approve City Council Regular Meeting Minutes of September 23, 2019.
 - D. Accept Community Forestry Commission Meeting Minutes of June 19, 2019.
 - E. Accept Historic Landmarks Board Meeting Minutes of August 27, 2019.
 - F. Accept Planning Commission Meeting Minutes of August 19, 2019.
 - G. Accept Resignation on Economic Development Commission (***James Draznin, At-Large, Term Expiring December 31, 2021, Appointed 02/14***) ***CERTIFICATE OF APPRECIATION.***
 - H. Community Development Department Monthly Building Activity Informational Report for September 2019.

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FOREST GROVE

Scoping the Community Vision Process



City Council Work Session
October 14, 2019



SSW CONSULTING

● AGENDA

- ▶ Introduction + Overview
- ▶ Community visioning overview
- ▶ Visioning stories from Oregon
- ▶ Scoping discussion
- ▶ Wrap-up + Next steps

● PURPOSE

Address Council objective
3.14: Develop core values +
update vision statement.
Action: Develop + scope process

● OUTCOMES

- ▶ Understand the basic principles of a community visioning process
- ▶ Council shares desired outcomes for a community vision update process
- ▶ Council provides direction to staff on the scope of the visioning process + the desired level of public outreach

FOREST GROVE
OREGON

COMMUNITY VISION
SCOPING DISCUSSION



SSW CONSULTING SERVICES



STRATEGIC PLANNING

Strategic Planning
Community Visioning
Communication Strategies
Public Engagement



FACILITATION SERVICES

Retreats + Team Building
Council/Board Goal Setting
Graphic/Visual Facilitation



ORGANIZATIONAL DEVELOPMENT

Organizational Assessments
TotalSDI Assessments
Leadership Training

COMMUNITY VISION

Serves as the road map for how a community wants to look, feel, and function



**SHARED
SOLUTIONS**

From people coming together to solve big challenges



**TRANSFORMATIVE
CHANGE**

Through connecting and engaging community members



THINK BIG

Allows people to imagine the future

“Change is the process by which the future invades our lives.”

-Futurist Alvin
Toffler

ANTICIPATORY DEMOCRACY



Futures research



Long-range planning

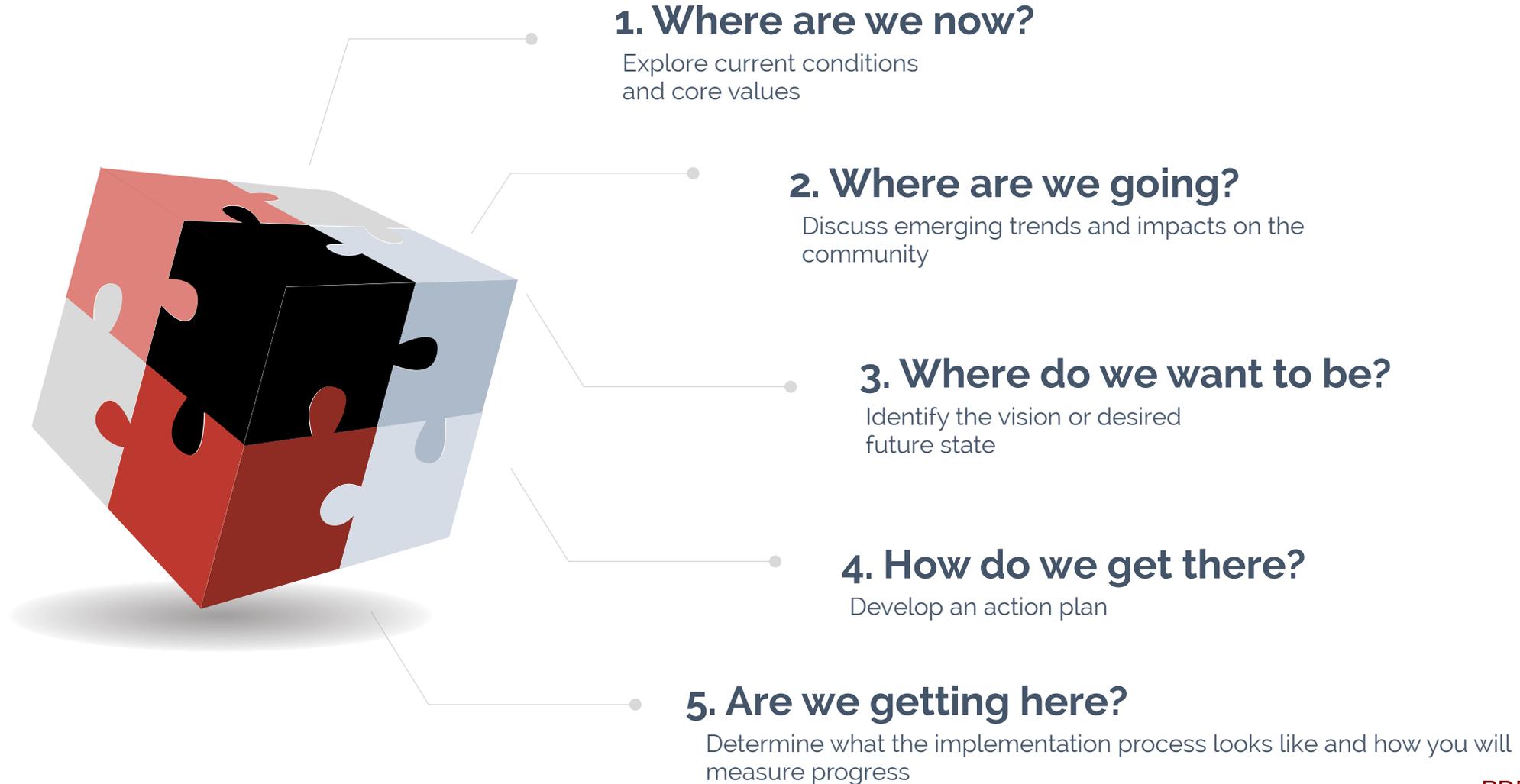


Grassroots public participation



Creativity

THE OREGON MODEL



VISIONING IN OREGON

Success stories from Tualatin, Hillsboro, and Lincoln City



TUALATIN TOMORROW

"We have seen unprecedented levels of community engagement, and each year our community continues to benefit from the partnerships forged through Tualatin Tomorrow."

-Former Mayor Lou Ogden



Vision

Initially adopted in
2006, updated in 2014

People Engaged

Over 1,000 through
focus groups, online
engagement platforms,
interviews, open
houses, community
events + more

Focus Areas + Actions

Eight Focus Areas
100 Actions

HILLSBORO 2035

"You can't go anywhere in Hillsboro, do a 360 degree turn, and NOT see the impact of our community vision"

-Mayor Steve Callaway



Vision

Adopted in 2000
Updated in 2005, 2010,
and 2015

People Engaged

Over 6,500 through
community events,
focus groups,
interviews, intercept
surveys, online
engagement + more

Actions Adopted

2015 – 90 actions
adopted
2010 – 185 actions
adopted

PDF Page 17

IMAGINE LINCOLN CITY

"There has been outstanding participation from citizens around the Imagine Lincoln City project that lays out what we want our community to look like in 20 years."

-Mayor Dick Anderson



Vision

Adopted in 2018 in preparation for a Comprehensive Plan Update

People Engaged

Over 5,000 people engaged through open houses, community events, intercept surveys, interviews, focus groups, social media, + more

Goals + Initiatives

10 Focus areas
49 Initiatives

FOREST GROVE

What does our community process look like?

● WHERE ARE WE NOW + WHERE ARE WE GOING?



● WHERE DO WE WANT TO BE?



★ Tap into EXISTING + new NETWORKS

● HOW DO WE GET THERE + ARE WE GETTING THERE?



★ Identify ACTIONS + report annual PROGRESS

★ VALUES embedded throughout

QUESTIONS + DISCUSSION



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Portland, OR 97282

503.305.5067

www.sarasingerwilson.com



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	Item 1. A.
MEETING DATE:	10/14/2019
FINAL ACTION:	

CITY COUNCIL STAFF MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Colleen Winters*

MEETING DATE: *October 14, 2019*

SUBJECT TITLE: *Vicky Cook recognition*

ACTION REQUESTED:

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Motion	<input checked="" type="checkbox"/>	X	<input type="checkbox"/>	Informational
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X all that apply

BACKGROUND:

Vicky Cook, Library Associate, is being honored for her 30 years of service to the City of Forest Grove. Vicky was originally hired as a Library Assistant. In 2013 Vicky took over the Acquisitions processes and materials budget. At that time, she was promoted to Library Associate.

Vicky recently moved to Forest Grove.

STAFF RECOMMENDATION:

Please join the library community in recognizing Vicky’s contribution to the Forest Grove City Library.

ATTACHMENT(s):

Certificate of Appreciation

CERTIFICATE OF APPRECIATION

Awarded to

Vicky Cook

Library Associate

**In Recognition of 30 Years of Dedicated Service to the
City of Forest Grove and Citizens of Forest Grove**

The Forest Grove City Council sincerely thanks you for your exceptional employment and years of service and is so honored to have had you as an employee of the City of Forest Grove since 1989.



FOREST GROVE  **OREGON**

A place where families and businesses thrive.

Peter B. Truax, Mayor
Forest Grove City Council
October 14, 2019

3A



A place where families and businesses thrive.

Monday, September 9, 2019

City Council Regular Meeting Minutes

7:00 p.m., Community Auditorium

Minutes are unofficial until approved by Council.

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:03 p.m. and led the Pledge of Allegiance.

ROLL CALL: COUNCIL PRESENT: Timothy Rippe; Ronald Thompson; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, and Elena Uhing, excused.

STAFF PRESENT: Paul Downey, Administrative Services Director; Chris Crean, City Attorney; Tom Gamble, Parks and Recreation Director; Bryan Pohl, Community Development Director; J. F. Schutz, Police Chief; James Reitz, Senior Planner; Dan Riordan, Senior Planner; Elizabeth Stover, Program Coordinator; Michael Kinkade, Fire Chief (in the audience); and Anna Ruggles, City Recorder. **STAFF ABSENT:** Jesse VanderZanden, City Manager, excused.

2. CITIZEN COMMUNICATIONS:

Mark Strassel, Forest Grove, addressed Council regarding the homelessness problem in the city.

3. CONSENT AGENDA:

Items under the Consent Agenda are considered routine and are adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).

- A. Approve City Council Work Session (Forest Grove 2040) Meeting Minutes of August 12, 2019.
- B. Approve City Council Regular Meeting Minutes of August 12, 2019.
- C. Accept Historic Landmarks Board Meeting Minutes of July 23, 2019.
- D. Accept Library Commission Meeting Minutes of July 22, 2019.
- E. Accept Planning Commission Meeting Minutes of July 1, 2019.
- F. Accept Public Arts Commission Meeting Minutes of July 11, 2019.
- G. Accept Resignation on Community Forestry Commission (Dale Wiley,

- Appointed 02/2006, Term Expiring December 31, 2019).
- H. Community Development Department Monthly Building Activity Informational Report for August 2019.

MOTION: Councilor Valfre moved, seconded by Councilor Rippe, to approve the Consent Agenda as presented. **ABSENT:** Council President Johnston and Councilor Elena Uhing. **MOTION CARRIED 5-0 by voice vote.**

4. **ADDITIONS/DELETIONS:** None.

5. **PRESENTATIONS:**

5. A. Park Facilities Schematic Design & Water Space Needs Study

Gamble reported the purpose of the presentation was to provide an update of the status of Council's Objective 1.3, Implement Parks Master Plan, identified in FY2019-20. Gamble presented a PowerPoint presentation overview of the Park Facilities Schematic Design & Water Space Needs Study, noting the consultant developed three proposed concept site plans, including parking and building plans, for the Aquatic Center and two proposed park design options for each of the three parks: Lincoln Park, A. T. Smith Property, and Stites Nature Park. In addition, the consultant plans to review and analyze the feasibility for an east side park and Veterans Memorial Park. Gamble recapped the public engagement process, noting a Community Open House was held on June 5 and over 300 comments have been received. The Parks and Recreation Commission held a work session on July 30, 2019, to review the proposals. In conclusion of the above-noted presentation, Gamble advised the next step is determining costs and presenting the final projects to Council for consideration at a later date.

5. B. Oregon Main Street Program

King and Pohl presented a PowerPoint presentation overview of the Oregon Main Street Program, noting the program provides assistance, training and technical services to communities who want to preserve and revitalize historic downtown commercial districts. Currently, there are 82 communities participating in one of the levels of the Oregon Main Street network; five in Washington County. Pohl advised staff is recommending the City participate at the Exploring Main Street Level, noting at this level, the City agrees to:

- Provide a local contact.
- Work towards forming a downtown revitalization organization.
- Send a representative to one Oregon Main Street training per year. The 2019 Conference is October 2-4, 2019, in Tillamook.
- Take time to learn about the Main Street Approach.

In conclusion of the above-noted presentation, Pohl addressed Council concerns pertaining to the program's correlation with, i.e., Economic Development Commission,

City Club and Chamber of Commerce, noting the program would increase the joint collaboration.

5. C. Police Station Outreach

Stover, Downey and Police Chief Schutz presented a PowerPoint presentation update on the police station outreach program and presented a video of the current police station, which was linked to the City's webpage: <https://www.forestgrove-or.gov/station>, and contained bilingual Spanish subtitles. In addition, staff recapped the dates of the upcoming community events and education opportunities.

5. D. Year-End Financial Report Ending June 30, 2019

Downey presented a PowerPoint presentation outlining the financial report for 12 months for the City's fiscal year ending June 30, 2019. Downey reported the report compares the budget to the year-to-date revenues and expenditures and prior to any audit adjustments the auditor may propose. In conclusion of the above-noted presentation, Downey referenced graphs pertaining to the General Fund, Building Fund, Street Fund, Light Fund, Sewer Fund, Water Fund, Surface Water Management Fund, Information System Fund, Equipment Fund and System Development Charges Funds, noting the General Fund's financial position is good through the final quarter of FY 2018-19.

6. ORDER NO. 2019-04 OVERTURNING THE PLANNING COMMISSION'S APPROVAL OF THE SITE PLAN AND BUILDING DESIGN OF A NEW DOLLAR GENERAL STORE, 1121 GALES CREEK ROAD, WASHINGTON COUNTY TAX LOT 1N436B003100; FILE NO. 311-19-000006-PLNG

Staff Report:

Reitz and Pohl presented the staff report, noting at the appeal hearing held on August 12, 2019, Council voted to deny the application and sustained the appeal of the Planning Commission's approval of the site plan and building design to allow a new Dollar General, 1121 Gales Creek Road; File No. 311-19-000006-PLNG. In conclusion of the above-noted staff report, Reitz advised staff is recommending Council approve the proposed Order and Findings of Fact and Conclusions of Law, as outlined in Exhibit A, noting the City Attorney prepared the Findings.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Order No. 2019-09.

Downey read Order No. 2019-09 by title.

MOTION: Councilor Wenzl moved, seconded by Councilor Rippe, to approve Order No. 2019-09 Overturning the Planning Commission's Approval of the Site Plan and Building Design of a New Dollar General Store, 1121 Gales Creek Road, Washington County Tax Lot 1N436B003100; File No. 311-19-000006-

PLNG.

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote the above-noted motion.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

7. CONTINUE PUBLIC HEARING AND SECOND READING OF ORDINANCE NO. 2019-09 AMENDING FOREST GROVE CODE OF ORDINANCES, ADOPTING TITLE XI (BUSINESS REGULATION), CHAPTER 111 (§ 111.065), TITLED FOOD WASTE REQUIREMENT

The first reading of Ordinance No. 2019-09 by title occurred at the Council meeting of August 12, 2019.

Staff Report:

Downey presented the above-proposed ordinance for second reading, noting staff had nothing further to report.

Public Hearing Continued:

Mayor Truax continued the Public Hearing from the meeting of August 12, 2019, and explained hearing procedures.

Written Testimony Received:

No written testimony was received.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Closed:

Mayor Truax closed the Public Hearing.

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the motion made at the meeting of August 12, 2019.

Downey read Ordinance No. 2019-09 by title for second reading.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

8. A. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2019-10 AMENDING DEVELOPMENT CODE ARTICLE 2 LAND USE, ARTICLE 3 ZONING DISTRICTS, ARTICLE 5 SPECIAL PROVISIONS, AND ARTICLE 12 USE CATEGORIES AND DEFINITIONS, TO PERMIT SEASONAL SHELTERS IN THE TOWN CENTER CORE (TCC), TOWN CENTER TRANSITION (TCT) AND COMMUNITY COMMERCIAL (CC) ZONING DISTRICTS; FILE NO. 311-19-000017-PLNG

Staff Report:

Reitz and Pohl presented the above-proposed ordinance for first reading, noting the proposed ordinance is amending Development Code § 17.2.900 through 17.2.925; 17.3.320; 17.3.420; 17.5.600; 17.5.605; 17.12.120; and 17.12.210 (Exhibit A) and Zoning Text Amendment Review Criteria (Exhibit B) § 17.2.630 to allow charitable organizations in Town Center Core (TCC), Town Center Transition (TCT) and Community Commercial (CC) Zoning Districts to operate seasonal shelters; File No. 311-19-000017-PLNG. Reitz and Pohl presented a PowerPoint presentation overview, noting seasonal shelters would need to apply for an annual Temporary Use Permit before operating a seasonal shelter, noting once approved, seasonal shelters would be allowed to operate for up to 45 days annually, from November 1 and March 31. In addition, Reitz advised § 17.2.925, Conditions of Approval, may be imposed to ensure land use compatibility and to minimize the adverse effects on nearby uses, including hours of operation, frequency of use, parking, traffic circulation, signage and fire/life safety codes. Reitz added there are no legally-sanctioned seasonal shelters currently permitted in the City, noting at the present time, there are four sites in the above-noted zoning districts that would likely meet the criteria to host a shelter. Additional sites are possible if they meet the criteria. In conclusion of the above-noted staff report, Reitz and Pohl advised staff is recommending Council approve the proposed ordinance, as outlined in Exhibit A, and Exhibit B, and as outlined in Exhibit C, Planning Commission Findings and Decision No.2019-11, noting the Planning Commission held its hearing and approved the proposed amendments on August 19, 2019.

Questions of Staff:

In response to Wenzl's concern pertaining to notification to surrounding businesses, Reitz noted no land use notification is required for a permit.

In response to Rippe's concern pertaining to defining the intent of a seasonal shelter, Mayor Truax noted, Pohl concurred, that § 17.12.120(K) identities: "*Seasonal Shelter*,

as a building or portion thereof operated for the purposes of providing temporary shelter for people experiencing homelessness.”

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2019-10 for first reading.

Downey read Ordinance No. 2019-10 by title for first reading.

MOTION: Councilor Valfre moved, seconded by Councilor Wenzl, to adopt Ordinance No. 2019-10 Amending Development Code Article 2 Land Use, Article 3 Zoning Districts, Article 5 Special Provisions, and Article 12 Use Categories and Definitions, to Permit Seasonal Shelters in the Town Center Core (TCC), Town Center Transition (TCT) and Community Commercial (CC) Zoning Districts; File No. 311-19-000017-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received.

Proponents:

Eric Canon, past Chair of Interfaith Committee on Homelessness, testified in support of the proposed ordinance. Canon asked audience members who donate their time at the shelter to stand and be recognized.

Michael Terhorst, Forest Grove United Church of Christ, testified in support of the proposed ordinance.

Russ Dondero, Forest Grove, testified in support of the proposed ordinance.

Brian Schimmel, Outreach Director of Old Town Forest Grove, testified in support of the proposed ordinance. In addition, Schimmel distributed a handout titled “OR Statewide Shelter Report, Best Practices/Self Assessment”.

Celeste Goulding, Shelter and Services Director of Winter Shelter of Forest Grove and Cornelius, testified in support of the proposed ordinance.

No one else testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Continued:

Hearing no further concerns from the Council, Mayor Truax continued the Public Hearing to September 23, 2019.

8. B. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2019-11 AMENDING FOREST GROVE CODE OF ORDINANCES ADOPTING TITLE III, (ADMINISTRATION), CHAPTER 38 (§ 38.01 THROUGH § 38.04), TITLED SEVERE WEATHER SHELTERS IN THE TOWN CENTER CORE (TCC), TOWN CENTER TRANSITION (TCT) AND COMMUNITY COMMERCIAL (CC) ZONING DISTRICTS; FILE NO. 311-19-000017-PLNG

Staff Report:

Reitz and Pohl presented the above-proposed ordinance for first reading, noting the proposed ordinance is amending City Code by enacting Chapter 38, § 38.01 through 38.04 (Exhibit A) to allow charitable organizations in the Town Center Core (TCC), Town Center Transition (TCT) and Community Commercial (CC) Zoning Districts to operate on-site severe weather shelters; File No. 311-19-000017-PLNG. Reitz and Pohl presented a PowerPoint presentation overview, noting pre-registered (versus requiring an Annual Temporary Use Permit) charitable organizations can open severe weather shelters upon a severe weather declaration. Reitz advised each charitable organization that intends to operate a shelter would be required to pre-register with the City, noting the purpose of pre-registration is to: a) Allow the City to inspect the site beforehand to ensure it meets building code requirements, and b) Allow the charitable organization to open a shelter immediately upon a severe weather declaration. In conclusion of the above-noted staff report, Reitz and Pohl advised staff is recommending Council approve the proposed ordinance, as outlined in Exhibit A, noting the Planning Commission held its hearing and approved the proposed amendments on August 19, 2019.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2019-11 for first reading.

Downey read Ordinance No. 2019-11 by title for first reading.

MOTION: Councilor Rippe moved, seconded by Councilor Valfre, to adopt Ordinance No. 2019-11 Amending Forest Grove Code of Ordinances Adopting Title III, (Administration), Chapter 38 (§ 38.01 through § 38.04), titled Severe Weather Shelters in the Town Center Core (TCC), Town Center Transition (TCT) and Community Commercial (CC) Zoning Districts; File No. 311-19-000017-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received.

Proponents:

Michael Terhorst, Forest Grove United Church of Christ, testified in support of the proposed ordinance. In response to Terhorst's concern pertaining to duration of seasonal shelters and opening a severe weather shelter, Crean advised each code ordinance operates independently, so when a severe weather event, as defined in § 38.02, is declared by the city, all registered facilities would be allowed to open until the event has concluded, noting it would not affect the duration of the five-month seasonal shelter period.

Rochelle Kennon, site coordinator (unknown address), testified in support of the proposed ordinance.

No one else testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Continued:

Hearing no further concerns from the Council, Mayor Truax continued the Public Hearing to September 23, 2019.

RECESSED: Mayor Truax recessed for a break at 9:07 p.m. and reconvened the regular meeting at 9:15 p.m.

9. RESOLUTION NO. 2019-41 ACCEPTING TOWN CENTER STREET TREE INVENTORY AND ASSESSMENT REPORT

Staff Report:

Riordan and Pohl presented the above-proposed resolution for Council consideration, noting the proposed resolution is accepting the Town Center Street Tree Inventory and Assessment Report. Riordan and Pohl presented a PowerPoint presentation overview, noting the work is part of Council's Objective 1.4, Implement Town Center Program, identified in FY2019-20. Riordan reported the Community Forestry Commission was awarded in 2018 a Community Enhancement Program grant (\$4,500) to look at issues related to street trees in the Town Center, noting CFC accepted the Assessment Report at its meeting held on May 15, 2019. In addition,

Council held a work session on April 8, 2019, and was briefed on the key findings. In conclusion of the above-noted staff report, Riordan and Pohl advised staff is recommending Council adopt the attached resolution as outlined in Exhibit A.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2019-41.

Downey read Resolution No. 2019-41 by title.

MOTION: Councilor Wenzl moved, seconded by Councilor Valfre, to adopt Resolution No. 2019-41 Accepting Town Center Street Tree Inventory and Assessment Report.

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

10. RESOLUTION NO. 2019-42 ADOPTING CITY OF FOREST GROVE 2020 ECONOMIC DEVELOPMENT STRATEGIC PLAN

Staff Report:

King presented the above-proposed resolution for Council consideration, noting the proposed resolution is addressing Council's Objective 3.17, Update Economic Development Strategic Plan, identified in FY2019-20. King reported the Economic Development Commission approved the 2020 Economic Development Strategic Plan at its meeting held on June 6, 2019. In addition, Council held a work session on June 24, 2019, and was briefed on the key findings, and Council suggested minor revisions, which were incorporated as outlined in the staff report. In conclusion of the above-noted staff report, King advised staff is recommending Council adopt the attached resolution as outlined in Exhibit A.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2019-42.

Downey read Resolution No. 2019-42 by title.

MOTION: Councilor Rippe moved, seconded by Councilor Valfre, to adopt Resolution No. 2019-42 Adopting City of Forest Grove 2020 Economic Development Strategic Plan.

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

11. CITY COUNCIL COMMUNICATIONS:

Council President Johnston was absent.

Rippe reported on Sister Cities Committee (SCC)-related activities, noting the SCC is hosting a Japanese Fall Festival on October 5, 2019, and Nyuzen plans to send a student delegation (10 students and three adults) on October 26-30, 2019. In addition, Rippe noted the SCC formed sub-committees to review its bylaws and administrative structure. Rippe reported on Economic Development Commission (EDC) meeting, noting EDC accepted the 2020 Economic Development Strategic Plan, which was approved this evening. Rippe commended public safety staff and everyone who coordinated the National Night Out, which was held August 6, 2019, noting the event was well attended and more vendors expressed interest in participating annually. In addition, Rippe reported on upcoming meetings he was planning to attend.

Thompson reported on upcoming meetings he was planning to attend.

Uhing was absent.

Valfre reported on regional-related matters of interest and meetings he attended. In addition, Valfre reported on upcoming meetings he was planning to attend.

Wenzl reported on Parks and Recreation Commission (P&R)-related activities. Wenzl reported on Committee for Community Involvement (CCI)-related activities, noting Police Chief Schutz is scheduled to give a presentation to CCI at its next meeting on the proposed new police station. In addition, Wenzl reported on upcoming meetings she was planning to attend.

12. City Manager's Report:

Downey referenced the City Manager's Report to Council, which outlined various upcoming meetings and updates on department-related activities and projects.

13. MAYOR'S REPORT:

Mayor Truax announced dates of various upcoming activities, events and meetings as noted in the Council Calendar. Mayor Truax reported on plans to attend the upcoming League of Oregon Cities (LOC) Conference on September 26-28, 2019, noting he departs on September 24th to attend the LOC Board Meeting on September 25th. In

addition, Mayor Truax reported on various local, regional, Metro, and Washington County-related matters of interest and meetings he attended, upcoming community-related events, and upcoming meetings and events he was planning to attend.

14. **ADJOURNMENT:**

Mayor Truax adjourned the regular Council meeting at 9:46 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the Work Session to order at 6:04 p.m.

ROLL CALL: COUNCIL PRESENT: Timothy Rippe; Ronald Thompson; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, and Elena Uhing, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Chris Crean, City Attorney; Paul Downey, Administrative Services Director; Bryan Pohl, Community Development Director; Dan Riordan, Senior Planner; and Anna Ruggles, City Recorder.

2. WORK SESSION: NEIGHBORHOOD MIXED-USE ZONES

Riordan, Pohl, VanderZanden facilitated the above-noted work session, noting the purpose of the work session was to provide background information pertaining to the four areas (David Hill West (six parcels, 29 acres); Gales Creek (nine parcels, 6.7 acres); David Hill East (two parcels, 26 acres); and Davison (2 parcels, 25 acres) in the City that were rezoned Neighborhood Mixed-Use Zones (NMU) in 2014 as part of the Comprehensive Plan implementation funded by Transportation and Growth Management (TGM) Grant. Pohl presented a PowerPoint presentation overview, noting the intent of the NMU zone was to serve as a commercial designation with an intensity between that of Community Commercial and Neighborhood Commercial. Pohl noted the NMU zone incorporates development standards that require development to be coordinated in the context of other surrounding development and to incorporate compact development form, including pedestrian and bicycle circulation. The NMU allows for general retail within the zone, but requires that said retail be located within a 'Village Center'. Pohl noted Village Center designation is required for retail development; however, the Development Code does not define Village Center, or delineate a process by which an applicant may designate an area for Village Center. While not defined, the Development Code does provide context for what a Village Center should be. This includes a pedestrian scale environment, limitation on overall acreage, and uses that serve the immediately adjacent uses. It should be noted that the Code is intentionally discretionary to allow the City to have flexibility on the form of development, using broad parameters by which to evaluate a project in the NMU zone. This is intended to also give developers an opportunity to be creative in how to meet these performance metrics. Because the NMU zone was intended to both serve and be adjacent to residential neighborhoods, the flexibility in the Development Code is also intended to allow a multitude of approaches for mitigating potential impacts from commercial uses onto surrounding residential uses, while also

maintaining an overall high quality of development. Pohl advised Council recently denied a site review application because the proposed use was not located in a designated Village Center, noting this could be interpreted to mean that development of any of these four sites could not happen on an incremental basis, but must happen for the entire site. This would be problematic for areas with multiple parcels and multiple owners. The NMU zone was intended to avoid the requirement for all properties to develop together. However, this could be clarified with additional code language that provides a clearer direction for how Village Centers are delineated and how the discretionary standards are met. All four NMU-designated areas consist of multiple parcels. Two of the areas have multiple property owners. Pohl referenced Slides 6-7, which provided descriptions of each area, noting based on the Council's decision, any single commercial project on any one parcel would have to be denied. In conclusion of the above-noted staff report, Pohl posed the following potential policy directions:

1. Make no code changes. Code remains the same and applicant must show their site as a Village Center that meets all criteria.
2. Amend Code to define Village Center, as well as provide a process for single-property development for parcels that wish to be considered Village Center.
3. Change from NMU to another zone within the code. (This may be difficult, due to the goals of the TGM project that was used to fund this project.)
4. None of the above and/or other.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued as Riordan, Pohl, and VanderZanden responded to various Council inquiries and scenarios pertaining to the above-noted policy directions and the four areas currently zoned NMU. There was roundtable discussion pertaining to providing a clearer direction for how Village Centers are delineated and standards are met as well as closely assessing the NMU-designated areas that are owned by multiple owners and determining if these areas would be better suited rezoned to another zone within the code. At the conclusion of the roundtable discussion, Council collectively voiced consensus to consider Option 2 combined with Option 3. In conclusion of the above-noted discussion, VanderZanden advised staff will continue working on the policy recommendations relating to the above-noted options.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT

Mayor Truax adjourned the work session at 6:47 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

Minutes are unofficial until approved by Council.

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:01 p.m. and led the Pledge of Allegiance.

ROLL CALL: COUNCIL PRESENT: Timothy Rippe; Ronald Thompson; Adolph "Val" Valfre; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, and Elena Uhing, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Bryan Pohl, Community Development Director; James Reitz, Senior Planner; Dan Riordan, Senior Planner; Rich Blackmun, Engineering Division & Project Manager; Eddie Littlefield, Power Services Manager; Michael Kinkade, Fire Chief (in the audience); and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS: None.

3. CONSENT AGENDA:

Items under the Consent Agenda are considered routine and are adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).

- A. Accept Library Commission Meeting Minutes of August 22, 2019.
- B. Accept Parks and Recreation Commission Meeting Minutes of July 16 and July 30, 2019.
- C. Accept Public Arts Commission Meeting Minutes of August 8, 2019.

MOTION: Councilor Rippe moved, seconded by Councilor Valfre, to approve the Consent Agenda as presented. **ABSENT:** Council President Johnston and Councilor Elena Uhing. **MOTION CARRIED 5-0 by voice vote.**

4. ADDITIONS/DELETIONS: None.

5. **PRESENTATIONS:**

5. A. Camino – Forest Grove's New Online Permitting Guide

Pohl presented a PowerPoint presentation overview and introduced Kona Shen and Alison Taylor (via teleconference), Camino Technologies' Representatives, who presented a demonstration of the new Camino Online Permitting Guide, noting the Applicant Guide is an intuitive software that simplifies complex regulations for applicants and saves time for the public to obtain required information for their project prior to application and investing in plans/engineering. Pohl noted Camino provides one central place to give every applicant a list of the building permits, forms, and calculates the costs for simple and complex, multi-permit projects. In addition, the software automatically detects whether a project is allowed by zone and flags special requirements for flood zones, fire zones, and historical preservation areas. In response to various Council inquiries, Shen noted the program does not currently have the ability to select a language translator.

