



# HOUSING NEEDS ANALYSIS UPDATE

DAN RIORDAN  
Senior Planner  
Community Development Dept.

TIM WOOD  
Project Consultant  
FCS Group

# WORK SESSION PURPOSE

Tonight's work session will:

- ❑ Brief City Council on the 2009 Housing Needs Analysis (HNA) Update.
- ❑ Provide an opportunity for Council feedback and discussion on work completed including current housing estimates and projections.
- ❑ Provide an opportunity for Council direction on policies for needed housing.

# BACKGROUND

- ❑ The State Department of Land Conservation and Development (DLCD) is helping severe rent burdened communities by funding updates to local HNAs.
- ❑ DLCD selected FCS Group to lead the update and do technical analysis.



# BACKGROUND

- ❑ To date, FCS completed the following tasks:
  - ❑ Current housing inventory;
  - ❑ Housing needs forecast for the next 20-years;
  - ❑ Reconciliation of housing supply and demand;
  - ❑ Assessment of land needs for housing for the next 20-years; and
  - ❑ Preliminary housing policy memo.

# BACKGROUND

- ❑ Tasks remaining include:
  - ❑ Final housing policy memo;
  - ❑ Adoption draft of complete HNA; and
  - ❑ Adoption process.
  
- ❑ Under DLCD funding requirements the final HNA must be done by June 30<sup>th</sup>.

# BACKGROUND

The last HNA was done in 2009 to support the City's Comprehensive Plan update and to ensure compliance with State rules for needed housing.

Much has changed since 2009:

- ❑ The “Great Recession” occurred.
- ❑ The economic rebound affected housing demand.
- ❑ The Oregon Legislature expanded the UGB in the City's planning area.
- ❑ Forest Grove was identified by the State as a severely rent burdened community.

# CONTEXT

- ❑ In general, an HNA includes:
  - ❑ An inventory of existing housing stock by type and price range.
  - ❑ Housing demand projections by type and price range for the next 20 years.
  - ❑ Assessment of housing land needs based on how land is currently zoned and the housing projections.

# PROJECT ADVISORY COMMITTEE

- ❑ An advisory committee was convened to assist the consultant and review work products.
- ❑ The committee also discussed housing policies for consideration to promote needed housing.
- ❑ The committee met three times.

