

**ORDINANCE NO. 2018-05**

**ORDINANCE AMENDING FOREST GROVE DEVELOPMENT CODE  
ARTICLE 3 ZONING DISTRICTS AND ARTICLE 7 RESIDENTIAL  
DENSITY INCENTIVE ABOVE BASE REQUIREMENT TO INCREASE  
RESIDENTIAL DENSITIES FOR AFFORDABLE HOUSING  
FILE NO. 311-18-000014-PLNG**

**WHEREAS**, the Oregon Department of Housing and Community Services indicates approximately 37% of renter households in Forest Grove currently experience severe rent burden whereby such renters pay more than 50% of their household income on rent; and

**WHEREAS**, Statewide Planning Goal 10 (Housing) requires cities to plan for needed housing types including multiple family housing; and

**WHEREAS**, Forest Grove Comprehensive Plan Housing Goal 4 is to “Provide and maintain an adequate supply of affordable housing opportunities”; and

**WHEREAS**, notice of the proposed amendments was provided to the Department of Land Conservation and Development on June 11, 2018; and

**WHEREAS**, a Measure 56 notice of the proposed amendments was mailed to all affected property owners on June 15, 2018; and

**WHEREAS**, the Planning Commission held a Public Hearing on the proposed amendments on July 16, 2018; and

**WHEREAS**, the Planning Commission adopted Planning Commission Findings and Decision Number 2018-03 recommending approval of the proposed amendments; and

**WHEREAS**, the City Council held a duly-noticed Public Hearing on the proposed ordinance on August 13, 2018, and continued the hearing on September 10, 2018.

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

**Section 1:** The City Council of the City of Forest Grove hereby adopts the text amendments to Development Code Article 3 *Zoning Districts* and Article 7 *Residential Density Incentive Above Base Requirement* as shown on Exhibit A.

**Section 2:** The City Council hereby finds that the proposed amendments are consistent with and meet the provisions of Development Code §10.2.630 *Review Criteria Pertaining to Zoning Text Amendments* as shown on Exhibit B.

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

**PRESENTED AND PASSED** the first reading this 13<sup>th</sup> day of August, 2018.

**PASSED** the second reading this 10<sup>th</sup> day of September, 2018.

  
\_\_\_\_\_  
Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 10<sup>th</sup> day of September, 2018.

  
\_\_\_\_\_  
Peter B. Truax, Mayor

EXHIBIT A  
ORDINANCE NO. 2018-05

COMMERCIAL AND MIXED USE ZONES

10.3.300 PURPOSE

10.3.310 LIST OF COMMERCIAL AND MIXED USE ZONES

A. Neighborhood Commercial (NC)

B. Community Commercial (CC) - The CC zone is established to promote a concentration of mixed uses – including retail, service, office and residential uses – along the regional transit corridor. The link between land use and transit is intended to result in an efficient development pattern that supports the regional transit system and makes progress in reducing traffic congestion and air pollution. The location, mix and configuration of land uses are designed to encourage convenient alternatives to the auto, a safe and attractive streetscape, and a more livable community.

C. Neighborhood Mixed Use (NMU)

10.3.320 USE REGULATIONS

Refer to Article 12 for information on the characteristics of uses included in each of the Use Categories.

A. Permitted Uses. Uses allowed in the Commercial zones are listed in Table 3-10 with a “P”. These uses are allowed if they comply with the development standards and other regulations of this Code.

B. Limited Uses. Uses that are allowed subject to specific limitations are listed in Table 3-10 with an “L”. These uses are allowed if they comply with the limitations listed in the footnotes to the table and the development standards and other regulations of this Code.

C. Conditional Uses. Uses that are allowed if approved through the conditional use process are listed in Table 3-10 with a “C”. These uses are allowed provided they comply with the conditional use approval criteria, the development standards, and other regulations of this Code. §10.2.200 contains the conditional use process and approval criteria.

D. Not Permitted Uses. Uses listed in Table 3-10 with an “N” are not permitted or prohibited. Existing uses may be subject to the regulations of §10.7.100 Nonconforming Development.

E. Accessory Uses. Uses that are accessory to a primary use are allowed if they comply with specific regulations for accessory uses and all development standards.

TABLE 3-10 Commercial and Mixed Use Zones Use Table

USE CATEGORY	NC	CC	NMU
<u>RESIDENTIAL</u>			
Household Living	L <sup>[1]</sup>	L <sup>[2]</sup>	P/L <sup>[15]</sup>
Group Living	N	P	N
Transitional Housing	N	C	N
Home Occupation	L <sup>[3]</sup>	L <sup>[3]</sup>	L <sup>[3]</sup>
Bed and Breakfast	L <sup>[4]</sup>	P	L <sup>[4]</sup>

P = Permitted      L = Limited      C = Conditional Use      N = Not Permitted

Footnotes:

- [1] Residential units are permitted in conjunction with a mixed-use development in the NC zone, at a minimum density of 3.48 and a maximum density of 4.35 dwelling units/net acre.
- [2] Residential units are permitted as a stand-alone use or as part of a mixed-use development in the CC zone, at a minimum density of 16.22 units/net acre and a maximum density of 30.00 units/net acre. Stand-alone residential projects shall have a minimum density of 16.22 units/net acre. There is no minimum density requirement when residential units are constructed over first floor commercial uses. **Residential density for affordable housing may be increased to 50.00 units/net acre pursuant to §10.7.410 Table 7-2 Tier 2.**

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## RESIDENTIAL DENSITY INCENTIVE ABOVE BASE REQUIREMENT

### 10.7.400 PURPOSE

The residential density incentive is intended to allow significantly higher densities within the Town Center, while ensuring that livability is preserved and sustainability is encouraged. Projects which receive density incentives are expected to exceed the City’s design standards. **The bonus density in the CC zoning district is intended to allow higher densities for projects that will provide affordable housing.**

### 10.7.405 APPLICABILITY

For proposed mixed use and multifamily residential developments within the Town Center, the Planning Commission may consider the request for a density incentive as part of Design Review at the applicant’s request. **The affordable housing density bonus available in the CC zoning district will be awarded if the development complies with the provisions of Table 7-2 Tier 2.**

### 10.7.410 STANDARDS

Available density incentives are described in Table 7-2. However, in no case shall the total density on a site **in the Town Center** exceed 100 units per net acre. In addition, the City may limit the total number and/or type of density incentives for which the property may qualify based on the following:

- A. Availability of adequate public facilities and services, including public water, sanitary sewer, storm drainage, police and fire protections.

B. Traffic impacts. Applicants may be required to provide a traffic impact analysis, prepared by a licensed traffic engineer, which includes appropriate mitigation measures.

C. Compatibility with adjacent single-family residential zoning districts.

TABLE 7-2: DENSITY INCENTIVES

Tier 1: Density Incentives for Project Amenities		
<p>Tier 1 density incentives are earned when a developer provides the project amenities listed in Table 7-3 to earn the number of points required for the density increases shown in this table.</p> <p>In order to qualify for a density incentive the proposed improvements must provide an amenity which is not otherwise required by the Development Code. Where a qualifying amenity requires that a minimum amount of area be provided, the same square footage may not be counted towards other amenities. The property owner may be required to execute a covenant with the City ensuring continuation and maintenance of the qualifying amenity by the property owner. Projects cannot qualify for multiple point values in the same amenity category.</p>	Minimum Points Required	Density Increase
	11 points	10 units/acre
	14 points	20 units/acre
	19 points	30 units/acre
	25 points	40 units/acre
	30 points	60 units/acre
Tier 2: Density Incentives for Affordable Housing		
<p><b>In the Town Center</b>, Tier 2 density incentives are earned when 20% of units are set aside for renters or purchasers earning no more than 80% of median income and paying no more than 30% of total household income in rent or mortgage.</p> <p><b>In the CC Zone</b>, Tier 2 density incentives are earned when 20% of units are set aside for renters or purchasers earning no more than <b>60%</b> of median income and paying no more than 30% of total household income in rent or mortgage.</p> <p>Such units shall be developed by a developer with experience undertaking market and non-profit low-income housing developments. This density bonus does not apply to institutional housing.</p>		<p>20 units/acre</p> <p><b>Town Center and CC Zone</b></p>

**EXHIBIT B**  
**ORDINANCE NO. 2018-05**

Development Code §10.2.630 *Review Criteria* lists two standards to be satisfied to adopt a text amendment -

**A. The text amendment is consistent with relevant goals and policies of the Forest Grove Comprehensive Plan; and**

Finding: The proposed amendments would provide bonus density for projects that include an affordable housing component. With this amendment, bonus density of up to 50.00 DUA would be permitted for projects in the Community Commercial (CC) zoning district. Relevant goals and policies related to the proposed changes are addressed as follows:

**Forest Grove Comprehensive Plan - Housing Goals and Policies**

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

**Forest Grove Comprehensive Plan - Land Use Policies**

9. Development regulations shall promote a variety of housing types suitable for owner- and renter-occupants. The 2009 Economic Opportunity Analysis indicates a need for 3,859 owner-occupied units and 878 renter-occupied units over the next 20 years.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus density in the CC zoning district could promote a variety of housing types suitable for renter-occupants because a greater number of units per acre should result in a lower per-unit cost, thus encouraging the development of needed housing types serving this market segment.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in units specifically set aside for those meeting affordable housing occupancy standards.

Finding: The CC zoning district allows for a variety of housing types for owner- and renter-occupants. Amending the Development Code to increase density would promote the

construction of additional units, thus helping to achieve EOA housing targets including affordable units.

Finding: The US Census Bureau American Community Survey publishes income data for both households and families. The data below for 2016 shows that median family and household income for Washington County residents is higher than the median family and household income for Forest Grove residents:

Washington County Median Family Income (2016): \$81,887  
Washington County Median Household Income (2016): \$69,743

Forest Grove Median Family Income (2016): \$57,922  
Forest Grove Median Household Income (2016): \$49,857

Finding: Median family and household income for Forest Grove in 2016 is about 71% of the 2016 median family and household income for Washington County.

Conclusion: Washington County's median household and family income is higher than the median income for Forest Grove's households and families. As such, using Washington County median income is not useful for addressing the affordable housing needs of low income households and families in Forest Grove. This situation **would be addressed by establishing a threshold of 60%** of Washington County's median income as the maximum amount for the low income affordable housing density bonus. This would ensure that families with no more than **\$49,132** ( $\$81,887 \times 0.60$ ) in income and households with no more than **\$41,846** ( $\$69,743 \times 0.60$ ) in income benefit from the low income affordable housing density bonus.

10. Ensuring the availability of affordable housing is a priority for the City of Forest Grove. Affordable housing options provided for through planning and development regulations should reflect documented housing needs of current and future residents of the City.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in a greater number of units per acre which could result in a lower per-unit cost. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards, since the density bonus would apply when 20% of the units are set aside for renters or purchasers earning no more than **60%** of Forest Grove's median income and paying no more than 30% of total household income on rent or a mortgage.

Finding: The Washington County Housing Plan identifies a need for as many as 14,000 affordable housing units in Washington County. The City of Forest Grove Affordable Housing Needs Assessment and Recommendations report identifies a need for at least 1,400 housing units affordable to low- and extremely low-income households in Forest Grove. Increasing allowed density in the CC zoning district would expand opportunities for increasing the supply and availability of housing units including affordable housing options such as apartments.

11. Develop and implement incentives for the construction of affordable housing meeting documented community needs.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district should promote affordability for renter-occupants since a greater number of units per acre should result in a lower per-unit cost, thus potentially lowering the rent burden. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards.

### **Forest Grove Comprehensive Plan Housing Goals and Policies**

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

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.

Finding: According to the Washington County Housing Plan, as many as 14,000 affordable housing units are needed in Washington County, with 1,400 of those units needed in Forest Grove.

Finding: The Oregon Department of Housing and Community Services has identified about 37% of the renter households in Forest Grove that are currently experiencing a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus densities for affordable housing in the CC zoning district could promote the construction of a greater number of units set aside specifically for those meeting affordable housing occupancy standards.

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

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.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in a greater number of units per acre. As the per-unit cost would thus be lower, increasing density should result in lower rents.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in units being specifically set aside for those meeting affordable housing occupancy standards.