5. B. Tualatin Valley Highway Safety Improvement Plan

Riordan introduced Glen Bolen, Principal Planner, Oregon Department of Transportation (ODOT), who presented a PowerPoint presentation overview of Tualatin Valley (TV) Highway Safety Improvement Plan and Community Engagement Plan, noting the project scope is to make East Forest Grove Commercial Corridor safer to walk, roll, bike and take transit on TV Highway and develop design recommendations to distinguish the area as an entryway into Forest Grove. Riordan and Bolen reported the plan is a priority for ODOT and the City, noting both entities have been working together to develop recommendations and holding joint focus group meetings in English and Spanish with key stakeholder. In conclusion of the above-noted presentation Riordan advised in spring of 2020, the team will bring forward the proposed design recommendations for safety improvements, draft funding plan and implementation strategy for Planning Commission and Council feedback.

6. A. **CONTINUE PUBLIC HEARING AND SECOND READING OF ORDINANCE NO. 2019-10 AMENDING DEVELOPMENT CODE ARTICLE 2 LAND USE, ARTICLE 3 ZONING DISTRICTS, ARTICLE 5 SPECIAL PROVISIONS, AND ARTICLE 12 USE CATEGORIES AND DEFINITIONS, TO PERMIT SEASONAL SHELTERS IN THE TOWN CENTER CORE (TCC), TOWN CENTER TRANSITION (TCT) AND COMMUNITY COMMERCIAL (CC) ZONING DISTRICTS; FILE NO. 311-19-000017-PLNG**

The first reading of Ordinance No. 2019-10 by title occurred at the Council meeting of September 9, 2019.

Staff Report:

Reitz presented the above-proposed ordinance for second reading, noting staff had nothing further to report.

Public Hearing Continued:

Mayor Truax continued the Public Hearing from the meeting of September 9, 2019, and explained hearing procedures.

Written Testimony Received:

Brian Schimmel, Outreach Director of Old Town Forest Grove, who testified in support of the proposed ordinance at the hearing held on September 9, 2019, submitted additional written testimony, dated September 12, 2019, which was distributed in the Council Packet (Cover letter addressed to Council; Oregon Statewide Shelter Study August 2019; Forest Grove Severe Weather Shelter; and Washington County Severe Weather Shelter Response Plan December 30, 2008).

No additional written testimony was received.

Proponents:

Kenneth Pinkerton, joined by Celeste Goulding, Shelter and Services Director of Winter Shelter of Forest Grove and Cornelius, testified in support of the proposed ordinance.

No one else testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Closed:

Mayor Truax closed the Public Hearing.

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the motion made at the meeting of September 9, 2019.

VanderZanden read Ordinance No. 2019-10 by title for second reading.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

6. B. **CONTINUE PUBLIC HEARING AND SECOND READING OF ORDINANCE NO. 2019-11 AMENDING FOREST GROVE CODE OF ORDINANCES ADOPTING TITLE III, (ADMINISTRATION), CHAPTER 38 (§ 38.01 THROUGH § 38.04), TITLED SEVERE WEATHER SHELTERS IN THE TOWN CENTER CORE (TCC), TOWN CENTER**

**TRANSITION (TCT) AND COMMUNITY COMMERCIAL (CC) ZONING DISTRICTS;
FILE NO. 311-19-000017-PLNG**

The first reading of Ordinance No. 2019-11 by title occurred at the Council meeting of September 9, 2019.

Staff Report:

Reitz presented the above-proposed ordinance for second reading, noting staff had nothing further to report.

Public Hearing Continued:

Mayor Truax continued the Public Hearing from the meeting of September 9, 2019, and explained hearing procedures.

Written Testimony Received:

No written testimony was received.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Closed:

Mayor Truax closed the Public Hearing.

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the motion made at the meeting of September 9, 2019.

VanderZanden read Ordinance No. 2019-11 by title for second reading.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

- 7. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2019-12 ACCEPTING THE UPDATE TO THE CITY OF FOREST GROVE HOUSING NEEDS ANALYSIS AND AMENDING THE TEXT OF THE FOREST GROVE COMPREHENSIVE PLAN TO ADD THE 2019 HOUSING NEEDS ANALYSIS UPDATE AS A TECHNICAL APPENDIX; FILE NO. 311-19-000016-PLNG**

Staff Report:

Riordan presented the above-proposed ordinance for first reading, noting the proposed ordinance is accepting the 2019 update to the City's 2009 Housing Needs Analysis (HNA) and adding the 2019 HNA Update as a Technical Appendix to the City's Comprehensive Plan; File No. 311-19-000016-PLNG. Riordan presented a PowerPoint presentation summarizing the Findings and Conclusions, noting the HNA must include an inventory of buildable land within the planning area; a forecast of future housing needs over the next 20 years (2019-2039); and an assessment of whether the jurisdiction has enough land zoned to accommodate forecasted housing needs. Riordan reported Forest Grove's population is forecasted to increase from approximately 24,000 to about 34,000 persons during this 20-year period, noting an additional 3,400 housing units will be needed for the projected population growth. Riordan advised the HNA update analysis finds that there is enough zoned residential land within the urban growth boundary to accommodate housing needs over the next 20 years for both low- and high-density housing types, noting the data shows a significant need for affordable homes for households earning between \$60,000 and \$90,000 annually. In addition, Council held a work session on June 10, 2019, and was briefed on the analysis prior to finalizing key findings. In conclusion of the above-noted staff report, Riordan advised staff is recommending Council approve the proposed ordinance, as outlined in Exhibit A, and Exhibit B, Planning Commission Findings and Decision No. 2019-10, noting the Planning Commission held its hearing and approved the proposed update on August 19, 2019.

Questions of Staff:

In response to Mayor's inquiry pertaining to Forest Grove's projected population growth, Riordan referenced the update, noting the projected growth during this 20-year period is a conservative number.

In response to Valfre's inquiry pertaining to whether there is a current housing gap that has not been met, Riordan referenced the update, noting there is definitely a need for more affordable housing. Valfre pointed out the next steps include adopting a sliding scale for system development charges based on housing size, including accessory dwellings, and consideration of a local construction excise tax to fund incentives for expanding the supply of affordable housing, to which Riordan concurred and referenced the policy recommendations.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2019-12 for first reading.

VanderZanden read Ordinance No. 2019-12 by title for first reading.

MOTION: Councilor Wenzl moved, seconded by Councilor Rippe, to adopt Ordinance No. 2019-12 Accepting the Update to the City of Forest Grove Housing Needs Analysis and Amending the Text of the Forest Grove

Comprehensive Plan to add the 2019 Housing Needs Analysis Update as a Technical Appendix; File No. 311-19-000016-PING.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Public Hearing Continued:

Hearing no further concerns from the Council, Mayor Truax continued the Public Hearing to October 14, 2019.

8. RESOLUTION NO. 2019-50 ADOPTING REVISIONS TO LIGHT AND POWER (L&P) DEPARTMENT LINE EXTENSION POLICY, EFFECTIVE SEPTEMBER 24, 2019, AND REPEALING RESOLUTION NO. 2007-46

Staff Report:

Littlefield, Hormann and Downey presented the above-proposed resolution for Council consideration, noting the proposed resolution is amending the Light and Power Line Extension Policy and increasing associated fees and allowances, and repealing Resolution No. 2007-46. Littlefield and Hormann presented a PowerPoint Presentation overview, noting the proposed fees include increasing subdivision per lot fee from \$1,640 to \$2,050 (includes decorative lighting); increasing residential service line extension fee from \$195 to \$450 (includes radio-read electric meter); and increasing residential allowance from \$402 per meter to \$570 per meter. The new per lot fee and residential service line fee include a deduction for the prorated allowance. In conclusion of the above-noted staff report, Littlefield and Hormann advised staff is recommending Council adopt the attached resolution as outlined in Exhibit A, noting the fees would apply to new building permit projects issued after the effective date of the resolution.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2019-50.

VanderZanden read Resolution No. 2019-50 by title.

MOTION: Councilor Valfre moved, seconded by Councilor Wenzl, to adopt Resolution No. 2019-50 Adopting Revisions to Light And Power (L&P) Department Line Extension Policy, Effective September 24, 2019, and Repealing Resolution No. 2007-46.

Council Discussion:

In response to Rippe's concern pertaining to incremental fee increases, Hormann explained the study that was conducted recently determined the current need to increase costs to recover actual costs of installations, noting it is the city's policy to conduct a cost-of-service rate study at a minimum of every five years.

Hearing no further concerns from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

9. **RESOLUTION NO. 2019-51 AUTHORIZING CITY MANAGER TO EXECUTE LOCAL AGENCY AGREEMENT BETWEEN CITY OF FOREST GROVE AND THE OREGON DEPARTMENT OF TRANSPORTATION FOR THE STATE FUNDED LOCAL PROJECT PROGRAM AND REPEALING RESOLUTION NO. 2018-74; PROJECT NAME: WEST SYSTEMIC SIGNALS AND ILLUMINATION PROJECT (FOREST GROVE)**

Staff Report:

Blackmun presented the above-proposed resolution for Council consideration, noting the proposed resolution is authorizing the City Manager to execute a Local Agency Agreement, between the City and Oregon Department of Transportation (ODOT) for the State Funded Local Project Program, and repealing Resolution 2018-74, which is superseding and replacing Contract No. 32737 in its entirety. Blackmun presented an overview of the West Systemic Signals and Illumination (Forest Grove), noting the project includes installation of reflectorized backplates to the following couplet intersections, except B Street (due to age of signals):

- Pacific Avenue at Maple Street, at Hawthorne Street, at Elm Street, Cedar Street, at Council Street & College Way, and at Main Street.
- 19th Avenue at Main Street, at Cedar Street, Elm Street, and at Hawthorne Street.
- Install pedestrian countdown timers and associated ADA improvements, to include curb ramps, at the intersection of Pacific Avenue and Elm Street.

In conclusion of the above-noted staff report, Blackmun advised staff is

recommending Council consider adopting the proposed agreement as outlined in Exhibit A, noting total project cost is estimated at \$200,700, of which ODOT will contribute \$185,085.54. The City has budgeted adequate funds to satisfy the match requirements.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2019-51.

VanderZanden read Resolution No. 2019-51 by title.

MOTION: Councilor Rippe moved, seconded by Councilor Thompson, to adopt Resolution No. 2019-51 Authorizing City Manager To Execute Local Agency Agreement Between City of Forest Grove and the Oregon Department of Transportation for the State Funded Local Project Program and Repealing Resolution No. 2018-74; Project Name: West Systemic Signals and Illumination Project (Forest Grove).

Council Discussion:

Hearing no concerns from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Rippe, Thompson, Valfre, Wenzl, and Mayor Truax. NOES: None. ABSENT: Council President Johnston and Councilor Elena Uhing. MOTION CARRIED 5-0.

10. CITY COUNCIL COMMUNICATIONS:

Council President Johnston was absent.

Rippe reported attending Economic Development Commission (EDC) meeting, noting EDC appointed a new Chair (Kevin Emerick) and Vice Chair (Javier Urenda). In addition, Rippe reported attending various community-related events and reported on upcoming meetings he was planning to attend.

Thompson reported on Community Forestry Commission (CFC)-related activities and Pacific University's tree removal, noting the University was assisted with selecting a new tree replacement from the City's approved street tree list. In addition, Thompson reported on upcoming meetings he was planning to attend.

Uhing was absent.

Valfre reported on regional-related matters of interest and reported attending various community-related events. In addition, Valfre reported on upcoming meetings he was planning to attend.

Wenzl reported on Committee for Community Involvement (CCI)-related activities, noting Police Chief Schutz is scheduled to give a presentation on the proposed new police station at CCI's next meeting. Wenzl added CCI is also working with League of Women Voters. Wenzl reported on Parks and Recreation Commission (P&R)-related activities, noting P&R is waiting for the bylaws template. In addition, Wenzl reported attending various community-related events and reported on upcoming meetings she was planning to attend.

11. City Manager's Report:

VanderZanden reported on upcoming meetings and events as noted in the Council calendar. VanderZanden commended Fire Chief Kinkade for being awarded a regional grant, valued at \$2.9 million, to replace self-contained breathing apparatus (SCBA). In addition, VanderZanden reported on various department-related activities and projects.

12. MAYOR'S REPORT:

Mayor Truax announced dates of various upcoming activities, events and meetings as noted in the Council Calendar. Mayor Truax reported attending various community-related events. In addition, Mayor Truax reported on various local, regional, Metro, and Washington County-related matters of interest and meetings he attended, upcoming community-related events, and upcoming meetings and events he was planning to attend.

Council Training Budget:

Mayor Truax provided a brief update, noting as past President of the League of Oregon Cities Board of Directors, the Board has asked him to participate on a trip to Washington, D. C. in October, 2019; however, because he has depleted his training budget, he is asking Council if they would support disbursing funds from the Council's training budget for his airfare and lodging costs. Mayor Truax explained this is a one-time request and only because his training budget is currently depleted, noting the LOC will likely provide meals only. After brief roundtable discussion, Council collectively voiced verbal consensus to approve disbursing funding for the trip so Mayor Truax could participate on the City's behalf.

13. ADJOURNMENT:

Mayor Truax adjourned the regular Council meeting at 9:16 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

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President – Mark Nakajima Presiding

Members Present: David Hunter – Dale Wiley – Bruce Countryman

Members Absent: Michael Howell, Lance Schamberger, Jen Warren

Staff Present: Dan Riordan

Council Liaison: Ron Thompson - present

Student Advisor: Declan Lynch - present

Citizen New Member / Introduction: None.

Minutes Approval: Dale moved to approve and Bruce seconded that the May minutes be approved as submitted.

OLD BUSINESS:

No Old business

NEW BUSINESS

1. Acorn Planting Project – The Commission members in attendance briefly discussed the acorn planting project idea. Chair Nakajima suggested the further discussion be deferred until the Commission’s September meeting. Chair Nakajima will invite Mitch Taylor to the September meeting.
2. Summer Meeting Schedule – Dale moved and David seconded that the Commission cancel the July and August meetings and reconvene in September. Unanimous vote affirmative to cancel the July and August meetings and hold the next Commission meeting on September 18th.

MEMBER UPDATE:

David commented on the removal of an oak tree at 19th Avenue and D Street. David expressed that tree should not have been removed. The tree was removed due to the Gales Creek Terrace development project.

LIAISON UPDATE:

Dan mentioned the Oregon Department of Forestry has "Hiroshima Tree" seedlings available for planting. The seedlings come from seeds from a tree that survived the bombing during World War II. The trees must be planted in a public space and a commemoration event must be held. Dan asked if the Commission is interested in one of the trees. Chair Nakajima asked that this topic be added to the Commission's September agenda for discussion.

NEXT MEETING: September 18, 2019 at 5:30 pm at the City Auditorium.

MEETING ADJOURNMENT: David moved and Dale seconded adjourn at 6:10 pm.

Unanimous vote affirmative to adjourn.

Respectfully submitted,

Dan Riordan
CFC Staff Liaison

APPROVED

Forest Grove Historic Landmarks Board
Community Auditorium, 1915 Main Street
August 27, 2019 -- 6:30 P.M. Page 1 of 2



Members Present: Jennifer Brent, George Cushing, Mark Fischer, Larissa Whalen Garfias, Kelsey Trostle, Bill Youngs
Member Excused: Holly Tsur
Staff Present: James Reitz
Council Liaison: Tom Johnston was excused.
Citizens Present: 01 (Gary Eddings)

1. **Call to Order:** Whalen Garfias opened the meeting at 6:32 p.m.

2. **Citizen Communication:** None.

3. **Action Items / Discussion:**

A. Outreach:

- i. **Quake Up!** (September 18): Cushing said he would take the lead on this event. He'll bring the display board plus a couple other poster board displays. Whalen Garfias plans to attend and bring her handouts as well as the "what items are needed in an emergency kit" game. Cushing said that Quake Up needed proof of insurance for the event; Reitz said he would check with the city about insurance coverage. There was a question about the event's timing and location; Cushing said he would get clarification and forward the information to all. Eddings said the Friends would like to participate; Cushing will arrange to get a second table for them.
- ii. **Chalk Art Festival** (September 21): Trostle said she would take the lead on this event; she'll purchase a square. Brent gave some suggestions on the chalk to use and that chalk would be provided. Youngs indicated he might participate also; others said they might as well. Suggestions for the art included the three districts as well as the new downtown district.
- iii. **Corn Roast** (September 21): Cushing said the cost was \$35; after discussion the Board determined that with all their other outreach efforts, they would have to pass on this opportunity.
- iv. **Public Safety Open House** (October 12): Cushing said he would again take the lead on this event. He'll contact the fire department, Northwest Natural Gas, and Clean Water Services (for information on the Scoggins Dam project). Trostle said she would contact PGE and try to get their participation also; Cushing noted that the Forest Grove Light and Power Department had not participated in the past but maybe they might if the know PGE might attend. Whalen Garfias said she would attend and bring glow sticks as well as her emergency preparedness game.

B. Funding Sources:

- i. Youngs said his workplace had provided \$50 to the Board to be used for the preservation grant program. Reitz said he would be able to provide a receipt as soon as the money was received.
- ii. Fischer said he had not been able to do much research yet, but Youngs said he had been making a lot of calls. There was not much progress to report but he was gathering a lot of information. He said the Board could qualify for some grants but there was not much available right now. He is still trying to make meaningful contact with Intel. Cushing reminded everyone that Court Carrier (Forest Grove Tourism Consultant) was expecting a call from us about grant funding as he had a lot of information as well as contacts to pursue. Youngs said he would contact him.

- iii. Whalen Garfias suggested we consider a calendar as a fundraiser as we had lots of photos of historic homes. Youngs said he had done a historic buildings calendar when he was in California and it was very successful. Eddings noted that the Friends had done one in the past and it too was successful. It was noted that it was too late to begin this project for a 2020 calendar but we should definitely consider this idea for the following year.

4. Old Business/New Business:

- A. Approval of Historic Landmarks Board Meeting Minutes. **The meeting minutes of July 23, 2019 were approved with minor corrections.**
- B. Council Liaison Report. None, as Councilor Johnston was excused. Reitz said that Councilor Johnston had been diagnosed with leukemia and was in serious condition. Whalen Garfias provided a get-well card that all members signed and that Reitz will forward to him.
- C. FHFG Report. Gary Eddings said the mud room on the back of the A. T. Smith house had been removed and the house siding repaired. He said David Morelli had taken the lead on the exterior painting and it was nearing completion. He reported that the wood boring beetle extermination was almost done. Lastly, he noted that they had someone working to update their website and Facebook pages.
- D. Staff Update. Reitz reported that Painter Preservation had just about completed their current projects and were expecting to start on the downtown nomination process soon. Diana Painter has confirmed that she will attend the October 22nd meeting.
- E. National Night Out Report. Cushing and Whalen Garfias reported that the event was very successful. Whalen Garfias said that Melody Haveluck had participated with her on the little house project and it was very popular. Cushing said he had taken some pictures and would send to Tsur to be forwarded to Trostle.
- F. Other.
 - i. Youngs gave a status report on the porch stabilization project at 1728 Ash Street. He reported that the project was successfully completed and the porch brought up to level. But the contractor did encounter a problem: when installing the foam stabilizing liquid, the heat of the chemical reaction ignited some debris under the porch and the resultant fire and smoke slightly damaged the house. Neighbors helped protect the homeowner and her possessions. The contractor is working to repair the damage and expects all to be made whole. Youngs said he was very impressed with the quality of the work and professionalism of the contractor.
 - ii. Cushing reported on the upcoming Scoggins Dam open house and suggested that everyone attend. Brent said that on her recent trip to Portugal she visited an area where they had found an area of extreme historic importance while preparing for a major dam project.
 - iii. Fischer said that he had been to the new contact lens museum in town and was very impressed.
- G. September Agenda: Public Safety Open House planning, funding alternatives, editorial calendar.

5. Adjournment: The August 27, 2019 meeting adjourned at 7:16 p.m.

These minutes respectively submitted by George Cushing, Secretary

3F

Approved



A place where families and businesses thrive.

**Planning Commission
Community Auditorium
1915 Main Street, Forest Grove, OR
Monday, August 19th, 2019, 7:00 pm**

1. CALL TO ORDER:

Chair Tom Beck called the meeting to order at 7:00 p.m. Roll Call:

Planning Commission Present: Tom Beck, Chair; Commissioners Lisa Nakajima, Ginny Sanderson, and Dale Smith.

Planning Commission Excused: Phil Ruder, Vice Chair; Commissioners Sebastian Bannister Lawler and Hugo Rojas.

Staff Present: James Reitz, Senior Planner; Dan Riordan, Long Range Planner; Bryan Pohl, Community Development Director; Cassi Bergstrom, Planning Commission Coordinator

2. PUBLIC MEETING:

A. PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS:

None.

B. PUBLIC HEARING:

(1.) File No. 311-19-000017-PLNG – Amendment to Development Code Article 3 Zoning Districts, Article 5 Special Provisions, and Article 12 Use Categories and Definitions to permit Seasonal Shelters in the Town Center and Community Commercial zoning districts

Chair Beck opened the legislative public hearing at 7:00 p.m, calling for the staff report.

Senior Planner James Reitz gave the staff report, informing the Commissioners that City Council has directed staff to prepare an ordinance to regulate temporary seasonal shelters as currently there is no Development Code to regulate and define temporary uses and seasonal shelters specifically. Severe weather shelters are not incorporated into the Development Code, but will be drafted and prepared to be defined and regulated within the Forest Grove City Code for the City Manager's review. The City's goal is to make the permitting process for the shelter as simple and timely as possible.

Mr. Reitz went over the submittal requirements for the temporary use permits. Review criteria include parking, access/circulation, compliance with fire life safety building codes, and located within the Community Commercial (CC) or Town Center (TC) zoning districts. These temporary use permits are applicable to stands as well, such as Christmas tree stands, firework stands, etc. Seasonal shelters exclusively will be defined as to their intent and permitting conditions within Article 5 and 12 of the Development Code for clarity.

Chair Tom Beck questioned the definition of seasonal shelters, the time limit suggested, and the limited zoning districts the City was imposing due to the fact that some churches are not located within the allowable zoning districts. Community Development Director Bryan Pohl explained that staff has been directed by City Council to allow temporary use permits in the TC and CC zoning districts.

Commissioner Nakajima commented that a seasonal shelter has the risk of operating for profit as it is currently defined. Commissioners discussed the civic use category and including a condition of being non-profit.

Chair Beck suggested similar language for conditional use permits be used regarding returning the condition of the site back to its original use.

CORRESPONDENCE:

A handout was received at the meeting with information regarding the West Washington County Winter Shelter.

PROPONENTS:

Michael Terhorst, Cherry Grove, OR:

Mr. Michael Terhorst came to the front, informing the Commission that he is the Site Coordinator for the United Church of Christ in Forest Grove. Mr. Terhorst is very grateful for this review process of the ministry. The suggestion of running the seasonal shelters to the end of the month would be helpful, as well as increasing the annual maximum of days from 35 to 40 days. Sometimes there is a conflict with events happening at the shelter locations, and the various churches will substitute for one another. The permitting condition stating "a seasonal shelter may be open not more than two (2) days per week" could provide a barrier to the ministry they are providing. Having seasonal shelters available will benefit everyone in the community, with a broader focus being affordable housing and working towards a solution.

Commissioner Nakajima asked Mr. Terhorst to explain the 'Family Promise' organization. Mr. Terhorst explained that it is an organization with a focus on family that can stay for up to a week at a time with roots in Community Action.

Commissioner Sanderson asked Mr. Terhorst if he had any comments on the permitting process the City is proposing, and Mr. Terhorst responded that they can do it rather easily.

Celeste Goulding, Gaston, OR:

Ms. Celeste Goulding came to the front, explaining that she is the manager for seasonal shelters in the western Washington County area. Ms. Goulding agrees with all of Mr. Terhorst's suggestions and comments. Ms. Goulding gave her background, explaining she is a Masters level social worker.

Ms. Goulding explained that most of the staff for seasonal shelters are volunteers, and having more options available to host the shelters would be the most humane action. The 'Family Promise' organization would not fall under the temporary seasonal shelter ordinance.

OPPONENTS:

None.

OTHER:

None.

Chair Beck closed the public hearing at 7:44 p.m.

COMMISSIONER DISCUSSION:

Chair Beck questioned the City as to why a temporary shelter only qualifies during the winter and not the rest of the year.

Director Bryan Pohl explained that the City Council has directed staff to focus on the seasonal shelters and their locations. There are other avenues to address year-round sheltering for homelessness.

Commissioner Nakajima suggested omitting the two day limitation, and extending the maximum number of days to 45 days. Commissioners discussed the location of the temporary seasonal shelters, and the limitation of the zoning. Commissioners had Ms. Celeste Goulding come forward and explain the release procedure. Ms. Goulding explained they do "sweeps" within 2-4 blocks of the shelter to make sure the homeless population are not gathering in residential areas. It is almost never a problem as the homeless head straight to the transit lines, and transit lines need to be close by for their homeless guests with disabilities and difficulties walking.

Commissioners discussed the options and concluded amending these conditions:

- Extend the maximum number of days for a seasonal shelter to be open to 45 days;
- Omit the limitation of two (2) days per week a shelter can be open in one location;
- Change the open dates to November 1 – March 31st;
- Include language from conditional use permit to restore site to its original condition when the temporary use ends;

- To include all 501(c)3 charitable organizations for allowance to operate seasonal shelters

Commissioner Sanderson moved a motion to recommend to City Council with the discussed amendments for file number 311-19-000017-PLNG – Amendment to Development Code Article 3 Zoning Districts, Article 5 Special Provisions, and Article 12 Use Categories and Definitions to permit seasonal shelters in the Town Center and Community Commercial zoning districts. Commissioner Nakajima seconded the motion.

Roll Call Vote on Motion: AYES: Chair Beck; Commissioners Nakajima, Sanderson, and Smith. NOES: None. ABSENT: Vice Chair Ruder; Commissioners Bannister-Lawler and Rojas. MOTION CARRIED 4-0.

(2.) File No. 311-19-000016-PLNG – Comprehensive Plan text amendment to add the 2019 Housing Needs Analysis Update as a technical appendix

Long Range Planner Dan Riordan gave a staff report using a Power Point presentation, explaining the purpose of having a public hearing for the update to the Housing Needs Analysis (HNA) that was adopted in 2009. The City was provided funding for a consultant with expertise to prepare the HNA update, and tonight the Planning Commission will make a recommendation whether City Council should accept the update.

Mr. Riordan gave the background of the project and the participants selected for the advisory committee. An inventory of the housing types and demand projections was provided, and the HNA update covers the period from 2019 to 2039. The population in Forest Grove is expected to increase by about 9,600 people over the next 20 years, making an additional 3,400 housing units needed for the expected growth. Overall, the UGB appears adequate to address housing needs during the 20 year planning period.

Currently, expanding the supply of approved subdivision lots is constrained by the lack and cost of infrastructure needed to serve the areas, as well as the lack of desire for property owners to annex into the City. Mr. Riordan went over some policy considerations to help promote needed housing. Policy considerations include establishing a Construction Excise Tax to incentivize affordable housing, revising System Development Charge methodology, cottage/cluster housing development standards, reduce parking requirements, and reduce the cost of development. Director Bryan Pohl explained the calculation of the Construction Excise Tax and how it is utilized.

Staff recommends the Planning Commission approve a motion recommending City Council acceptance of the HNA update and Council adopt an ordinance amending the Forest Grove Comprehensive Plan to include the HNA update as a technical appendix. Commissioner Nakajima recommended the City address within the HNA

the new apartment units that were built in 2017-2018 with a footnote.

Commissioner Nakajima moved a motion to recommend to City Council for file number 311-19-000016-PLNG – Acceptance of the Housing Needs Analysis update with the edit in the footnote and Council adopt ordinance for amendment of the Comprehensive Plan text to add the 2019 Housing Needs Analysis Update as a technical appendix. Commissioner Sanderson seconded the motion.

Roll Call Vote on Motion: AYES: Chair Beck; Commissioners Nakajima, Sanderson, and Smith. NOES: None. ABSENT: Vice Chair Ruder; Commissioners Bannister-Lawler and Rojas. MOTION CARRIED 4-0.

C. ACTION ITEMS:
None.

D. WORK SESSION ITEMS:
None.

3. BUSINESS MEETING:

A. APPROVAL OF MINUTES:
Commissioner Smith moved to approve the minutes of the July 1st, 2019 meeting. Commissioner Nakajima seconded. Motion passed 4-0.

B. REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:
None.

C. DIRECTOR'S REPORT:
Director Bryan Pohl gave an update from the City Council meeting on August 12th regarding the appeal of the Dollar General. The appeal was upheld, and in speaking with the applicant they will not be appealing the decision. City Council has indicated to staff that the Neighborhood Mixed Use zoning definition needs to be clarified as far as a Village Center. There will be a work session held on September 23rd to discuss next steps.

Chair Beck suggested the Council think about what the City can do when a project might result in greater pedestrian traffic is applied for, but the street is not within City jurisdiction. The City needs to allocate funds for a solution to the pedestrian traffic.

James Reitz gave an update on the fence variance at Ivy Crest Court, stating the issue is resolved.

Mr. Reitz informed the Commission that there is a pre-application meeting scheduled regarding a proposed subdivision at Thatcher Road/Watercrest Road. Staff is not sure if this will be a subdivision or a planned development as of yet.

D. ANNOUNCEMENT OF NEXT MEETING:

The next meeting is to be determined.

E. ADJOURNMENT:

The meeting was adjourned at 8:39 p.m.

Respectfully submitted by:

Cassi Bergstrom

Digitally signed by Cassi Bergstrom
DN: cn=Cassi Bergstrom, o=City of Forest Grove, email=Cassi.Bergstrom@forestgrove.or.us
Reason: I am the author of this document
Location: not signed location here
Date: 2015.07.28 14:42
Full PhotoPDF Version #1.1

Cassi Bergstrom
Planning Commission Coordinator



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CITY RECORDER USE ONLY:

AGENDA ITEM #: Item 3. G.

MEETING DATE: 10/14/2019

FINAL ACTION: _____

CITY COUNCIL MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Anna D. Ruggles, CMC, City Recorder*

DATE: *October 14, 2019*

SUBJECT: *Deem Seat Vacant on Economic Development Commission*

James Draznin, Economic Development Commission, representing At-Large, Term Expiring December 31, 2021, has informed staff of his desire to resign from the EDC as per attached e-mail resignation. Draznin was appointed 02/14.

STAFF RECOMMENDATION:

Staff recommends City Council accept the above-noted resignation and deem the seat vacant.

Anna Ruggles

EDC

From: Jesse VanderZanden
Sent: Friday, September 20, 2019 8:37 AM
To: 'James Draznin'; Jeffrey King
Cc: Timothy Rippe; Kevin Emerick; [REDACTED]; Anna Ruggles; Elena Uhing
Subject: RE: Resignation from EDC

Good morning James and thanks for the nice note. You've been an exemplary Chair, guide, facilitator and collaborator for EDC, leaning forward on important projects such as the Urban Renewal District, Jesse Quinn project, industrial development, the recently approved EDC Strategic Plan, and more. On behalf of staff, I applaud and can't thank you enough for your efforts to make Forest Grove a great place to work and live. Well done!

Cheers,

Jesse VanderZanden
City Manager
City of Forest Grove
503-992-3236
forestgrove-or.gov

-----Original Message-----

From: James Draznin [mailto:[REDACTED]]
Sent: Thursday, September 19, 2019 8:36 PM
To: Jeffrey King
Cc: Timothy Rippe; Kevin Emerick; timb@norris-stevens.com; Jesse VanderZanden; Anna Ruggles; Elena Uhing
Subject: Resignation from EDC

Jeff: With the election of Kevin Emerick as EDC Chair and the consolidation of EDC membership slots, it is now time for me to resign from the Commission.

Serving on the EDC has been enlightening and a pleasure to collaborate with two Council Liaisons, two City Managers, other very competent city staff, the former EDC Chair, other wonderful fellow members, and one outstanding program director--you!

Thank you all for your efforts to improve our community by strengthening its economy.

James

Sent from my iPhone

AT-Larve
A 02/14
Term 12/31/21

CERTIFICATE OF APPRECIATION

Awarded to

James Draznin

*Forest Grove Economic Development Commission
2014 ~ 2019*

**In Recognition of Dedicated Service to the
City of Forest Grove and Citizens of Forest Grove**

The Forest Grove City Council sincerely thanks you for your dedicated service and exceptional leadership you exemplified on the City of Forest Grove Economic Development Commission.



FOREST GROVE  **OREGON**

A place where families and businesses thrive.