## Participants

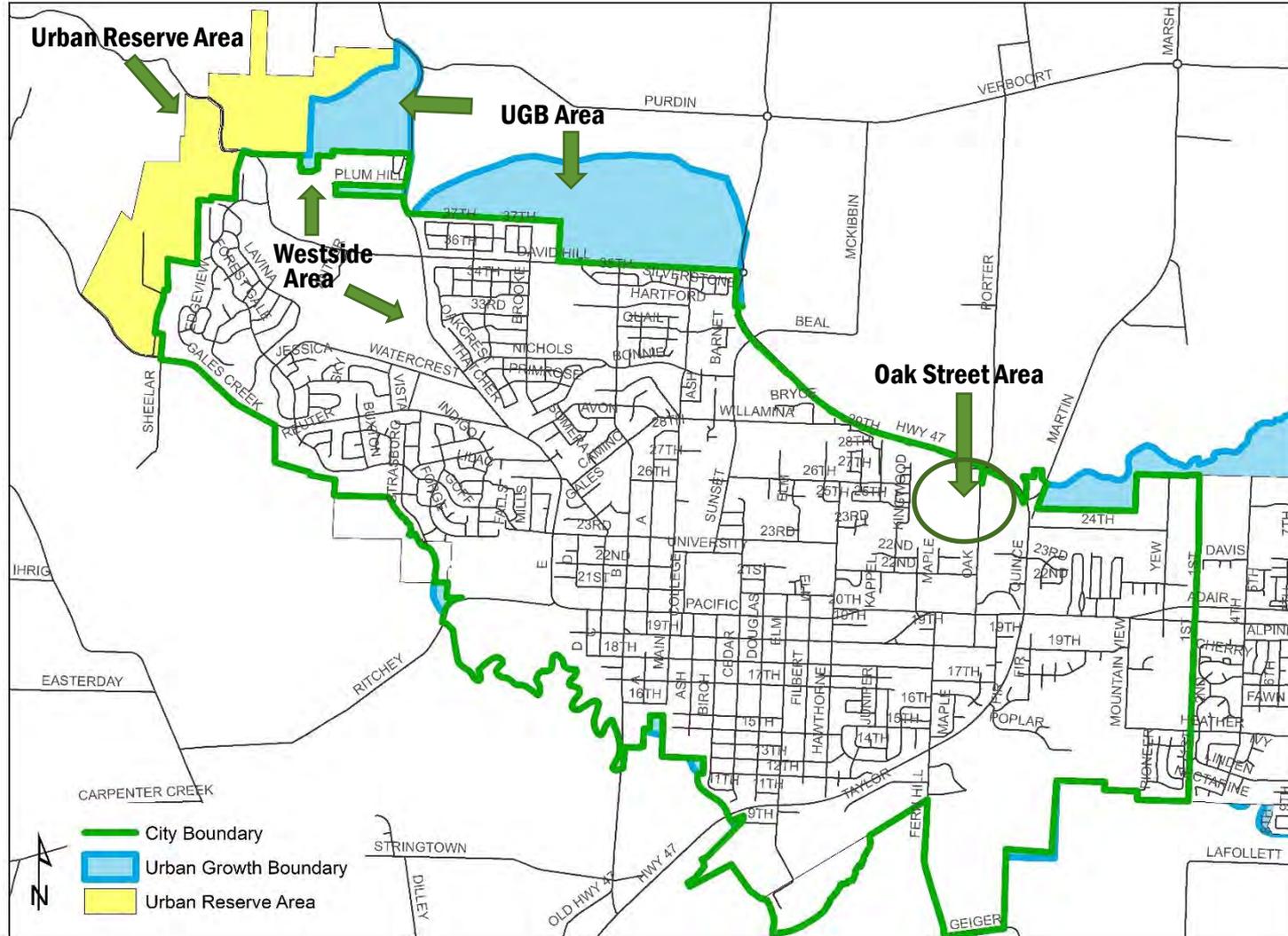
- ❖ **City Councilor Valfre**
- ❖ **Planning Commission member**
- ❖ **Bienestar Director**
- ❖ **West Tuality Habitat Director**
- ❖ **Home Builders Association Staff**
- ❖ **Local Apartment Manager**
- ❖ **Affordable Housing Ad-Hoc Member**