**B. The text amendment is consistent with relevant statewide and regional planning goals, programs and rules.**

Finding: Relevant statewide and regional goals and policies related to the proposed changes are addressed as follows:

**Statewide Planning Goal 10 Housing – To provide for the housing needs of citizens of the state.**

Finding: Increasing density for affordable housing in the CC zoning district would increase opportunities for the construction of needed housing in a cost-effective manner by spreading the cost of construction across more units. This would help to reduce the per-unit cost of housing and would promote construction of housing at price ranges and rent levels commensurate with the financial capabilities of Oregon households, consistent with Statewide Planning Goal 10.

Finding: Oregon Administrative Rules Chapter 660-007-0035(2) requires that the City of Forest Grove provide for an overall density of eight or more units per net buildable acre across the City's residential zoning districts. Increasing opportunities for higher density in the CC zoning district would help ensure that the City meets this requirement.

**Metro Urban Growth Management Functional Plan - Title 1: Housing Capacity**

Finding: Increasing the bonus densities in the CC zoning district could further Statewide Goal 10 and Metro Title 1 by increasing the potential inventory of housing options available, thus helping to ensure that the City continues to meet its regional housing targets.

**Metro Regional Framework Plan Policy 1.3 Housing Choices and Opportunities**

Finding: Housing choices and opportunities would be improved by increasing the bonus density in the CC zoning district, thus increasing the availability of both market rate and affordable housing options.



# City Council Meeting September 10, 2018

Affordable Housing Density Incentive  
Second Reading of Ordinance 2018-05  
Development Code Text Amendments

Bryan Pohl

Community Development Director

# PC Recommendation

The Planning Commission approved proposals to:

- Retain the target density of 30 DUA and allow up to 50 DUA in the Community Commercial zoning district for affordable housing.
- Revise the incentive so that projects would be eligible if renters or purchasers earned no more than 50% of the county median income, versus the 80% in the current Development Code for the Town Center zones.
- The Commission left in place the existing 20% threshold of affordable units required for a project to qualify for the incentive density.

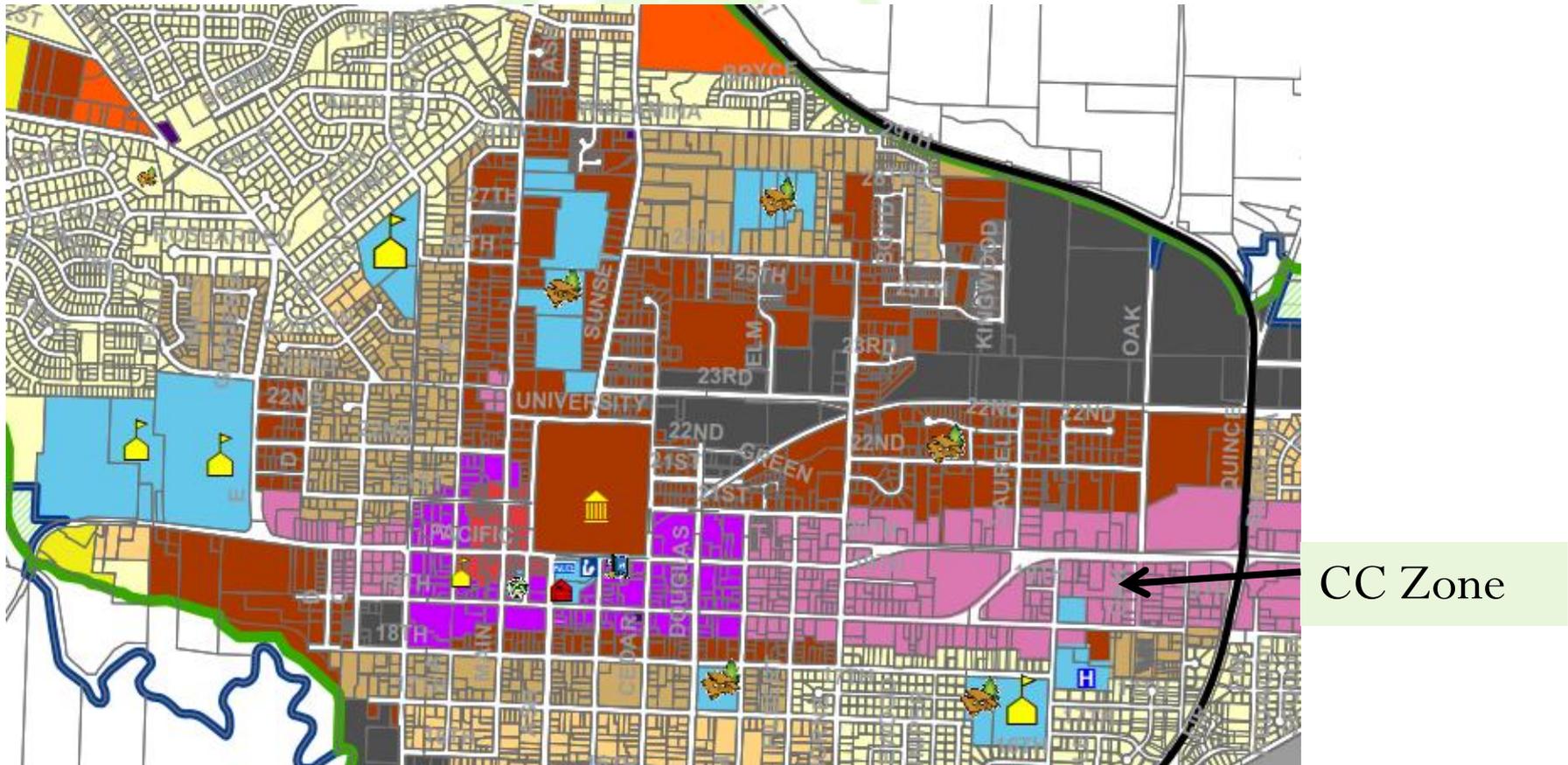
The Planning Commission rejected the proposed 9.72-unit increase in the RMH zoning district -

- Concerns raised included any density increase in the zone, any increase in density in a historic district, or the potential negative effect on “community values”.

Proposed Ordinance #2018-05 reflects the Planning Commission’s recommendations to amend the Development Code.

# PC Recommendation

- Proposed Ordinance #2018-05 reflects the Planning Commission's recommendations. Below is the Community Commercial (CC) zoning district that would retain the target density of 30 DUA and allow up to 50 DUA for affordable housing.



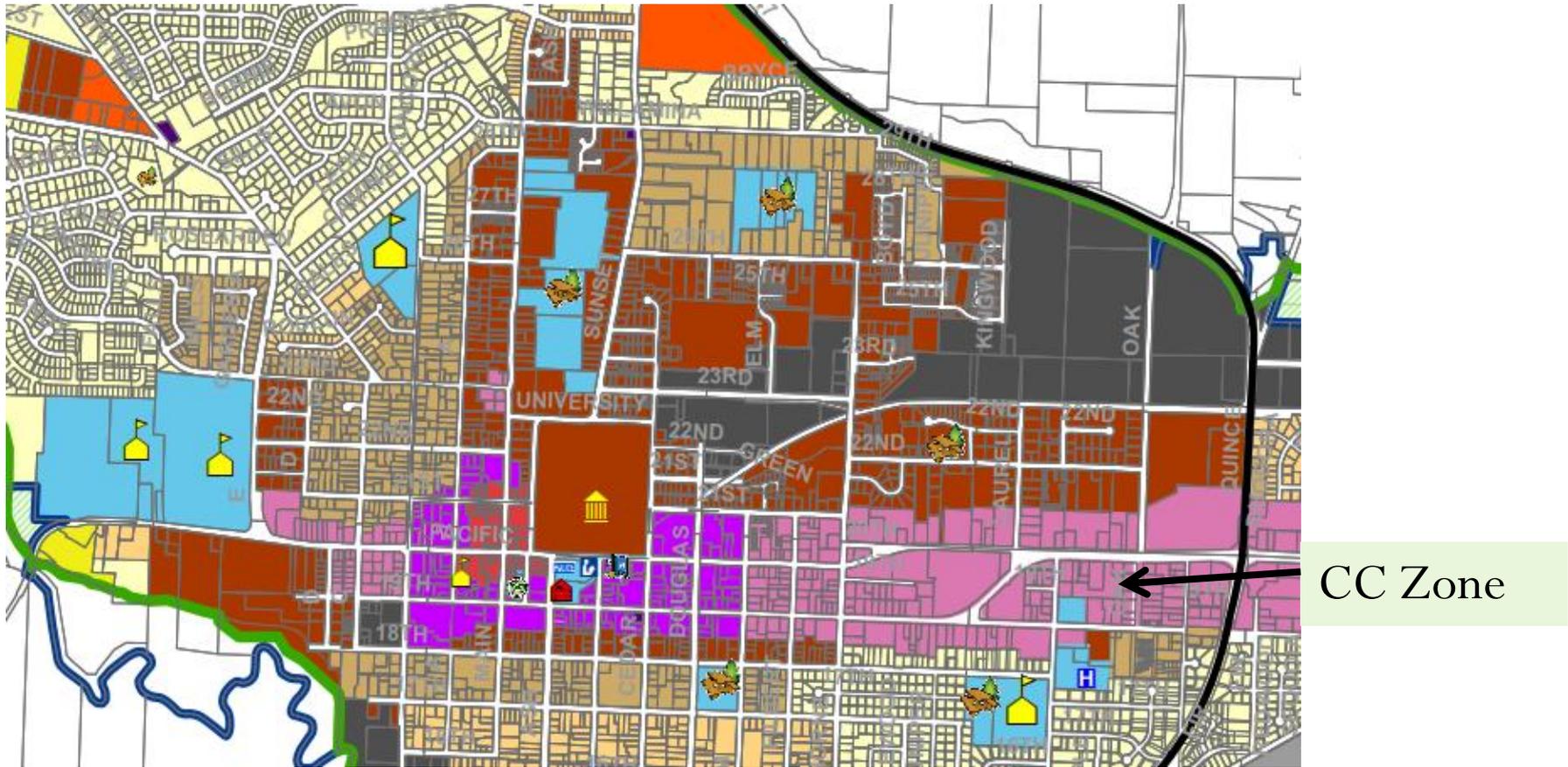
# OPTIONS

- Staff will address individually the five (5) options for consideration:



# OPTION 1

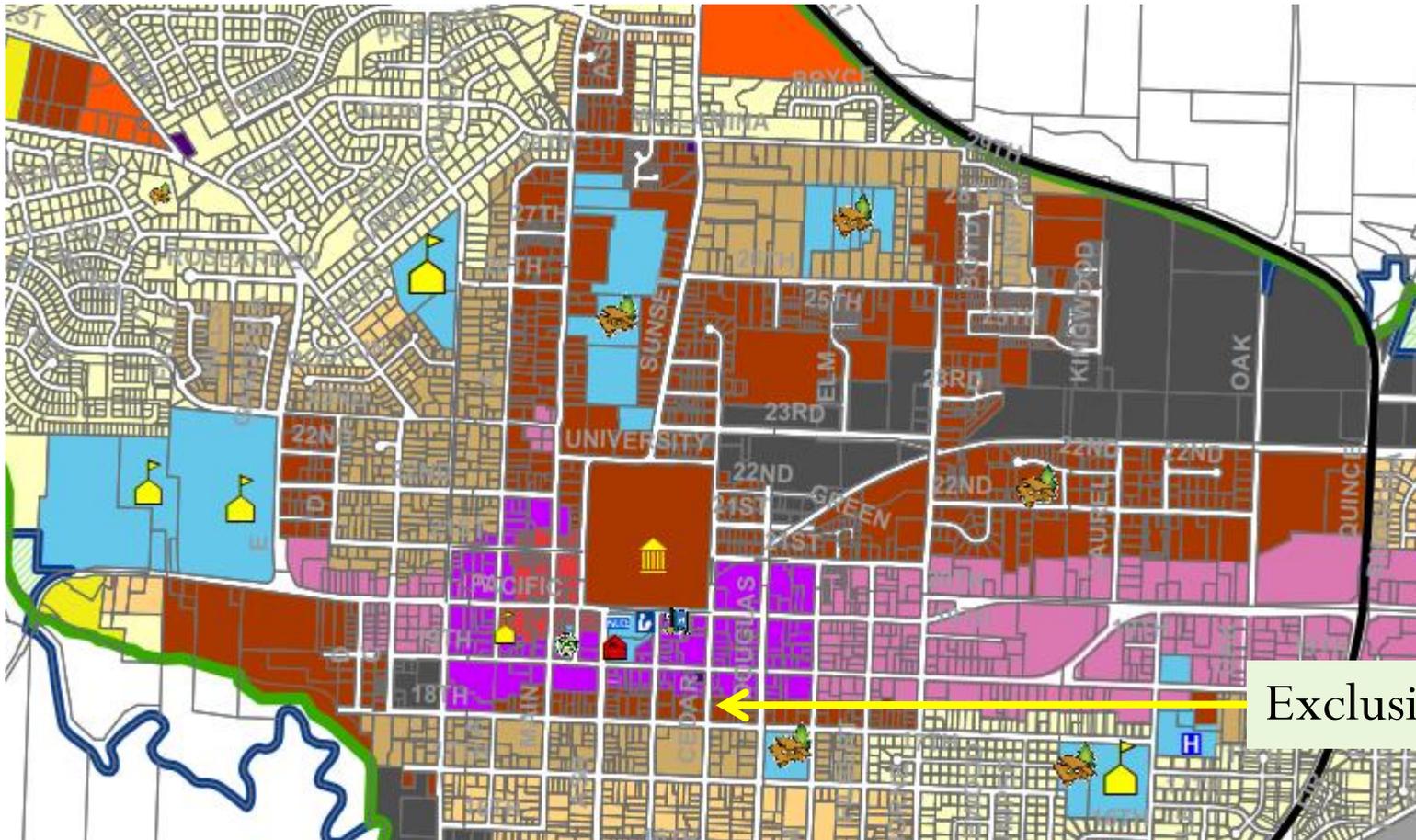
Adopt the ordinance as recommended by the Planning Commission.