Peter B. Truax, Mayor
Forest Grove City Council
October 14, 2019

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Monthly Building Activity Report

September-19

2019-2020

Category	Period: September-18		Period: September-19	
	# of Permits	Value	# of Permits	Value
Man. Home Setup	1			
Sing-Family New	11	\$ 2,961,366.00	8	\$ 2,016,620.00
SFR Addition & Alt/Repair	3	\$ 29,806.00	3	\$ 150,407.00
MultiFamily New				
Multi Family Alterations/Repair/Additions	1	\$ 318,500.00		
Group Care Facility Alt/Repair				
Commerical New				
Commerical Addition				
Commercial Alt/Repair	1	\$ 34,250.00	1	\$ 15,000.00
Industrial New				
Industrial Addition				
Industrial Alt/Repair	4	\$ 503,900.00	1	\$ 657.00
Gov/Pub/Inst (new/add)	1	\$ 350,000.00	1	\$ 4,800.00
Signs			1	\$ 37,500.00
Grading	2		3	
Demolitions				
Total	24	\$4,197,822	18	\$2,224,984

Fiscal Year-to-Date

2018-2019		2019-2020	
Permits	Value	Permits	Value
109	\$18,747,666	80	\$11,616,179

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<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	Item 5. B.
MEETING DATE:	10/14/2019
FINAL ACTION:	

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Nathan Jones, Youth Service Librarian
Colleen Winters, Library Director*

MEETING DATE: *October 14, 2019*

SUBJECT TITLE: *Library Summer Reading report*

ACTION REQUESTED:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
	Ordinance	Order	Resolution	Motion	X	Informational

X all that apply

ISSUE STATEMENT:

Each year, the Forest Grove Library designs and offers a Summer Reading program. The program is intended to encourage all students to continue reading throughout the summer and help create equity in homes where reading is not encouraged or supported. The library also hosts a series of programs throughout the summer which help encourage visits to the library and participation in the Summer Reading program.

BACKGROUND:

Nathan Jones, the library’s Youth Service Librarian, will give an overview of the 2019 Summer Reading program.

FISCAL IMPACT:

None

STAFF RECOMMENDATION:

This presentation is informational only.

ATTACHMENT(s):

PPT

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Summer Reading Program

Statistics & Analysis
Nathan Jones, MSLS

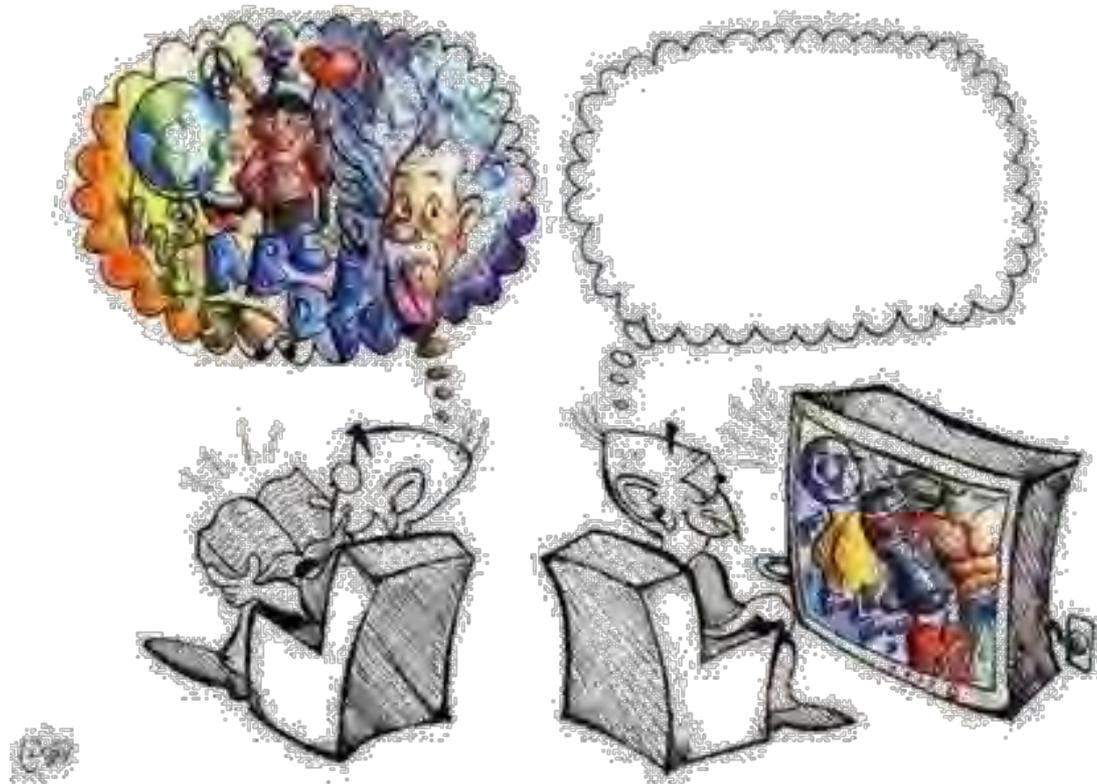


What is Summer Reading?



Why Summer Reading?

WHY WE READ

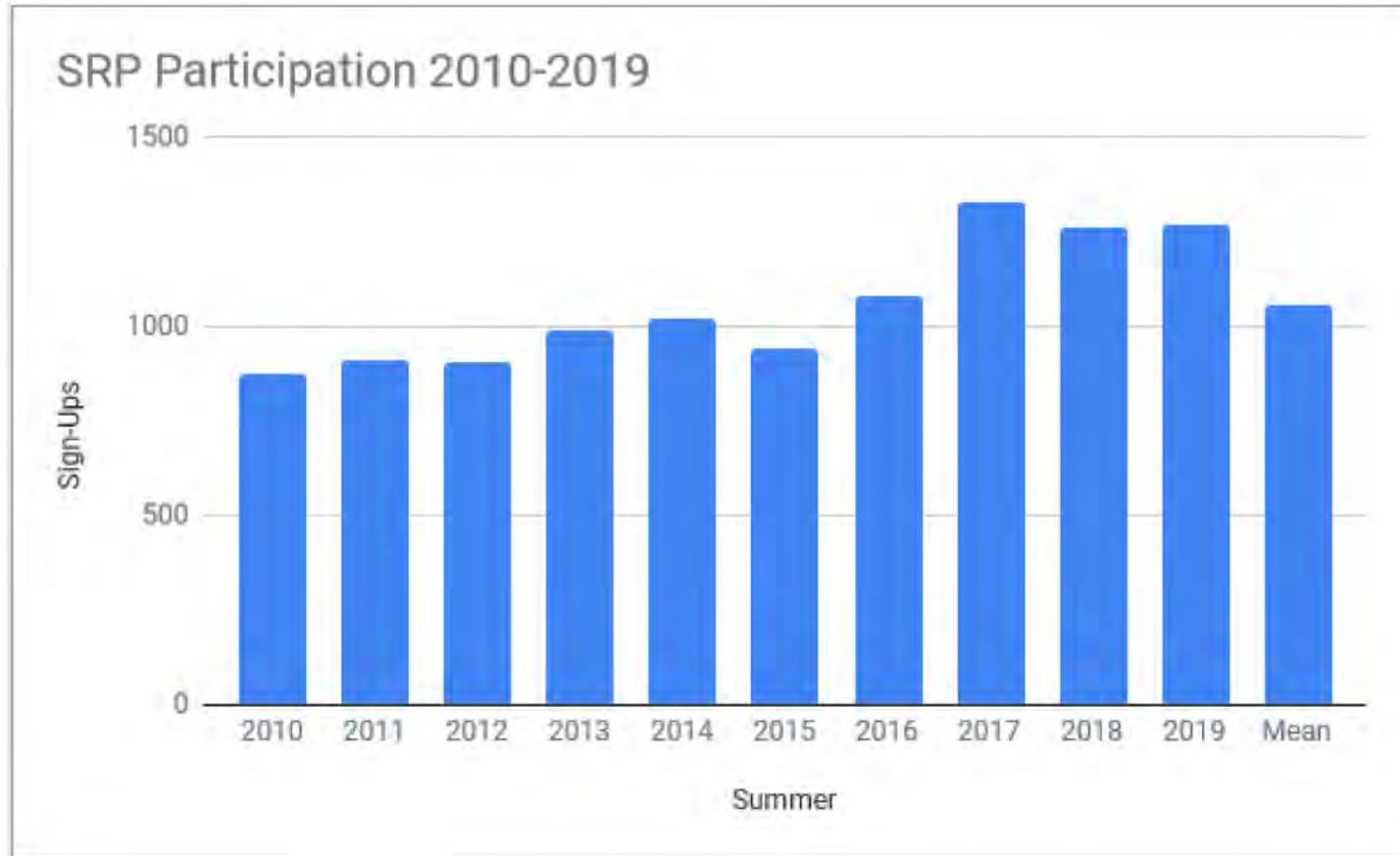


How do libraries measure success?

- ❖ Number of sign-ups for the Summer Reading Incentive Program
- ❖ Number of books given to youth, without charge, for home collections
- ❖ Reach to different populations or user groups in our community
- ❖ Attendance at library programs
- Circulation
- “busyness” in our building
- Hearing “feel good” stories from our readers
- Seeing excitement in kids when they find good books or earn a prize



Reading Incentive Participation

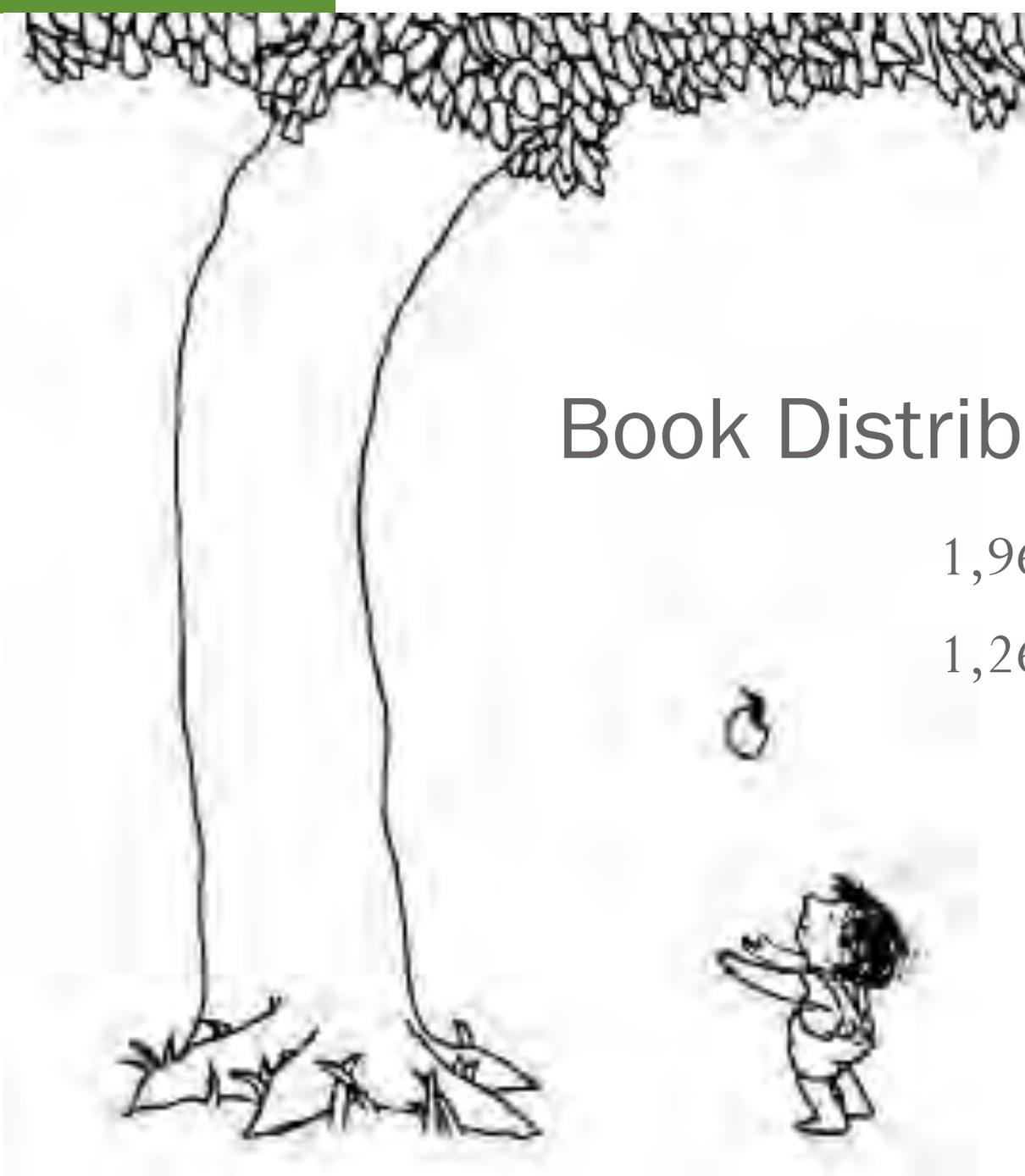


Reading Incentive Program Participation

11% of youth attending Forest Grove public schools participated in our program.

OR maybe...

25% participated



Book Distribution

1,965 books in 2018

1,267 books in 2019

Summer Reading 2019 Snapshot

- 1,267 total readers
- 43% of those that signed up claimed the 5-hour prizes
- 25% of those that signed up claimed the 16-hour prizes
- 4,692 hours read this summer



Who were our readers in 2019?



Ages

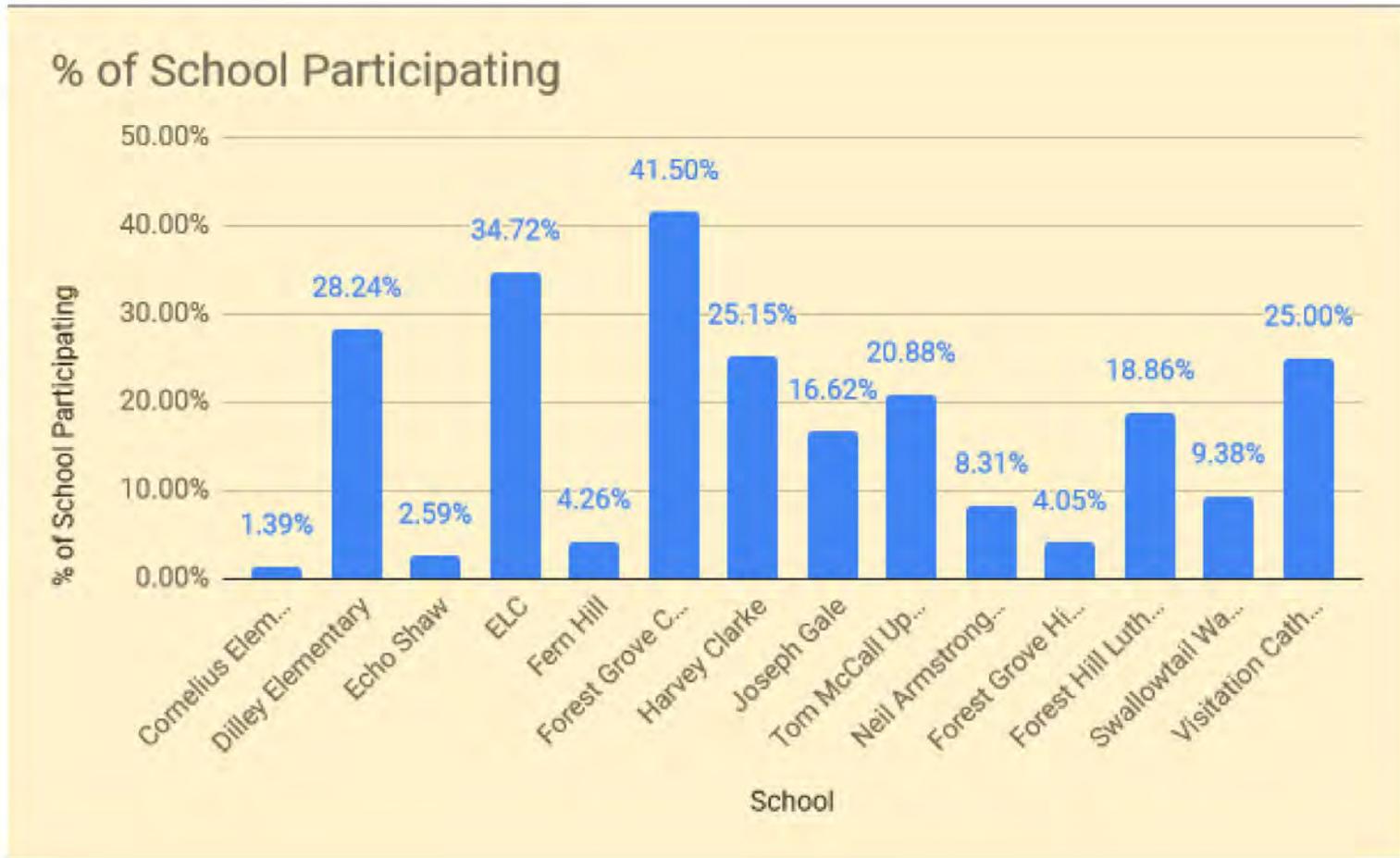
- 33% are ages 0-6
- 53% were ages 7-12
- 14% were teens



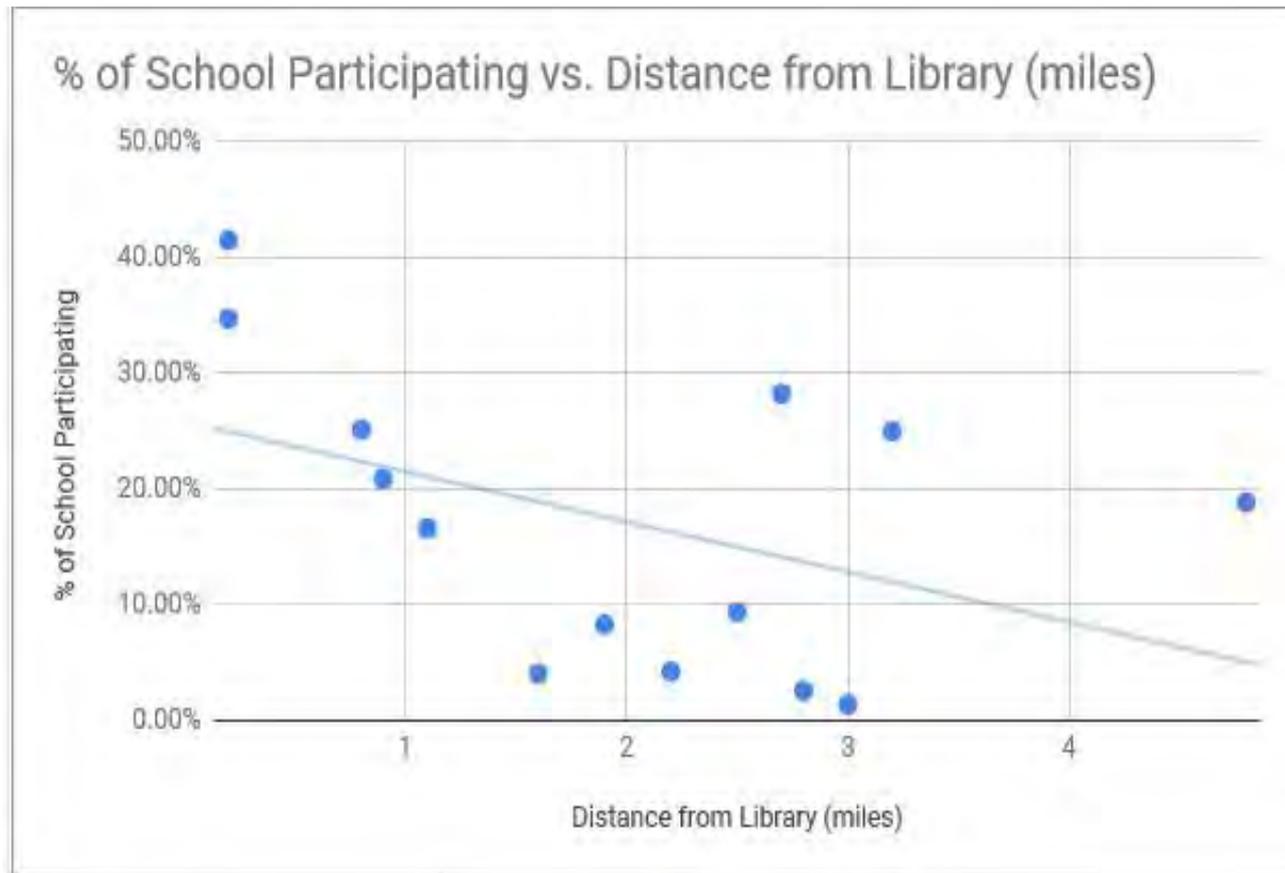
Where they go to school

- 6% are homeschooled
- 10% attend private school
- 14% attend school outside of our local area
- 16% are not in school yet or go to preschool (includes babies)
- 53% attend public school in Forest Grove, Banks, or Gaston

Where are our readers attending school?



Hypothesis 1 – Distance from the library determines participation rate



Hypothesis 2 – Level of librarian outreach determines participation rate

School (remember, school students will be in next year)	% of School Participating	Outreach Level
Forest Grove Community School	41.50%	2
Harvey Clarke	25.15%	1
Tom McCall Upper Elementary	20.88%	0
Joseph Gale	16.62%	1
Forest Grove High School	4.05%	0
Neil Armstrong Middle School	8.31%	2
Fern Hill	4.26%	0
Dilley Elementary	28.24%	2
Echo Shaw	2.59%	0
Cornelius Elementary	1.39%	0
	Correlation	0.6769

Hypothesis 3 – Students coming from families with lower socio economic background are less likely to participate

School (remember, school students will be in next year)	% of School Free & Reduced Lunch	% of School Participating
Forest Grove Community School	15%	41.50%
Harvey Clarke	39%	25.15%
Tom McCall Upper Elementary	54%	20.88%
Joseph Gale	66%	16.62%
Forest Grove High School	50%	4.05%
Neil Armstrong Middle School	58%	8.31%
Fern Hill	95%	4.26%
Dilley Elementary	26%	28.24%
Echo Shaw	83%	2.59%
Cornelius Elementary	95%	1.39%
	Correlation	-0.8704273657

Hypothesis 4 – Our outreach efforts towards families of Latinx descent have not engaged that population to the extent that we would like.

School (remember, school students will be in next year)	% of School Participating	% of School w/ Spanish Ethnicity
Forest Grove Community School	41.50%	10%
Harvey Clarke	25.15%	27%
Tom McCall Upper Elementary	20.88%	52%
Joseph Gale	16.62%	49%
Forest Grove High School	4.05%	52%
Neil Armstrong Middle School	8.31%	56%
Fern Hill	4.26%	75%
Dilley Elementary	28.24%	14%
Echo Shaw	2.59%	94%
Cornelius Elementary	1.39%	95%
	Correlation	-0.9001425379

Program Attendance



Our Adult Summer Reading Program

- Reading Willy Vlautin
- Author Reception
- Summer 2020



So, what are the takeaways?

- There are thousands of potential youth library users out there who either (1) haven't heard about what we offer, (2) cannot take advantage of what we offer due to some other factor, or (3) are not interested in what we have to offer. Regardless, these are threats to our continued status as a relevant community institution.
- If we want to have a bigger impact, the target population is public school students who do not currently participate
- If we want to increase equity, we should focus on families that don't make as much money, or families whose primary language is not English.

Where do we go from here?

- Ready to Read Grant Project
- Outreach
- SRP Structure
- Opportunities throughout the year for family engagement

Questions?

Nathan Jones, MSLS
Youth Services Librarian

nathanj@wccls.org

503-992-3281

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ORDINANCE NO. 2019-12

**ORDINANCE ACCEPTING THE UPDATE TO THE CITY OF FOREST GROVE
HOUSING NEEDS ANALYSIS AND AMENDING THE TEXT OF THE FOREST
GROVE COMPREHENSIVE PLAN TO ADD THE 2019 HOUSING NEEDS ANALYSIS
UPDATE AS A TECHNICAL APPENDIX
FILE NUMBER 311-19-000016-PLNG**

WHEREAS, in 2017, the Oregon legislature passed HB 4006 pertaining to severe rent burden in cities throughout Oregon; and

WHEREAS, the Oregon Department of Land Conservation and Development (DLCD) and Oregon Department of Housing and Community Services (OHCS) identified Forest Grove as a severe rent burden city where more than 25% of renter households pay more than 50% of household income on rent; and

WHEREAS, HB 4006 made technical assistance grants available through DLCD to help severe rent burden cities update housing needs analysis; and

WHEREAS, Forest Grove being a severe rent city, qualified for and received technical assistance to update the City's 2009 Housing Needs Analysis; and

WHEREAS, DLCD selected consultants FCS Group to lead the HNA update for the City; and

WHEREAS, a City Council work session was held on June 10, 2019, to present findings and conclusions from the HNA update prior to completion; and

WHEREAS, the HNA update was completed by FCS Group to the satisfaction of the City; and

WHEREAS, the Planning Commission held a duly-noticed Public Hearing on August 19, 2019, to accept public comment on the HNA update and to consider recommending City Council adoption; and

WHEREAS, the Planning Commission adopted a motion on August 19, 2019, recommending that City Council accept the HNA update and amend the text of the Forest Grove Comprehensive Plan to add the HNA update as a technical appendix to the Plan; and

WHEREAS, City Council held a duly-noticed Public Hearing on September 23, 2019 and continued the Public Hearing to October 14, 2019.

NOW, THEREFORE, THE CITY OF FOREST GROVE ORDAINS AS FOLLOWS:

Section 1: The City Council hereby adopts the Housing Needs Analysis dated June 27, 2019, attached as Exhibit A.

Section 2: The City Council hereby amends the Forest Grove Comprehensive Plan to include the HNA update as an appendix to the Plan.

Section 3: This ordinance is effective 30 days following its enactment by the City Council.

PRESENTED AND PASSED the first reading the 23rd day of September, 2019.

PASSED the second reading this 14th day of October, 2019.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 14th day of October, 2019.

Peter B. Truax, Mayor



Forest Grove

Housing Needs Analysis



This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.



Public Hearing Draft

June 27, 2019

ACKNOWLEDGEMENTS

This work is made possible through the sincere input by City staff and the Forest Grove Planning Commission. We specifically recognize and appreciate the time and attention dedicated to this work by the following people.

Mayor and City Council

Peter B. Truax, Mayor
Thomas (TJ) Johnston, Council President
Timothy A. Rippe
Ronald (Ron) Thompson
Elena Uhing
Adolph “Val” Valfre, Jr.
Malynda Wenzl

Forest Grove Planning Commission

Thomas Beck, Chair
Phil Ruder, Vice Chair
Sebastian Bannister Lawler
Lisa Nakajima
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Section I. INTRODUCTION

The Forest Grove Housing Needs Analysis (HNA) is intended to update the City's 2009 HNA prepared for periodic review of the Forest Grove Comprehensive Plan. The HNA update serves as a basis for the City to explore and document new information regarding the City's buildable land inventory (BLI), population and development policies aimed at accommodating population growth and providing adequate land within the urban growth boundary (UGB) to handle the next 20 years of growth.

Oregon Regulatory Requirements

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies.

At a minimum, local housing policies contained in a Comprehensive Plan must meet the applicable requirements of Goal 10 and administrative rules that implement state land use planning statutes. (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).¹

Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.



¹ ORS 197.296 only applies to cities with populations over 25,000.

Goal 10 defines needed housing types as “all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes.” ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.
- (b) Government assisted housing.²
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- (e) Housing for farmworkers.

Forest Grove is also subject to the state Metropolitan Housing Rule (OAR 660-007). The purpose of the Metropolitan Housing 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.” The Metropolitan housing rule also establishes regional density standards for each jurisdiction. Under the rule, Forest Grove must provide for an overall density of eight or more dwelling units per net buildable acre. The City Planning Division estimates that current zoning and comprehensive plan designations provide an opportunity for about 9.8 dwellings per net buildable acre.

HNA Methodology

A recommended approach to conducting a housing needs analysis is described in *Planning for Residential Growth: A Workbook for Oregon’s Urban Areas*, the Department of Land Conservation and Development’s guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

1. Inventory the supply of buildable residential lands.
2. Determine the actual density and mix of housing in the planning area.
3. Project the number of new housing units needed in the next 20 years.

² Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

4. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
 5. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
 6. Determine the types of housing that are likely to be affordable to the projected households based on household income.
 7. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.
 8. Estimate the number of additional needed units by structure type.
 9. Determine if there is enough buildable land in the planning area to accommodate the number of additional needed units.
 10. Identify and evaluate measures to increase likelihood needed residential development will occur.
- While ORS 197.296 specifically applies to cities with 25,000 or more population, this statute is generally followed as a best practice to determine housing needs for Forest Grove. This analysis incorporates 20-year population growth for the Forest Grove Urban Growth Boundary (UGB) based on population growth forecast data provided by Metro.

Report Organization

This report provides the technical basis of findings that support proposed housing policy recommendations and subsequent actions that the city could take to update its Comprehensive Plan and Development Code to promote needed housing. Each section of this report provides current data, assumptions and results that comprise all findings and conclusions:

- **Section II: Trends and Forecasts**, includes an analysis of existing housing stock, and review of housing trends affecting Forest Grove;
- **Section III: Housing Needs**, documents the housing needs forecast for the portion of the Portland Regional Urban Growth Boundary (UGB) adjacent to the Forest Grove city limits;
- **Section IV: Residential Land Sufficiency**, evaluates the residential land needs with respect to the estimated residential development capacity of the current UGB based on the buildable land inventory; and
- **Section V: Residential Policy Strategies**, summarizes key findings and provides a set of new local policy measures to consider for accommodating needed housing.

Please refer to the Glossary for a list of terms used in the Housing Needs Analysis.

Section II. TRENDS & FORECASTS

Forest Grove is located on the western border of the Tualatin Plains and is part of the Portland-Hillsboro-Vancouver Metropolitan Statistical Area. The city's namesake was derived from large groves of white oaks, and natural background setting of fir forests. As the home of Pacific University (established in 1845 as one of the oldest institutions of higher learning in the Northwest), downtown Forest Grove has a distinctively historic charm.

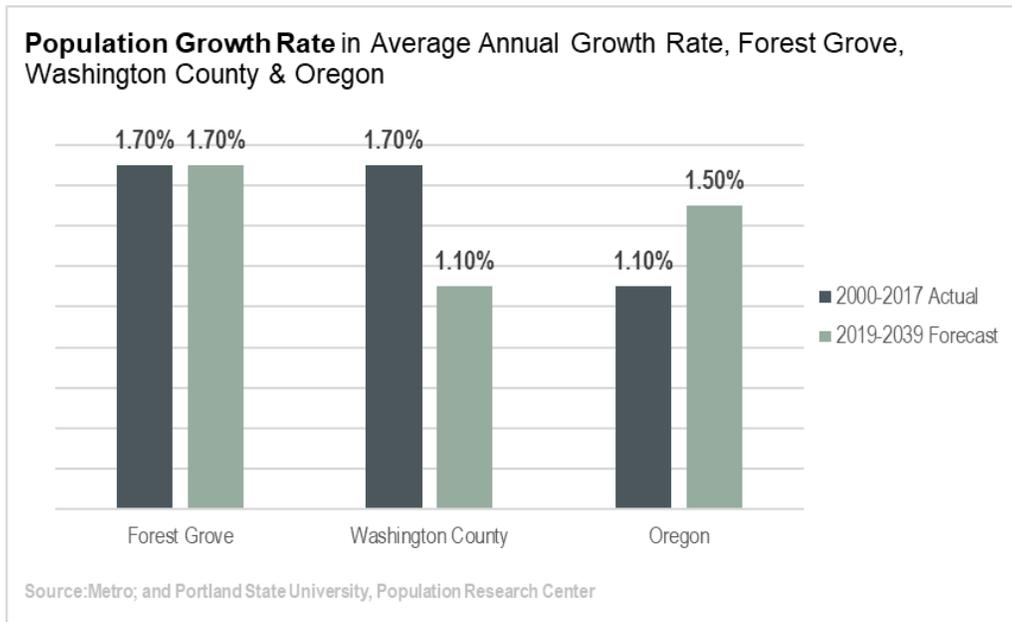
Like many Northwest communities, Forest Grove is experiencing rapid growth as national immigration patterns translate to rapid population growth for Oregon in comparison to the rest of the nation. According to the U.S. Census Bureau, population in the Western U.S. is projected to grow at an average annual rate of 1.6%, compared to 1.0% nationally over the next 20 years. With a comparably lower cost of living and favorable quality of life factors, Forest Grove will likely experience a continued influx of the region's workforce seeking housing near major employment areas in Washington County as well as retiring baby boomers wishing to live near recreational amenities. As population increases, the demand for all types of housing will increase.