# Housing Needs Analysis

Significant Findings

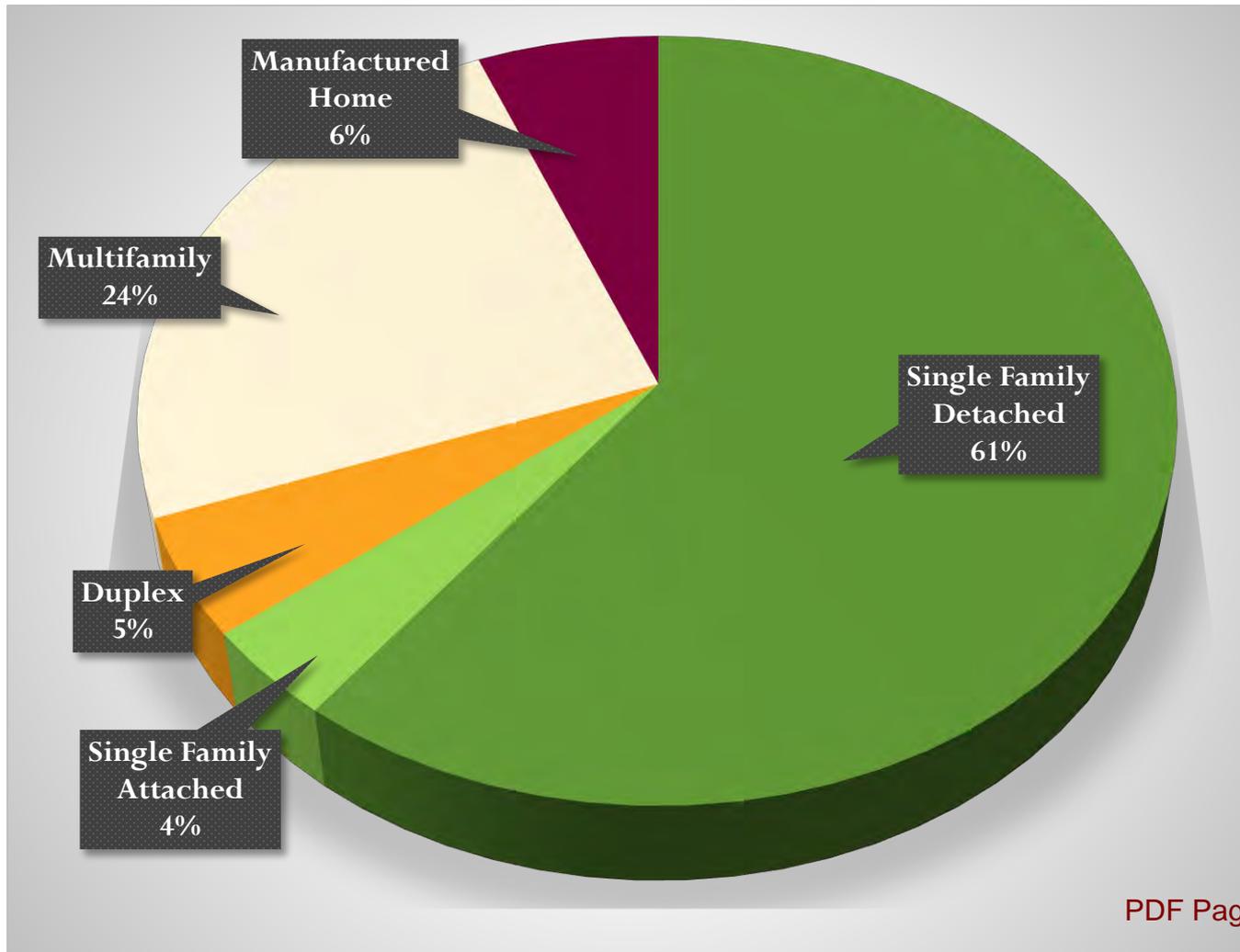


# PLANNING AREAS

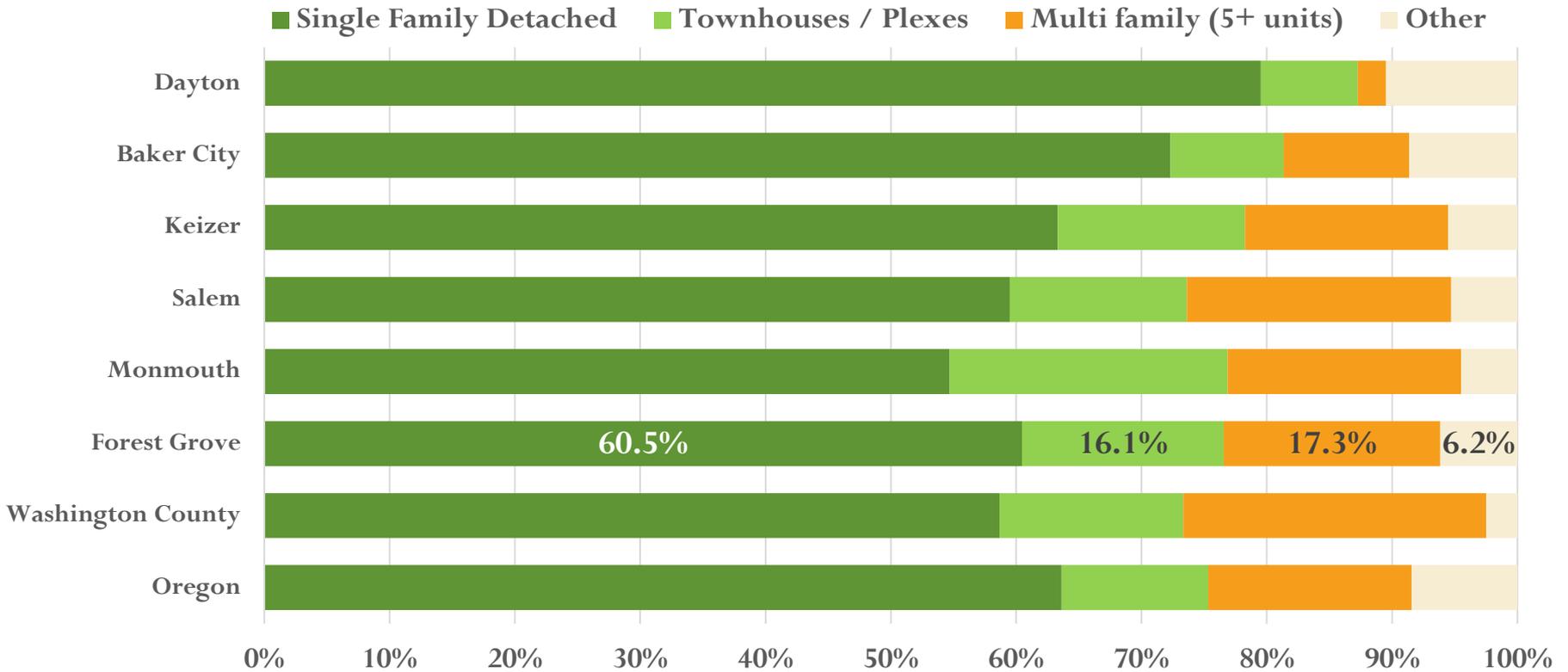