# Option 3

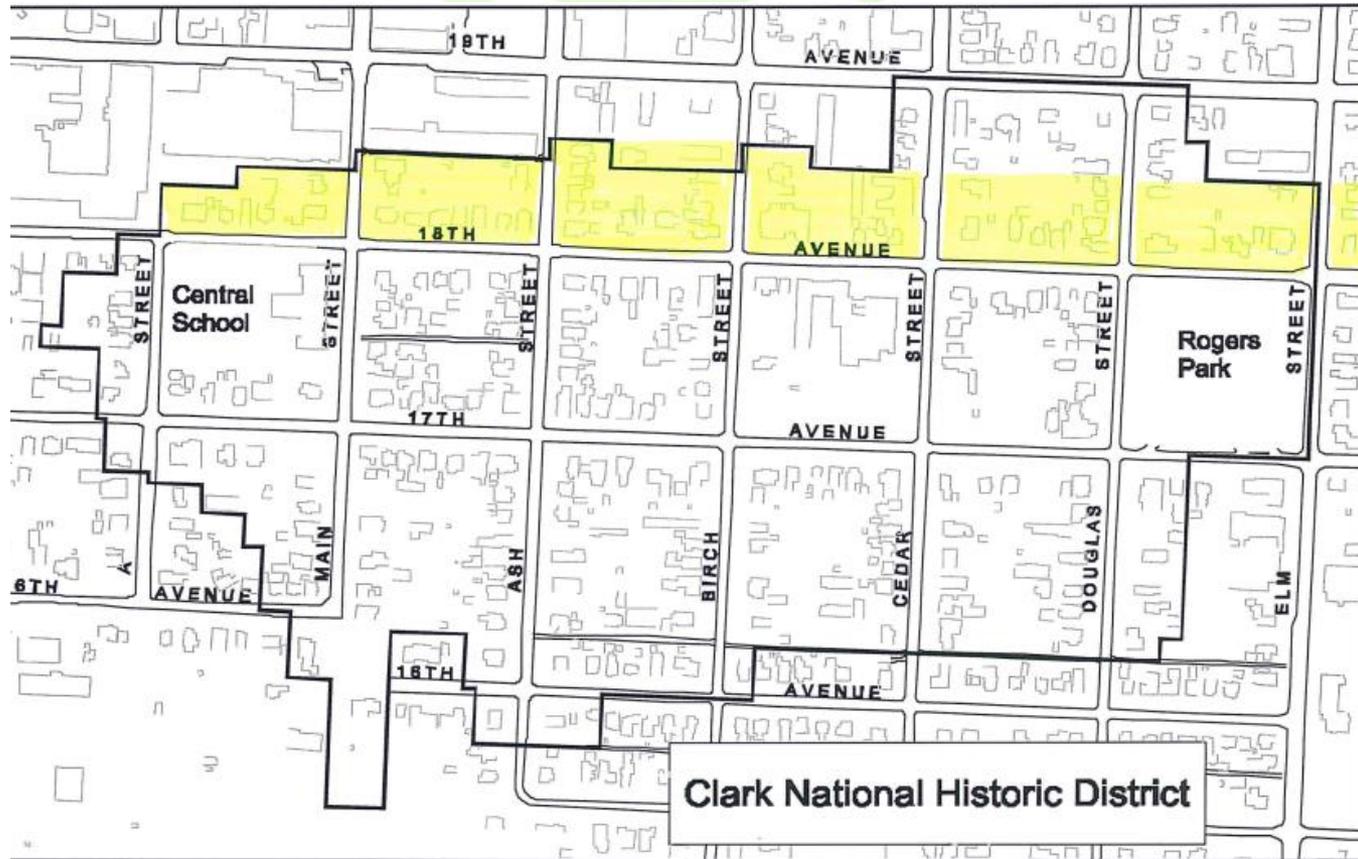
Amend the ordinance to include the RMH Zoning District Except the Area Between “A” and Hawthorne Streets



A place where businesses and families thrive.

# OPTION 4

Amend the ordinance to include the RMH Zoning District but exclude areas within historic districts.



## OPTION 5

The motion on the floor is to adopt the proposed Ordinance with the PC's recommendation (Option 1) and amend the Ordinance to revise the incentive to increase the income threshold from 50% to 60% of the county median (Option 5).

- Many other city efforts with affordable housing have used the 60% AMI metric; therefore, City Council may want to consider that for consistency's sake. This was also discussed at the Joint Work Session with the Planning Commission.
- Planning Commission felt that, due to the relatively low AMI of Forest Grove versus that of Washington County, a lower AMI should be used.
- Planning Commission settled on 50% AMI.

Date: SEPTEMBER 10, 2018

Agenda Item: 6.

Subject: SECOND READING OF ORDINANCE NO. 2018-05 AMENDING FOREST GROVE DEVELOPMENT CODE ARTICLE 3, ZONING DISTRICT, AND ARTICLE 7, RESIDENTIAL DENSITY INCENTIVE ABOVE BASE REQUIREMENT, TO INCREASE RESIDENTIAL DENSITIES FOR AFFORDABLE HOUSING FILE NO. 311-18-000014-PLNG

# CITY COUNCIL MEETING

## Request to Testify at Public Hearing

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

*Please sign-in below to testify.*

**PROPOSERS:** (Please print legibly)

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

Debbie Rogers Bianchi  
BRIAN SCHIMMEL

2204 DST FG  
1166 33<sup>RD</sup> AVE

**OPPOSERS:** (Please print legibly)

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

David Moelch

1320 Cedar St F.G., 92116

**OTHERS:** (Please print legibly)

**First & Last Name:**

**Address:**

**City, State & Zip Code:**

8.

FIRST READING:  
*Motion: Amend*  
8-13-2018

**ORDINANCE NO. 2018-05**

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**WHEREAS**, notice of the proposed amendments was provided to the Department of Land Conservation and Development on June 11, 2018; and

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**WHEREAS**, the Planning Commission held a Public Hearing on the proposed amendments on July 16, 2018; and

**WHEREAS**, the Planning Commission adopted Planning Commission Findings and Decision Number 2018-03 recommending approval of the proposed amendments; and

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**PASSED** the second reading this 10<sup>th</sup> day of September, 2018.

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Anna D. Ruggles, City Recorder

**APPROVED** by the Mayor this 10<sup>th</sup> day of September, 2018.

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Peter B. Truax, Mayor

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- C. Neighborhood Mixed Use (NMU)

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- D. Not Permitted Uses. Uses listed in Table 3-10 with an “N” are not permitted or prohibited. Existing uses may be subject to the regulations of §10.7.100 Nonconforming Development.
- E. Accessory Uses. Uses that are accessory to a primary use are allowed if they comply with specific regulations for accessory uses and all development standards.

- A. Availability of adequate public facilities and services, including public water, sanitary sewer, storm drainage, police and fire protections.
- B. Traffic impacts. Applicants may be required to provide a traffic impact analysis, prepared by a licensed traffic engineer, which includes appropriate mitigation measures.
- C. Compatibility with adjacent single-family residential zoning districts.

TABLE 7-2: DENSITY INCENTIVES

Tier 1: Density Incentives for Project Amenities		
<p>Tier 1 density incentives are earned when a developer provides the project amenities listed in Table 7-3 to earn the number of points required for the density increases shown in this table.</p> <p>In order to qualify for a density incentive the proposed improvements must provide an amenity which is not otherwise required by the Development Code. Where a qualifying amenity requires that a minimum amount of area be provided, the same square footage may not be counted towards other amenities. The property owner may be required to execute a covenant with the City ensuring continuation and maintenance of the qualifying amenity by the property owner. Projects cannot qualify for multiple point values in the same amenity category.</p>	Minimum Points Required	Density Increase
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Tier 2: Density Incentives for Affordable Housing		
<p><b>In the Town Center</b>, Tier 2 density incentives are earned when 20% of units are set aside for renters or purchasers earning no more than 80% of median income and paying no more than 30% of total household income in rent or mortgage.</p> <p><b>In the CC Zone</b>, Tier 2 density incentives are earned when 20% of units are set aside for renters or purchasers earning no more than 50% of median income and paying no more than 30% of total household income in rent or mortgage.</p> <p>Such units shall be developed by a developer with experience undertaking market and non-profit low-income housing developments. This density bonus does not apply to institutional housing.</p>	<p>-60% Amended by motion</p>	<p>20 units/acre <b>Town Center and CC Zone</b></p>

EXHIBIT B  
ORDINANCE NO. 2018-05

Development Code §10.2.630 *Review Criteria* lists two standards to be satisfied to adopt a text amendment -

**A. The text amendment is consistent with relevant goals and policies of the Forest Grove Comprehensive Plan; and**

Finding: The proposed amendments would provide bonus density for projects that include an affordable housing component. With this amendment, bonus density of up to 50.00 DUA would be permitted for projects in the Community Commercial (CC) zoning district. Relevant goals and policies related to the proposed changes are addressed as follows:

**Forest Grove Comprehensive Plan - Housing Goals and Policies**

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

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Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in units specifically set aside for those meeting affordable housing occupancy standards.

Finding: The CC zoning district allows for a variety of housing types for owner- and renter-occupants. Amending the Development Code to increase density would promote

the construction of additional units, thus helping to achieve EOA housing targets including affordable units.

Finding: The US Census Bureau American Community Survey publishes income data for both households and families. The data below for 2016 shows that median family and household income for Washington County residents is higher than the median family and household income for Forest Grove residents:

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Finding: Median family and household income for Forest Grove in 2016 is about 71% of the 2016 median family and household income for Washington County.

Conclusion: Washington County's median household and family income is higher than the median income for Forest Grove's households and families. As such, using Washington County median income is not useful for addressing the affordable housing needs of low income households and families in Forest Grove. To address this situation, the Planning Commission recommends 50% of Washington County's median income as the maximum amount for the low income affordable housing density bonus. This would ensure that families with no more than \$40,939 ( $\$81,887 \times 0.50$ ) in income and households with no more than \$34,872 ( $\$69,743 \times 0.50$ ) in income benefit from the low income affordable housing density bonus.

10. Ensuring the availability of affordable housing is a priority for the City of Forest Grove. Affordable housing options provided for through planning and development regulations should reflect documented housing needs of current and future residents of the City.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in a greater number of units per acre which could result in a lower per-unit cost. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards, since the density bonus would apply when 20% of the units are set aside for renters or purchasers earning no more than 50% of Forest Grove's median income and paying no more than 30% of total household income on rent or a mortgage.

Finding: The Washington County Housing Plan identifies a need for as many as 14,000 affordable housing units in Washington County. The City of Forest Grove Affordable Housing Needs Assessment and Recommendations report identifies a need for at least 1,400 housing units affordable to low- and extremely low-income households in Forest Grove. Increasing allowed density in the CC zoning district would expand opportunities for increasing the supply and availability of housing units including affordable housing options such as apartments.