Population

Since the year 2000, population in the City of Forest Grove Urban Growth Boundary (UGB) has increased by 33%, up from 17,708 residents in 2000 to an estimated 24,125 in 2018³. Population within the Forest Grove UGB is projected to add 9,622 residents over the next 20 years (1.7% avg. annual growth rate) according to the Metro regional government (see **Exhibit 2.1**).

³ Certified population estimate, Portland State University, Population Research Center, July 1, 2018.

Exhibit 2.1



Forest Grove and Washington County have a high share of younger residents (under age 19) and a low share of older residents (over age 65) in comparison with the State of Oregon. As shown in **Exhibit 2.2**, the median age of residents was 33.1 in 2017, considerably less than the State average of 39.2.

Exhibit 2.2



Exhibit 2.3: Population Under 19 Years of Age

Forest Grove	29.9%
Washington County	26.1%
Oregon	23.9%

Exhibit 2.4: Population Over 65 Years of Age

Forest Grove	13.2%
Washington County	12.0%
Oregon	16.4%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Forest Grove has a relatively high average household size, which is evidenced by that fact that there are 2.79 people per housing unit, well above the State and Washington County averages (see **Exhibit 2.4**).

Exhibit 2.4



Exhibit 2.5 shows that Forest Grove has a higher share of four or more person households than Washington County and a much higher share than the state.

Exhibit 2.5: Household Size Distribution

Household Size	Forest Grove	Washington County	Oregon
One Person	24.2%	24.2%	27.7%
Two Person	31.6%	34.6%	36.8%
Three Person	15.4%	16.2%	14.8%
Four or More Persons	28.7%	25.0%	20.7%

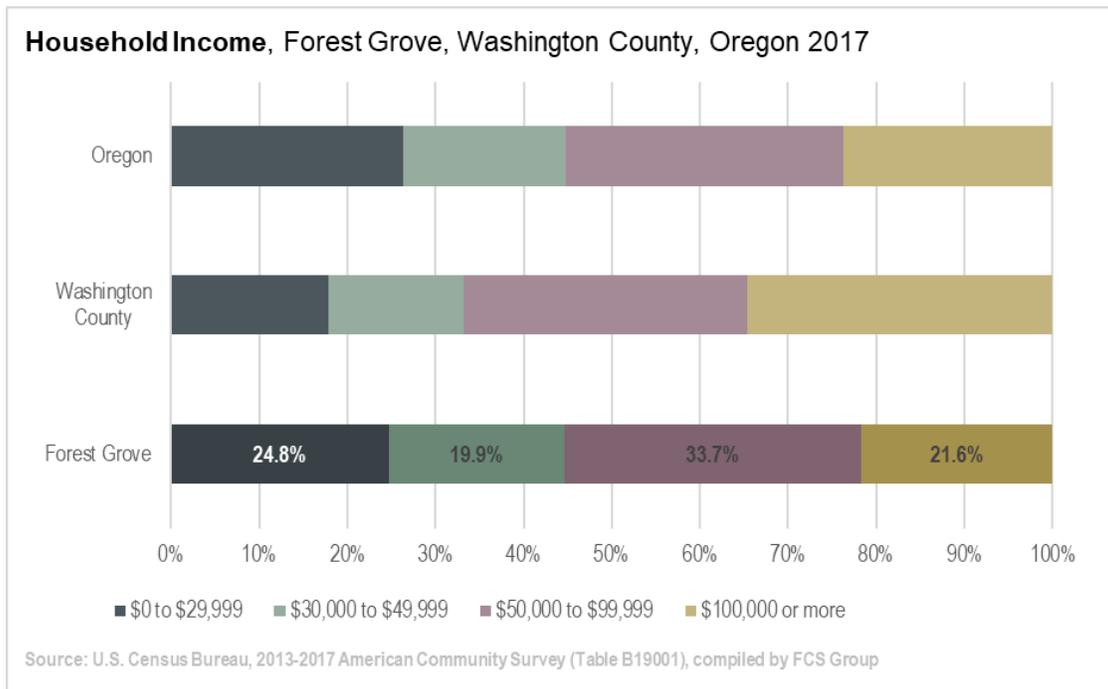
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

In addition, average family size in Forest Grove also tends to be larger than the averages for Washington County and the state as a whole. Average family size in Forest Grove is 3.24 persons whereas it is 3.14 for Washington County and 3.02 for the state.

Income

Median household income in Forest Grove (\$54,503) is below Washington County (\$74,033) and Oregon (\$56,119). As shown in **Exhibit 2.6**, Forest Grove has a higher number of low-income residents earning less than \$30,000 per year than Washington County, and a relatively smaller share of mid and upper income residents earning more than \$50,000.

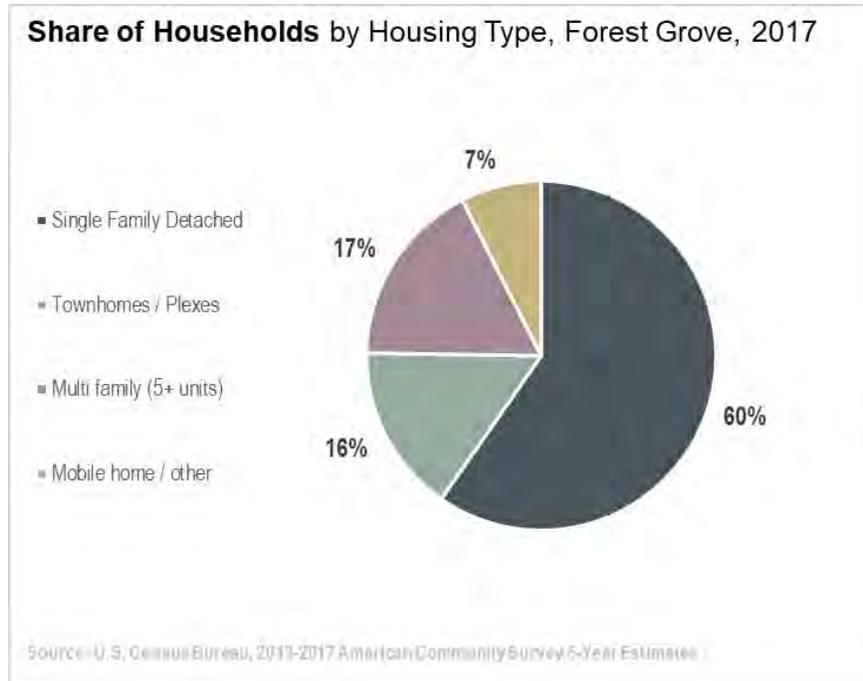
Exhibit 2.6



Housing Inventory

According to published American Community Survey data for Forest Grove published by the US Census Bureau, there are 8,440 housing units in Forest Grove. Like many communities, the existing housing stock in Forest Grove is dominated by single family detached (low to medium density development) which accounts for 60% of the inventory. Townhomes/plexes (medium density development) make up 16% of the inventory. Higher density multifamily apartments and condos (with more than 5 units per structure) make up 17%. Finally, manufactured / mobile homes/other housing types comprise the remaining 7% of the inventory (see **Exhibit 2.7**). Many of the manufactured homes are located in the Rose Grove, Quail Run and The Homestead Community manufactured home parks.

Exhibit 2.7



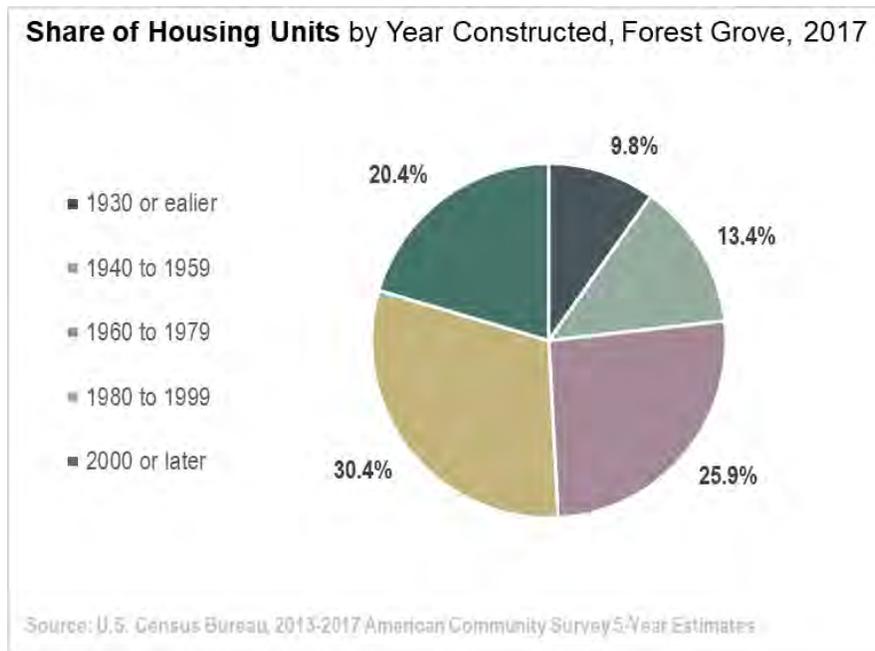
Government assisted housing is another needed housing type under state law (ORS 197). Government assisted housing means housing that is financed in whole or in part by either a federal or state housing agency or local housing authority. Government assisted housing also includes housing occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by a federal or state housing agency or local housing authority.

According to the Oregon Department of Housing and Community Services (OHCS) housing database there are about 680 government assisted housing units in Forest Grove. Government assisted housing units comprise about 8% of the City's total housing inventory.

Live Government assisted housing, farmworker housing is needed under state law (ORS 197.303(1)e). Farmworker housing is also tracked by the OHCS which indicates that there are 82 units across four agriculture worker housing developments.

The table below shows when homes in Forest Grove were constructed. Although there has been significant development in the City since 2000 only 20% of the City's housing stock has been constructed since then. Homes built during 1980 and 2000 represents the largest period of home construction in the City. During this period almost 1/3 of the City's housing stock was built.

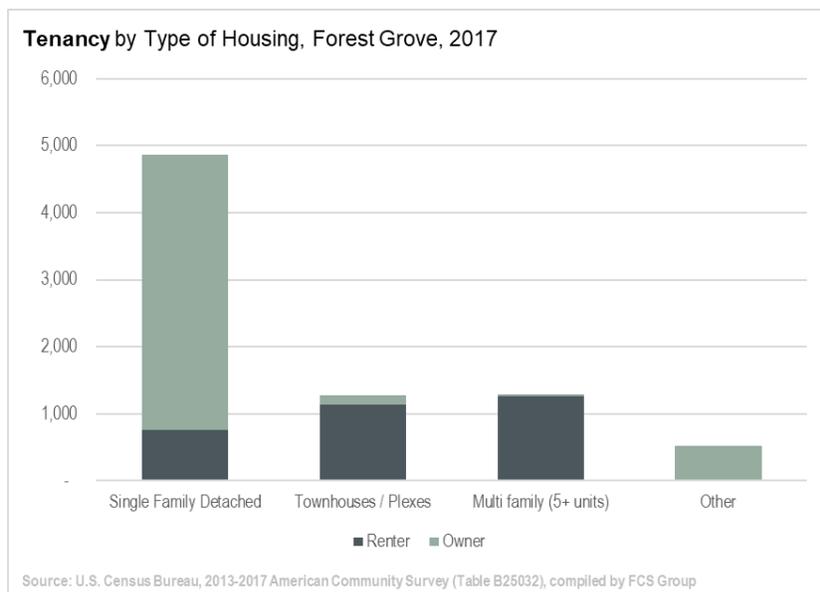
Exhibit 2.8: Year Home Built



Housing Occupancy and Tenancy

As would be expected, most homeowners reside in single family detached homes or mobile homes (manufactured housing, categorized among the “other” category by the Census) and most renters reside in townhomes/plexes and multifamily (apartment and condominium) units, as shown in **Exhibit 2.9**.

Exhibit 2.9



Manufactured homes represent a lower cost single family home option for many households in the City when compared to traditional stick built homes. Approximately 8% of the City’s housing stock is manufactured housing. Most of the manufactured homes are located in manufactured home parks including Quail Run, Rose Grove and The Homestead Community.

As noted in the introduction, Forest Grove is home to Pacific University whose enrollment reached 2,443 during the 2015-16 school year. 1,229 students lived on campus in that year, constituting a majority of the City’s group quarters population.

Affordable Housing Inventory

The housing affordability analysis evaluates median income levels using two measures: median family income, and median household income. As shown in **Exhibit 2.10**, the median family income level in Washington County for 2017 was \$85,993, and the median household income was \$74,033. At these income levels, if we assume 30% of income is devoted to housing costs, the theoretically attainable monthly housing payment for a low-income household at 80% of the income level would be \$1,481 based on median household income and \$1,720 based on median family income. The 30% threshold is generally accepted by the US Housing and Urban Development Department and many other housing agencies as the threshold for determining if housing is affordable for the residents.

Exhibit 2.10 indicates that there is 3,846 housing units (including 1,266 owner-occupied housing units and 2,580 renter occupied housing units) in the Forest Grove inventory that are affordable to households at 80% of the median income level. Within this total, there are 526 regulated government assisted housing units; and 3,320 units are considered to be “naturally occurring” without government assistance. This naturally occurring affordable housing inventory includes 5,551 units that are affordable to households at the median family income level and 3,320 units that are affordable to households at 80% of the median family income level.

Exhibit 2.10

	Analysis based on:			
	Median Family Income	Median Household Income	80% Median Family Income	80% Median Household Income
Median Family Income*	\$85,993	\$74,033	\$68,794	\$59,226
Affordable Monthly Housing Cost**	\$2,150	\$1,851	\$1,720	\$1,481
Affordable Owner-Occupied Units	3,190	1,266	1,266	1,266
Affordable Renter-Occupied Units	2,887	2,580	2,580	2,580
Total Affordable Units	6,077	3,846	3,846	3,846
Regulated Affordable Units	526	526	526	526
"Naturally Occuring" Affordable Units	5,551	3,320	3,320	3,320
Percent of Total Housing Stock	69.4%	41.5%	41.5%	41.5%

* Figures for Washington County, 2017.

** Calculated as 30% of income range based on HUD guidelines.

Housing Market Gap Analysis

The existing conditions analysis indicates that there is a sizable rental housing gap at the upper and lower end of the housing market in Forest Grove. **Exhibit 2.11** illustrates the relative extent of the rental housing gaps based on monthly rent levels in comparison to household incomes.

The current inventory of rental housing in Forest Grove primarily consists of units priced at \$500 to \$1,250 per month. This results in a gap in market supply for households that earn between \$50,000 and \$75,000 who could likely afford newer or larger rental units priced at \$1,250 to \$1,875/month (Exhibit 2.11 indicates a market gap of 276 units at this price point).

Market gaps are much higher for rentals priced below \$500 per month. In particular, the housing demand created by households earning less than \$20,000 has a market gap for an estimated 710 rental units. Rents in this income range would generally need to be government assisted to be considered affordable from HUD's perspective. The potential for Forest Grove to add additional income restricted housing units will depend on many factors, such as availability of government grants and loans that can be used for developing affordable housing, as well as local policies that can help enhance feasibility of mixed-income apartment buildings.

Exhibit 2.11

Median Household Income Range	Renter-Occupied Housing Units	Affordable Monthly Rent Costs *	Level of subsidy required	Estimated Available Rental Units	Gap or Surplus
\$75,000 or more:	293	\$1,875	Zero	404	111
\$50,000 to \$74,999:	509	\$1,250-\$1,875	Zero	233	(276)
\$35,000 to \$49,999:	691	\$875-\$1,250	Low	1,037	346
\$20,000 to \$34,999:	684	\$500-\$875	Medium	1,213	529
Less than \$20,000:	861	Less than \$500	High	173	(688)
Zero or negative income	111	N/A	High	89	(22)
Total	3,149			3,149	-

Source: US Census Bureau 2013-2017 ACS.

* Calculated as 30% of income range based on HUD guidelines

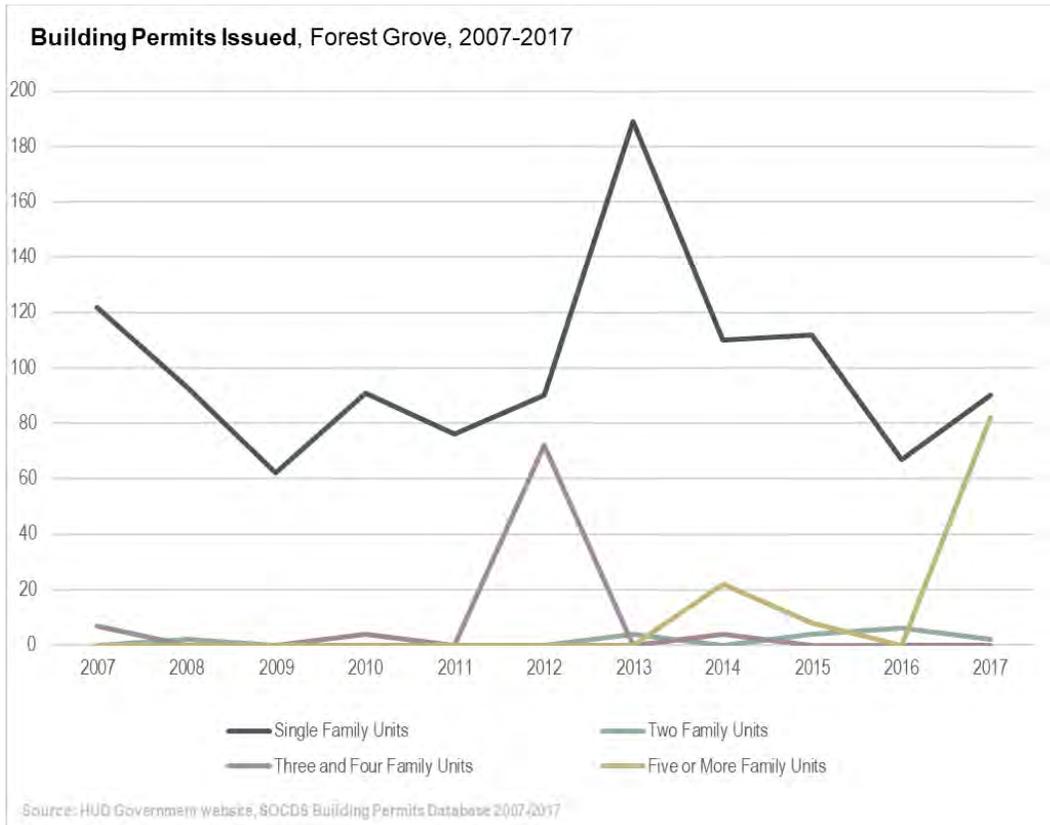
A similar market gap analysis was performed for owner-occupied housing. However, the use of U.S. Census statistics for this type of analysis **may not provide an accurate portrayal of the demand generated by low-income households** since the U.S. Census data compares the number of homeowners (by income level) with the number of attainably priced homes. For lower-income households, if there were more for-sale housing products available at lower price levels (e.g., priced below \$150,000), there would be significant demand from current renters that wish to own a home.

Construction Permitting Activity

Historically new building construction in Forest Grove has been primarily single family housing. As shown in **Exhibit 2.12**, from 2007 to 2017, the City issued an average of 100 single family permits, and an average of 20 permits of other types. The issuance of permits for five or more family units has

risen since 2016, but single family construction continues to outpace all other types. Over the past two years the City issued permits for about 300 multifamily apartments. This includes units at the Forestplace, Cedar Manor and Jesse Quinn developments.

Exhibit 2.12



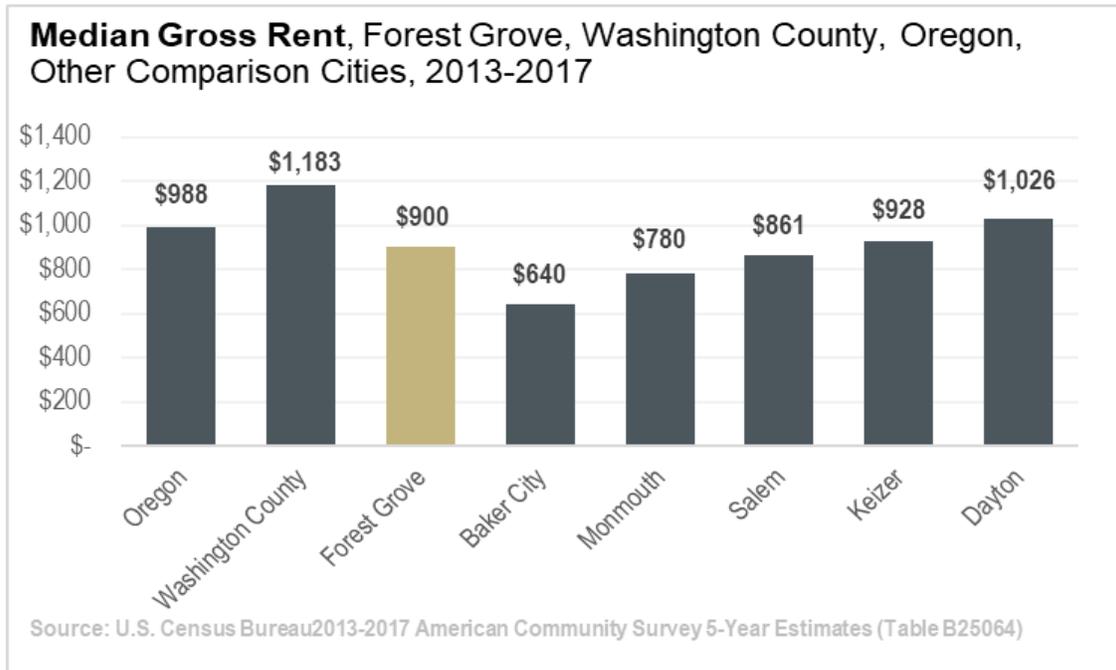
The median home price in Forest Grove was \$406,900 (as of the first quarter of 2019) which is lower than the median home price in Washington County, but significantly more than the stateside median (see **Exhibit 2.13**). The US Census Bureau publishes estimated home value data through the American Community Survey. The most recent data is also show below. The distinction between home price and home value is price data is based on homes for sale whereas home value data is based on total owner-occupied units.

Exhibit 2.13



Median rents are also lower in Forest Grove than other parts of Washington County and in Oregon as a whole (see **Exhibit 2.14**).

Exhibit 2.14

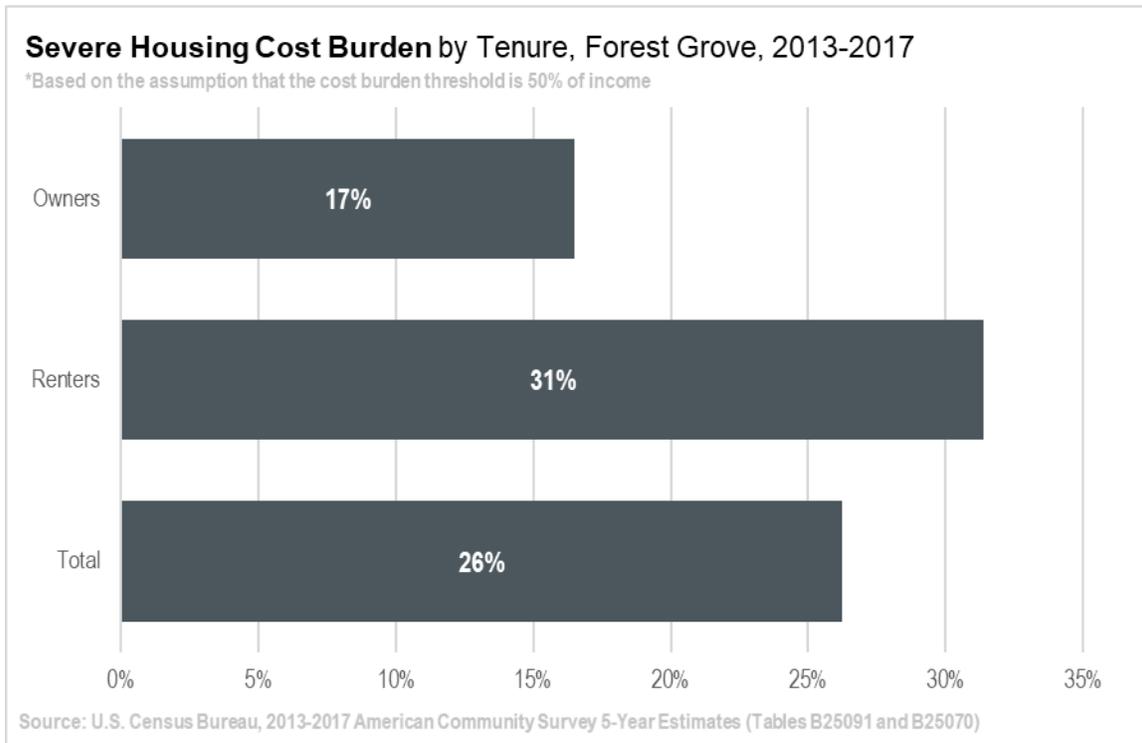


Housing Cost Burdens

According to the U.S. Department of Housing and Urban Development (HUD), households are considered “cost burdened” if they pay over 30% of their income on housing costs (e.g. rent, mortgage payments, etc.). Households are considered “severely cost burdened” when they pay over 50% of their income on housing.

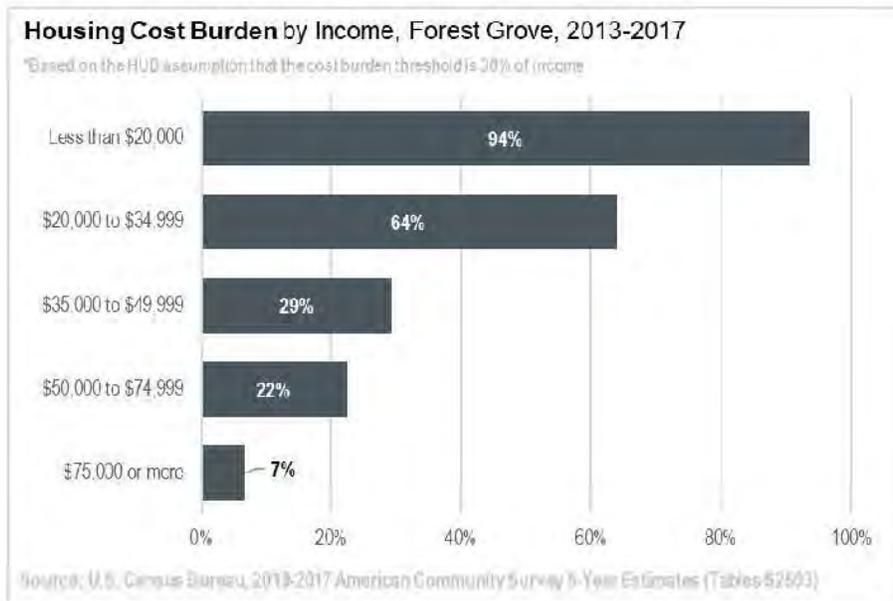
Given the relatively low household income levels, Forest Grove is experiencing widespread housing cost burden issues. When considering both renters and homeowners, 26% of all residents in Forest Grove were severely housing cost burdened in 2017. As shown in **Exhibit 2.12**, 17% of the homeowners and 31% of the renters were severely rent burdened.

Exhibit 2.15



As would be expected, low-income households are experiencing the highest levels of housing cost burden. As shown in **Exhibit 2.17**, over 2 in 3 households earning less than \$35,000 are cost burdened (paying more than 30% of household income on housing).

Exhibit 2.17



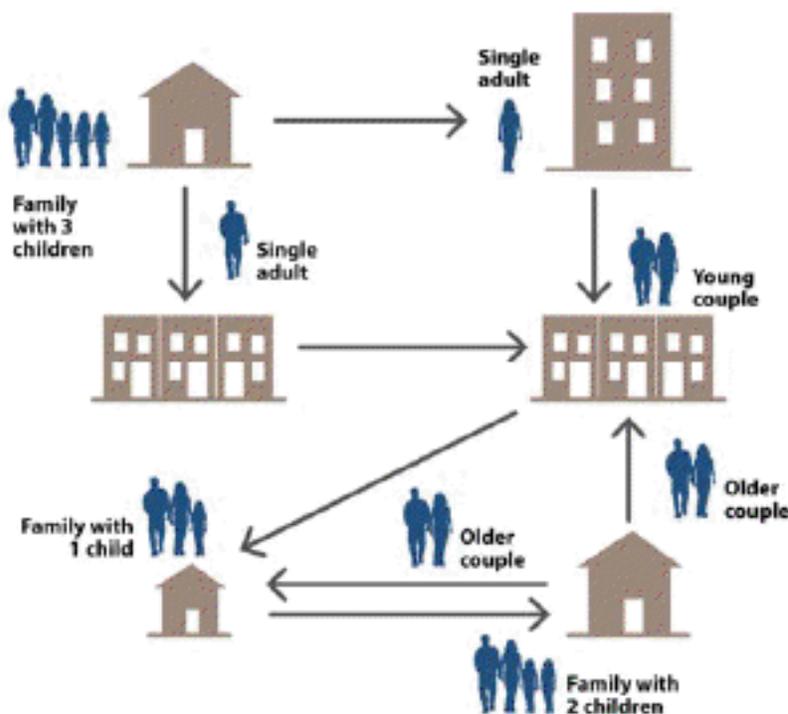
Section III. HOUSING NEEDS

Factors Affecting Housing Needs

There is a direct linkage between demographic characteristics and housing choice. As shown in **Exhibit 3.1**, housing needs change over a person's lifetime. Other factors that influence housing include:

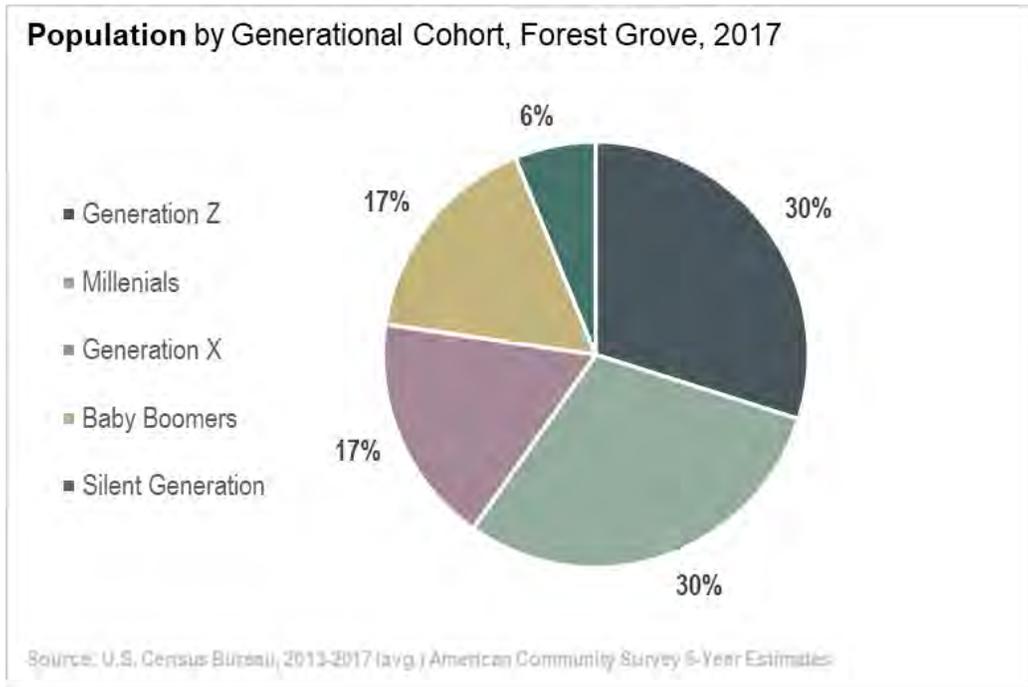
- Homeownership rates increase as income rises
- Single family detached homes are the preferred housing choice as income rises
- Renters are much more likely to choose multifamily housing options (such as apartments or plexes) than single-family housing
- Very low-income households (those earning less than 50% of the median family income) are most at-risk for becoming homeless if their economic situation worsens.

Exhibit 3.1



The relationship between demographic changes, income levels and housing needs has been considered to forecast future housing needs. The primary demographic cohorts in Forest Grove is shown in **Exhibit 3.2** and described below:

Exhibit 3.2



Greatest/Silent Generation (those born before 1925 to 1945)

This includes retirees better than age 74, who were raised during the Great Depression, Word War I or World War II. This cohort currently accounted for 6% of the city’s population in 2017. As they reach their 80s some desire to move into assisted living facilities with nearby health care services and transit access.