# CURRENT HOUSING SUPPLY

Total Housing Units: 8,440

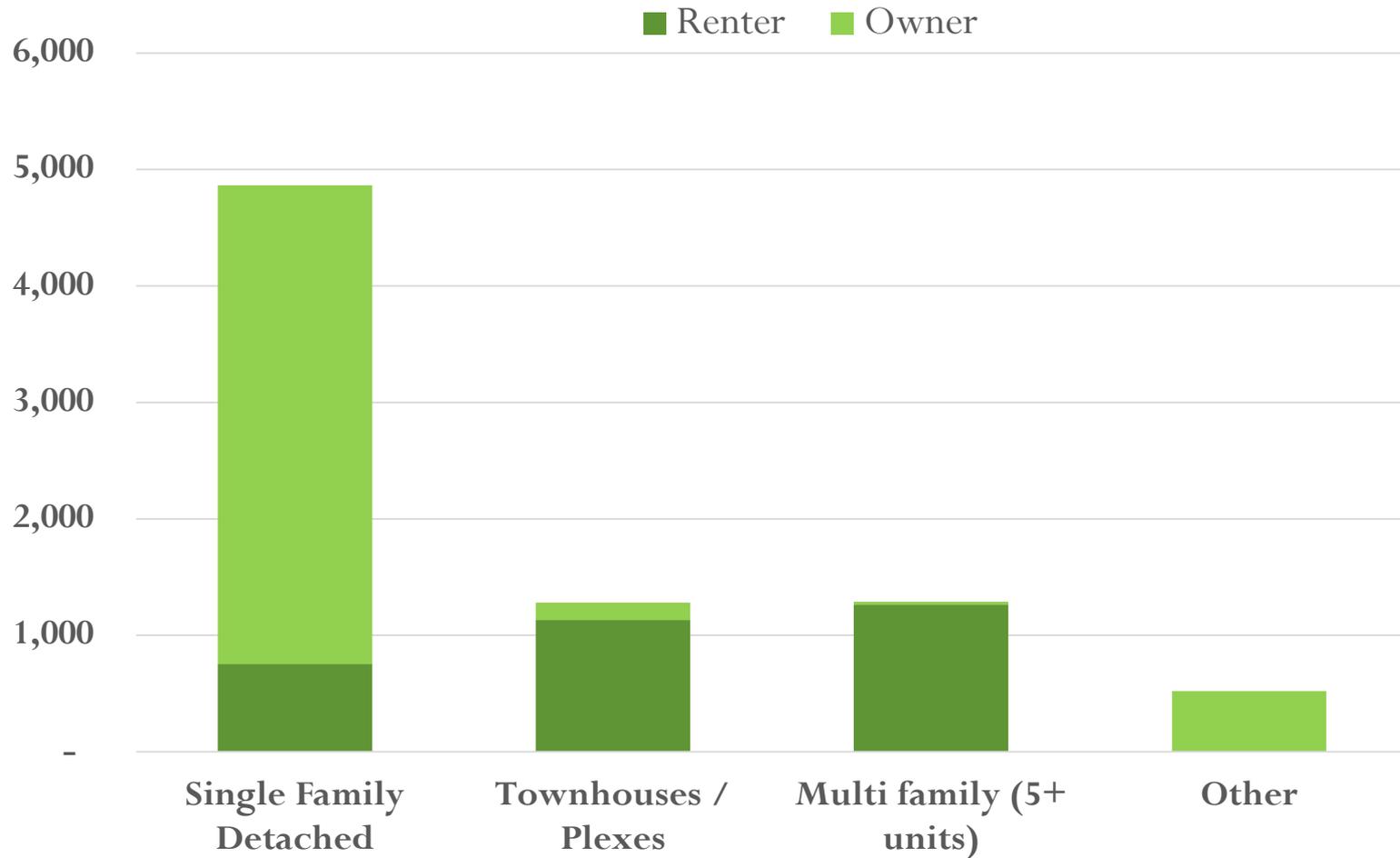


# CURRENT HOUSING MIX