11. Develop and implement incentives for the construction of affordable housing meeting documented community needs.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district should promote affordability for renter-occupants since a greater number of units per acre should result in a lower per-unit cost, thus potentially lowering the rent burden. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards.

### **Forest Grove Comprehensive Plan Housing Goals and Policies**

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

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.

Finding: According to the Washington County Housing Plan, as many as 14,000 affordable housing units are needed in Washington County, with 1,400 of those units needed in Forest Grove.

Finding: The Oregon Department of Housing and Community Services has identified about 37% of the renter households in Forest Grove that are currently experiencing a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus densities for affordable housing in the CC zoning district could promote the construction of a greater number of units set aside specifically for those meeting affordable housing occupancy standards.

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

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.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in a greater number of units per acre. As the per-unit cost would thus be lower, increasing density should result in lower rents.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in units being specifically set aside for those meeting affordable housing occupancy standards.

**B. The text amendment is consistent with relevant statewide and regional planning goals, programs and rules.**

Finding: Relevant statewide and regional goals and policies related to the proposed changes are addressed as follows:

**Statewide Planning Goal 10 Housing – To provide for the housing needs of citizens of the state.**

Finding: Increasing density for affordable housing in the CC zoning district would increase opportunities for the construction of needed housing in a cost-effective manner by spreading the cost of construction across more units. This would help to reduce the per-unit cost of housing and would promote construction of housing at price ranges and rent levels commensurate with the financial capabilities of Oregon households, consistent with Statewide Planning Goal 10.

Finding: Oregon Administrative Rules Chapter 660-007-0035(2) requires that the City of Forest Grove provide for an overall density of eight or more units per net buildable acre across the City's residential zoning districts. Increasing opportunities for higher density in the CC zoning district would help ensure that the City meets this requirement.

**Metro Urban Growth Management Functional Plan - Title 1: Housing Capacity**

Finding: Increasing the bonus densities in the CC zoning district could further Statewide Goal 10 and Metro Title 1 by increasing the potential inventory of housing options available, thus helping to ensure that the City continues to meet its regional housing targets.

**Metro Regional Framework Plan Policy 1.3 Housing Choices and Opportunities**

Finding: Housing choices and opportunities would be improved by increasing the bonus density in the CC zoning district, thus increasing the availability of both market rate and affordable housing options.

# Planning Commission Findings and Decision #2018-03

**Planning Commission Findings and Decision Number 2018-03  
To Recommend Approval of an Ordinance to Amend Forest Grove  
Development Code Articles 3 and 7 Pertaining to Affordable Housing  
File Number 311-18-000014-PLNG**

**WHEREAS**, the Planning Commission and City Council held a joint work session on May 29, 2018 to discuss measures that might improve affordable housing opportunities; and

**WHEREAS**, the Planning Commission and City Council concurred that allowing for an increase in density for affordable housing projects would be one method whereby those opportunities might be increased; and

**WHEREAS**, the purpose of the proposed amendments is to improve opportunities for the construction of affordable housing in the Community Commercial zoning district; and

**WHEREAS**, notice of the proposed amendments was provided to the Department of Land Conservation and Development (DLCD) on June 11, 2018; and

**WHEREAS**, notice of the Planning Commission hearing on this ordinance was published in the *News Times* on July 11, 2018; and

**WHEREAS**, the Planning Commission held a public hearing on the proposed amendments on July 16, 2018.

The City of Forest Grove Planning Commission does hereby recommend to the City Council approval of the Development Code amendments as provided in Exhibit A, making the following specific findings in support of this decision:

Development Code §10.2.630 *Review Criteria* lists two standards to be satisfied to adopt a text amendment -

**A. The text amendment is consistent with relevant goals and policies of the Forest Grove Comprehensive Plan; and**

Finding: The proposed amendments would provide bonus density for projects that include an affordable housing component. With this amendment, bonus density of up to 50.00 DUA would be permitted for projects in the Community Commercial (CC) zoning district. Relevant goals and policies related to the proposed changes are addressed as follows:

**Forest Grove Comprehensive Plan - Housing Goals and Policies**

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

## **Forest Grove Comprehensive Plan - Land Use Policies**

9. Development regulations shall promote a variety of housing types suitable for owner- and renter-occupants. The 2009 Economic Opportunity Analysis indicates a need for 3,859 owner-occupied units and 878 renter-occupied units over the next 20 years.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus density in the CC zoning district could promote a variety of housing types suitable for renter-occupants because a greater number of units per acre should result in a lower per-unit cost, thus encouraging the development of needed housing types serving this market segment.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in units specifically set aside for those meeting affordable housing occupancy standards.

Finding: The CC zoning district allows for a variety of housing types for owner- and renter-occupants. Amending the Development Code to increase density would promote the construction of additional units, thus helping to achieve EOA housing targets including affordable units.

Finding: The US Census Bureau American Community Survey publishes income data for both households and families. The data below for 2016 shows that median family and household income for Washington County residents is higher than the median family and household income for Forest Grove residents:

Washington County Median Family Income (2016): \$81,887  
Washington County Median Household Income (2016): \$69,743  
  
Forest Grove Median Family Income (2016): \$57,922  
Forest Grove Median Household Income (2016): \$49,857

Finding: Median family and household income for Forest Grove in 2016 is about 71% of the 2016 median family and household income for Washington County.

Conclusion: Washington County's median household and family income is higher than the median income for Forest Grove's households and families. As such, using Washington County median income is not useful for addressing the affordable housing needs of low income households and families in Forest Grove. To address this situation, the Planning Commission recommends 50% of Washington County's median income as the maximum amount for the low income affordable housing density bonus. This would ensure that families with no more than \$40,939 ( $\$81,887 \times 0.50$ ) in income and households with no more than \$34,872 ( $\$69,743 \times 0.50$ ) in income benefit from the low income affordable housing density bonus.

10. Ensuring the availability of affordable housing is a priority for the City of Forest Grove. Affordable housing options provided for through planning and development regulations should reflect documented housing needs of current and future residents of the City.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in a greater number of units per acre which could result in a lower per-unit cost. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards, since the density bonus would apply when 20% of the units are set aside for renters or purchasers earning no more than 50% of Forest Grove's median income and paying no more than 30% of total household income on rent or a mortgage.

Finding: The Washington County Housing Plan identifies a need for as many as 14,000 affordable housing units in Washington County. The City of Forest Grove Affordable Housing Needs Assessment and Recommendations report identifies a need for at least 1,400 housing units affordable to low- and extremely low-income households in Forest Grove. Increasing allowed density in the CC zoning district would expand opportunities for increasing the supply and availability of housing units including affordable housing options such as apartments.

11. Develop and implement incentives for the construction of affordable housing meeting documented community needs.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district should promote affordability for renter-occupants since a greater number of units per acre should result in a lower per-unit cost, thus potentially lowering the rent burden. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards.

### **Forest Grove Comprehensive Plan Housing Goals and Policies**

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

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.

Finding: According to the Washington County Housing Plan, as many as 14,000 affordable housing units are needed in Washington County, with 1,400 of those units needed in Forest Grove.

Finding: The Oregon Department of Housing and Community Services has identified about 37% of the renter households in Forest Grove that are currently experiencing a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus densities for affordable housing in the CC zoning district could promote the construction of a greater number of units set aside specifically for those meeting affordable housing occupancy standards.

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

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.

Finding: Increasing the bonus densities for affordable housing in the CC zoning district would result in a greater number of units per acre. As the per-unit cost would thus be lower, increasing density should result in lower rents.

Finding: Increasing the bonus densities for affordable housing in the RMH and CC zoning districts would result in units being specifically set aside for those meeting affordable housing occupancy standards.

**B. The text amendment is consistent with relevant statewide and regional planning goals, programs and rules.**

Finding: Relevant statewide and regional goals and policies related to the proposed changes are addressed as follows:

**Statewide Planning Goal 10 Housing – To provide for the housing needs of citizens of the state.**

Finding: Increasing density for affordable housing in the CC zoning district would increase opportunities for the construction of needed housing in a cost-effective manner by spreading the cost of construction across more units. This would help to reduce the per-unit cost of housing and would promote construction of housing at price ranges and rent levels commensurate with the financial capabilities of Oregon households, consistent with Statewide Planning Goal 10.

Finding: Oregon Administrative Rules Chapter 660-007-0035(2) requires that the City of Forest Grove provide for an overall density of eight or more units per net buildable acre across the City's residential zoning districts. Increasing opportunities for higher density in the CC zoning district would help ensure that the City meets this requirement.

**Metro Urban Growth Management Functional Plan - Title 1: Housing Capacity**

Finding: Increasing the bonus densities in the CC zoning district could further Statewide Goal 10 and Metro Title 1 by increasing the potential inventory of housing options available, thus helping to ensure that the City continues to meet its regional housing targets.

*Metro Regional Framework Plan Policy 1.3 Housing Choices and Opportunities*

Finding: Housing choices and opportunities would be improved by increasing the bonus density in the CC zoning district, thus increasing the availability of both market rate and affordable housing options.

  
\_\_\_\_\_  
TOM BECK, Chair

7-23-18  
Date



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CITY RECORDER USE ONLY:	
AGENDA ITEM #:	8.
MEETING DATE:	8-13-18
FINAL ACTION:	Motion Amend BKH A & B 60% AMI

**CITY COUNCIL STAFF REPORT**

**FIRST READING:**

**TO:** City Council

**FROM:** Jesse VanderZanden, City Manager

**MEETING DATE:** August 13, 2018

**PROJECT TEAM:** Bryan Pohl, Community Development Director  
Dan Riordan, Senior Planner  
James Reitz, AICP, Senior Planner

**SUBJECT TITLE:** Public Hearing and First Reading of an Ordinance to Amend the Development Code

**ACTION REQUESTED:**

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

**ISSUE STATEMENT:** City Council adopted an objective to address the housing needs and housing affordability of current and future residents. One method to do so would be to increase the density allowed for projects that include an affordable housing component. The attached ordinance would increase the density in the Community Commercial (CC) zoning district for projects that contain at least 20% affordable housing.

**BACKGROUND:** The City Council and Planning Commission met in a joint work session on May 29, 2018, to discuss possible Development Code amendments that might promote the construction of affordable housing units. The consensus was to consider increasing the density allowed in the RMH and CC zoning districts specifically for projects that included an affordable housing component as defined in Development Code Table 7-2 Tier 2 (see attached meeting minutes).

For the July 16, 2018, Planning Commission hearing, approximately 1,000 notices describing the proposal were mailed to property owners in the RMH and CC zoning districts. At the hearing, 12 persons offered testimony. All but one testified in opposition to any increase in density in the RMH zoning district, citing concerns about a potential conflict with historic districts, lack of public infrastructure, property values, traffic, parking, and increased school population. One person spoke in favor of the proposed increase in the CC zoning district.

The Planning Commission separated the discussion into four segments:

1. Because of the differential between the median incomes of Washington County residents as a whole versus Forest Grove residents specifically, the Commission recommended revising the incentive so that projects would be eligible if renters or purchasers earned no more than 50% of the county median income, versus the 80% threshold in the current Development Code. This amendment was approved unanimously. (At the May 29 meeting, the consensus was to revise the incentive to a 60% threshold.)

2. The proposed 9.72-unit increase in the RMH zoning district was rejected on a 5-2 vote. Concerns raised included any increase whatsoever in the zone, any increase in a historic district, or the potential negative effect on "community values".
3. The proposed 20-unit increase in the CC zoning district was approved on a 5-2 vote. The only specific concern raised was that residential parking demand might compete with commercial parking demand.
4. The Commission left in place the existing 20% threshold of affordable units required for a project to qualify for the incentive density.

Several commissioners also commented that the amendments to increase density would likely have no significant effect in improving the availability of affordable housing.

If adopted, the attached ordinance would increase the density in the CC zoning district from 30.00 to 50.00 dwelling units per acre (DUA) for affordable housing projects, and would revise the incentive to reduce the income threshold from 80% to 50% of the county median.

**OPTIONS:** The Council has these options to consider -

1. Adopt the ordinance amendments as recommended by the Planning Commission; or
2. Amend the ordinance to include the RMH zoning district city-wide; or
3. Amend the ordinance to include the RMH zoning district except the area abutting 18<sup>th</sup> Avenue between "A" and Hawthorne streets; or
4. Amend the ordinance to include the RMH zoning district city-wide but exclude areas within historic districts; and/or
5. Amend the ordinance to revise the incentive to reduce the income threshold from 80% to 60% of the county median; and/or
6. Amend the ordinance to include other revisions.