Baby Boom Generation (those born 1946 to 1964)

Baby boomers (currently age 55 to 74) accounted for 17% of Forest Grove residents in 2017, up from 15% in 2010. The boomer population segment has been growing more rapidly than the other cohorts over the past 10 years and many are now entering their retirement years. Boomers usually prefer to “age in place” until after age 80, then may downsize or move in with family members (sometimes opting to reside in accessory dwellings off the main house).

Generation X (born early 1965 to 1980)

Gen X is the demographic cohort following the baby boomers and preceding the Millennials. This cohort (currently includes people between age 39 to 54) accounted for 17% of Forest Grove residents in 2017 and is now trending upwards over the past several years. GenX households often include families with children, and many prefer to live in single family detached dwellings at various price points.

Millennials (born early 1980s to early 2000s)

Millennials (currently in their twenties or thirties) accounted for 30% of the Forest Grove residents in 2017, overtaking Baby Boomers in recent years. This segment is expected to increase more slowly than the overall population over the next few decades. Younger millennials tend to rent as they establish their careers and/or pay back student loans. Working millennials often become first-time homebuyers, opting to purchase smaller single-family detached homes or townhomes.

Generation Z (born mid-2000s or later)

GenZ includes residents age 19 or less, which accounted for 30% of the Forest Grove residents in 2017. This segment mostly includes children living with GenXers or younger Baby Boomers and has been decreasing in numbers in Forest Grove over the past several years. This trend is forecasted to continue as people are delaying starting families and tend to have fewer children than past generations.

Hispanic and other ethnic groups

Forest Grove is home to a significant Hispanic population which is spread among all age cohorts. Forest Grove's Hispanic/Latino population accounted for 23% of its residents in 2017, down from 25% in 2010, according to the U.S. Census and American Community Survey data. While the overall growth may slow in comparison to the past, it is still projected to be the fastest growing racial/ethnic group over the next few decades.

Housing Need Forecast

These findings consider the above demographic and socioeconomic changes that will impact the types of dwellings needed to accommodate a projected population increase of 9,622 in Forest Grove over the next 20-years.

The housing forecast also anticipates there to be:

- A decrease in average household size as younger residents delay starting families, and older residents become empty nesters and consider downsizing from single family detached homes into apartments, condominiums or other forms of shared living arrangements.
- An increase in renters, as younger residents prefer to rent for longer periods as they pay off debt and save money for down payments.
- A need for more affordable housing at price points that are attainable to households earning less than 80% of the area's median income level. This would support greater demand for government assisted housing options, as well market-rate rentals and home ownership options, such as duplexes, townhomes, cottage homes, and manufactured dwellings.

Based on the projected population growth and housing market conditions, and a vacancy allowance of 5%, Forest Grove will need to plan for 3,426 additional housing units over the next 20 years. Group quarters housing demand will be needed for about 256 people that require shared living arrangements (such as student housing and other forms of group housing). The types of housing that are most suited to meet qualifying income levels for home ownership vary by family income level.

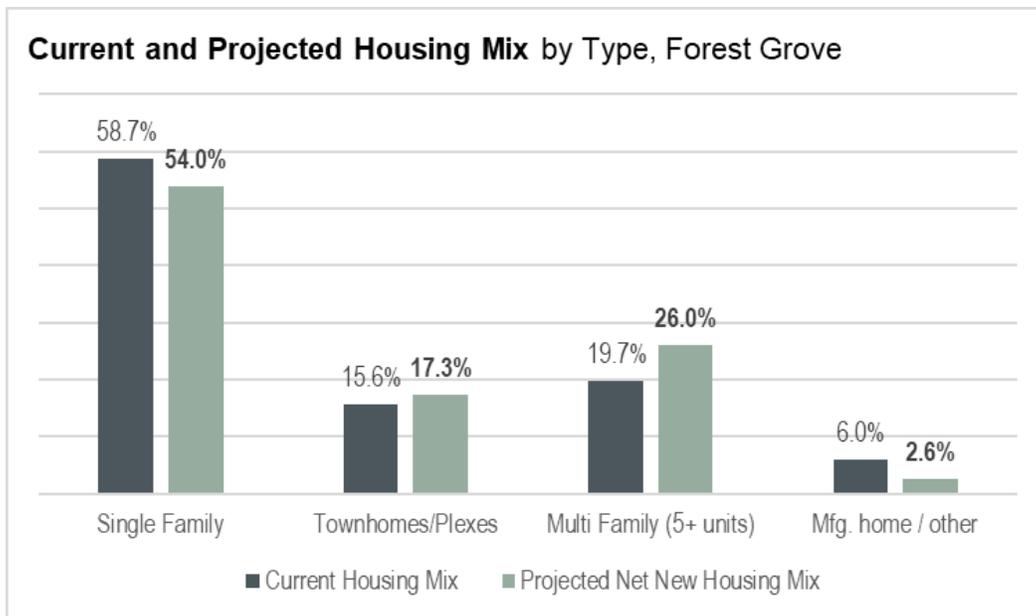
As indicated in **Exhibits 3.3 to 3.5**, the 20-year housing need is expected to consist of: 2,052 owner-occupied dwellings and 1,374 renter-occupied dwellings. The housing mix that addresses future demand consists of approximately: 1,988 single-family detached homes, 638 townhomes/duplexes, 702 multifamily apartment/condo units and 97 manufactured housing units.

Exhibit 3.3: Net New Housing Forecast, Forest Grove UGB, 2019-2039

	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Vacant Dwelling Units	Net New Dwelling Units
Housing Tenure Distribution:	1,948	1,305	174	3,426
	57%	38%	5%	100%
Housing Unit/Type				
Single Family Detached	1,558	326	104	1,988
Mfg. Housing (SFD)	97	0	0	97
Townhomes / Plexes (2-4 units)	195	391	52	638
Multifamily (5+ units)	97	587	17	702
Total Dwelling Units	1,948	1,305	174	3,426
Group Quarters		256		256

The net new housing mix is expected to shift slightly away from single family detached housing and more towards townhomes, plexes and apartments (**Exhibit 3.4**).

Exhibit 3.4



The owner-occupied housing forecast that's suited to meet qualifying income levels is shown in **Exhibit 3.5**.

Exhibit 3.5: Owner Occupied Housing Needs Forecast, Forest Grove, 2019-2039

Family Income Level	Upper Range of Qualifying Income	Upper Range of Home Price*	Attainable Housing Products	Estimated Distribution of Owner-Occupied Units	Projected Owner-Occupied Units Needed
High (120% or more of Median Income)	\$89,640+	\$469,000+	Standard Homes	39%	809
Upper Middle (80% to 120% of Median Income)	\$89,640	\$469,000	Small and Standard Homes, Townhomes	32%	658
Lower Middle (50% to 80% of Median Income)	\$59,760	\$359,950	Small Homes, Townhomes, Mfgd. Homes, Plexes	24%	483
Low (30% to 50% of Median Income)	\$37,350	\$224,250	ADUs, Govt. Assisted	5%	103
Very Low (less than 30% of Median Income)				0%	0
Total				100%	2,052

**Assumes 30% of income is used for mortgage payment, with 5.5% interest, 30-year term with 20% downpayment for upper middle and high income levels, and 5% downpayment for lower income levels.*

The rental housing forecast that's consistent with qualifying income levels is shown in **Exhibit 3.6**.

Exhibit 3.6: Renter Occupied Housing Needs Forecast, Forest Grove, 2019-2039

Family Income Level	Upper Range of Qualifying Income	Upper Range of Monthly Rent*	Attainable Housing Products	Estimated Distribution of Owner-Occupied Units	Projected Renter-Occupied Units Needed
High (120% or more of Median Income)	\$89,640+	\$2,241+	Standard Homes, Townhomes	7%	98
Upper Middle (80% to 120% of Median Income)	\$89,640	\$2,241	Small Homes, Townhomes, Apartments	23%	316
Lower Middle (50% to 80% of Median Income)	\$59,760	\$1,494	Small Homes, Townhomes, Mfgd. Homes, Plexes, Apts.	28%	385
Low (30% to 50% of Median Income)	\$37,350	\$934	ADUs, Govt. Assisted Apts.	22%	302
Very Low (less than 30% of Median Income)	\$22,410	\$560	Govt. Assisted Apts.	20%	275
Total				100%	1,376

**Assumes 30% of income is used for rental payments.*

Forecasts do not reflect group quarters units.

Currently the US Department of Housing and Urban Development fair market rents within Washington County range from \$1,131 for an efficiency unit to \$2,531 for a four-bedroom unit (see **Exhibit 3.7**).

Exhibit 3.7

HUD Fair Market Rent (FMR) by Unit Type, Washington County, 2019				
Source: U.S. Department of Housing and Urban Development				
\$1,131	\$1,234	\$1,441	\$2,084	\$2,531
Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom

Emerging Housing Attainability Issues

As mentioned previously, the city of Forest Grove has been issuing about 100 new housing construction permits annually over the past several years. Private developers and builders will likely continue to meet the majority of housing market demand for both owners and renters, particularly for households earning over 60-80% of the median family income (some developments will require subsidies for the provision of a percentage of units restricted to low income households).

To address the housing need associated with very low and extremely low-income levels (less than 60% of the Median Family Income), there will be increased pressure on non-profit developers to deliver “deed restricted” government subsidized housing units and mixed-income developments. Deed restrictions typically require that units remain affordable given income (e.g. 60% or below area median income) for a specific period of time.

Summary of Housing Needs

- The Greater Portland region is forecasted to grow significantly over the next 20 years.
- Forest Grove and Washington County population is increasing at a faster pace than peer counties within the Tri-County Metro Region.
- Forest Grove is an attractive location for virtually all housing segments, ranging from off-campus housing for students, entry-level homeowners, retirees, and renters seeking good quality *workforce* housing. Much of this demand can be addressed with new apartments, townhomes, plexes and small lot housing developments.
- Given Forest Grove’s small-town charm, quality schools, and convenient access to major Washington County employers, we would expect an increase in single family housing demand at all price points across the city.
- Various state measures and policies are now in place to respond to the severe rent burden situation throughout the state, including within Forest Grove, and provide new revenue sources for funding construction of affordable housing (see **Appendix B**).

Local land use policies and other affordable housing recommendations that are intended to help address affordable housing needs are identified in Section 5.

Section IV. RESIDENTIAL LAND SUFFICIENCY

Forest Grove is contained within the tri-county Metro (regional government) Urban Growth Boundary (UGB). In 2018, Metro released the Urban Growth Report: Buildable Land Inventory (BLI) which breaks down residential development capacity for all 23 cities contained in the UGB. Coupling the buildable land data with the HNA residential demand analysis provides a basis for determining whether the land supply in Forest Grove is adequate to meet the projected demand over the 20-year timeframe of the HNA.

Metro estimates that the BLI in Forest Grove has the capacity of adding 4,823 to 4,882 net new housing units within the UGB. The 59 dwelling unit difference is due to a slightly more aggressive redevelopment assumption within the multi-family category.

The reconciliation of expected land capacity and projected 20-year housing demand, indicates that the level of low density (i.e. single-family detached housing) demand will approach buildout near the end of the 20-year planning period.

As we compare the expected level of high-density development (townhomes, plexes, apartments, manufactured homes and group quarters) to Metro’s forecast of housing capacity. Forest Grove is expected to have a more than adequate supply of vacant, part-vacant and redevelopable high-density land to address the next 20-years of housing needs (see **Exhibits 4.1 and 4.2**).

**Exhibit 4.1: Reconciliation of Residential Capacity and Projected Demand
(Threshold Price Method)**

	Housing Capacity (Supply)	Housing Demand	Remaining Capacity
Low Density	2,732	2,724	8
High Density*	2,091	958	1,133
Total	4,823	3,682	1,141

* includes townhomes, apartments and group quarters.

Source: Appendix 2, 2018 Metro Buildable Land Inventory (BLI) report

**Exhibit 4.2: Reconciliation of Residential Capacity and Projected Demand
(Statistical Analysis Method)**

	Housing Capacity (Supply)	Housing Demand	Remaining Capacity
Low Density	2,732	2,724	8
High Density*	2,150	958	1,192
Total	4,882	3,682	1,200

* includes townhomes, apartments and group quarters.

Source: Appendix 2, 2018 Metro Buildable Land Inventory (BLI) report

These findings indicate that Forest Grove currently has an adequate residential land supply within its UGB to accommodate the 20-year forecast for housing needs based on land use designations shown on the Forest Grove Comprehensive Plan map.

It should be noted, however, not all of this land is currently available for development. Annexation of the area within the UGB north of David Hill Road is required before development occurs. Timing of annexation is controlled by individual property owners. Therefore, timing of development is uncertain.

In addition to annexation, lack of infrastructure west of Thatcher Road and north of David Hill Road is an impediment to development. Typically, extension of infrastructure occurs incrementally when land is developed. This means timing of development is largely controlled by property owners adjacent to existing infrastructure unless a property owner chooses to extend infrastructure at their expense or the City extends infrastructure ahead of development.

In addition to the considerations noted above the supply of approved subdivision lots is low limiting short term development. As Exhibit 4.2 below shows, there are about 276 approved subdivision lots remaining in the City. This is about a three year supply of lots.

Exhibit 4.3

Current Subdivisions					
Forest Grove					
Project Name	Location	# of Lots	# of Lots	Lots	Status
		Approved	Issued	Left	
Green Grove Co-Housing Phase 1	3351 Thatcher Rd	9	3	6	Initiated
Oak Hill Settlement IV (Lots 112-152)	Brooke Street & David Hill Road	41	36	5	Initiated
Pacific Crossing Phase 4	West end of Goff Road	63	62	1	Initiated
Silverstone Phase 1 (Lots 1-45)	David Hill Road	45	45	0	Initiated
Silverstone Phase 2	David Hill Road	38	34	4	Initiated
Silverstone Phase 3	David Hill Road	44	18	26	Initiated
Silverstone 4 "The Meadows" (Lots 1-73)	David Hill Road	73	73	0	Completed
Smith Orchard	Gales Way & B St	8	0	8	In grading
Kidd Court	22nd Place	7	4	3	Initiated
Hawthorne Gardens	Hawthorne & 26th Ave	29	29	0	Completed
Gales Creek Terrace	Pacific Ave	197	0	197	In grading
Sunset Crossing	Sunset Ave	26	0	26	Initiated
		580	304	276	

Section V. HOUSING POLICY STRATEGIES

Key Findings

As mentioned previously, Forest Grove population growth over the next 20 years will result in new households that will require additional housing and residential land.

Key findings of the housing needs analysis are:

- Forest Grove's population is forecast to grow at 1.7% per year over the next two decades, adding 9,622 new residents.
- Based on emerging demographic and socio-economic characteristics, it is expected that this growth will require the addition of 3,426 new dwelling units over the next 20 years.
- Household tenancy is expected to still favor owners over renters, but the share of renters will likely increase in the future.
- Changing household size characteristics is also expected to create more demand for smaller homes, townhomes, plexes and apartments. About 58% of the future housing is expected to consist of single-family detached housing, 39% is expected to consist of plexes, townhomes and apartments; and 3% is expected to be comprised of manufactured housing and other housing types.
- In 2017, 31% of the renter households in Forest Grove were classified as being severely cost burdened with over 50% of their income going towards housing costs.
- An analysis of current housing inventory and demand indicates that there is more demand than supply for both affordable housing units as well as market-rate rental housing in Forest Grove.

Housing Policy Recommendations

Accomplishments to Date

In effort to address local housing needs, the City of Forest Grove has already made a number of policy changes during the 2016-2018 time frame. Recent housing policy accomplishments include:

- ✓ Updated planned development ordinance to promote variety of housing types in new planned developments.
- ✓ Adopted low income housing non-profit corporation tax exemption ordinance to encourage preservation of affordable and new affordable housing projects.
- ✓ Adopted vertical housing tax exemption ordinance to promote needed market rate housing.
- ✓ Adopted increased target residential density in Town Center from 20 units per acre to 40+ units per acre.

- ✓ Adopted increased target residential density in Community Commercial Zone from 20 units per acre to 30 units per acre.
- ✓ Adopted a density bonus option for affordable housing in Town Center and Community Commercial zones.
- ✓ Prepared city-owned land inventory to help identify possible sites for new residential development.

The current housing related Comprehensive Plan policies for Forest Grove are provided in Appendix A.

Based on this HNA findings, and Housing Committee and public input, several additional policy considerations have been identified.

New Policy Considerations

The Forest Grove HNA includes several findings that are discussed below, which for the basis for draft policy recommendations, which include a new housing policy goal and objectives focused on the provision of affordable housing.

Recommended New Housing Policy Goal for Comprehensive Plan

To encourage the development of a variety of housing types to meet the needs and desires of the community, and assure that residents of Forest Grove have the opportunity to live in safe and sanitary housing at a reasonable cost.

Key findings and new policy recommendations

The key findings and recommended policy measures from the housing needs analysis are:

- **Forest Grove’s existing policies generally comply with Goal 10.** The local development code allows a wide mix of housing types and density ranges.
- **There is sufficient capacity within the current UGB** to accommodate planned residential development and related land needs over the next 20 years. The current UGB is expected to accommodate 4,823 net new dwelling units (per Metro Buildable Land Inventory findings), while the 20-year population growth forecast will require 3,682 new dwellings. However, the City should move forward with implementation of the Westside Refinement Plan including adopting an infrastructure funding approach.
- Notwithstanding this finding of UGB sufficiency, it is recommended that the City considering the following housing policies.

Recommendations

- ✓ Allow Planned Developments (PDs) with clear and objective standards to enable developers to qualify for PDs; with an increase in allowed housing types and offerings in PDs, such as requiring minimum overall density levels of 8 units per buildable acre and at least 10% of total dwelling units provided in single family attached (townhomes or plexes) or multifamily structures.

- ✓ Allow single family lots to front along private streets (current code requires lots to have 15 to 30 feet of frontage along public streets).
- **Forest Grove has a need for more affordable housing.** While housing prices and rent levels in Forest Grove are below Washington County averages, 31% of renter households are severely cost burdened with over 50% of their income devoted to housing payments. To help encourage or incentivize construction of affordable housing priced at 80% or below of the median family income levels, the City should consider the following:

Recommendations

- ✓ Continue to update listing of potential public-owned properties that could be used for affordable housing.
- ✓ Partner with local housing authorities or non-profit housing developers to provide offsite infrastructure (sewer, water, road improvements) or parking that supports affordable housing development (note, this recommendations is contingent on available local funding sources).
- ✓ Prepare a sliding scale system of System Development Charges (SDCs) which would provide charges that vary by home size and type.
- ✓ Provide policies that allow SDC deferrals for affordable housing developments until a certificate of occupancy is granted.
- ✓ Continue to maintain the local tax abatement program for affordable housing units developed and maintained by non-profits.
- ✓ Consider establishing a local *construction excise tax (CET)* to fund affordable housing initiatives allowed by state law. Oregon law allows a CET of up to 1.0% of building permit valuation for projects that result in a new residential structure or additional square footage in an existing residential structure that adds living space. ([2016 Senate Bill 1533 Enrolled](#)). A CET may also be imposed on improvements to commercial and industrial real property.
- **Forest Grove has a need for more market rate housing.** The current rental housing vacancy rate in Forest Grove is below 5%, which is considered to be low relative to many communities, and there is presently a significant need for market rate owner and rental housing units to meet demand by households earning between 80% and 120% of the median family income level.

Recommendations

- ✓ Support infill development that makes use of existing infrastructure capacity and defers the need to make costly capital investments on new and extended infrastructure; thereby limiting the level of housing costs that get passed on to home buyers and renters.
- ✓ Prepare a sliding scale system of System Development Charges (SDCs) which would provide charges that vary by home size and type. This would reduce SDCs for ADUs, apartments and cottage homes. Adopt new SDC methodology report or amendment to existing SDC methodology for City-controlled water and parks SDCs. This would lower

some SDCs for smaller dwellings including accessory dwelling units (ADUs). For example, if SDCs for new ADUs are reduced by 50%, their construction would be more attractive to individual homeowners with small capital. Multifamily dwellings and cottage homes could also warrant a lower SDC, which would allow developers to deliver housing at a lower cost to the renter/home buyer.

- ✓ Consider adopting separate cottage cluster development standards that enable cottage homes to be developed in a fashion other than through the current PD process.
- **Forest Grove has a relatively high share of rent burdened households (paying 30% to 50% of income towards housing) that do not want to be priced out of housing if incomes cannot keep pace with costs.**

Recommendations

- ✓ Explore creation of a limited year tax abatement program that promotes rehabilitation of existing housing stock for qualifying low-income homeowners that desire to improve their homes.
- ✓ Given that utility costs are a contributing factor to housing cost burden, work with water and sewer utility providers to create a low-income rate program for qualifying households.

APPENDIX A: EXISTING HOUSING GOALS AND POLICIES

The following has been excerpted from Chapter 5 of the city of Forest Grove's Comprehensive Plan.

Housing Goals, Objectives, Policies and Recommendations

Housing Goals and Policies

Goal 1: Ensure an adequate supply of developable land to support needed housing types and a complete community.

Policy 1.1: Establish the location and density of residential development based on the following factors:

- A. The type and distribution of housing units required to meet projected population needs;
- B. The capacity of land resources given the slope, elevation, wetlands, floodplains, geological hazards, soil characteristics, and urban/rural interface.
- C. Capacity of public services and facilities including but not limited to water, sanitary sewer, fire and police protection and transportation facilities;
- D. Proximity to services including, but not limited to, shopping, employment areas, parks, schools and municipal services. Proximity shall be determined by distance, access, and ability to provide public and private infrastructure service to the site;
- E. Density standards for minimum residential development for new construction established by the Metropolitan Housing Rule (Oregon Administrative Rules (OAR 660-007-0035)).

Policy 1.2: 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 public facilities to the site 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.

Policy 1.3: Evaluate requests for rezoning from lower density zones to higher density zones based on the following factors:

- A. Identified housing needs;
- B. Ability to provide public facilities to the site in an efficient manner;
- C. The ability of the site to support higher density development; and

- D.** Land use location policies of the Comprehensive Plan. Ability to support higher density development should take into account impact to traffic volumes, ability to provide buffering with less intensive uses, distance to transit service, and site characteristics including topography.

Policy 1.4 Update the City’s land use inventory at regular intervals to monitor the supply of developable land.

Policy 1.5 Implement codes and ordinances to encourage the development of passed-over and underutilized land for residential development.

Policy 1.6 Adopt codes that allow for aging in place.

Goal 2: Provide incentives for increased residential development densities within the Forest Grove Town Center and near high capacity transit corridors.

Policy 2.1 Establish incentive programs to leverage local resources with private investments. Incentives may take the form of direct financial participation (grants or loans), or indirect participation such as land write-downs.

Policy 2.2 Evaluate the feasibility of establishing a tax increment financing district or Vertical Housing Development Zone to promote residential and mixed-use development within the Forest Grove Town Center, identified high capacity transit station areas, and mixed-use target areas along the Pacific Avenue commercial corridor.

Policy 2.3 Amend Development Code standards to increase maximum development densities within the Forest Grove Town Center, identified high capacity transit station areas, and mixed-use target areas along the Pacific Avenue commercial corridor.

Goal 3: Promote mixed-use development opportunities throughout the community.

Policy 3.1 Identify locations on the Comprehensive Plan and Zoning maps for mixed-use development opportunities. Establish standards for residential and commercial densities, desired building mix, and building design for mixed-use areas.

Goal 4: Provide and maintain an adequate supply of affordable housing opportunities.

Policy 4.1 Develop and implement programs to offset the increasing cost of new housing construction. Programs may include, but are not limited to, reductions in building permit fees, development impact fees, or property taxes for affordable housing meeting US Department of Housing and Urban Development Low Income Housing Tax Credit program requirements.

Policy 4.2 Promote the provision of housing assistance to low- and moderate-income individuals in Forest Grove through the Washington County Community Development Block Grant and HOME Investment Partnership programs.

Policy 4.3 Develop and implement programs to encourage the rehabilitation of older housing stock throughout the community. Examples of such programs include grants or low-interest loans for weatherization improvements, and grants for the rehabilitation of historic residences.

Policy 4.4 Develop and support partnerships with local Community Development Corporations whose mission it is to construct and rehabilitate affordable housing in Forest Grove. Such support, within budgetary and staffing limitations, may take the form of direct financial assistance or help preparing grant applications for funding affordable housing applications.

Policy 4.5 Implement a program to sell unneeded land owned by the City of Forest Grove for the construction of affordable housing in areas designated for residential development.

Policy 4.6 Continue policies to allow for manufactured dwellings on individual lots outside of designated historic districts and within manufactured home parks.

Goal 5: Develop and implement standards for sustainable neighborhood development.

Policy 5.1 Encourage the use of Leadership in Energy and Environmental Design (LEED) development practices in subdivisions and residential structures.

Policy 5.2 Encourage the use of energy efficient building materials and practices in the design, construction, and remodeling of housing.

Goal 6: Promote neighborhoods complete with residences, open space, schools, parks, and shopping opportunities within close proximity to each other. Avoid stand-alone residential developments lacking support activities.

Policy 6.1 Designate small-scale neighborhood-oriented commercial areas within walking distance of residential areas.

Policy 6.2 Locate parks to maximize access by neighborhood residents.

Goal 7: Provide for the preservation of neighborhoods, housing types and lot sizes.

Policy 7.1 Maintain the existing residential housing stock in established neighborhoods by retaining single family residential comprehensive plan and zoning designations.

Policy 7.2 Restrict the further division of residential property within established historic districts.

Policy 7.3 Ensure that infill development retains the character of established residential neighborhoods through the use of building materials and design representative of adjacent properties.

Goal 8: Create opportunities to retrofit single use commercial and retail developments into walkable, mixed-use communities.

Policy 8.1 Facilitate the financing of mixed-use development projects through tax increment financing or other financial incentive programs.

Goal 9: Preserve the stability of residential neighborhoods through code enforcement actions intended to rid areas of nuisances.

Policy 9.1 Establish a multifamily residential unit inspection program to ensure compliance with the City codes.

APPENDIX B: HOUSING POLICY CHANGES

Several recent policy changes have occurred at the federal, state and regional level that may affect the future housing supply and demand in Forest Grove.

Federal Policies

Tax Cuts and Jobs Act

Passed in 2017, the Tax Cuts and Jobs Act initiates large scale federal tax reform. The reform made changes in many ways but most notable was the shift in the federal corporate tax rate, decreasing from 35% to 21%. The new tax cuts also lower most individual income tax rates, including the top marginal rate from 39.6 percent to 37 percent. The lower tax rates potentially affect Forest Grove and other municipalities because it makes tax free municipal bonds and affordable housing tax credits less attractive to investors because the relative advantage of lowering taxable income by investing in tax exempt bonds would decrease in most cases. However, with the adoption of measure 102 and 26-199 (see below), Oregon voters have expressed the need for investing in affordable housing bonds, and these state measures should mitigate the impact of this federal act.

Low Income Housing Tax Credits

The Low-Income Housing Tax Credits program is a series of tax incentives administered by the IRS to encourage developers to construct affordable housing. Currently the program accounts for the largest source of new affordable housing in the U.S. In securing these credits, developers agree to rent out housing at an affordable level, often below market price (this is referred to as a use restriction). State agencies distribute credits to developers based on a state designed application process. These credits come in two forms, 9% (this raises about 70% of total cost) and 4% (this raises about 30% of the total cost), where 4% tax credits are often complimented with support from state bonds. In Oregon and in Washington County's case, Measures 102 and 26-199 (see below) should enable more funding of housing tax credit bonds and strengthen the effect of these tax credits on a for affordable housing development in Forest Grove.

Oregon Policies

Oregon's Statewide Housing Plan: "Breaking New Ground"

Oregon's 2018 Statewide Housing Plan is a long-term plan designed to increase housing in Oregon. The plan was researched and developed by Oregon Housing Community Services (OHCS) and its implementation will rely on OHCS in conjunction with local governments and private businesses. OHCS is Oregon's housing finance agency and as such the organization issues grants and loans to help facilitate home ownership in the state. OHCS regards housing in Oregon as a statewide crisis. Housing production has failed to keep up with Oregon's population growth therefore demand has

outpaced supply, pushing up home prices. From 2000 to 2015, an additional 155,156 housing units would need to have been built throughout Oregon to keep up with demand.⁴

The Statewide Housing Plan calls for over 85,000 new units to be constructed for households earning below 30% of Median Family Income (MFI). The plan is outlined in six priorities and each promotes increased housing supply. Priorities include an increase housing supply that: (1) improves racial equity; (2) combats homelessness; (3) increases housing stability for families; (4) makes rent affordable; (5) proliferates homeownership; and (6) empowers rural communities. With this in mind, OHCS will triple the existing pipeline of affordable rental housing — up to 25,000 homes in the development pipeline by 2023.

The plan proposes increased access to housing through partnerships with community organizations, loans with low interest rates, better access to OHCS resources, funding for housing projects, improved technology, and streamlined processes with a foundation of collaboration. Implementation seems to rely on each area’s ability to utilize and engage with OHCS as the plan clarifies goals and does not specify implementation policies.

House Bill 4006

Oregon House Bill 4006, passed by the legislature during the 2018 general session, addresses the need for affordable housing and housing assistance. Among the provisions, this Act defines “severely rent burdened” households as those spending more than 50 percent of household income on gross rent for housing; and declared this Act an emergency for the immediate preservation of the public peace, health and safety. For cities with over 10,000 residents (including Forest Grove), in any year in which the city is informed that at least 25 percent of the renter households are severely rent burdened (which included Forest Grove in 2018 with 31%), the city must hold at least one public meeting to discuss its causes and barriers to reducing rent burdens and possible solutions. In this case, no later than February 1 of each year, the City of Forest Grove shall submit to the Oregon DLCD the total number of units that were permitted and the total number that were produced in terms of:

- Residential units
- Regulated affordable residential units
- Multifamily units
- Regulated affordable multifamily units

⁴ Up for Growth, “Housing Underproduction in the U.S.: Economic, Fiscal and Environmental Impacts of Enabling Transit-Oriented Smart Growth to Address America’s Housing Affordability Challenge,” Up For Growth National Coalition, 2018, 9.

- Single family units
- Regulated affordable single-family units

Senate Bill 1533

Enacted by the 2016 Oregon Legislature, this bill aims to promote affordable housing development through local regulations and a new source of funding: the Affordable Housing Construction Excise Tax. The bill allows Forest Grove to adopt regulations that impose conditions on development for new multifamily structures (20 units or more per project), including: requirements for the inclusions of some affordable housing; or the option of paying an in-lieu fee (construction excise tax) not to exceed \$1 per square foot of floor area for residential, and \$0.50 per square foot for nonresidential structures (with a maximum cap of \$25,000 per building or structure). For new affordable housing projects, this legislation supports special incentives including: full or partial exemption of ad valorem property taxes, SDC waivers or reductions and other incentives.

Measure 102: Passed by Oregon voters in November 2018

Measure 102 is intended to empower the collaborative partnerships described in Oregon's Statewide Housing Plan. Measure 102 amends the state's constitution to allow cities and counties to issue bonds for the construction of affordable housing construction without retaining 100% public ownership of the property. The goal is to allow local governments to pursue private public partnerships to better facilitate demand for housing.

Regional Policies

Measure 26-199: Passed by Metro voters in November 2018

Measure 26-199 authorizes the Metro region to issue \$652.8 million in Bonds to go towards creating between 2,400 and 4,000 affordable homes within portions of Clackamas, Multnomah and Washington counties, including Forest Grove. About half of these funds will go towards new construction and half to renovation of existing affordable housing. At this moment, the details as to where those housing units will be constructed is yet to be determined but Metro plans to return funds to the counties within the Metro region in proportion to their share of assessed value within its service district. The funds will then be allocated to local housing authorities with tight restrictions meant to produce affordable housing.