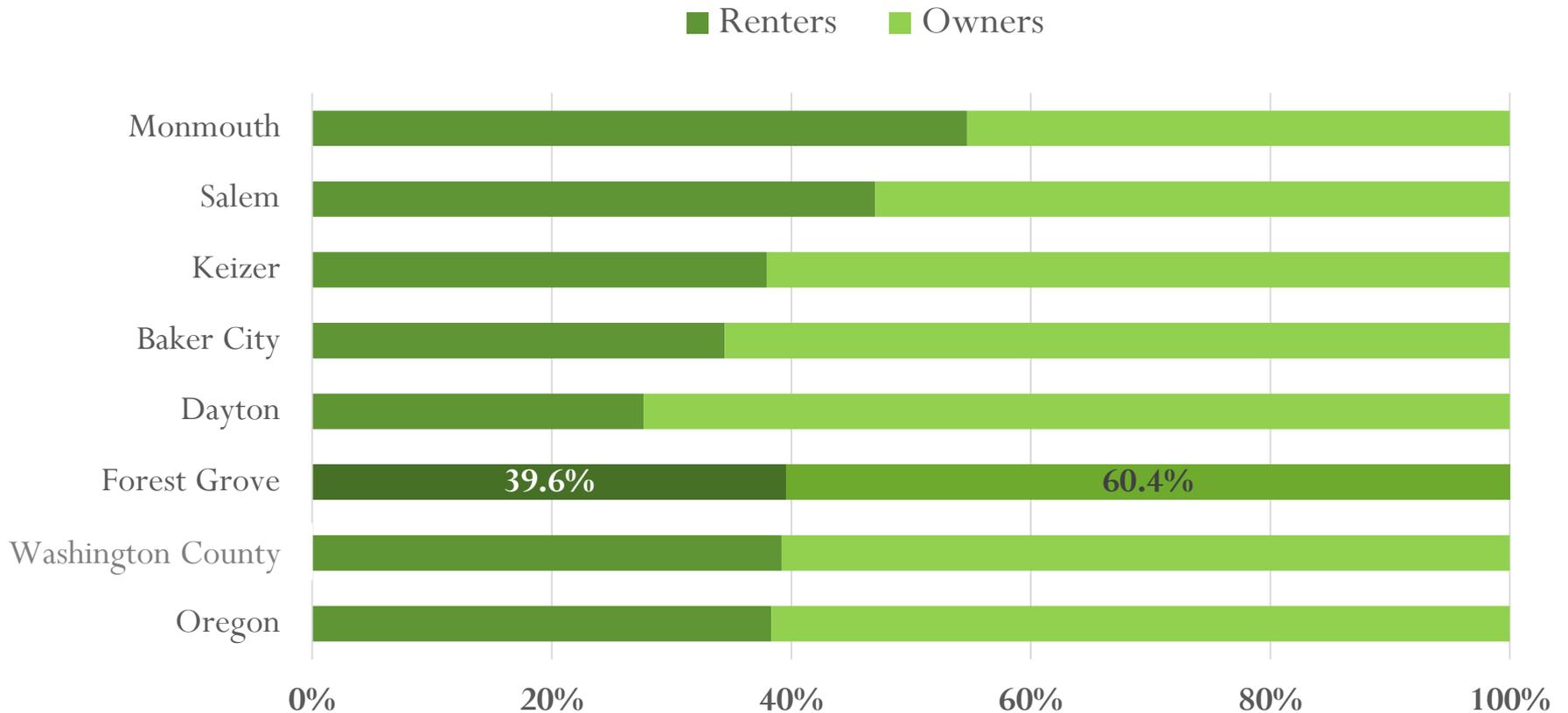
Source: U.S. Census Bureau, 2013-2017 American Community Survey (Table B25024), compiled by FCS Group