**FISCAL IMPACT:** Adoption of the ordinance will have no direct fiscal impact on the City.

**STAFF RECOMMENDATION:** Staff recommends adoption of the Ordinance to amend the Development Code as recommended by the Planning Commission.

**ATTACHMENTS:**

- PowerPoint
- Ordinance to Amend the Forest Grove Development Code
- Planning Commission Findings and Decision #2018-03
- Planning Commission Meeting Minutes (draft) of July 16, 2018
- Planning Commission Staff Report of July 16, 2018
- Written Testimony Received to date
- City Council/Planning Commission work session meeting minutes of May 29, 2018



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**NOTICE OF PUBLIC HEARING  
AMENDING FOREST GROVE DEVELOPMENT CODE  
ALLOWING AFFORDABLE HOUSING DENSITY BONUS  
IN COMMUNITY COMMERCIAL ZONING DISTRICT  
FILE NUMBER 311-18-000014-PLNG**

**NOTICE IS HEREBY GIVEN** that the Forest Grove City Council will hold a Public Hearing on **Monday, August 13, 2018, 7:00 p.m.** or thereafter, in the Community Auditorium, 1915 Main Street, Forest Grove, to consider adopting the Planning Commission's recommendation to enact an ordinance to amend the Development Code and allow a 20 unit per acre density bonus for affordable housing projects in the Community Commercial zone. This would increase the maximum allowed density in the Community Commercial zone district from 30 units to 50 units per acre for affordable housing projects. To qualify for the density bonus at least 20% of the housing units must be set-aside for households earning no more than 50% of area median income. If enacted by City Council, the ordinance would take effect 30 days immediately after enactment unless City Council declares an emergency.

The proposed code amendment will be reviewed based on the following Development Code review criteria:

1. The text amendments are consistent with the relevant goals and policies of the Comprehensive Plan; and
2. The text amendments are consistent with the relevant statewide and regional planning goals, program and rules.

This hearing is open to the public and interested parties are encouraged to attend. A copy of the staff report and proposed ordinance are available for inspection before the hearing at the City Recorder's Office or by visiting the City's website at [www.forestgrove-or.gov](http://www.forestgrove-or.gov). Written comments or testimony may be submitted at the hearing or sent to the attention of the City Recorder's Office, P. O. Box 326, 1924 Council Street, Forest Grove, OR 97116, prior to the hearing. For further information, please call Anna Ruggles, City Recorder, at 503.992.3235.

**Anna D. Ruggles, CMC, City Recorder  
City of Forest Grove**

Wednesday, August 8, 2018



# City Council Meeting August 13, 2018

Affordable Housing Density Incentive  
Ordinance 2018-05  
Development Code Text Amendments  
Bryan Pohl  
Community Development Director

# What has been done?

- December, 2016: Ad-Hoc Committee Formed
- December-July, 2017: Council presentations from subject experts.
- July, 2017: Council review ad-hoc committee recommendations.
- August, 2017: Council accepts ad-hoc committee recommendations.
- November, 2017: Review state, regional and county housing efforts.
  - Work Session to consider and narrow Ad-Hoc Committee recommendations.
- February, 2018: Work Session to consider and further narrow Ad-Hoc Committee recommendations.
- March, 2018: Council Retreat Work Session to select Ad-Hoc Committee recommendations for further consideration (see following page).
- April, 2018: Work Session on affordable housing density increase options.
- May, 2018: Joint Work Session with Planning Commission. Consensus was to consider increasing the density allowed in the RMH and Community Commercial zoning districts specifically for projects that included an affordable housing component.

# Items for Further Consideration

- Council identified the following for further consideration as part of an affordable housing program:
  - 1) Consider affordable housing density bonus in the Residential Multiple Family High (RMH) and Community Commercial (CC) zones;
  - 2) Prepare inventory of publicly owned land (including other government agencies and non-profits);
  - 3) Consider non-profit tax exemption; and
  - 4) Update the City's housing needs analysis.
- Program items # 1 and #3 are the focus of tonight.

# Affordable Housing Bonus Density

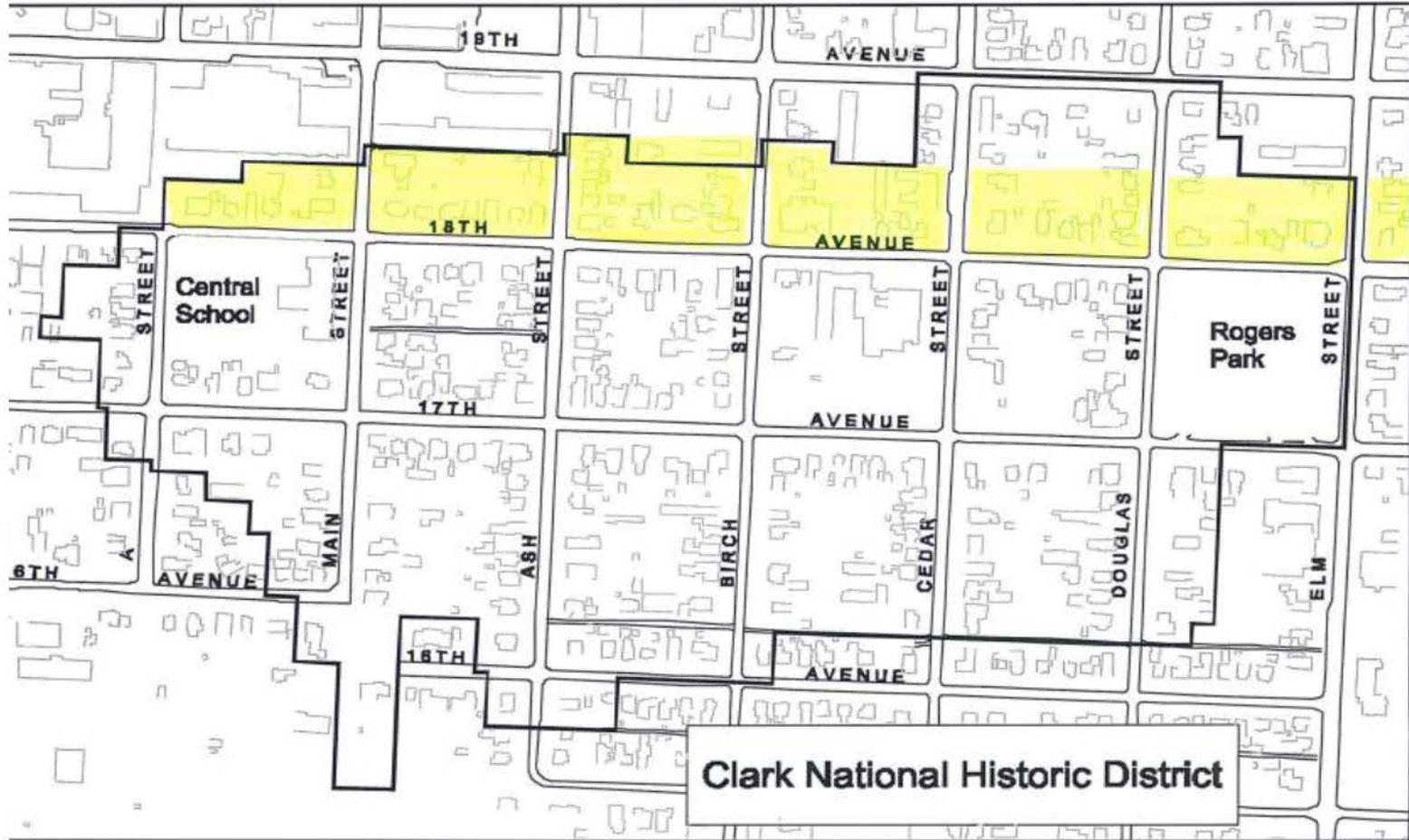
- Planning Commission met on July 16, 2018, to consider an ordinance to amend the Development Code (maps are on ensuing pages):
  - Amend §10.3.130 *Residential Densities* to establish a Bonus Density in the RMH zoning district of up to 9.72 units over the target density of 20.28 DUA. Overall density would be 30.00 DUA; and
  - Amend §10.3.320 *Commercial and Mixed Use Zones – Use Regulations* to establish a Bonus Density in the Community Commercial zoning district of up to 20.00 DUA over the target density of 30.00 DUA. Overall density would be 50.00 DUA.

# Notices & PC Testimony

- Approximately 1,000 notices were mailed to property owners in the RMH and CC zoning districts.
- At the PC hearing, 12 persons offered testimony.
  - All but one testified in opposition to any increase in density in the RMH zoning district, citing concerns about a potential conflict with the Clark Historic District (see next slide), lack of public infrastructure, property values, traffic, parking, and increased school population.
  - One person spoke in favor of the proposed increase in the CC zoning district.

# PC Testimony

RMH Zoning District Highlighted (extends east to Hawthorne Street)



# PC Recommendation

The Planning Commission approved proposals to:

- Retain the target density of 30 DUA and allow up to 50 DUA in the Community Commercial zoning district for affordable housing.
- Revise the incentive so that projects would be eligible if renters or purchasers earned no more than 50% of the county median income, versus the 80% in the current Development Code for the Town Center zones.
- The Commission left in place the existing 20% threshold of affordable units required for a project to qualify for the incentive density.

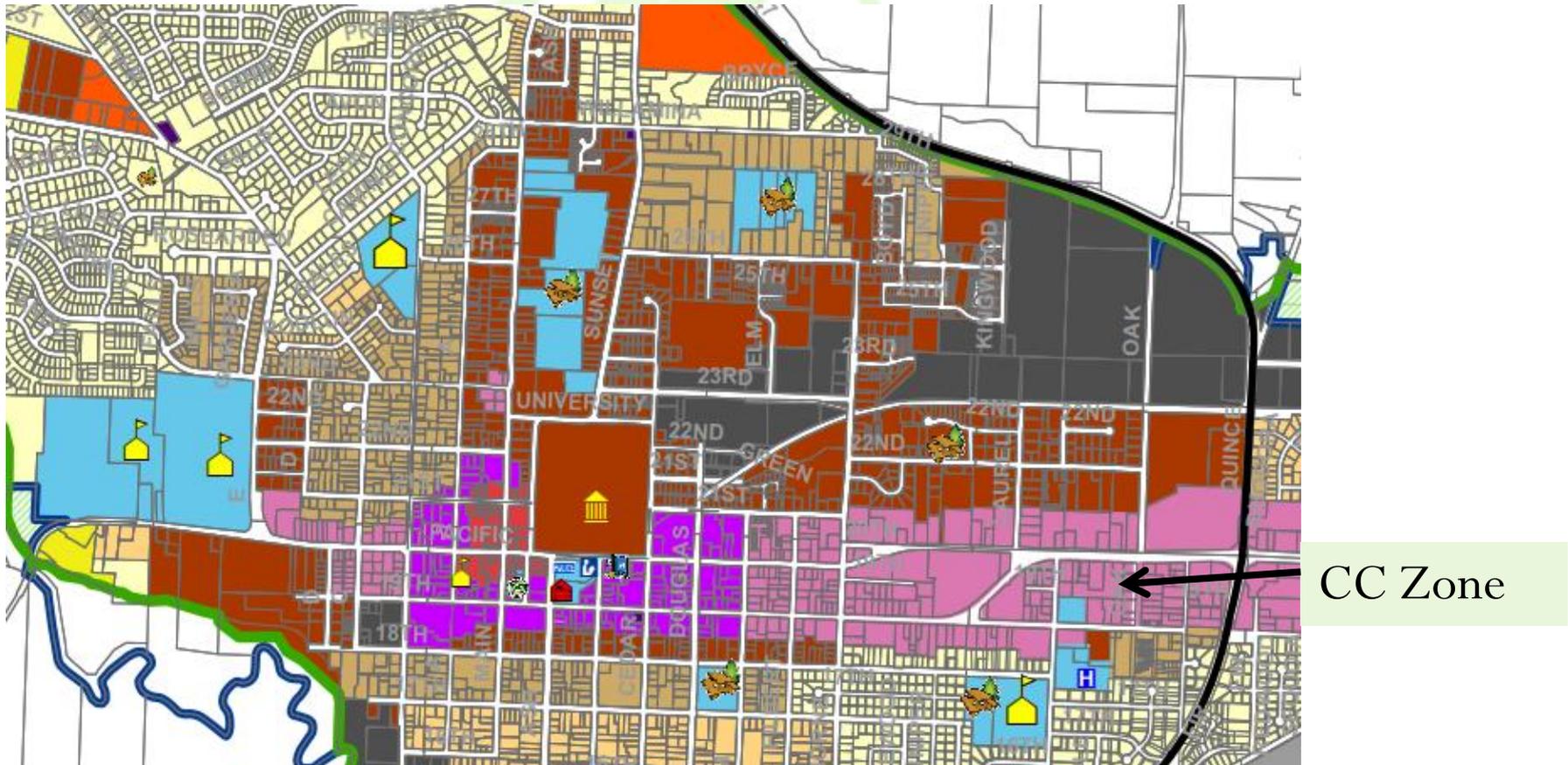
The Planning Commission rejected the proposed 9.72-unit increase in the RMH zoning district -

- Concerns raised included any density increase in the zone, any increase in density in a historic district, or the potential negative effect on “community values”.