APPENDIX C: BUILDABLE LAND INVENTORY

Table 1: Gross Acreage in Residential Land Inventory

General Plan Designation	Number of Taxlots	Percent	Total Gross Acres	Percent
Low-Density Residential	4,474	68.4%	1,616	66.0%
Medium Density Residential	605	9.3%	185	7.8%
High-Density Residential	939	14.4%	312	12.7%
Commercial/Mixed Use	520	8.0%	337	13.8%
TOTAL	6,538	100%	2,450	100%

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Table 2: Developed / Committed Acres in Residential Land Inventory

General Plan Designation	Developed Acres	Percent
Low-Density Residential	1,334	71.3%
Medium Density Residential	136	7.3%
High-Density Residential	219	11.7%
Commercial/Mixed Use	181	9.7%
TOTAL	1,870	100%

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Table 3: Vacant and Redevelopable Land Inventory

General Plan Designation	Gross Vacant Acres	Gross Infill / Redevelopable Acres	Total Gross Vacant & Infill / Redevelopable Acres
Low-Density Residential	282	231	513
Medium Density Residential	8	54	62
High Density Residential	16	78	94
Commercial Mixed Use	46	25	71
TOTAL	352	388	740

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Table 4: Environmentally Constrained Land (Acres)

General Plan Designation	Slope 25%+	Metro Title 3 Natural Areas	Metro Title 13 Water Quality and Flood Management Areas	Floodway	Floodplain	Environmentally Constrained Areas
Low-Density Residential	32	32	7	0	6	77
Medium Density Residential	0	5	1	0	0	6
High Density Residential	0	6	2	0	0	8
Commercial/Mixed Use	0	8	1	0	0	9
TOTAL	32	51	11	0	6	100

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Table 5: Net Buildable Acres

General Plan Designation	Gross Vacant & Infill Redevelopment Acres	Environmentally Constrained Acres	Unconstrained Acres	Right-of-Way Deduction Percent / Acres		Total Net Buildable Acres
Low Density Residential	513	77	436	25%	109	327
Medium Density Residential	62	6	56	25%	14	42
High Density Residential	94	8	86	20%	17	69
Commercial / Mixed Use	71	9	62	10%	6	56
TOTAL	740	100	640		146	494

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Table 6: Westside Planning Area Dwelling Unit Estimate

Housing Type	North of David Hill Road UGB Expansion Area	West of Thatcher Road Area	TOTAL
Low Density Residential	524	744	1,268
Medium Density Residential	252	235	487
TOTAL	776	979	1,755

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Table 7: Estimated Dwelling Capacity

General Plan Designation	Net Buildable Acres	Percent	Estimated Dwelling Capacity	Capacity Distribution (%)
Low Density Residential	327	66.2%	2,540	52.5%
Medium Density Residential	42	8.5%	990	20.5%
High Density Residential	69	14.0%	1,100	22.7%
Commercial/Mixed Use	56	11.3%	210 ⁵	4.3%
TOTAL	494	100%	4,840	100%
	Estimated Average Density 9.8 dwellings / net acre			

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

⁵ Assumes 35% of commercial land will be developed with housing consistent with the Metro Urban Growth Report (2018)

GLOSSARY

Accessory Dwelling Unit (ADU): A small living space located on the same lot as a single-family house.

Buildable Lands: Lands in in urban and urbanizable areas that are suitable, available and necessary for residential uses. Buildable lands includes both vacant land and developed land likely to be redeveloped.

Buildable Lands Inventory (BLI): An assessment of the capacity of land within the city's Urban Growth Boundary to accommodate forecasted housing and employment needs.

Buildable Residential Land: Includes land that is designated for residential development that is vacant and part-vacant and not constrained by existing buildings or environmental issues.

Constrained land: Land that is unavailable for future net new residential development based on one or more factors, such as environmental protections, public lands, floodplains, or steep slopes.

Cost Burdened: Defined by US Department of Housing and Urban Development (HUD) as households who spend over 30% of their income on housing.

Cottages: Small, single-level, detached units, often on their own lots and sometimes clustered around pockets of shared open space. A cottage is typically under 1,000 square feet in footprint.

Density: Defined by the number of housing units on one acre of land.

Development density: Expected number of dwelling units (per acre) based on current zoning designations.

Family: A group two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together.

Government Assisted Housing: Housing that is financed in whole or part by either a federal or state housing agency or a housing authority as defined in ORS 456.605, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

High Density: Lots with the average density of 12+ dwelling units per acre. Best suited for multifamily housing such as apartments and condos.

Housing Needs Analysis (HNA): The Housing Needs Analysis consists of four distinct reports that analyze the state of housing supply, housing affordability issues and the City's ability to meet projected housing demand going into 2040.

Housing Unit (or Dwelling Unit): A house, an apartment or other group of rooms, or a single room is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other person in the structure and there is direct access from the outside or common hall.

Household: Consists of all people that occupy a housing unit.

HUD: Acronym for US Department of Housing and Urban Development, the federal agency dedicated to strengthening and supporting the housing market.

Low Density: Lots with the average density of 3-4 dwelling units per acre. Best suited for family housing such as single family detached homes.

Manufactured Housing: is a type of prefabricated home that is largely assembled of site and then transported to sites of use. The definition of the term in the United States is regulated by federal law (Code of Federal Regulations, 24 CFR 3280): "Manufactured homes are built as dwelling units of at least 320 square feet in size, usually with a permanent chassis to assure the initial and continued transportability of the home. The requirement to have a wheeled chassis permanently attached differentiates "manufactured housing" from other types of prefabricated homes, such as modular homes.

Manufactured Home Park: a local zoning designation that is specifically intended to address demand for this housing type. OAR chapter 813, division 007 is adopted to implement section 9, chapter 816, Oregon Laws 2009, and sections 2, 3 and 4, chapter 619, Oregon Laws 2005, as amended by sections 10 to 12, chapter 816, Oregon Laws 2009, and sections 19, and 21, chapter 503, Oregon Laws 2011 for the purpose of regulating manufactured dwelling parks.

Median Family Income (MFI): The median sum of the income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Medium Density: Lots with the average density of 6-12 dwelling units per acre. Best suited for small lot housing such as single family attached, townhomes, plexes and cottages.

Mixed Use: Characterized as two or more residential, commercial, cultural, institutional, and/or industrial uses into one combined building or building(s) on the same parcel of land.

Multi-Family Housing: Stacked flats in a single buildings or groups of buildings on a single lot. Parking is shared, and entrance to units is typically accessed through a shared lobby.

Needed Housing: Housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including at least the following housing types: attached and detached single-family housing and multiple family housing for both owner and renter occupancy; government assisted housing; mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots with designated manufactured dwelling subdivisions; and housing for farmworkers.

Oregon Administrative Rules (OAR): Administrative Rules are created by most agencies and some boards and commissions to implement and interpret their statutory authority (ORS 183.310(9)). Agencies may adopt, amend, repeal or renumber rules, permanently or temporarily. Every OAR uses the same numbering sequence of a three-digit chapter number followed by a three-digit division number and a four-digit rule number. For example, Oregon Administrative Rules, chapter 166, division 500, rule 0020 is cited as OAR 166-500-0020. (oregon.gov)

Part-vacant land: Unconstrained land that has some existing development but can be subdivided to allow for additional residential development.

Plexes and Apartments: Multiple units inside one structure on a single lot. Usually each unit has its own entry.

Seasonal dwellings: These units are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round.

Severely Cost Burdened: Defined US Department of Housing and Urban Development (HUD) as households who spend over 50% of their income on housing.

Single Family Attached: Dwelling units that are duplexes without a subdividing property line between the two to four housing units. "Attached" duplexes require a single building permit for both dwelling units. The "attached" units would be addressed with one numerical street address for the overall structure with separate alpha-numeric unit numbers for each dwelling.

Single Family Detached: Free standing residential building, unattached, containing separate bathing, kitchen, sanitary, and sleeping facilities designed to be occupied by not more than one family, not including manufactured and mobile homes.

Townhome (also known as duplexes, rowhouse, etc.): Attached housing units, each on a separate lot, and each with its own entry from a public or shared street or common area.

Urban Growth Boundary (UGB): Under Oregon law, each of the state's cities and metropolitan areas has created an urban growth boundary around its perimeter – a land use planning line to control urban expansion onto farm and forest lands.

Vacant housing unit: A housing unit is vacant if no one is living in it at the time of enumeration, unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration entirely by people who have a usual residence elsewhere are also classified as vacant.

Vacant land: Vacant and part-vacant land identified within the local buildable land inventory that is not developed and unconstrained for future planned residential development.

**Planning Commission Findings and Decision Number 2019-10
To Recommend City Council Accept the 2019 Housing Needs Analysis (HNA)
Update and Adopt a Comprehensive Plan Text Amendment to Add the HNA
Update as a Technical Appendix
File Number: 311-19-000016-PLNG**

WHEREAS, in 2017, the Oregon legislature allocated funds to provide technical assistance through the Oregon Department of Land Conservation and Development (DLCD) to update local Housing Needs Analysis (HNA); and

WHEREAS, the City applied for and received technical assistance to update the City's 2009 HNA; and

WHEREAS, the updated HNA was completed on June 27, 2019; and

WHEREAS, local adoption of the HNA update requires a legislative amendment to the Forest Grove Comprehensive Plan; and

WHEREAS, the City desires to now amend the Forest Grove Comprehensive Plan to add the HNA update as a technical appendix; and

WHEREAS, The Planning Commission must hold a public hearing and make a recommendation to City Council to amend the Comprehensive Plan; and

WHEREAS, notice of the Planning Commission public hearing on this matter was published in the *Forest Grove News Times* on August 14, 2019; and

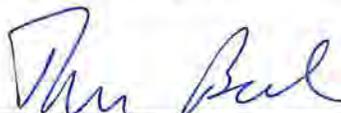
WHEREAS, the Planning Commission held the duly-noticed public hearing on the request on August 19, 2019; and

WHEREAS, no written or verbal public testimony was received on this matter.

NOW THEREFORE, the City of Forest Grove Planning Commission does hereby recommend City Council accept the HNA update dated June 27, 2019, and adopt an ordinance approving a legislative Comprehensive Plan text amendment to add the HNA Update as a technical appendix, making the following specific findings in support of this decision:

- 1) The Planning Commission adopts by reference the staff report dated August 19, 2019, including the findings, conclusions and recommendations therein.
- 2) The Planning Commission finds the HNA update provided adequate opportunities for public involvement as required by Statewide Land Use Planning Goal 1 (Citizen Involvement) including involvement by members of the community on the project technical advisory committee and community housing forum held on May 14, 2019.
- 3) The Planning Commission finds the HNA update complies with Statewide Planning Goal 2 (Land Use Planning) since the HNA update includes data and analysis providing a factual basis for local decision related to housing. This factual basis includes an existing housing inventory, housing occupancy and tenancy data, affordable housing inventory, housing market gap analysis, documentation of construction activity, assessment of housing cost burden, housing need forecast for the period 2019 to 2039 and buildable land inventory.

- 4) The Planning Commission finds the HNA update complies with Statewide Planning Goal 10 (Housing) and Oregon Revised Statutes §197.296(3)(b) describing the requirements for preparing HNA updates. The HNA update includes the necessary elements described in Finding #3 above.
- 5) The Planning Commission finds the HNA update complies with Statewide Planning Goal 14 (Urbanization) by providing current data on housing capacity within the City's urban growth boundary planning area and forecasted residential land need during the planning period. Furthermore, the HNA update includes recommended policies supporting the efficient use of land by promoting higher density development within planned developments and land efficient housing types new to the City including cottage clusters.
- 6) The Planning Commission finds the HNA update complies with Oregon Revised Statutes §197.296 (Factors to establish sufficiency of buildable lands within the urban growth boundary) since the HNA update includes an inventory of buildable land supply and analysis of housing need and type for the twenty year planning period.
- 7) The Planning Commission finds the HNA update demonstrates the City's compliance with the Metropolitan Housing Rule (OAR 660, Division 7). Under the Metropolitan Housing Rule Forest Grove must provide for an overall density of eight or more dwelling units per net buildable acre. The HNA update shows Forest Grove provides for an overall density of 9.8 dwellings per net acre based on zoning and Comprehensive Plan designations for residential land within the City's urban growth boundary planning area.
- 8) The Planning Commission finds the HNA update is consistent with and supports Forest Grove Comprehensive Plan policies pertaining to housing including Housing Policy 1.1 (Update the City's land use inventory at regular intervals to monitor the supply of developable land), 4.1 (Develop and implement programs to offset the increasing cost of new housing construction), 4.3 (Develop and implement programs to encourage the rehabilitation of older housing stock throughout the community); and 9.1 (Establish a multifamily residential unit inspection program to ensure compliance with City codes). The HNA update is consistent with and supports the policies above by providing up-to-date information on the housing inventory and needs. In addition, Section V. of the HNA update includes specific policy recommendations to reduce the cost of housing construction including a sliding for system development charges based on house size.
- 9) The Planning Commission finds the HNA update is consistent with Title 1 of the Metro Urban Growth Management Functional Plan (Housing Capacity). The HNA includes an estimate of housing capacity of about 4,800 units based on amount of buildable land designated for residential development in the City's urban growth boundary planning area.
- 10) The Planning Commission finds the HNA update is consistent with Title 7 of the Metro Urban Growth Management Functional Plan (Housing Choice) since the HNA update includes policy recommendations aimed at increasing opportunities for households of all income levels to live in affordable housing. Policy recommendations include techniques for reducing housing costs such as a sliding scale for system development charges based on house size, and consideration of a construction excise tax to fund incentives for expanding the supply of affordable housing. The HNA update also includes specific policy recommendations aimed at increasing housing choice. This includes policies for cottage/cluster housing developments.



Tom Beck, Chair

8/19/19
Date PDF Page 132



Comprehensive Plan Text Amendment Staff Report and Recommendation

Community Development Department, Planning Division

- HEARING DATE:** August 19, 2019
- REQUEST:** Comprehensive Plan text amendment to add the 2019 Housing Needs Analysis as a technical appendix.
- FILE NUMBER(S):** 311-19-000016-PLNG
- OWNER/APPLICANT(S):** Applicant: City of Forest Grove
1924 Council Street
PO Box 326
Forest Grove, OR 97116
- APPLICATION TYPE:** Type IV: Legislative Land Use Decision
- APPLICABLE DECISION FACTORS:**
- Statewide Land Use Planning Goal 1 (Citizen Involvement);
 - Statewide Land Use Planning Goal 2 (Land Use);
 - Statewide Land Use Planning Goal 10 (Housing);
 - Statewide Land Use Planning Goal 14 (Urbanization);
 - Forest Grove Comprehensive Plan Goals and Policies;
 - Metro Urban Growth Management Functional Plan (Title 1: Housing Capacity and Title 7: Housing Choice);
 - ORS 197.296 (Sufficiency of Buildable Lands, Analysis and Determination of Residential Housing Patterns);
and
 - OAR 660-007 (Metropolitan Housing Rule)
- REVIEWING STAFF:** Daniel Riordan, Senior Planner (Long Range)
- RECOMMENDATION:** Staff recommends the Planning Commission adopt a motion:
1. Recommending City Council acceptance of the Housing Needs Analysis update; and
 2. Council adopt an ordinance amending the Forest Grove Comprehensive Plan to include the HNA update as a technical appendix to the Plan.

I. BACKGROUND

In 2017, the Oregon legislature adopted HB 4006 to address the needs of renter households in Oregon paying a significant share of household income on rent and other housing related costs. HB 4006 focuses on renter households in Oregon facing what is called “severe rent burden.” That is, renter households paying more than 50% of household income on rent.

Under HB 4006, a City is severely rent burdened when more than 25% of renter households are paying more than 50% of household income on rent. Forest Grove is considered a severe rent burden city since about 31% of renter households are paying more than 50% of household income on rent. HB 4006 requires that a severe rent burden city hold an annual public meeting to discuss the causes and consequences of severe rent burden within the city, barriers to reducing rent burdens and possible solutions. The City held the first public meeting in December 2018. A follow-up meeting was held in May 2019. Key findings from the Housing Needs Analysis (HNA) update was also presented to community members in attendance during the May 2019 meeting.

In addition to the public meeting requirement, HB 4006 made technical assistance grants available, through the Oregon Department of Land Conservation and Development (DLCD), to help severe rent burdened communities update housing needs analysis, conduct audits of land use codes to identify barriers to housing development, prepare revisions to land use codes to remove barriers, and implement plans for increasing housing supply. As a severe rent burdened City Forest Grove qualified for a technical assistance grant to update the City’s 2009 Housing Needs Analysis. As funder, DLCD selected consultant FCS Group to update the City’s HNA.

The HNA, is required by Statewide Land Use Planning Goal 10 (Housing). In part, Goal 10 specifies that each city must plan for and accommodate needed housing types. The Goal 10 Housing Needs Analysis (HNA) must include:

- An inventory of buildable land within the planning area;
- A forecast of future housing needs over the next twenty years, and
- An assessment of whether the jurisdiction has enough land zoned to accommodate forecasted housing needs.

The purpose of this analysis is to ensure that cities have an adequate land supply within the urban growth boundary to accommodate their housing needs over the next twenty years. If there’s an insufficient land supply for needed housing a local jurisdiction could request an urban growth boundary expansion through Metro’s periodic review of the urban growth boundary. Metro has authority to add urban reserve land to the urban growth boundary if land use concept planning meeting Metro Urban Growth Management Functional Plan requirements is adopted by the jurisdiction and accepted by Metro with consent of the applicable county and the Oregon Department of Land Conservation and Development. A formal concept plan has not been done for the City’s only urban reserve area located west of Forest Gale Heights in the David Hill Road area. This area is referred to as the David Hill Urban Reserve Area.

The City’s current HNA was adopted in 2009 to support the 2014 update to the Forest Grove Comprehensive Plan. The 2009 HNA is out-of-date and no longer provides a sound basis for planning activities for the following reasons:

- The 2009 HNA does not include potential housing capacity within the area north of David Hill Road added to the urban growth boundary by the Oregon legislature.

- The 2009 HNA does not reflect the findings and conclusion for development contained in the Westside Refinement Plan.
- The 2009 HNA does not reflect the City’s designation as a severe rent burden city.
- The 2009 HNA does not reflect the recent update the 2018 Metro Urban Growth Report and update to the local and regional buildable land inventory.

FCS Group completed the HNA update with guidance from an advisory group representing housing and development interests. Advisory group members included a City Councilor, Planning Commissioner, non-profit affordable housing developers, homebuilders’ association staff, local apartment manager, community member at large, and Washington County planner.

The completed HNA update is attached for Planning Commission consideration (Attachment A). Staff is requesting that the Planning Commission review the HNA update and recommend that City Council accept the update and adopt an ordinance amending the Forest Grove Comprehensive Plan to add the HNA as a technical appendix to the Plan.

II. HOUSING NEEDS ANALYSIS OVERVIEW

The HNA update (Attachment A) includes considerable information about housing in Forest Grove including housing types and household characteristics. The HNA update summarizes economic trends affecting the City’s housing supply and demand, recent development activity, emerging housing issues affecting housing, and policy strategies to address local housing needs. The HNA update also includes the update to the City’s buildable land inventory prepared for the update to the 2018 Metro Urban Growth Report and urban growth boundary amendment decision.

Key findings from the HNA are presented below. In general, the HNA update analysis finds there is enough zoned residential land within the urban growth boundary to accommodate housing needs over the next twenty years for both low- and high-density housing types. This is discussed further below.

Housing Need

The table below shows housing need by type of unit and tenure (renter- or owner-occupied). The table shows is projected that an additional 1,948 owner-occupied and 1,305 renter-occupied units are needed over the next 20-years to meet forecasted demand.

	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Vacant Dwelling Units	Net New Dwelling Units
Housing Tenure Distribution:	1,948	1,305	174	3,426
	57%	38%	5%	100%
Housing Unit/Type				
Single Family Detached	1,558	326	104	1,988
Mfg. Housing (SFD)	97	0	0	97
Townhomes / Plexes (2-4 units)	195	391	52	638
Multifamily (5+ units)	97	587	17	702
Total Dwelling Units	1,948	1,305	174	3,426
Group Quarters		256		256

Source: FCS Group, US Census Bureau American Community Survey 2012-2017

Housing Supply and Demand Reconciliation

The table below shows estimated housing capacity based on the City's buildable land inventory and current Comprehensive Plan and zoning designations. It is estimated housing capacity within the urban growth boundary for both low-density and high-density housing is about 4,900 units. Twenty-year housing demand is estimated to total 3,682 units which is about 1,200 units below total capacity. The table below demonstrates there's "just enough" capacity for low-density demand. There appears to be excess land designated for high-density development based on forecasted need.

	Housing Capacity (Supply)	Housing Demand	Remaining Capacity
Low Density	2,732	2,724	8
High Density*	2,150	958	1,192
Total	4,882	3,682	1,200

* includes townhomes, apartments and group quarters.

Source: Appendix 2, 2018 Metro Buildable Land Inventory (BLI) report

Policies

FCS Group prepared a number of policy recommendations to address the City's identified housing needs based on the housing projections and current supply. These policy recommendations, listed in no particular order, include:

- ✓ Within planned developments require an overall minimum density of 8 units per buildable acre and at least 10% of total dwelling units provided in single family attached or multifamily structures.
- ✓ Allow single family lots to front along private streets (current code requires lots to have 15 to 30 feet of frontage along public streets). This provision precludes development of parcels that only have frontage on a private street. This provision also makes it difficult for cottage cluster development since individual lots would have to have frontage on a public street.
- ✓ Continue to update listing of potential public-owned properties that could be used for affordable housing developments.
- ✓ Partner with local housing authorities or non-profit housing developers to provide offsite infrastructure (sewer, water, road improvements) or parking that supports affordable housing development (note, this recommendations is contingent on available local funding sources).
- ✓ Provide policies that allow SDC deferrals for affordable housing developments until a certificate of occupancy is granted by the City.
- ✓ Continue to maintain the local tax abatement program for affordable housing units developed and maintained by non-profits (i.e. Non-Profit Corporation Tax Exemption Program).
- ✓ Consider establishing a local construction excise tax (CET) to fund affordable housing initiatives allowed by state law. Oregon law allows a CET of up to 1.0% of building permit valuation for projects that result in a new residential structure or additional square footage in an existing residential structure that adds living space. A

CET may also be imposed on improvements to commercial and industrial real property.

- ✓ Support infill development that makes use of existing infrastructure capacity and defers the need to make costly capital investments on new and extended infrastructure; thereby limiting the level of housing costs that get passed on to home buyers and renters.
- ✓ Prepare a sliding scale system of System Development Charges (SDCs) which would provide charges that vary by home size and type. This would reduce SDCs for ADUs, apartments and cottage homes. Adopt new SDC methodology report or amendment to existing SDC methodology for City-controlled water and parks SDCs. This would lower some SDCs for smaller dwellings including accessory dwelling units (ADUs). For example, if SDCs for new ADUs are reduced by 50%, their construction would be more attractive to individual homeowners with small capital. Multifamily dwellings and cottage homes could also warrant a lower SDC, which would allow developers to deliver housing at a lower cost to the renter/home buyer.
- ✓ Consider adopting separate cottage cluster development standards that enable cottage homes to be developed in a fashion other than through the current planned development process.
- ✓ Explore creation of a limited year tax abatement program that promotes rehabilitation of existing housing stock for qualifying low-income homeowners that desire to improve their homes.
- ✓ Given that utility costs are a contributing factor to housing cost burden, work with water and sewer utility providers to create a low-income rate program for qualifying households.
- ✓ Consider establishing a multifamily rental unit inspection program to ensure units meet health and safety codes.

Implementation of the policy recommendations above requires further City Council direction and resources would have to be allocated through the Community Development Department work programs.

III. ADOPTION PROCESS

The HNA update provides a technical basis for preparing and implementing policies pertaining to housing. Adoption of the Housing Needs Analysis update is a legislative (Type IV) text amendment to the Forest Grove Comprehensive Plan since it is a general policy document.

Notice

As required by the Development Code (§17.1.170), notice of text amendments is provided by publication of notice of required public hearings in a newspaper of general circulation. The notice must state the time, date, place, purpose of the public hearing and list of review standards and criteria. Notice (Attachment B) must be published not less than five days prior to the date of the hearing.

Decision Authority

For legislative matters pertaining to the Comprehensive Plan or Development Code the Planning Commission conducts the initial public hearing on the proposal. The Planning Commission must make a recommendation to the City Council to approve, approve with conditions or deny the proposal. The City Council conducts the final public hearing on legislative decisions and adopts the final local decision.

IV. LEGAL CONTEXT

The HNA is subject to several state land use goals, laws and administrative rules:

- Statewide Planning Goal 1 (Public Involvement): Goal 1 requires a public involvement program that provides opportunity for public involvement in all phases of the planning process including plan preparation. The advisory group convened to guide the HNA update assists the City with Goal 1 compliance. A public meeting was also hosted by the City on May 14, 2019, to present findings from the HNA update and to receive public comments. Additional opportunities for public involvement and influence will be provided through the formal public hearing process.
- Statewide Planning Goal 2 (Land Use Planning): Goal 2 requires a policy framework and a factual basis for all decisions and actions related to the use of land. The Forest Grove Comprehensive Plan (of which the HNA is a part) provides the required policy framework and factual basis for decisions and actions related to housing in the City's planning area. This includes assignment of Comprehensive Plan map and zoning map designations for land intended for residential development. Furthermore, Goal 2 requires that the inventory or residential buildable lands be part of the comprehensive plan.
- Statewide Planning Goal 10 (Housing): Goal 10 requires that plans encourage the availability of adequate numbers of needed housing units at price ranges and rent levels commensurate with the financial capabilities of Oregon households. Needed housing is defined in state law (ORS 197.303) as attached and detached single-family housing and multiple family housing for owner and renter occupancy, government assisted housing, manufactured homes and manufactured home parks, and housing for farmworkers. Goal 10 also promotes flexibility of housing location, type and density. The HNA update specifically addresses the number of needed housing units including type, price and density for Forest Grove.
- Statewide Planning Goal 14 (Urbanization): Goal 14 addresses the orderly transition from rural to urban land use to accommodate urban population and urban employment inside urban growth boundaries. The HNA update addresses Goal 14 by forecasting land need for housing in the City's planning area and reconciling this need with the supply shown in the City's Buildable Land Inventory (ORS 197.296(3)(a)).
- ORS 197.296(3)(a) (Buildable Land Inventory). Buildable lands include vacant lands planned for residential use; partially vacant lands planned or zoned for residential use; lands that may be used for a mix of residential and employment uses under existing planning or zoning; and lands that may be used for residential infill or redevelopment. The BLI for the HNA update was prepared, in part, to support the 2018 to support Metro's update to the Urban Growth Report and subsequent regional urban growth boundary decision. The Buildable Land Inventory is summarized in Appendix C to the HNA.

- ORS 197.296(3)(b) (Analysis of Housing Need by Type and Density Range). The HNA update includes an analysis of housing need by type and density range consistent with the requirements of ORS 197.296(3)(b). Housing need by income range is summarized in the HNA in Exhibit 2.11, Exhibit 3.3: Net New Housing Forecast, Forest Grove UGB 2019-2039, and Exhibits 4.1 and 4.2: Reconciliation of Residential Capacity and Projected Demand.
- ORS 197.303 (Needed Housing Defined). Under state law, “needed housing” includes attached and detached single-family housing and multiple family housing for both owner and renter occupancy; government assisted housing including housing financed in whole or in part by either a federal or state housing agency or a housing authority, or housing occupied by a tenant or tenants who benefit from rent supplements or housing vouchers; manufactured homes; and housing for farmworkers. The housing needs forecast contained in the HNA specifies need by housing type (HNA Exhibit 3.3: Net New Housing Forecast, Forest Grove UGB, 2019-2039).
- OAR 660, Division 7 (Metropolitan Housing Rule). The Metropolitan Housing Rule is intended to ensure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land with the Metro regional urban growth boundary. In part, the Metropolitan Housing Rules establishes requirements for minimum residential density for new construction. Under the Metropolitan Housing Rule Forest Grove must provide for an overall density of eight or more dwelling units per net buildable residential acre. HNA Appendix C, Table 7, shows the City provides for an overall density of 9.8 dwellings per net acre buildable residential acre. This assessment is based on Comprehensive Plan designations, estimated net buildable acres and estimated dwelling capacity.

V. ADOPTION FINDINGS

The findings and conclusions below provide the facts relied upon supporting a recommendation to accept the HNA update and to amend the Forest Grove Comprehensive Plan to include the HNA update as a technical appendix. The findings and conclusions below demonstrate that the HNA update complies with the applicable decisions factors below:

1. Statewide Planning Goal 1 (Citizen Involvement)

Analysis: As stated above, Goal 1 promotes community involvement in the preparation of plans and policies. Preparation of the HNA included the formation of an advisory group representing diverse interests in housing policy. The advisory group was formed to review work products and provided guidance to the consultant team as they developed recommendations for meeting housing needs based on the data compiled. A public meeting was also held on May 14, 2019, to present key findings from the HNA update and to receive public comments. Additional opportunities for public involvement will be provided during the formal public hearing process.

Conclusion: The HNA update is consistent with Goal 1 since the process provided opportunities for meaningful public involvement including reviewing data for accuracy and preparing policy recommendations for consideration. Members of the project advisory group included a City Councilor, Planning Commissioner, staff from Washington County Land Use, Bienestar, Portland Metropolitan Homebuilders Association, local apartment manager and West Tuality Habitat for Humanity, and a community member at large that also participated on the Ad-Hoc Affordable Housing Committee appointed by City Council. In addition to advisory group meeting a housing forum and severe rent burden meeting was held on May 14, 2019.

2. Statewide Planning Goal 2 (Land Use Planning)

Analysis: Goal 2 requires a factual basis for decisions and actions related to land use. The local Comprehensive Plan fulfills this requirement. The HNA is part of the Comprehensive Plan and provides a factual basis for decisions related to housing. The factual basis prepared for the HNA includes an existing housing inventory, data for housing occupancy and tenancy, affordable housing inventory based on data from the Oregon Department of Housing and US Census Bureau Community Services and American Community Survey, housing market gap analysis, documentation of construction activity, assessment of housing cost burden, housing need forecast and buildable land inventory.

Conclusion: For the reasons stated above, the HNA update is consistent with Goal 2 by providing an up to date factual basis for decisions and actions related to residential land use and housing in the City's planning area.

3. Statewide Planning Goal 10 (Housing)

Analysis: ORS 197.296(3)(b) describes requirements for preparing HNAs consistent with Goal 10. Although these requirements generally apply at time of periodic review of a comprehensive plan or legislative review of the urban growth boundary the City's HNA update was prepared in accordance with ORS 197.296(3)(b). The HNA update includes a buildable land inventory (HNA Appendix C), an analysis of housing need by type for the next 20 years (HNA Exhibit 3.3) and density range (HNA Exhibits 4.1 and 4.2), and assessment of land needed to accommodate the projected number of units (HNA Appendix C).

Conclusion: As noted above, the HNA update includes elements for an HNA as described in ORS 197.296(3)(b). Therefore, the HNA update is deemed compliant with Goal 10.

4. Statewide Planning Goal 14 (Urbanization)

Analysis: The HNA update provides current data on housing capacity and residential land needs. This data will guide decisions related to zoning of land to ensure there's sufficient developable land for needed housing types over the next twenty years as well as the efficient use of the land. Specifically, recommended policies contained in the HNA support the efficient use of land by promoting higher density within planned developments and land efficient housing types new to the City such as cottage clusters.

Conclusion: The HNA update is consistent with the intent of Goal 14 by providing current information on housing capacity (HNA Exhibits 4.1 and 4.2) and residential land needs (HNA Appendix C) and recommending policies supporting land efficient development (HNA Section V. Housing Policy Strategies). The HNA update also includes the buildable land inventory prepared for the Metro Urban Growth Report and urban growth boundary decision (HNA Appendix C and Metro Urban Growth Report (2018), Appendix 2 – Buildable Land Inventory). For these reasons the HNA update complies with Goal 14.

5. ORS 197.296: Factors to establish sufficiency of buildable lands within the urban growth boundary: analysis and determination of residential housing patterns.

Analysis: ORS 197.296(3) establishes requirements for a Housing Needs Analysis. An HNA must include an inventory of buildable land supply within the urban growth boundary and determine the housing capacity of the buildable lands and conduct an analysis of

housing need by type and density range to determine the number of units and amount of land needed for each housing type for the next twenty years.

The HNA includes an estimate of housing capacity and demand for low- and high-density housing types. This information is summarized in the table below (HNA Exhibits 4.1 and 4.2).

	Housing Capacity (Supply)	Housing Demand	Remaining Capacity
Low Density	2,732	2,724	8
High Density*	2,150	958	1,192
Total	4,882	3,682	1,200

* includes townhomes, apartments and group quarters.

Source: Appendix 2, 2018 Metro Buildable Land Inventory (BLI) report

Conclusion: The HNA update is based on the inventory of buildable land prepared for the update to the 2018 Metro Urban Growth Report and subsequent regional urban growth boundary decisions. The buildable land inventory for Forest Grove is summarized in HNA Appendix 2. This summary shows the estimated supply of buildable land based on Comprehensive Plan map and zoning map designations, estimated capacity by housing type and density range. In addition, the HNA includes an estimate of the number of units and amount of land needed by housing type for the next 20 years. For the reasons, the HNA update complies with ORS 197.296(3).