# OCCUPIED HOMES



Source: U.S. Census Bureau, 2013-2017 American Community Survey (Table B25032), compiled by FCS Group

# OCCUPIED HOMES



Source: U.S. Census Bureau, 2013-2017 American Community Survey (Table B25032), compiled by FCS Group

# Housing Forecast



# HOUSING FORECAST

- ❑ Forest Grove’s population is expected to increase by about 9,600 persons over the next 20 years.
- ❑ Based on the City’s average household size of 2.8 persons / household, an additional 3,400 housing units will be needed for expected population growth.

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. AGR (2019-2039)
Forest Grove UGB Population	24,652	34,275	9,622	1.66%
Forest Grove Housing Needs				
Group Quarters Population	1,238	1,721	512	
Population in Households	23,414	32,553	9,680	
Avg. Household Size	2.81	2.81		
Resident Housing Units	8,332	11,585	3,252	1.66%
Seasonal & Vacant Housing Units	445	619	174	1.66%
Total Housing Units (baseline)	8,777	12,203	3,426	1.66%

Source: Metro Population Distributed Forecast; U.S. Census ACS 2013-2017 data, and interpolations by FCS GROUP.

# HOUSING FORECAST

## Projected Housing Need by Type and Tenancy

Approximate Attainable Home Price*	Owner-Occupied Dwellings	Renter-Occupied Dwellings	Total Dwelling Units	Attainable Housing Products
Upper (120% or more of MFI)	809	98	907	Standard Homes
Middle (80% to 120% of MFI)	522	170	691	Small and Standard Homes, Townhomes
Low (50% to 80% of MFI)	383	355	737	Small Homes, Townhomes, Mfgd. Homes, Plexes
Very Low (30% to 50% of MFI)	216	274	490	ADUs, Govt. Assisted
Extremely Low (less than 30% of MFI)	123	478	601	Govt. Assisted
<b>Total</b>	<b>2,052</b>	<b>1,374</b>	<b>3,426</b>	

\*Assumes 30% of income is used for rental payments. Forest Grove HNA draft findings, April 2019. FCS GROUP.

Forecasts do not include group quarters units.

# HOUSING SUPPLY AND DEMAND

- Overall the UGB appears adequate to address housing needs during the 20 year planning period.

## Housing Units

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

\* includes townhomes, apartments and group quarters.

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

# INVENTORY OF APPROVED LOTS

- However, the supply of approved lots is low limiting short term development potential.

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	

# SUPPLY CONSIDERATIONS

Expanding the supply of approved subdivision lots is constrained by:

- ❑ Lack of infrastructure needed to serve development.
  - ❑ This applies to the Westside and Oak Street areas.
- ❑ Lack of desire of some property owners in the UGB area to annex into the City.

# SUPPLY CONSIDERATIONS

The supply of approved subdivision lots could be increased by:

- ❑ Implementing the Westside Refinement Plan including adopting an infrastructure funding approach.
- ❑ It's estimated the Westside area could accommodate about 1,900 homes at build-out.
- ❑ Preparing and implementing a refinement plan for the Oak Street Area to promote mixed use development.
- ❑ Preparing and adopting a concept plan for the Urban Reserve meeting Metro requirements.

# Preliminary Policy Discussion

# POLICY DISCUSSION

The advisory committee discussed several policies to promote needed housing at their last meeting:

- ❑ Adopt cottage / cluster housing development standards.
  - ❑ Compact development providing more affordable housing options.
- ❑ Reduced required parking for certain housing types such as regulated affordable housing.
  - ❑ Reduce cost of development and encourage efficient use of land.

# POLICY DISCUSSION

- ❑ Review MINIMUM residential densities.
  - ❑ The minimum is currently set at 80% of zone target density.
- ❑ Revise System Development Charge methodology.
  - ❑ Tie SDC amount to unit size (sliding scale).

# POLICY DISCUSSION

- ❑ Revisit establishing a Construction Excise Tax. State law requires that a percentage of collected revenue go to:
  - ❑ Developer incentives for affordable housing;
  - ❑ Home ownership programs run by the State; and
  - ❑ City initiatives related to housing.

# Council Discussion