Proposed Ordinance #2018-05 reflects the Planning Commission’s recommendations to amend the Development Code.

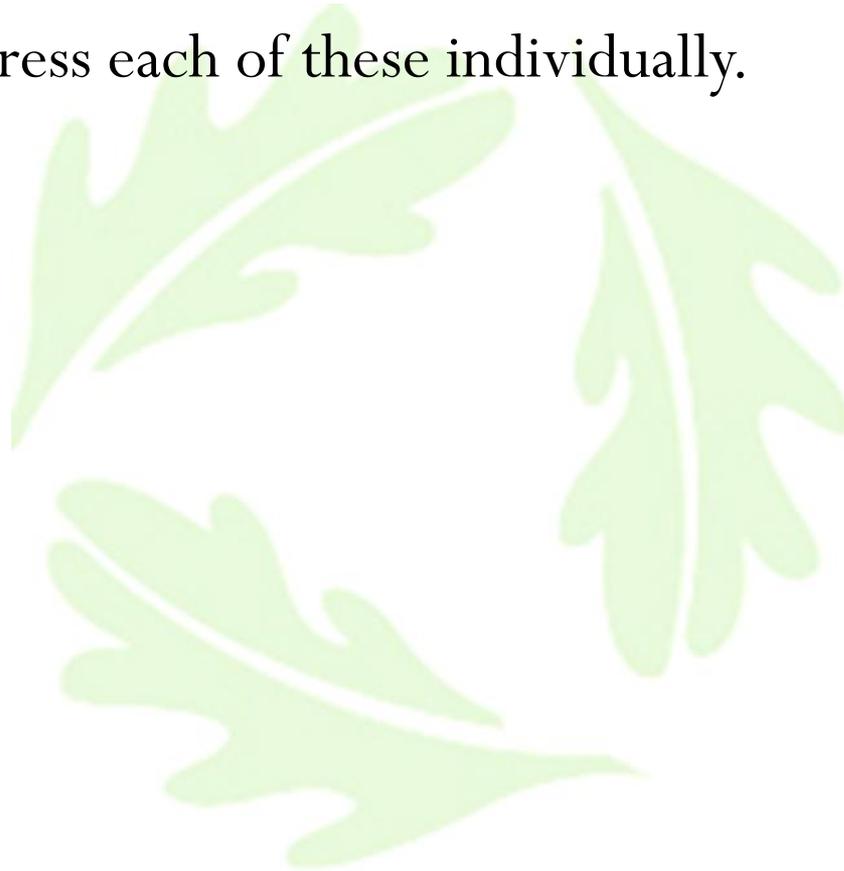
# PC Recommendation

- Proposed Ordinance #2018-05 reflects the Planning Commission's recommendations. Below is the Community Commercial (CC) zoning district that would retain the target density of 30 DUA and allow up to 50 DUA for affordable housing.



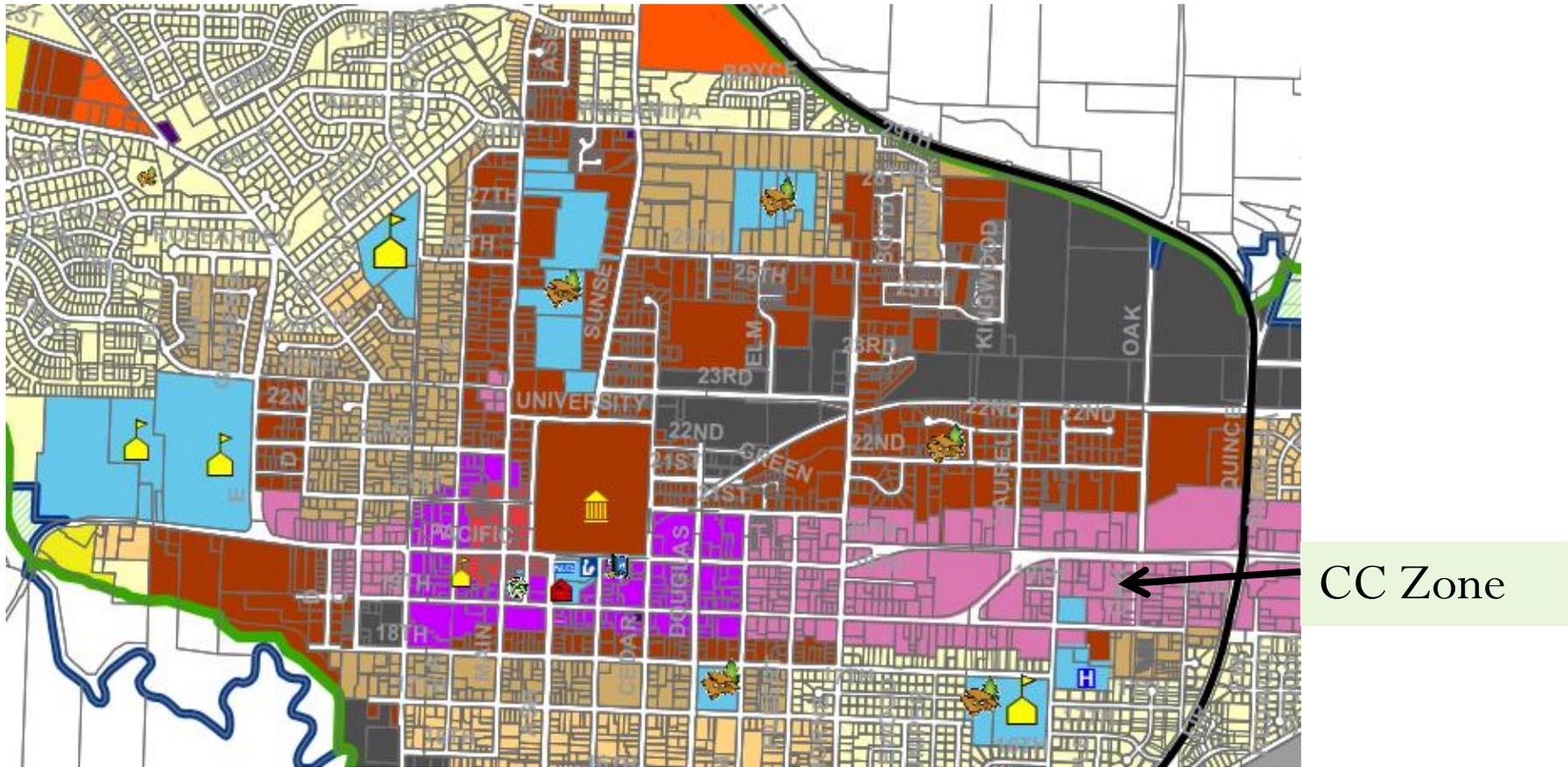
# OPTIONS

- There are Five (5) options for the Council to consider.
- Staff will address each of these individually.



# OPTION 1

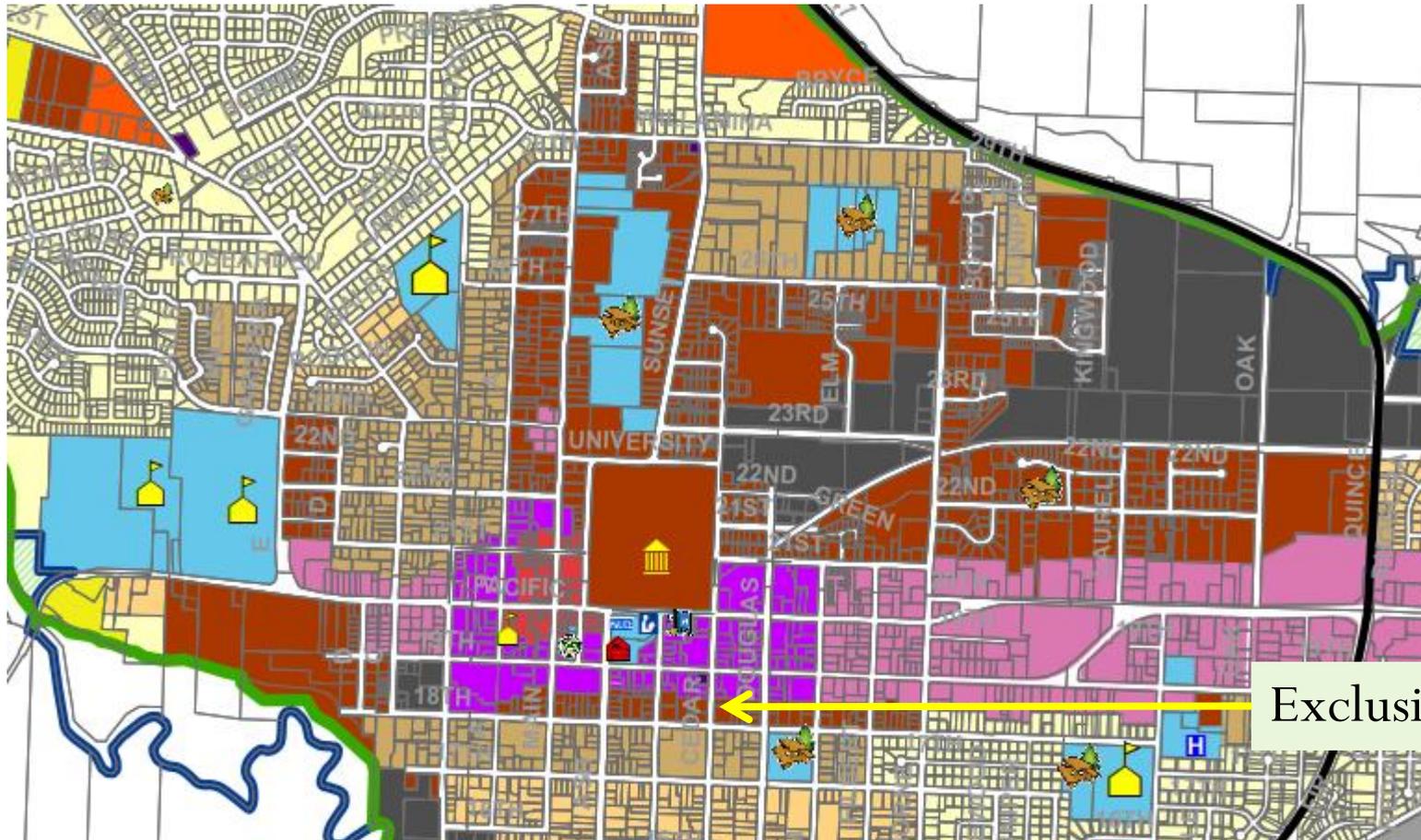
Adopt the ordinance as recommended by the Planning Commission.