6. OAR 660, Division 7: Metropolitan Housing Rule.

Analysis: The Metropolitan Housing Rule is intended to ensure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land with the Metro urban growth boundary. In part, the Metropolitan Housing Rules establishes requirements for minimum residential density for new construction. Under the Metropolitan Housing Rule Forest Grove must provide for an overall density of eight or more dwelling units per net buildable acre. The HNA indicates in the table below (HNA Appendix C, Table 7) that Forest Grove is providing an overall density for new construction of 9.8 dwellings per acre.

Metropolitan Housing Rule Analysis

General Plan Designation	Net Buildable Acres	Percent	Estimated Dwelling Capacity	Capacity Distribution (%)
Low Density Residential	327	66.2%	2,540	52.5%
Medium Density Residential	42	8.5%	990	20.5%
High Density Residential	69	14.0%	1,100	22.7%
Commercial/Mixed Use	56	11.3%	210	4.3%
TOTAL	494	100%	4,840	100%
Estimated Average Density 9.8 dwellings / net acre				

Source: Metro, Buildable Land Inventory, March 2018 and City of Forest Grove Planning Division

Conclusion: As shown in the table above, the HNA update demonstrates Forest Grove complies with the Metropolitan Housing Rule. Therefore, the HNA shows the City is in compliance with the Metropolitan Housing Rule (OAR 660, Division 7).

7. Forest Grove Comprehensive Plan

Analysis: Chapter 5 of the Forest Grove Comprehensive Plan establishes policies for housing. These policies include:

Policy 1.1: Update the City's land use inventory at regular intervals to monitor the supply of developable land.

Policy 4.1: Develop and implement programs to offset the increasing cost of new housing construction. HNA update recommends a sliding scale for system development charges which would reduce permit cost for smaller houses.

Policy 4.3: Develop and implement programs to encourage the rehabilitation of older housing stock throughout the community. The HNA update recommends affordable housing preservation to maintain the affordable housing stock.

Policy 9.1: Establish a multifamily residential unit inspection program to ensure compliance with the City codes.

The HNA updates information contained in the City's 2011 Land Use Inventory including the estimate of number of housing units by type. This updated information supports Policy 1.1 above.

The HNA Update also includes policy recommendations to offset the increasing cost of new housing construction (HNA Section V.). Policy recommendations consistent with Policy 4.1 include amending the City's Development Code to allow for cottage cluster units and a sliding scale for City system development charges based on unit size.

Consistent with Policy 4.3 above, the HNA update recommends affordable housing preservation to maintain the affordable housing stock. The HNA update also recognizes the need to preserve the existing affordable housing stock. This is supported, in part, by the recommendation to establish a multifamily residential housing inspection program consistent with Policy 9.1 above.

Conclusion: The HNA update is consistent with and furthers implementation of the Forest Grove Comprehensive Plan by providing up to date information on housing needs and identifying policies to further housing goals and objectives. In addition, the HNA includes policy recommendations consistent with the goals and objectives of the Comprehensive Plan as stated above. Therefore, the HNA update is consistent with and supports the Comprehensive Plan policies for housing contained in Chapter 5 of the Plan.

8. Metro Urban Growth Management Functional Plan

Analysis: Title 1 of the Metro Urban Growth Management Functional Plan requires each city and county to maintain or increase its housing capacity with limited exceptions. The HNA provides data documenting housing capacity consistent with Title 1 as shown below. The HNA update estimates housing capacity at about 4,800 units (HNA Exhibits 4.1 and 4.2). This compares to 4,700 units in 2009. Through actions such as increasing permissible development densities in the Town Center and Community Commercial zones and adding land to the urban growth the City has been able to maintain sufficient housing capacity needed to meet forecasted demand.

Title 7 of the Metro Urban Growth Management Functional Plan addresses housing choice. Under Title 7 cities and counties in the Metro region must ensure their comprehensive plans and implementing ordinances include strategies for a diverse range of housing types within their jurisdictional boundaries. In addition, Title 7, requires maintaining the existing supply of affordable housing through voluntary actions. Title 7 also requires implementation measures aimed at increasing opportunities for households of all income levels to live within their jurisdictions in affordable housing.

The HNA update provides current data documenting the number of regulated affordable housing units in the City based on data from the Oregon Department of Housing and Community Services. The current estimate of regulated affordable housing in the City is approximately 680 units. The HNA update also includes policy recommendations aimed at increasing opportunities for households of all income levels to live within Forest Grove in affordable housing. Policy recommendations include techniques for reducing the cost of housing and resources for affordable housing incentives.

Estimated Housing Capacity

	Housing Capacity (Supply)	Housing Demand	Remaining Capacity
Low Density	2,732	2,724	8
High Density*	2,150	958	1,192
Total	4,882	3,682	1,200

* includes townhomes, apartments and group quarters.

Source: Appendix 2, 2018 Metro Buildable Land Inventory (BLI) report

The HNA update also includes specific policy recommendations aimed at increasing housing choice. This includes policies for cottage/cluster housing developments, and establishing a dedicated source of revenue by adopting a local construction excise tax to fund affordable housing initiatives.

Conclusion: For the reasons stated above, the HNA update demonstrates the City complies with the Metro Urban Growth Management Functional Plan. The HNA includes a housing capacity analysis and policy recommendations to expand housing choice.

VI. RECOMMENDATION

The HNA update fulfills the requirements for an HNA under Statewide Land Use Planning Goal 10 (Housing) and ORS 197.296(3)(b). The HNA update is also consistent with the applicable policies contained in the Forest Grove Comprehensive Plan and Metro Urban Growth Management Plan. The HNA update also demonstrates that the City complies with the Metropolitan Housing Rule (OAR 660, Division 7). Therefore, staff recommends the Planning Commission adopt a motion:

3. Recommending City Council acceptance of the Housing Needs Analysis update; and
4. Council adopt an ordinance amending the Forest Grove Comprehensive Plan to include the HNA update as a technical appendix to the Plan.

VII. ATTACHMENTS

- A. Housing Needs Analysis Update Public Hearing Draft, June 27, 2019.
- B. Public Hearing Notice for Publication, August 14, 2019

1. CALL TO ORDER:

Chair Tom Beck called the meeting to order at 7:00 p.m. Roll Call:

Planning Commission Present: Tom Beck, Chair; Commissioners Lisa Nakajima, Ginny Sanderson, and Dale Smith.

Planning Commission Excused: Phil Ruder, Vice Chair; Commissioners Sebastian Bannister Lawler and Hugo Rojas.

Staff Present: James Reitz, Senior Planner; Dan Riordan, Long Range Planner; Bryan Pohl, Community Development Director; Cassi Bergstrom, Planning Commission Coordinator

2. PUBLIC MEETING:

A. PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS:

None.

B. PUBLIC HEARING:

(1.) File No. 311-19-000017-PLNG – Amendment to Development Code Article 3 Zoning Districts, Article 5 Special Provisions, and Article 12 Use Categories and Definitions to permit Seasonal Shelters in the Town Center and Community Commercial zoning districts

Chair Beck opened the legislative public hearing at 7:00 p.m, calling for the staff report.

Senior Planner James Reitz gave the staff report, informing the Commissioners that City Council has directed staff to prepare an ordinance to regulate temporary seasonal shelters as currently there is no Development Code to regulate and define temporary uses and seasonal shelters specifically. Severe weather shelters are not incorporated into the Development Code, but will be drafted and prepared to be defined and regulated within the Forest Grove City Code for the City Manager’s review. The City’s goal is to make the permitting process for the shelter as simple and timely as possible.

Mr. Reitz went over the submittal requirements for the temporary use permits. Review criteria include parking, access/circulation, compliance with fire life safety building codes, and located within the Community Commercial (CC) or Town Center (TC) zoning districts. These temporary use permits are applicable to stands as well, such as Christmas tree stands, firework stands, etc. Seasonal shelters exclusively will be defined as to their intent and permitting conditions within Article 5 and 12 of the Development Code for clarity.

Chair Tom Beck questioned the definition of seasonal shelters, the time limit suggested, and the limited zoning districts the City was imposing due to the fact that some churches are not located within the allowable zoning districts. Community Development Director Bryan Pohl explained that staff has been directed by City Council to allow temporary use permits in the TC and CC zoning districts.

Commissioner Nakajima commented that a seasonal shelter has the risk of operating for profit as it is currently defined. Commissioners discussed the civic use category and including a condition of being non-profit.

Chair Beck suggested similar language for conditional use permits be used regarding returning the condition of the site back to its original use.

CORRESPONDENCE:

A handout was received at the meeting with information regarding the West Washington County Winter Shelter.

PROPONENTS:

Michael Terhorst, Cherry Grove, OR:

Mr. Michael Terhorst came to the front, informing the Commission that he is the Site Coordinator for the United Church of Christ in Forest Grove. Mr. Terhorst is very grateful for this review process of the ministry. The suggestion of running the seasonal shelters to the end of the month would be helpful, as well as increasing the annual maximum of days from 35 to 40 days. Sometimes there is a conflict with events happening at the shelter locations, and the various churches will substitute for one another. The permitting condition stating “a seasonal shelter may be open not more than two (2) days per week” could provide a barrier to the ministry they are providing. Having seasonal shelters available will benefit everyone in the community, with a broader focus being affordable housing and working towards a solution.

Commissioner Nakajima asked Mr. Terhorst to explain the ‘Family Promise’ organization. Mr. Terhorst explained that it is an organization with a focus on family that can stay for up to a week at a time with roots in Community Action.

Commissioner Sanderson asked Mr. Terhorst if he had any comments on the permitting process the City is proposing, and Mr. Terhorst responded that they can do it rather easily.

Celeste Goulding, Gaston, OR:

Ms. Celeste Goulding came to the front, explaining that she is the manager for seasonal shelters in the western Washington County area. Ms. Goulding agrees with all of Mr. Terhorst's suggestions and comments. Ms. Goulding gave her background, explaining she is a Masters level social worker.

Ms. Goulding explained that most of the staff for seasonal shelters are volunteers, and having more options available to host the shelters would be the most humane action. The 'Family Promise' organization would not fall under the temporary seasonal shelter ordinance.

OPPONENTS:

None.

OTHER:

None.

Chair Beck closed the public hearing at 7:44 p.m.

COMMISSIONER DISCUSSION:

Chair Beck questioned the City as to why a temporary shelter only qualifies during the winter and not the rest of the year.

Director Bryan Pohl explained that the City Council has directed staff to focus on the seasonal shelters and their locations. There are other avenues to address year-round sheltering for homelessness.

Commissioner Nakajima suggested omitting the two day limitation, and extending the maximum number of days to 45 days. Commissioners discussed the location of the temporary seasonal shelters, and the limitation of the zoning. Commissioners had Ms. Celeste Goulding come forward and explain the release procedure. Ms. Goulding explained they do "sweeps" within 2-4 blocks of the shelter to make sure the homeless population are not gathering in residential areas. It is almost never a problem as the homeless head straight to the transit lines, and transit lines need to be close by for their homeless guests with disabilities and difficulties walking.

Commissioners discussed the options and concluded amending these conditions:

- Extend the maximum number of days for a seasonal shelter to be open to 45 days;
- Omit the limitation of two (2) days per week a shelter can be open in one location;
- Change the open dates to November 1 – March 31st;
- Include language from conditional use permit to restore site to its original condition when the temporary use ends;

- To include all 501(c)3 charitable organizations for allowance to operate seasonal shelters

Commissioner Sanderson moved a motion to recommend to City Council with the discussed amendments for file number 311-19-000017-PLNG – Amendment to Development Code Article 3 Zoning Districts, Article 5 Special Provisions, and Article 12 Use Categories and Definitions to permit seasonal shelters in the Town Center and Community Commercial zoning districts. Commissioner Nakajima seconded the motion.

Roll Call Vote on Motion: AYES: Chair Beck; Commissioners Nakajima, Sanderson, and Smith. NOES: None. ABSENT: Vice Chair Ruder; Commissioners Bannister-Lawler and Rojas. MOTION CARRIED 4-0.

(2.) File No. 311-19-000016-PLNG – Comprehensive Plan text amendment to add the 2019 Housing Needs Analysis Update as a technical appendix

Long Range Planner Dan Riordan gave a staff report using a Power Point presentation, explaining the purpose of having a public hearing for the update to the Housing Needs Analysis (HNA) that was adopted in 2009. The City was provided funding for a consultant with expertise to prepare the HNA update, and tonight the Planning Commission will make a recommendation whether City Council should accept the update.

Mr. Riordan gave the background of the project and the participants selected for the advisory committee. An inventory of the housing types and demand projections was provided, and the HNA update covers the period from 2019 to 2039. The population in Forest Grove is expected to increase by about 9,600 people over the next 20 years, making an additional 3,400 housing units needed for the expected growth. Overall, the UGB appears adequate to address housing needs during the 20 year planning period.

Currently, expanding the supply of approved subdivision lots is constrained by the lack and cost of infrastructure needed to serve the areas, as well as the lack of desire for property owners to annex into the City. Mr. Riordan went over some policy considerations to help promote needed housing. Policy considerations include establishing a Construction Excise Tax to incentivize affordable housing, revising System Development Charge methodology, cottage/cluster housing development standards, reduce parking requirements, and reduce the cost of development. Director Bryan Pohl explained the calculation of the Construction Excise Tax and how it is utilized.

Staff recommends the Planning Commission approve a motion recommending City Council acceptance of the HNA update and Council adopt an ordinance amending the Forest Grove Comprehensive Plan to include the HNA update as a technical appendix. Commissioner Nakajima recommended the City address within the HNA

the new apartment units that were built in 2017-2018 with a footnote.

Commissioner Nakajima moved a motion to recommend to City Council for file number 311-19-000016-PLNG – Acceptance of the Housing Needs Analysis update with the edit in the footnote and Council adopt ordinance for amendment of the Comprehensive Plan text to add the 2019 Housing Needs Analysis Update as a technical appendix. Commissioner Sanderson seconded the motion.

Roll Call Vote on Motion: AYES: Chair Beck; Commissioners Nakajima, Sanderson, and Smith. NOES: None. ABSENT: Vice Chair Ruder; Commissioners Bannister-Lawler and Rojas. MOTION CARRIED 4-0.

C. ACTION ITEMS:

None.

D. WORK SESSION ITEMS:

None.

3. BUSINESS MEETING:

A. APPROVAL OF MINUTES:

Commissioner Smith moved to approve the minutes of the July 1st, 2019 meeting. Commissioner Nakajima seconded. Motion passed 4-0.

B. REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:

None.

C. DIRECTOR'S REPORT:

Director Bryan Pohl gave an update from the City Council meeting on August 12th regarding the appeal of the Dollar General. The appeal was upheld, and in speaking with the applicant they will not be appealing the decision. City Council has indicated to staff that the Neighborhood Mixed Use zoning definition needs to be clarified as far as a Village Center. There will be a work session held on September 23rd to discuss next steps.

Chair Beck suggested the Council think about what the City can do when a project might result in greater pedestrian traffic is applied for, but the street is not within City jurisdiction. The City needs to allocate funds for a solution to the pedestrian traffic.

James Reitz gave an update on the fence variance at Ivy Crest Court, stating the issue is resolved.

Mr. Reitz informed the Commission that there is a pre-application meeting scheduled regarding a proposed subdivision at Thatcher Road/Watercrest Road. Staff is not sure if this will be a subdivision or a planned development as of yet.

D. ANNOUNCEMENT OF NEXT MEETING:

The next meeting is to be determined.

E. ADJOURNMENT:

The meeting was adjourned at 8:39 p.m.

Respectfully submitted by:

Cassi Bergstrom
Planning Commission Coordinator



A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	<u>Item 7.</u>
MEETING DATE:	<u>10/14/2019</u>
FINAL ACTION:	<u>RESO 2019-52</u>

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Paul Downey, Director, Administrative Service*

MEETING DATE: *October 14, 2019*

SUBJECT TITLE: *Report on a Resolution Consenting to the Transfer of Control of Franchisee and of the Cable Franchise Granted to Verizon Northwest, Inc. in 2007, and Transferred to Frontier Communications Corporation in 2009, and now to Northwest Fiber LLC, with Conditions*

ACTION REQUESTED:

	Ordinance	Order	X Resolution	Motion	Informational
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X all that apply

ISSUE STATEMENT:

Frontier Communications has requested transfer of control of the franchisee and the franchise to Northwest Fiber LLC for local television cable services currently provided by Frontier. The Metropolitan Area Communications Commission (MACC), which manages the television cable franchises for the City, has reviewed the proposed transfer and is recommending that the City approve the proposed transfer. The City Attorney's Office has prepared a resolution approving the transfer for Council's consideration.

DISCUSSION:

City staff is relying on MACC's review of the proposed transfer since MACC manages the telecommunications franchises for the City. Also, the City Attorney is also the attorney for MACC and has deeply involved in the review process. MACC Administrator Thaddeus Girard will present the staff report from MACC. A representative from Frontier is also planning on attending the Council meeting.

MACC's staff report and the resolution passed by the MACC Board recommending that the member agencies approve the transfer is attached to this report. The MACC staff report provides more detailed information about the transfer.

The transfer to Northwest Fiber must be approved by all of the affected jurisdictions in order for it to become effective. If any one of the affected jurisdictions votes no, it vetoes the transfer for the other.

FISCAL IMPACT:

Staff is not expecting any fiscal impact from the transfer as Northwest Fiber would still be required to pay the franchise fees.

STAFF RECOMMENDATION: Staff recommends the City Council approve the attached resolution.

ATTACHMENT(s):

City Resolution

MACC Staff Report, MACC Resolution No. 2019-02 and Model Resolution

RESOLUTION NO. 2019-52**RESOLUTION OF THE CITY OF FOREST GROVE, OREGON****CONSENTING TO THE TRANSFER OF CONTROL OF THE FRANCHISEE AND OF THE CABLE FRANCHISE GRANTED TO FRONTIER COMMUNICATIONS CORPORATION TO NORTHWEST FIBER, LLC, WITH CONDITIONS**

WHEREAS, the Metropolitan Area Communications Commission- (“MACC” or the “Commission,”) is an intergovernmental commission formed under ORS Chapter 190, with the membership of Washington County and the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Tigard, Tualatin and West Linn; and

WHEREAS, certain MACC jurisdictions granted cable television franchises to Verizon Northwest, Inc. (“Franchisee”), a subsidiary of Verizon Communications, Inc., in 2007 for a period of 15 years (“Franchises”); and

WHEREAS, the jurisdictions that granted the Franchises to Verizon are Washington County and the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Rivergrove, Tigard and Tualatin (the “Affected Jurisdictions”); and

WHEREAS, in 2009, the Affected Jurisdictions approved the transfer of the Franchises from Verizon to Frontier Communications Corporation as Frontier Communications Northwest, Inc., which then became the Franchisee; and

WHEREAS, on July 19, 2019, MACC received a Federal Communications Commission Form 394 Application (“Application”) by which Frontier Communications Corporation, the corporate parent of Franchisee, and Northwest Fiber, LLC (“Northwest Fiber” or “Transferee”) requested approval from MACC and the Affected Jurisdictions of a proposed transfer of control of the Franchisee and its Franchises to Northwest Fiber; and

WHEREAS, following the completion of the transactions constituting the transfer of control, Northwest Fiber would assume control of the local cable operations of the Franchisee, but must also secure certain other facilities and agreements to provide a comparable cable service to that currently provided by Franchisee; and

WHEREAS, federal law and Section 11 of the Franchises authorize MACC and its member jurisdictions to review any proposed transfer of control, including the proposed transaction as described in the Application and as clarified in answers to questions presented by MACC to the Franchisee and Northwest Fiber to determine the impact on the proposed Franchisee’s ability to perform the Franchise obligations based on the legal, financial, and technical qualifications of the Transferee; and

WHEREAS, Section 11 of the Franchises also authorizes MACC and its member jurisdictions to condition approval of a transfer upon such terms and conditions as they deem reasonably appropriate within the legal, financial, and technical framework provided by the Franchises and federal law; and

WHEREAS, MACC has reviewed the materials provided by the Franchisee and Northwest Fiber in the Application and in response to requests for information originally provided to Northwest Fiber on August 6, 2019, and subsequently revisited and further investigated on numerous occasions through September 30, 2019; and

WHEREAS, the review now being completed except for certain issues necessarily addressed in a prospective manner through conditions, the MACC Commission adopted Resolution No. 2019-02 recommending the Affected Jurisdictions approve the Application, provided those conditions and assurances are obtained from Frontier and Northwest Fiber, which Resolution is attached here as Exhibit A; and

WHEREAS, pursuant to Section 4(E) of the MACC Intergovernmental Agreement, final approval would be granted only if all eleven Affected Jurisdictions also approve the Application as recommended by MACC; and

WHEREAS, MACC conducted a duly noticed public hearing concerning the proposed transfer on October 1, 2019; and

WHEREAS, the City of Forest Grove deems it to be in furtherance of the public interest and the welfare of its citizens to consent to the transfer request, subject to appropriate conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1.

Legal, Technical and Financial Qualifications of the Transferee.

MACC has found that the Franchisee and Transferee have the necessary legal, technical and financial qualifications to perform the required duties under the Franchise Agreement, provided certain conditions are imposed on the proposed transfer of control.

Section 2. Consent to the Transfer of Control. The City of Forest Grove, Oregon, hereby consents to the transfer of control of the Franchisee and of the Franchises as set forth in the Federal Communications Commission Form 394, subject to the conditions set forth in Section 3, below.

Section 3. Conditions to the Transfer of Control. The approval of the proposed transfer of control shall not take effect until such time as each of the following conditions is met:

1. All eleven MACC Affected Jurisdictions approve the transfer of control.
2. The Frontier Communications Corporation/Northwest Fiber, LLC transaction (“Transaction”) must close with all material terms substantially consistent with the Transition Services Agreement submitted as Exhibit B to the MACC Request for Information of August 6, 2019, as well as the information provided to MACC or the Mount Hood Cable Regulatory Commission (“MHCRC”) in public documents and responses to Requests for Information submitted by MACC and the MHCRC by May 28, 2020. If the Transaction does not close as described in this paragraph, then the Affected Jurisdictions’ consent to the transfer shall be void and of no force or effect, and the transfer request deemed to be have been timely denied, unless otherwise agreed by Northwest Fiber and the Affected Jurisdictions. Frontier, Northwest Fiber and the Franchisee hereby waive any and all claims that they may have that any denial of the transfer request that results from failure of the conditions in this paragraph fails to satisfy the deadlines established by applicable law including, without limitation, claims based on, arising out of, or relating to 47 U.S. C. section 537, as amended, and agree that they shall be deemed to have agreed to an extension of the time to act on the transfer request as required to make any denial effective.
3. The Transaction is approved by any required federal or state agency and any local government requiring approval.
4. In all respects and without exception, Northwest Fiber and Franchisee agree and acknowledge that the transfer of control will not affect, diminish, impair or supersede the binding nature of the existing valid ordinances, settlement agreements, side letters, regulatory actions, franchises, resolutions, and agreements applicable to operation of the cable system (including but not limited to payment of franchise fees and other amounts due under the Franchise, non-compliance issues and indemnification as provided in the Franchise) whether prior to or subsequent to the date of the control of the Franchise and Franchisee were transferred to Northwest Fiber. Northwest Fiber shall at all times cause Franchisee to comply, and Franchisee shall comply, with all of the above.
5. In lieu of the current obligations of the Franchise Section 13.6, “Letter of Credit,” Franchisee, under the control of Transferee, provides and maintains an irrevocable letter of credit or performance bond in a form acceptable to MACC in the amount of \$250,000 to secure the faithful performance by Franchisee of all material provisions of the Franchises through the end of the current Franchise term. In addition, Northwest Fiber will execute a guarantee of Franchise performance in substantially the form attached as Exhibit B within ten (10) days of the close of the Transaction.

6. Frontier has paid MACC all reimbursement costs due as a result of review of the transfer of control application, consistent with the separate agreements concerning those costs, up to \$15,000, which may be offset against future Franchise fees by Franchisee.

7. Transferee provides current contact information for notice recipients under Section 16.5 of the Franchise.

8. MACC and its Affected Jurisdictions' consent to the transfer of control shall not be construed to constitute a waiver or release of any rights they may have under the Franchise and any separate written agreements with the Franchisee and Franchisee's lawful successors.

9. No later than November 1, 2019, Transferee will provide MACC with a progress report of its acquisition of linear broadcast content, including a listing of national and local content providers with which: (1) Transferee has signed agreements; (2) Transferee has pending agreements being negotiated; and (3) Transferee is pursuing agreements. Transferee will use commercially reasonable efforts to enter into such agreements with linear broadcast vendors representing at least 75% of the linear broadcast channels provided by Frontier on its channel lineup labeled as Prime HD as of the closing of the transaction.

10. Transferee acknowledges these conditions of approval of the transfer of control in writing no later than November 1, 2019.

Section 4. Authorization to Execute and File Resolution. That the City of Forest Grove City Council hereby authorizes the City Manager to execute and file a copy of this Resolution with MACC.

Section 5. Effective Date. This resolution is effective immediately upon its enactment by the City of Forest Grove City Council.

PRESENTED AND PASSED this 14th day of October, 2019.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 14th day of October, 2019.

Peter B. Truax, Mayor

MACC STAFF REPORT

**VERIZON NW INC. TRANSFER OF CONTROL
TO
FRONTIER COMMUNICATIONS CORPORATION**

Prepared by the staff of the Metropolitan Area Communications Commission
October 2019

**MACC RECOMMENDS APPROVAL OF THE FRONTIER/NW FIBER
TRANSFER OF CONTROL**

At their October 1st meeting, the Board of Commissioners (Commission) of the Metropolitan Area Communications Commission (MACC) unanimously recommended that your jurisdiction, and the other ten affected MACC members (affected jurisdictions), approve the Transfer of Control (Transfer) of the Frontier Communications Corporation cable television franchise to NW Fiber, LLC.

MACC Intergovernmental Agreement and the Role of Your Jurisdiction

Each jurisdiction is a member of the MACC Intergovernmental Agreement (IGA). The IGA places the responsibility with MACC to review any proposed change of ownership or control. The MACC Commission makes a final recommendation to the affected jurisdictions to either approve or deny the proposed transaction. All of the affected jurisdictions must accept the Commission's recommended action in order for it to become effective – if any one of the affected jurisdictions votes no, it vetoes it for the others.

MACC staff provides the Commission's recommendation to each of the affected jurisdictional governing bodies, at which point each jurisdiction will decide whether to accept or reject the Commission's recommendation.

In addition to MACC staff, representatives of Frontier and NW Fiber will be present at each Council meeting to answer any questions.

Background

On July 19, 2019 Frontier Communications Inc. (Frontier) filed an FCC Form 394 Application (Application) with MACC on behalf of eleven member jurisdictions to transfer control of the franchise agreement to a new company, Northwest Fiber, LLC (Northwest Fiber). Only eleven of MACC's 15 jurisdictions are served by Frontier Communications because the company's service area was predetermined by its telephone service area. The franchise holder, Frontier Communications Northwest, Inc. would not change, only the controlling interest in that franchise holder.

The affected jurisdictions are the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Rivergrove, Tigard, Tualatin and Washington County. Frontier serves approximately 12,000 subscribers in the MACC area, providing about 12% of the cable franchise revenue received by all 15 MACC member jurisdictions.

All MACC members vote at the Board of Commissioners meeting, regardless of the jurisdiction they represent. As with all major decisions, if any individual affected jurisdiction's governing body fails to approve the transfer, it fails for all member jurisdictions and the Commission would need to take further action to restart the process.

The Proposed Transaction

On May 29th 2019 Frontier Communications Corporation announced they were selling their operations and all associated assets in Washington, Oregon, Idaho, and Montana to WaveDivision Capital, LLC, Northwest Fiber's parent company, in partnership with Searchlight Capital Partners, LLC for \$1.4 billion. Northwest Fiber, LLC will acquire control of Frontier Communications Northwest Inc., the cable franchise holder in the MACC area, among other Frontier-controlled subsidiaries. The transaction includes all of Frontier's assets, including the operations, networks and systems that currently provide and support voice, video and data service in the area. Other areas involved include systems in Multnomah and Yamhill Counties as well as parts of Idaho, Montana and Washington.

Northwest Fiber will essentially substitute itself for Frontier in all aspects of the business, including telecommunications services that MACC does not regulate. The transaction is expected to close sometime in the first quarter of 2020.

MACC Review Process

MACC's responsibility, set forth in federal law and supplemented by the terms of the franchise agreement with Frontier, is to determine whether the incoming company has

the legal, financial, and technical ability to fulfill the terms of the franchise. In general terms, the question is can Northwest Fiber continue to:

- Establish itself legally with all relevant regulatory bodies;
- Make franchise fee payments and uphold other financial requirements of the franchise; and
- Provide cable service as well or better than Frontier, including providing customer service that meets the MACC customer service standards.

The FCC places a tight and difficult timeline on local government and companies to complete the approval process within 120 days from the date of a complete application. MACC and Northwest Fiber may mutually waive that timeline. That has typically been the arrangement in all previous transfers in the MACC area going back to 1999, mainly due to the sheer number of governing bodies that must act, and the need to get on busy City Council and County Commission agendas. MACC and Northwest Fiber have agreed to extend the timeline until December 31, 2019.

If all the affected MACC jurisdictions do not act by December 31, 2019, the transfer may be deemed approved by Federal Law.

MACC began its review of the proposed transfer as quickly as possible. While federal law provides up to 30 days to present questions regarding the qualifications of the incoming company, MACC acted within 16 days, culminating in a Request for Information (RFI) sent to Northwest Fiber on August 6, 2019. MACC noted that Northwest Fiber's transfer application was incomplete, failing to include complete and required information. Northwest Fiber responded, in part, within 10 days. Because Northwest Fiber again failed to fully answer some questions and provided redacted and incomplete documents in response, MACC sent a second RFI on August 29 (and a third on September 20). Northwest Fiber's final response was received September 23rd. As stated previously, the MACC Commission met on October 1, 2019 and voted to approve the transfer, with conditions as described below.

Legal Qualifications

Frontier Communications will continue to be the Franchisee after the completion of the transfer to Northwest Fiber. Northwest Fiber must gain the approval of local telephone authorities, state public utility commissions, Federal Communications Commission (FCC), and Department of Justice to complete their transaction.

At this time, the company is still going through the appropriate legal approvals by the Oregon PUC and the Oregon Secretary of State's office. Those approvals are expected by the time the transaction closes in first quarter 2020.

MACC Conclusion: Assuming Northwest Fiber obtains the required local, state, and Federal authorizations to operate Frontier, we see no legal reasons why the transfer should not take place.

Financial Qualifications

In considering a company's financial qualifications to own and operate a cable system, MACC was first concerned about the incoming company's ability to finance the transaction and to manage its new debt load. MACC was also concerned that a heavily leveraged debt could result in adverse effects on member jurisdictions (i.e., late or non-payment of franchise fees) or subscribers (i.e., higher service rates, poor customer service, delays in installing plant in new areas, or poor program/transmission quality).

Because Northwest Fiber is new, MACC had very little to look at to determine whether the company will have the ability to fulfill its franchise obligations. Northwest Fiber's \$1.4 billion purchase of the Frontier systems in this business deal is financed in part through a loan of \$650 million and \$250 million in bond financing. Northwest Fiber assured that it had "binding commitment letters" for the loans and it will have approximately \$300 million available following the close of the transaction.

Northwest Fiber has stated to MACC that it "will be in a substantially better financial position to operate the network than Frontier is currently." Given Frontier's struggles, it is not difficult to believe that assertion.

Additionally, MACC's sister jurisdiction, Mount Hood Cable Regulatory Commission (MHCRC), engaged Front Range Consulting, Inc., to conduct a review and evaluation of the financial information provided by Northwest Fiber, and to provide a report on Northwest Fiber's financial qualifications. The report suggested Northwest Fiber would be financially viable and stable, with the caveat that market and economic conditions are always variable. The report also recommended a guarantee and form of security (bond). As a result, one of the conditions of approval of the application is that Northwest Fiber submits a bond sufficient to guarantee franchise fee payments and other requirements of the franchise for a term of the franchise (through 2022). MACC and Frontier mutually agreed to a similar arrangement when that company began

service in 2010. In addition, MACC negotiated a guarantee of franchise performance from Northwest Fiber's parent company.

MACC Conclusion: In recommending the approval of the application with conditions, MACC is somewhat relying on the financial expertise of its sister regulatory agency in Multnomah County, which, as described above, has examined the financial qualifications of Northwest Fiber and found them viable as a new company. Nevertheless, both MHCRC and MACC asked for and received a guarantee of financial performance, along with an irrevocable letter of credit or performance bond for the benefit of the clients of the franchise obligations of Northwest Fiber.