# Option 3

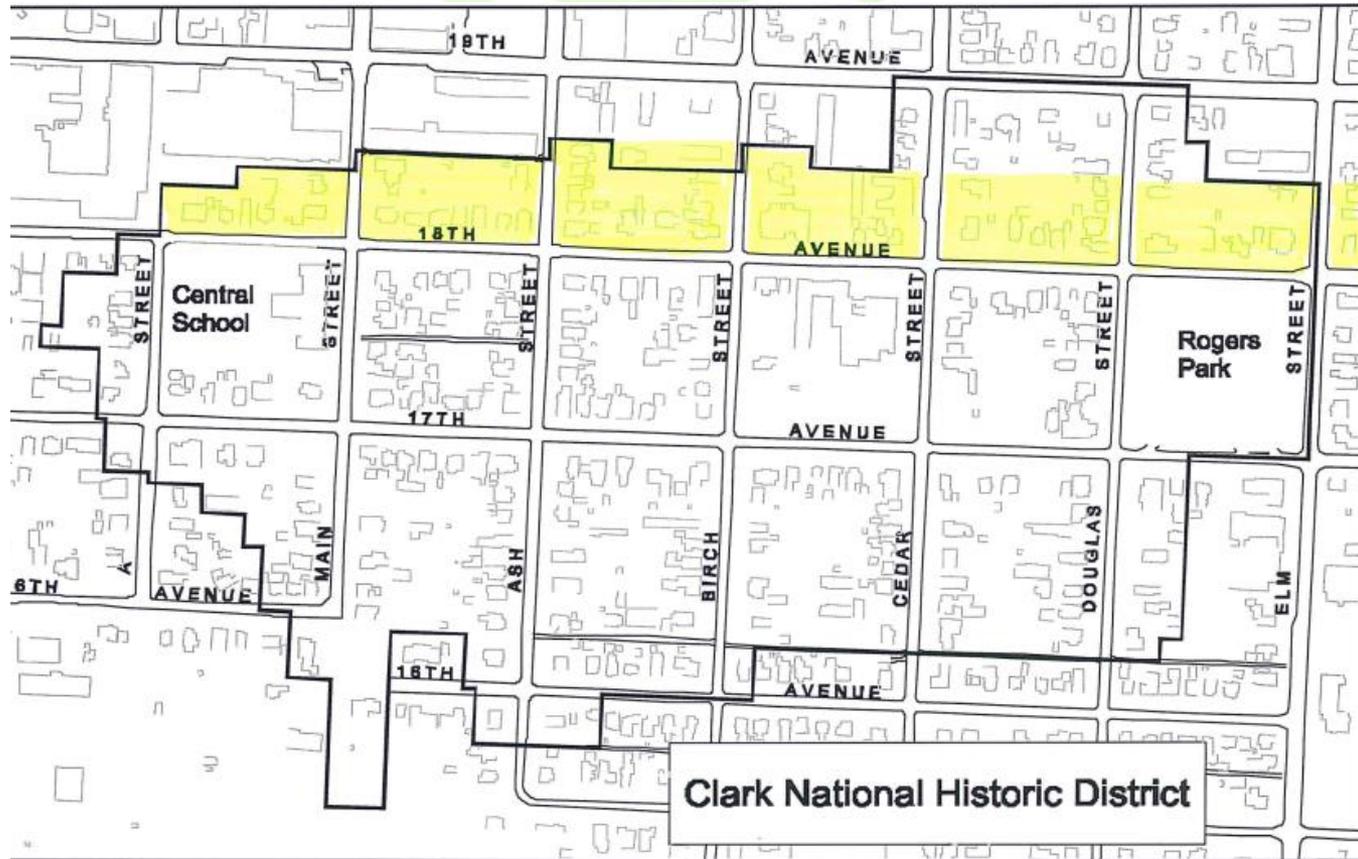
Amend the ordinance to include the RMH Zoning District Except the Area Between “A” and Hawthorne Streets



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# OPTION 4

Amend the ordinance to include the RMH Zoning District but exclude areas within historic districts.



## OPTION 5

Amend the ordinance to revise the incentive to increase the income threshold from 50% to 60% of the county median.

- Many other city efforts with affordable housing have used the 60% AMI metric; therefore, City Council may want to consider that for consistency's sake. This was also discussed at the Joint Work Session with the Planning Commission.
- Planning Commission felt that, due to the relatively low AMI of Forest Grove versus that of Washington County, a lower AMI should be used.
- Planning Commission settled on 50% AMI.

Planning Commission Meeting Minutes  
(draft) of July 16, 2018



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**Planning Commission  
Community Auditorium  
1915 Main Street, Forest Grove, OR  
Monday, July 16, 2018, 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; Phil Ruder, Vice Chair; Commissioners Dale Smith, Lisa Nakajima, Hugo Rojas, and Ginny Sanderson.

**Planning Commission Excused:** None.

**Staff Present:** CD Director Bryan Pohl; Dan Riordan, Senior Planner; Cassi Bergstrom, Planning Commission Coordinator.

**2. PUBLIC MEETING:**

**2.1 PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS:**

**Ron Thompson, 1728 C Street, Forest Grove 97116:**

Mr. Ron Thompson inquired about the status of Gales Creek Terrace. City staff gave an update, stating the developers are working through a development and public improvements agreement for the improvements required. The project is set to expire on December 2018 if the work has not begun with no extension available.

Chair Beck gave a summary of the Gales Creek development project to the audience.

**Kathy Corey, 1815 D Street, Forest Grove 97116:**

Ms. Kathy Corey stated that she has contacted the city several times to set up a meeting with city staff and neighbors in order to remain up to date on what is going on and voice the concerns regarding the public improvements required within Gales Creek Terrace.

Senior Planner Dan Riordan said that a meeting is to be scheduled, but still working on coordinating with other city staff on when that can occur.

**2.2 PUBLIC HEARING:**

**A. File No. 311-18-000014-PLNG –Proposed changes to Development Code Article 3 Residential and Commercial and Mixed Use Zones and Article 7 Residential Density Incentive above Base Requirement to allow higher residential densities in the RMH and CC zoning districts for affordable housing.**

Prior to opening up the public hearing, Chair Beck explained to the audience what the Planning Commission will be discussing to give background information and explained the hearing is for land use only, no building is occurring at this time.

Chair Beck opened the public hearing at 7:09 p.m., reading the legislative hearing procedures.

Chair Beck stated that there was a joint meeting with City Council on May 29<sup>th</sup>, 2018 to discuss the proposal of increasing the density within the Residential Multifamily High (RMH) and Community Commercial (CC) zones and staff had different understanding as to the result of that meeting. Chair Beck called for the staff report.

Bryan Pohl, Community Development Director, gave a presentation regarding the proposal of increasing the density within the RMH and CC zoning districts. The city is proposing to increase the bonus residential density for the purpose of affordable housing, up to 30 dwelling units per acre in the RMH zoning district and up to 50 dwelling units per acre in the CC zoning district. The density increase and overview of the amendments was explained, as well as the adoption process. Director Pohl noted that the Planning Commission is not the deciding body, but will be making a recommendation to the City Council.

Chair Beck inquired about the need in Washington County for 14,000 units. Mr. Riordan gave the demographics of Forest Grove compared to Washington County, stating a conservative estimated need of 1,400 units is forecasted for Forest Grove.

Chair Beck inquired about the area median income (AMI), and Mr. Riordan stated the median income in Forest Grove is \$65,000 compared to the median income in Washington County being \$85,000. The city could set a lower percentage to set a different standard more compatible with Forest Grove's data. Commissioner Sanderson reminded the Commissioners that Councilor Val Valfre recommended the AMI for Forest Grove be set at 50% of the county income at the joint work session. The Commission discussed and agreed with the 50% income level.

Commissioner Nakajima wonders why an additional density is needed when there is no market for it currently. Commissioner Ruder agreed, and inquired about the land available currently. City staff is currently working on collecting the data on available land. Commissioner Rojas agreed with the city's proposal. Commissioners discussed the feasibility of 50 units per acre and how this will make units more affordable.

**CORRESPONDENCE:**

Mr. Pohl received a correspondence via email from Ms. Jayne Cravens about what she has been hearing from neighbors on the affordable housing proposal.

**PROPONENTS:**

**Garren Ingram, PO Box 842, Sherwood 97140:**

Mr. Garren Ingram stated he owns a 40,000 square foot lot in the Community Commercial zone for the last 18 years and has been laid back as to what has been going on there, anticipating a developer wanting to purchase the land for development. Mr. Ingram welcomes anything that improves the viability of these properties to be developed.

**OPPONENTS:**

**Kathy Corey, 1815 D Street, Forest Grove 97116:**

Ms. Kath Corey came to the front, and read a prepared statement in front of the Commission. Ms. Corey is opposed to the increase in the density, and would recommend a zone change to decrease the density within the area of D Street from Pacific to 18<sup>th</sup> and the "Gales Creek Terrace". Her neighborhood has been fighting the overly dense zoning within this area over the last several years. Many neighbors own homes with ¼ to ½ acre single family lots, and Ms. Corey believes that this density increase will damage their basic right to happiness and diminish property values.

Ms. Corey stated that the RMH zone is generally applied near transit streets and adjacent to commercial districts, which is not the case with the area being proposed.

Ms. Corey went on to say that the incentive density is a Metro plan, and Forest Grove should not be taking on Portland's population issues. Ms. Corey gave the high percentages of low income and poverty level residents within Forest Grove from data she found, stating that the incentive should be given to existing low-income properties and not increase density on more properties. Along with the overwhelming poverty level, there is also no infrastructure to support the congestion that will be created by increasing the density.

The people who are in Forest Grove currently need to be taken care of instead of building for more low income residents.

Commissioner Sanderson asked what the rent is currently in the multifamily neighborhood.

Ms. Corey stated there are only single family homes within her neighborhood, but behind there are multifamily units and she is unsure of the current rental rates.

**Debbie Rogers Bianchi, 2204 D Street, Forest Grove 97116:**

Ms. Debbie Rogers came forward, stating that she lives within the Walker Naylor historical district and that she agrees with everything Ms. Kathy Corey said. She does not believe that there is a need for higher density. The neighbors enjoy living within a historic district, and already high density homes have been added for the

Habitat for Humanity project off 22<sup>nd</sup> Place. When concerns were brought to the city regarding that project, they were dismissed. Ms. Rogers Bianchi brought up examples of where they are already demolishing homes and building dense structures.

Ms. Rogers Bianchi stated that by increasing density in the historic district it will keep taking the history out of Forest Grove, providing the example of the AT Smith home being relocated. High density needs to be kept within downtown Forest Grove and toward the east side where transit and grocery stores are available. Old farm houses and big lots are what make Forest Grove, and keeps people here.

**Anne Wellington, 2537 18<sup>th</sup> Ave Street, Forest Grove 97116:**

Ms. Anne Wellington came to the front, and state that only one side of 18<sup>th</sup> Avenue received notices regarding the public hearing. Most of the homes in the area are owner-occupied homes and already have affordable housing with their low mortgages. In looking through property records, the density was increased in September 2014 to 20 units per acre. She does not agree with another increase in density.

Ms. Wellington brought up a transportation report for 2014-2035 that recommends \$100 million to update the transportation from Forest Grove to the east, with \$31.4 million being invested by Forest Grove. In addition, Cornelius is adding 1,000 single family homes, along with the new apartments next to Ace Hardware in Forest Grove. Ms. Wellington thinks that Forest Groves needs to discuss how to increase the infrastructure with the population, and an environmental impact report is needed as well. Increasing the density in the historic districts destroys the character of the town.

**Gisele Guatimea, 1555 21<sup>st</sup> Place, Forest Grove 97116:**

Ms. Gisele Guatimea came to the stand, and agreed with what those before her. Forest Grove is a diverse community, and she lives within an older area. The city is already where they should be, and there is no need for change. Starter homes for families are needed. Traffic is becoming an issue, along with parking within apartment complexes. The schools are overcrowded. Chair Beck clarified that schools are independent.

**Eva Knierim, 1521 21<sup>st</sup> Place, Forest Grove 97116:**

Ms. Eva Knierim came to the stand, and stated that after the Habitat for Humanity home was built it became a "monstrosity" and she is looking at a junk yard every day. Parking is a huge issue when building townhomes and apartments. Ms. Knierim agrees with what everyone else has said.

**Dinah Sackett, 1603 22<sup>nd</sup> Ave, Forest Grove 97116:**

Ms. Dinah Sackett came to the stand stating that she agrees with what everyone before her has said. She can speak first-hand experience regarding the Habitat for Humanity homes, as when it was first under city consideration the neighbors and

she wrote letters but were responded with a form letter. Heavy equipment shakes their homes, and are concerned about the integrity of their homes. Many safety concerns regarding 22<sup>nd</sup> Place and how narrow the street is for the amount of homes going in the area.

Chair Beck interrupted and stated that this meeting is not related to the project she is referring to.

Ms. Sackett says it does relate to the rezoning and neighbors have legitimate concerns regarding the safety. She does not feel like her concerns have been validated at all.