Technical Qualifications

MACC received sufficient information to recommend approval on this issue. Essentially, current Frontier staff and resources will continue to be used to provide cable service and other related services. These include customer service call centers, which will remain in Washington. There are plans to consolidate those operations. There is no indication that one ongoing complaint to MACC, the lack of a local, physical office, will be remedied; it may never be, because there is no franchise requirement for a local, physical office.

Another significant concern, the lack of company experience in managing the peculiarities of *cable television franchises* and retention of contracts with programming providers, was alleviated by additional information provided through the RFI process. Still, as was done with Frontier in 2010, MACC is recommending that Northwest Fiber commit to regular communications with MACC regarding the acquisition of programming contracts.

Conclusion

After an expedited review process, staff has determined that Northwest Fiber has, or will have, sufficient legal, financial and technical qualifications to own and operate the cable system in the MACC area. Although there are risks involved, MACC has proposed conditions expected to satisfy and guarantee future performance.

Staff will continue to have discussions with Frontier and Northwest Fiber to determine its intentions and pursue commitments that provide expected community benefits to the member jurisdictions.

Commission Action

The Commission met October 1st with representatives of Frontier and Northwest Fiber in attendance to discuss the transfer and Northwest Fiber's qualifications. At that meeting, the company was given an opportunity to answer the Commissioners' questions and concerns, and to provide sufficient information to ensure Northwest Fiber met the qualifications to provide cable service. At the meeting, the Commission voted ten yes and one no to recommend that the affected MACC jurisdictions approve the proposed transfer, with the conditions listed in the Resolution.

What Action Does MACC Recommend?

MACC recommends that each jurisdiction approve the proposed Transfer of Control of Frontier Communications to Northwest Fiber. MACC also recommends that each jurisdiction, as part of the transfer approval process, adopt the ten conditions of approval to ensure continued performance.

Enclosed Exhibits: A – MACC's Recommending Resolution and Exhibits

METROPOLITAN AREA COMMUNICATIONS COMMISSION

RESOLUTION 2019-02

A RESOLUTION RECOMMENDING APPROVAL BY THE AFFECTED MACC MEMBER JURISDICTIONS OF THE TRANSFER OF CONTROL OF THE FRANCHISEE AND OF THE CABLE FRANCHISES GRANTED TO VERIZON NORTHWEST, INC. IN 2007, AND TRANSFERRED TO FRONTIER COMMUNICATIONS CORPORATION IN 2009, NOW TO NORTHWEST FIBER, LLC, WITH CONDITIONS

WHEREAS, the Metropolitan Area Communications Commission, hereinafter "MACC," is an intergovernmental commission formed under ORS Chapter 190, with the membership of Washington County and the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Tigard, Tualatin and West Linn; and

WHEREAS, certain MACC jurisdictions granted cable television franchises to Verizon Northwest, Inc., ("Franchisee") a subsidiary of Verizon Communications, Inc. in 2007 for a period of 15 years; and

WHEREAS, the jurisdictions that granted the franchises to Verizon are Washington County and the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Rivergrove, Tigard and Tualatin (the "Affected Jurisdictions"); and

WHEREAS, in 2009, the Affected Jurisdictions approved the transfer of the Franchises from Verizon to Frontier Communications Corporation as Frontier Communications Northwest, Inc., which then became the Franchisee; and

WHEREAS, on July 19, 2019 MACC received a Federal Communications Commission Form 394 Application ("Application") by which Frontier Communications Corporation, the corporate parent of Franchisee, and Northwest Fiber, LLC ("Northwest Fiber" or "Transferee") requested approval from MACC and the Affected Jurisdictions of a proposed transfer of control of the Franchisee and its Franchises to Northwest Fiber; and

WHEREAS, following the completion of the transactions constituting the transfer of control, Northwest Fiber would assume control of the local cable operations of the Franchisee, but must also secure certain other facilities and agreements to provide a comparable cable service to that currently provided by Franchisee; and

WHEREAS, federal law and Section 11 of the Franchises authorize MACC and its member jurisdictions to review any proposed transfer of control, including the proposed transaction as described in the Application and as clarified in answers to questions presented by MACC to the Franchisee and Northwest Fiber to determine the impact on the proposed Franchisee's ability to perform the Franchise obligations based on the legal, financial, and technical qualifications of the transferee; and

WHEREAS, Section 11 of the Franchises also authorizes MACC and its member jurisdictions to condition approval of a transfer upon such terms and conditions as they deem reasonably appropriate within the legal, financial, and technical framework provided by the Franchise and federal law; and

WHEREAS, MACC has reviewed the materials provided by the Franchisee and Northwest Fiber in the Application and in response to a request for information originally provided to the companies on August 6, 2019 and subsequently revisited and further investigated on numerous occasions through September 30, 2019; and

WHEREAS, the review now being completed except for certain issues necessarily addressed in a prospective manner through conditions, MACC has determined that it should recommend approval of the Application, provided those conditions and assurances are obtained from the companies; and

WHEREAS, pursuant to Section 4(E) of the MACC Intergovernmental Agreement, final approval would be granted only if all eleven Affected Jurisdictions also approve the Application as recommended by MACC; and

WHEREAS, the Commission conducted a duly noticed public hearing concerning the proposed transfer on October 1, 2019;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN AREA COMMUNICATIONS COMMISSION:

Section 1. Commission Action on Form 394 Application. The Commission hereby approves the Application for Transfer of Control, as submitted on July 19, 2019, subject to the conditions contained in Section 3 below.

Section 2. Recommendation to Member Jurisdictions. The Commission hereby recommends that each of the Affected Jurisdictions approve the Application for Transfer of Control by duly authorized enactment of each jurisdiction's governing body, subject to the conditions set forth in Section 3, below.

Section 3. Conditions to the Transfer of Control. The approval recommended herein shall not take effect until such time as each of the following conditions is met:

1. All eleven MACC Affected Jurisdictions approve the transfer of control.

2. The Frontier Communications Corporation/Northwest Fiber, LLC transaction (Transaction) must close with all material terms substantially consistent with the Transition Services Agreement submitted as Exhibit B to the MACC Request for Information of August 6, 2019, as well as the information provided to MACC or the Mount Hood Cable Regulatory Commission (MHCRC) in public documents and responses to Requests for Information submitted by MACC and the MHCRC and by May 28, 2020. If the Transaction does not close as described in this paragraph, then the Affected Jurisdictions' consent to the transfer shall be void and of no force or effect, and the transfer request deemed to be have been timely denied, unless otherwise agreed by Northwest Fiber and the Affected Jurisdiction. Frontier, Northwest Fiber and the Franchisee hereby waive any and all claims that they may have that any denial of the transfer request that results from failure of the conditions in this paragraph fails to satisfy the deadlines established by applicable law including, without limitation, claims based on, arising out of, or relating to 47 U.S. C. section 537, as amended, and agree that they shall be deemed to have agreed to an extension of the time to act on the transfer request as required to make any denial effective.

3. The Transaction is approved by any required federal or state agency and any local government requiring approval.

4. In all respects and without exception, Northwest Fiber and Franchisee agree and acknowledge that the transfer of control will not affect, diminish, impair or supersede the binding nature of the existing valid ordinances, settlement agreements, side letters, regulatory actions, franchises, resolutions, and agreements applicable to operation of the cable system (including but not limited to payment of franchise fees and other amounts due under the Franchise, non-compliance issues and indemnification as provided in the Franchise) whether prior to or subsequent to the date of the control of the Franchise and Franchisee were transferred to Northwest Fiber. Northwest Fiber shall at all times cause Franchisee to comply, and Franchisee shall comply, with all of the above.

5. In lieu of the current obligations of the Franchise Section 13.6, "Letter of Credit", Franchisee, under the control of Transferee, provides and maintains an irrevocable letter of credit or performance bond in a form acceptable to MACC in the amount of \$250,000 to secure the faithful performance by Franchisee of all material provisions of the Franchises through the end of the current Franchise term. In addition, Northwest Fiber will execute a guarantee of franchise performance in substantially the form attached as Exhibit X within ten (10) days of the close of the Transaction.

6. Frontier has paid MACC all reimbursement costs due as a result of review of the transfer of control application, consistent with the separate agreements concerning those costs, up to \$15,000, which may be offset against future franchise fees by Franchisee.

7. Transferee provides current contact information for notice recipients under Section 16.5 of the Franchise.

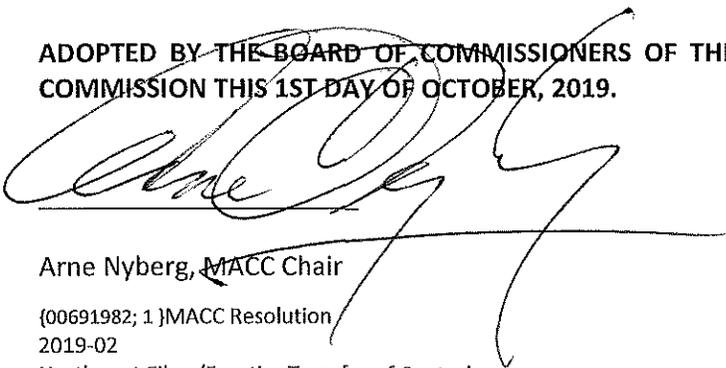
8. MACC and its Affected Jurisdictions' consent to the transfer of control shall not be construed to constitute a waiver or release of any rights they may have under the Franchise and any separate written agreements with the Franchisee and Franchisee's lawful successors.

9. No later than November 1, 2019, Transferee will provide MACC with a progress report of its acquisition of linear broadcast content, including a listing of national and local content providers with which: (1) Transferee has signed agreements; (2) Transferee has pending agreements being negotiated; and (3) Transferee is pursuing agreements. Transferee will use commercially reasonable efforts to enter into such agreements with linear broadcast vendors representing at least 75% of the linear broadcast channels provided by Frontier on its channel lineup labeled as Prime HD as of the closing of the transaction.

10. Transferee acknowledges these conditions of approval of the transfer of control in writing no later than November 1, 2019.

Section 4. Effective Date. This Resolution shall be effective upon its adoption by the Commission and signature by the MACC Chair.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN AREA COMMUNICATIONS COMMISSION THIS 1ST DAY OF OCTOBER, 2019.



Arne Nyberg, MACC Chair

{00691982; 1 }MACC Resolution
2019-02
Northwest Fiber/Frontier Transfer of Control

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Exhibit B

GUARANTEE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2019, between the Jurisdictions, the Guarantor, and the Grantee. For the purpose of this Agreement, the terms "Jurisdictions", "Guarantor" and "Franchisee" have the meanings given in this Agreement below:

WITNESSETH

WHEREAS, the [list cities], Oregon, (the "Jurisdictions") have negotiated a cable franchise agreement (the "Franchise") currently held by Frontier Communications Northwest Inc. (the "Franchisee"), to operate and maintain a cable television system (the "Cable System"); and

WHEREAS, Northwest Fiber, LLC (the "Guarantor") has proposed to become an ultimate owner and manager of the Franchisee, and has filed a formal written request seeking approval of the proposed transfer by the Jurisdictions as required by federal law (FCC Form 394); and

WHEREAS, the Jurisdictions have submitted Requests for Information in performance of their review of the Franchisee's legal, financial and technical qualifications to perform its obligations under the Franchise following the proposed transfer, and the Guarantor and the Franchisee have responded to the Jurisdictions' Requests by providing additional information; and

WHEREAS, in response to requests by the Jurisdictions following their review, the Guarantor has agreed to provide this guarantee in order to induce the Jurisdictions to approve the transfer of control of the Franchise and the Franchisee from Frontier Communications Corporation to Northwest Fiber, LLC;

NOW, THEREFORE, in consideration of the foregoing, the Guarantor agrees:

1. The Guarantor hereby unconditionally guarantees the timely and full performance of any and all obligations of Franchisee contained in the Franchise. In the event Franchisee for any reason fails to perform those obligations, the Guarantor agrees to perform or cause to be performed those obligations on Franchisee's behalf promptly upon written demand by the Jurisdictions.
2. This guarantee is an absolute, continuing, and unlimited performance guarantee of the Franchise by the Franchisee. The Jurisdictions shall not be obliged to proceed first against the Franchisee or any other person, firm or corporation.
3. The Guarantor waives notice of acceptance of this guarantee and further waives protest, presentment, demand for performance or notice of default to the Guarantor. The Jurisdictions have no duty to advise the Guarantor of any information known to them regarding Franchisee's

performance of its Franchise obligations. This waiver, however, shall not be deemed a waiver of any requirement of the Franchise as to notice to the Grantee.

4. The Jurisdictions' failure to require strict performance of the Franchise shall not release the Guarantor from liability under this Agreement.

5. This Agreement, unless terminated, substituted or canceled, as provided herein, shall remain in full force and effect for the duration of the term of the Franchise. This Agreement and the guarantee made hereunder are contingent upon and subject to the closing of the transaction by which ultimate control of the Franchisee is transferred to the Guarantor. If control of the Franchisee is subsequently transferred away from the Guarantor with the approval of the Jurisdictions, the guarantee shall terminate at that time.

6. The Guarantor may propose substitution of another Guarantor to perform the obligations of this Agreement. If the Jurisdictions find the proposed substitute Guarantor reasonably satisfactory, another Guarantee Agreement may be substituted upon mutual agreement of the Jurisdictions and the Guarantor. Such substitution shall not affect liability incurred or accrued under this agreement prior to the effective date of such substitution. Following the Jurisdictions' acceptance of the substitute Guarantor, no claim, suit or action under this Agreement by reason of any default of the Franchisee shall be brought against the original Guarantor unless asserted or commenced within one year after the effective date of such substitution of the Agreement, and only to the extent it relates to a liability incurred or accrued prior to the effective date of the substitution.

7. Any notices given pursuant to this agreement shall be in writing and delivered personally to the following addresses or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the Guarantor and the Franchisee at:

_____, and to the Jurisdictions at: _____. Either party may change its address for notices by giving notice of the new address in the manner provided in this paragraph.

8. Definitions: For purposes of this Agreement, the following terms are defined as indicated below:

(A) Franchisee: Frontier Communications Northwest Inc., or its lawful successors;

(B) Guarantor: Northwest Fiber, LLC;

(C) Franchise: Cable Franchise Agreement granted by the Jurisdictions to Franchisee, including all documentation of any conditions of grant, renewal, extension, settlement or transfer.

[Signatures on following page]

IN WITNESS WHEREOF, the Grantee, the Jurisdictions, and Guarantor have entered into this Agreement on the day of _____, 2019.

Guarantor: Northwest Fiber, LLC

By: _____
Title: _____

State of _____)
County of _____)

This Agreement was acknowledged before me on the day of _____, 2019, by _____, as a duly authorized officer of Northwest Fiber, LLC.

Notary Public for: _____
My Commission Expires: _____

Grantee: Frontier Communications Northwest Inc. or its successors

By: _____
Title: _____

State of _____)
County of _____)

This Agreement was acknowledged before me on the day of _____, 2019, by _____, as a duly authorized officer of Frontier Northwest Inc. or its successors.

Notary Public for: _____
My Commission Expires: _____

Jurisdictions: Cities of Lake Oswego, Tualatin, Tigard, Rivergrove, Beaverton, King City, Cornelius, Hillsboro, Forest Grove and Durham and Washington County

By: _____
Title: _____

State of _____)
County of _____)

This Agreement was acknowledged before me on the day of _____, 2019, by _____, as a duly authorized representative of _____.

Notary Public for: _____
My Commission Expires: _____

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**[Jurisdiction], OREGON
RESOLUTION No. _____**

**A RESOLUTION CONSENTING TO THE TRANSFER OF CONTROL OF THE FRANCHISEE
AND OF THE CABLE FRANCHISE GRANTED TO FRONTIER COMMUNICATIONS
CORPORATION TO NW FIBER, LLC, WITH CONDITIONS**

WHEREAS, the Metropolitan Area Communications Commission- (“MACC” or the “Commission,”) is an intergovernmental commission formed under ORS Chapter 190, with the membership of Washington County and the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Tigard, Tualatin and West Linn; and

WHEREAS, certain MACC jurisdictions granted cable television franchises to Verizon Northwest, Inc. (“Franchisee”), a subsidiary of Verizon Communications, Inc., in 2007 for a period of 15 years (“Franchises”); and

WHEREAS, the jurisdictions that granted the Franchises to Verizon are Washington County and the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Rivergrove, Tigard and Tualatin (the “Affected Jurisdictions”); and

WHEREAS, in 2009, the Affected Jurisdictions approved the transfer of the Franchises from Verizon to Frontier Communications Corporation as Frontier Communications Northwest, Inc., which then became the Franchisee; and

WHEREAS, on July 19, 2019, MACC received a Federal Communications Commission Form 394 Application (“Application”) by which Frontier Communications Corporation, the corporate parent of Franchisee, and Northwest Fiber, LLC (“Northwest Fiber” or “Transferee”) requested approval from MACC and the Affected Jurisdictions of a proposed transfer of control of the Franchisee and its Franchises to Northwest Fiber; and

WHEREAS, following the completion of the transactions constituting the transfer of control, Northwest Fiber would assume control of the local cable operations of the Franchisee, but must also secure certain other facilities and agreements to provide a comparable cable service to that currently provided by Franchisee; and

WHEREAS, federal law and Section 11 of the Franchises authorize MACC and its member jurisdictions to review any proposed transfer of control, including the proposed transaction as described in the Application and as clarified in answers to questions presented by MACC to the Franchisee and Northwest Fiber to determine the impact on the proposed Franchisee’s ability to perform the Franchise obligations based on the legal, financial, and technical qualifications of the Transferee; and

WHEREAS, Section 11 of the Franchises also authorizes MACC and its member jurisdictions to condition approval of a transfer upon such terms and conditions as they deem reasonably appropriate within the legal, financial, and technical framework provided by the Franchises and federal law; and

WHEREAS, MACC has reviewed the materials provided by the Franchisee and Northwest Fiber in the Application and in response to requests for information originally provided to Northwest Fiber on August 6, 2019, and subsequently revisited and further investigated on numerous occasions through September 30, 2019; and

WHEREAS, the review now being completed except for certain issues necessarily addressed in a prospective manner through conditions, the MACC Commission adopted Resolution No. 2019-02 recommending the Affected Jurisdictions approve the Application, provided those conditions and assurances are obtained from Frontier and Northwest Fiber, which Resolution is attached here as Exhibit A; and

WHEREAS, pursuant to Section 4(E) of the MACC Intergovernmental Agreement, final approval would be granted only if all eleven Affected Jurisdictions also approve the Application as recommended by MACC; and

WHEREAS, MACC conducted a duly noticed public hearing concerning the proposed transfer on October 1, 2019;

WHEREAS, the [City Council/Board of County Commissioners] deems it to be in furtherance of the public interest and the welfare of its citizens to consent to the transfer request, subject to appropriate conditions.

Now, therefore,

BE IT RESOLVED BY THE [CITY COUNCIL/BOARD OF COMMISSIONERS]:

Section 1.

Legal, Technical and Financial Qualifications of the Transferee.

MACC has found that the Franchisee and Transferee have the necessary legal, technical and financial qualifications to perform the required duties under the Franchise Agreement, provided certain conditions are imposed on the proposed transfer of control.

Section 2. Consent to the Transfer of Control. The [governing body] hereby consents to the transfer of control of the Franchisee and of the Franchises as set forth in the Federal

Communications Commission Form 394, subject to the conditions set forth in Section 3, below.

Section 3. Conditions to the Transfer of Control. The approval of the proposed transfer of control shall not take effect until such time as each of the following conditions is met:

1. All eleven MACC Affected Jurisdictions approve the transfer of control.
2. The Frontier Communications Corporation/Northwest Fiber, LLC transaction (“Transaction”) must close with all material terms substantially consistent with the Transition Services Agreement submitted as Exhibit B to the MACC Request for Information of August 6, 2019, as well as the information provided to MACC or the Mount Hood Cable Regulatory Commission (“MHCRC”) in public documents and responses to Requests for Information submitted by MACC and the MHCRC by May 28, 2020. If the Transaction does not close as described in this paragraph, then the Affected Jurisdictions’ consent to the transfer shall be void and of no force or effect, and the transfer request deemed to be have been timely denied, unless otherwise agreed by Northwest Fiber and the Affected Jurisdictions. Frontier, Northwest Fiber and the Franchisee hereby waive any and all claims that they may have that any denial of the transfer request that results from failure of the conditions in this paragraph fails to satisfy the deadlines established by applicable law including, without limitation, claims based on, arising out of, or relating to 47 U.S. C. section 537, as amended, and agree that they shall be deemed to have agreed to an extension of the time to act on the transfer request as required to make any denial effective.
3. The Transaction is approved by any required federal or state agency and any local government requiring approval.
4. In all respects and without exception, Northwest Fiber and Franchisee agree and acknowledge that the transfer of control will not affect, diminish, impair or supersede the binding nature of the existing valid ordinances, settlement agreements, side letters, regulatory actions, franchises, resolutions, and agreements applicable to operation of the cable system (including but not limited to payment of franchise fees and other amounts due under the Franchise, non-compliance issues and indemnification as provided in the Franchise) whether prior to or subsequent to the date of the control of the Franchise and Franchisee were transferred to Northwest Fiber. Northwest Fiber shall at all times cause Franchisee to comply, and Franchisee shall comply, with all of the above.
5. In lieu of the current obligations of the Franchise Section 13.6, “Letter of Credit,” Franchisee, under the control of Transferee, provides and maintains an irrevocable letter of credit or performance bond in a form acceptable to MACC in the amount of \$250,000 to secure the faithful performance by Franchisee of all material provisions of

the Franchises through the end of the current Franchise term. In addition, Northwest Fiber will execute a guarantee of Franchise performance in substantially the form attached as Exhibit B within ten (10) days of the close of the Transaction.

6. Frontier has paid MACC all reimbursement costs due as a result of review of the transfer of control application, consistent with the separate agreements concerning those costs, up to \$15,000, which may be offset against future Franchise fees by Franchisee.

7. Transferee provides current contact information for notice recipients under Section 16.5 of the Franchise.

8. MACC and its Affected Jurisdictions' consent to the transfer of control shall not be construed to constitute a waiver or release of any rights they may have under the Franchise and any separate written agreements with the Franchisee and Franchisee's lawful successors.

9. No later than November 1, 2019, Transferee will provide MACC with a progress report of its acquisition of linear broadcast content, including a listing of national and local content providers with which: (1) Transferee has signed agreements; (2) Transferee has pending agreements being negotiated; and (3) Transferee is pursuing agreements. Transferee will use commercially reasonable efforts to enter into such agreements with linear broadcast vendors representing at least 75% of the linear broadcast channels provided by Frontier on its channel lineup labeled as Prime HD as of the closing of the transaction.

10. Transferee acknowledges these conditions of approval of the transfer of control in writing no later than November 1, 2019.

Section 4. Authorization to Execute and File Resolution. The Mayor and his designee(s) are authorized to execute and file a copy of this Resolution with MACC.

Section 5. Effective Date. This Resolution shall be effective upon its adoption by the Council and approval by the Mayor.

Introduced and adopted this ___ day of ____ 2019.

ATTEST:

Mayor

City Recorder

4

RESOLUTION NO. ____
FRONTIER/NW FIBER TRANSFER OF CONTROL



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: Item 8.
MEETING DATE: 10/14/2019
FINAL ACTION: RESO 2019-53

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *October 14, 2019*

PROJECT TEAM: *Paul Downey, Administrative Services Director
Michael Kinkade, Fire Chief*

SUBJECT TITLE: *Supplemental Budget for SAFER Grant Award*

ACTION REQUESTED:

<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Order	<input checked="" type="checkbox"/>	X	Resolution	<input type="checkbox"/>	Motion	<input type="checkbox"/>	Informational
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X all that apply

BACKGROUND:

In March, 2019, the City of Forest Grove applied for a Fire SAFER grant to fund an additional firefighter. The application was pursuant to the May, 2018, Budget Committee discussions that added one firefighter that year and authorized the application of a grant for another firefighter. It was discussed this was part of a long-term plan to add three firefighters (the grant is the 2nd of the 3), the first in 2018 and the other two by grant applications in subsequent years. This would enable the Fire Department to respond to increasing call volumes and increase staffing by one firefighter across all three shifts.

The Fire SAFER grant has been approved. The grant outlines funding for three years. The City is not required to fund all three years if it accepts the grant; rather, it must appropriate the matching funds on an annual basis, subject to the recommendation of the Budget Committee and approval by City Council. The grant cannot be used to fund current positions and there is no requirement to maintain the position after the grant expires. The grant can be de-obligated at any time. The grant requires the position to be filled within 180 days of the grant award date of September 13, 2019.

FISCAL IMPACT:

The grant award would fund one firefighter position in the following amounts:

1. First 12 month period: Federal Share \$92,250, City/Rural District Share \$30,750
2. Second 12 month period: Federal Share \$92,250, City/Rural District Share \$30,750
3. Third 12 month period: Federal Share \$43,050, City/Rural District Share \$79,950

The City will pay 87.5% of the City/Rural District Share based on the current split of operational costs. Staff has reviewed the effect of the City's share on the City's five-year financial projection.

Staff finds accepting this grant will not negatively affect the five-year projection as the Fund Balance in the General Fund at July 1, 2019, is higher than projected.

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the supplemental budget for this federal grant.

ATTACHMENT(s):

Resolution

8.

RESOLUTION NO. 2019-53

**RESOLUTION AUTHORIZING THE EXPENDITURE OF DEPARTMENT OF
HOMELAND SECURITY (DHS) GRANT FUNDS IN THE GENERAL FUND FOR
A FIREFIGHTER POSITION IN THE FOREST GROVE FIRE DEPARTMENT**

WHEREAS, the Local Budget Law (ORS 294.326(3)) allows the expenditure of proceeds from grants or gifts to be made during the current fiscal year after the enactment of a resolution or ordinance; and

WHEREAS, the City of Forest Grove (City) has received a three-year Homeland Security Grant under the Fire SAFER Grant program to employ a firefighter position in the Fire Department; and

WHEREAS, the City estimates that \$62,000 of the grant and matching funds will be expended in FY 2019-20 for wages and benefits; and

WHEREAS, the expenditure of the additional grant and matching funds needs to be appropriated before the funds can be expended.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE
AS FOLLOWS:**

Section 1. In the General Fund, Fire Department Homeland Security Grant Revenue (revenue line item 1002200 4200) will be increased to \$46,500, General Fund Contingency (expenditure line item 1001800 8300) will be decreased by \$15,500), and Regular Employee Wages (expenditure line 1002210 5000) will be increased by \$62,000.

Section 2. Total Fire Department appropriations for FY 2019-20 will be increased from \$4,949,795 to \$5,011,795. Total General Fund Appropriations are increased to \$22,164,893.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 14th day of October, 2019.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 14th day of October, 2019.

Peter B. Truax, Mayor

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A place where families and businesses thrive.

<i>CITY RECORDER USE ONLY:</i>	
AGENDA ITEM #:	Item 9.
MEETING DATE:	10/14/2019
FINAL ACTION:	RESO 2019-54

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

MEETING DATE: *October 14, 2019*

PROJECT TEAM: *Paul Downey, Administrative Services Director,
Michael Kinkade, Fire Chief*

SUBJECT TITLE: *Supplemental Budget for Regional American Fire Grant (AFG)*

ACTION REQUESTED:

	Ordinance		Order	X	Resolution		Motion		Informational
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X all that apply

ISSUE STATEMENT: In October, 2018, the City of Forest Grove, City of Cornelius, Gaston Rural Fire Protection District, City of Hillsboro, Banks Fire District, and Tualatin Valley Fire and Rescue submitted a regional grant to replace their self-contained breathing apparatus (SCBA). The City of Forest Grove is hosting the grant as the applicant. The Federal government awarded the grant on September 18, 2019. The City needs to appropriate the funds prior to the purchase of the SCBA. Staff has prepared a resolution appropriating the expenditure of the funds for Council consideration.

BACKGROUND:

All Washington County fire department SCBA's must be replaced within the next 2-3 years as their compressed air cylinders will reach the end of their usable life in accordance with Federal law. The Washington County Fire Defense Board, composed of the Chiefs of Fire Departments within Washington County, partnered to research, evaluate, and replace all SCBA's and to select a standard replacement model to increase interoperability between all Departments.

The Council approved an intergovernmental agreement with the partner agencies in June 2019 to support the grant application and outline a process for dispersing funds if the grant was successful. The grant was awarded for the amount applied for at \$2,999,000. The federal funds are \$2,726,364 with a local match of \$272.636 for all of the local agencies participating in the grant. The grant monies would replace 427 SCBA packs and 318 masks. All parties need this equipment to meet current NFPA 1981 SCBA and NFPA 1982 PASS standards.

FISCAL IMPACT:

Oregon Local Budget Law allows: 1) ORS 294.471(1)(c) allows the expenditure of funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget or a previous supplemental

budget for the current year or current budget period; and 2) . ORS 294.326(3) allows the expenditure of proceeds from grant or gifts to be made during the current fiscal year after the enactment of a resolution or ordinance. The appropriation authorizing the expenditure fund can be done by resolution without using the formal supplemental budget process.

This City's supplemental budget request would allow the Department to purchase this much needed equipment and to cooperate with other Departments in purchasing, receiving, distributing, and coordinating the grant funds. Forest Grove would replace approximately 45 packs (105 bottles), 72 masks, and miscellaneous related equipment. Each pack costs approximately \$6,800 each and each mask is \$300 for a total cost of \$340,000. The match for the grant is 10% or \$34,000 and Forest Grove Fire Department's portion of the match is 50% (the other 50% is paid by the Forest Grove Rural Fire Protection District) or \$17,000. The City's match of \$17,000 is proposed to come from the Capital Improvement Program Excise Tax Fund for funds designated for public safety expenditures. The total grant will be accounted for in the Capital Projects Fund.

As the primary applicant of the grant, the City will receive all of the federal grant funds. The participating agencies have all signed an intergovernmental agreement describing how the grant funds will be received and the equipment will be purchased. Using the federal funds and matching payments from the other agencies, the City will pay for all of the equipment purchased under terms of the grant.

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the supplemental budget resolution for this federal grant and the expenditure of matching funds.

ATTACHMENT(s):

Resolution Authorizing the Expenditure of Department of Homeland Security Grants

RESOLUTION NO. 2019-54**RESOLUTION AUTHORIZING THE EXPENDITURE OF DEPARTMENT OF HOMELAND SECURITY (DHS) GRANT FUNDS, CITY OF FOREST GROVE (CITY) FUNDS, AND PAYMENTS FROM OTHER PARTICIPATING AGENCIES FOR THE PURCHASE OF SELF-CONTAINED BREATHING APPARATUS (SCBA) AND RELATED EQUIPMENT**

WHEREAS, the Local Budget Law (ORS 294.326(3)) allows the expenditure of proceeds from grants or gifts to be made during the current fiscal year after the enactment of a resolution or ordinance; and

WHEREAS, Local Budget Law (ORS 294.471(1)(c)) allows the expenditure of funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget or a previous supplemental budget, and

WHEREAS, the City applied for a DHS Grant on behalf of the City, the City of Cornelius, the City of Hillsboro, Banks Fire District, Gaston Rural Fire Protection District, and Tualatin Fire and Rescue; and

WHEREAS, the City received the DHS Grant with \$2,726,364 in Federal funds and a requirement of \$272,636 in matching funds from the participating agencies for a total of \$2,999,000; and

WHEREAS, the expenditure of these grant and matching funds needs to be appropriated before the funds can be expended.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. In the Capital Improvement Plan (CIP) Excise Tax Fund, the expenditure line for Transfers to Other Funds (3501200 8250) is increased by \$17,000 to a total of \$302,070. The expenditure line for Capital Projects – Public Safety (3501200 7020) is decreased by \$17,000 and total expenditures for the CIP Excise Tax Fund are decreased to \$236,668.

Section 2. In the Capital Projects Fund (Fund 330), the following revenue and expenditure lines are increased (specific account numbers are not listed as most of the account numbers will need to be created) as follows:

Capital Project Fund Revenues:

DHS Grant	\$2,726,364
Payments from Other Agencies	238,636
Payment for FG Fire District	17,000
Transfer from Other Funds- CIP	17,000
Total Revenue	<u>\$2,999,000</u>

Capital Project Fund Expenditures:

SCBA Purchases – Other Agencies	\$2,625,000
SCBA Purchases – Forest Grove	<u>374,000</u>
Total Expenditures	<u>\$2,999,000</u>

The above expenditures are hereby appropriated for expenditure. Total Capital Projects appropriations are increased to \$3,668,481 as a result of appropriating the expenditure of the \$2,999.000 in Federal grant and matching funds.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 14th day of October, 2019.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 14th day of October, 2019.

Peter B. Truax, Mayor