**John Anderberg, 2527 18<sup>th</sup> Ave, Forest Grove 97116:**

Mr. John Anderberg came to the front, stating that he was born and raised in Forest Grove and has watched a lot of development over the years. Mr. Anderberg works at the high school and understands poverty. He believes it is our responsibility to help our neighbors out by creating affordable homes, but doesn't think increasing the density in the RMH zone is the answer. The traffic has picked up, and speeding has become a problem in his neighborhood and higher density will make it worse.

Mr. Anderberg has seen run down properties in the CC zone that could be transformed into affordable housing, and encouraged the city to be imaginative and "think outside the box".

**Steve Fieden, PO Box 131, Forest Grove 97116:**

Mr. Steve Fieden came to the stand, and stated that he owns the apartment buildings along 18<sup>th</sup> and 19<sup>th</sup> Avenue. Mr. Fieden would find it difficult to build with 50 unit per acre density and questions the need. Rents have now stabilized, and now that new apartments are being built, it makes his units considered to be affordable housing. Mr. Feiden believes 30 units per acre, as it is stands, is acceptable.

Chair Beck asked for Mr. Fieden's opinion on how tall a building would need to be for a 50 DUA. Mr. Fieden answered he does not know the height, but it would be tough to build.

Commissioner Nakajima inquired Mr. Fieden about his current rental rate. Mr. Fieden answered that a one bedroom is \$925/month, and a two bedroom is \$1,125/month. Vacancy rate is at 30%. The new units built have decreased rental prices.

**Melissa Moore, 2326 B Street, Forest Grove 97116:**

Ms. Melissa Moore came to the front, and stated at the beginning of the meeting she didn't know where she stood but listening in she is in opposition. She has been to prior city meetings, and has found out that the vacant lot behind her home could

not be purchased and a single home be placed on the lot because of the zoning and increased density.

Ms. Moore and her husband own a second home, and rent it at a low market rate to independently support affordable housing.

Commissioner Nakajima inquired about the rental rate, and Ms. Moore answered the rate is \$1,300/month for a 3 bedroom home.

**Greg Gritton, 2806 Knox Ridge Terrace, Forest Grove 97116:**

Mr. Greg Gritton came to the front and stated that there is a need for affordable housing in Forest Grove, but the numbers proposed seem high. Mr. Gritton has a rental and rents it out for \$1,500 for a single family home. Increasing the density does not make sense because only 20% of the housing meets the needs for low income.

**Roy Adams, 2326 B Street, Forest Grove 97116:**

Mr. Roy Adams came to the front, and requested the zoning map be brought up. Mr. Adams stated that in single family housing situations, a 3 bed/2 bath home can occupy 7 people and not be in violation of Oregon statute. Mr. Adams wants to preserve the historical character of Forest Grove and believes changing the area's density will not benefit the neighborhood.

**OTHER:**

None.

Chair Beck closed the public hearing at 8:27 p.m. and thanked everyone for addressing the Commission.

**COMMISSIONER DISCUSSION:**

Chair Beck opened up the floor, and Commissioner discussed the proposed density increase.

Commissioner Ruder stated that all along he was not in support for increasing density in the RMH zone, and still feels that way. He did miss the joint work session meeting with City Council. Commissioner Ruder supports the increase of density within the town center and community commercial zones.

Commissioner Lawler stated he would be against an increase of density within the RMH historical district, but otherwise agrees with city staff recommendation.

Commissioner Ruder reminded his fellow Commissioners that their job is to look out for the external values of the community and how it affects them.

Commissioner Nakajima stated that in Community Commercial there will be parking issues with an increase of density. She does not believe increasing the density is

the answer, and the city needs to be more creative with ideas to battle the affordable housing issue.

Commissioner Rojas stated that there is a need for increase of density, but still protect historic housing.

Commissioner Lawler agreed with Commissioner Rojas, and stated that there is a lack of representation for young professionals with low wages.

Chair Beck stated that increasing density is the least effective solution, and made a proposal to not raise the density within the RMH zone, raise Commercial zone by 10 units, and all 10 shall be affordable as well as a target AMI income of 50%. Chair Beck agreed with Commissioner Lawler that young professionals are struggling with housing needs.

Commissioner Smith and Sanderson agreed with Chair Beck's proposal. Commissioner Sanderson believes the density numbers need to remain the same as proposed by staff.

Commissioner Phil stated the Council wants the density increase, and he doesn't believe it is likely to fix the affordable housing issue.

In a preliminary vote, the Commission voted on the following conditions:

1. To use 50% Washington County AMI as the benchmark for incentive density. **All Commissioners were in agreement.**
2. A 10 unit increase in the RMH zone. **AYES: Commissioners Rojas, Lawler. NOES: Chair Beck, Commissioners Ruder, Smith, Sanderson, Nakajima.**
3. Keeping the staff recommendation for the Community Commercial zone at a 20 unit increase. **AYES: Commissioners Rojas, Lawler, Ruder, Smith, and Sanderson. NOES: Chair Beck, Commissioner Nakajima.**
4. A requirement of 20% affordable units. **All Commissioners were in agreement.**

Vice Chair Phil Ruder moved a motion to recommend the file number 311-18-000014-PLNG with the conditions made by Planning Commission to City Council. Commissioner Lawler seconded.

**Roll Call Vote:** AYES: Chair Beck, Commissioners Ruder, Smith, Rojas, Lawler, and Sanderson. NOES: Commissioner Nakajima. ABSENT: None.  
**MOTION CARRIED 6-1.**

Commissioner Nakajima stated that she does believe in supporting affordable housing but this is not the answer.

**2.3 ACTION ITEMS:**

None.

**2.4 WORK SESSION ITEMS:**

None.

**3.0 BUSINESS MEETING:**

**3.1 APPROVAL OF MINUTES:**

Commissioner Lawler moved a motion to approve the minutes of the June 4, 2018 meeting. Commissioner Smith seconded. Motion passed 7-0.

**3.2 REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:**

Chair Beck asked why the gas meters at Stonewood Center were exposed on Pacific Avenue and were not covered. Mr. Pohl stated he was not aware of a condition requiring them to be covered, but will look into the issue.

**3.4 DIRECTOR'S REPORT:**

Director Bryan Pohl reported that a low income tax credit will be going up to the City Council on August 13<sup>th</sup>.

A land inventory study is underway which is being worked on by Senior Planner Dan Riordan.

The vertical housing development zone will be discussed by City Council July 17<sup>th</sup>.

A tentative \$132,000 grant from ODOT was gifted to the city for Tualatin Valley Highway, or the Pacific Avenue corridor plan.

Chair Beck inquired about the movement on the dentist office on Pacific Avenue. City staff has not seen anything yet.

Commissioner Ruder inquired about the paint colors on the Stonewood, and city staff required them to compliment the surrounding buildings. Commissioner Ruder asked about the masonry requirement, and Mr. Riordan stated it will be discussed with the owner.

Chair Beck asked about the dying cedar trees at the Forestplace Apartments. Mr. Riordan stated that the trees are under warranty and will be replanted when weather permits.

Mr. Riordan informed the Commissioners about inquiries on a retail marijuana facility at Oak Street/Pacific Ave. This will require a Planning Commission review.

**3.5 ANNOUNCEMENT OF NEXT MEETING:**

The next meeting is to be determined.

**3.6 ADJOURNMENT:**

The meeting was adjourned at 8:59 p.m.

Respectfully submitted by:

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Cassi Bergstrom  
Planning Commission Coordinator

Planning Commission Staff Report dated July 16, 2018



# Forest Grove Code Text Amendments Staff Report and Recommendation

Community Development Department, Planning Division

**REPORT DATE:** July 6, 2018

**HEARING DATE:** July 16, 2018

**REQUEST:** Legislative amendments to the Forest Grove Development Code to increase the bonus residential density for affordable housing, up to 30 dwelling units per acre in the RMH zoning district and up to 50 dwelling units per acre in the CC zoning district

**FILE NUMBER:** 311-18-000014-PLNG

**PROPERTY LOCATION:** Not applicable

**LEGAL DESCRIPTION:** Not applicable

**APPLICANT:** City of Forest Grove

**APPLICABLE STANDARDS AND CRITERIA:** City of Forest Grove Development Code - §10.1.700 et. seq. *Legislative Land Use Decision*  
§10.2.600 et. seq. *Development Code Text Amendment*

**REVIEWING STAFF:** James Reitz, AICP, Senior Planner  
Dan Riordan, Senior Planner  
Bryan Pohl, Community Development Director

**RECOMMENDATION:** Staff recommends approval of the amendments

## I. BACKGROUND

According to the Washington County Housing Plan, as many as 14,000 affordable housing units are needed in Washington County, with 1,400 of those units needed in Forest Grove. To help address this need locally, the City Council adopted a priority objective to address the housing needs and housing affordability of current and future residents.

In response to the Council's direction, several steps have already been taken: target residential densities in the TC and CC zoning districts have been increased, and the Development Code has been amended to adopt Density Incentives for Affordable Housing for projects located in the Town Center (among other incentives). While increasing target residential densities have resulted in the construction of additional units, to date, all the units have been market-rate; no new units have been constructed that would be defined as affordable, based on Forest Grove's median household income.

The City Council and Planning Commission met in a joint work session on May 29, 2018 to discuss other possible Development Code amendments that might promote the construction of

affordable housing units. The consensus was to consider increasing the density allowed in the RMH and CC zoning districts specifically for projects that included an affordable housing component as defined in Development Code Table 7-2 Tier 2. If adopted, the attached Ordinance Exhibit A would increase the density in the RMH zoning district from 20.28 to 30.00 dwelling units per acre (DUA) and in the CC zoning district from 30.00 to 50.00 DUA for affordable housing projects.

Public notice of this proposal was provided to the Department of Land Conservation and Development (DLCD) on June 11, 2018. DLCD staff responded on June 21, and expressed support for the amendments. The Measure 56 notice was mailed to all property owners (approximately 1,000) in the RMH and CC zoning districts on June 14, 2018. Notice was also published in the *News Times* on July 11, 2018. As of the date of this report, no written or emailed comments have been received from the public. Staff has responded to several callers requesting further information.

## II. PROPOSED AMENDMENTS

The proposed Development Code amendments would -

- Amend §10.3.130 *Residential Densities* to establish a Bonus Density of up to 30.00 DUA for affordable housing projects in the RMH zoning district. The bonus would be 9.72 units over the target density of 20.28 DUA for an overall density of 30.00 DUA; and
- Amend §10.3.320 *Commercial and Mixed Use Zones – Use Regulations* to establish a Bonus Density of up to 50.00 DUA for affordable housing projects in the Community Commercial zoning district. The bonus would be 20.00 units over the target density of 30.00 DUA.

## III. APPROVAL CRITERIA AND FINDINGS

Development Code §10.2.630 *Review Criteria* lists two standards to be satisfied to adopt a text amendment:

### **A. The text amendment is consistent with relevant goals and policies of the Forest Grove Comprehensive Plan; and**

Finding: The proposed amendments would provide bonus density for projects that include an affordable housing component. Bonus density of up to 30.00 DUA would be permitted in the RMH zoning district, and up to 50.00 DUA for projects in the CC zoning district. Relevant goals and policies related to the proposed changes are addressed as follows:

#### **Forest Grove Comprehensive Plan - Housing Goals and Policies**

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

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.

Finding: RMH-zoned districts abut both the Town Center and the Pacific Avenue commercial corridor. Many RMH-zoned districts are within a quarter mile of a high capacity transit corridor. Increasing the bonus density in the RMH zoning district for projects that comply with affordable housing standards would address both the Goal and Policy to increase maximum development density near high capacity transit corridors generally and the Pacific Avenue commercial corridor specifically.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

### **Forest Grove Comprehensive Plan - Land Use Policies**

9. Development regulations shall promote a variety of housing types suitable for owner- and renter-occupants. The 2009 Economic Opportunity Analysis indicates a need for 3,859 owner-occupied units and 878 renter-occupied units over the next 20 years.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus density in the RMH zoning district could promote a variety of housing types suitable for renter-occupants because a greater number of units per acre should result in a lower per-unit cost, thus encouraging the development of needed housing types serving this market segment.

Finding: Increasing the bonus densities for affordable housing in the RMH and CC zoning districts would result in units specifically set aside for those meeting affordable housing occupancy standards.

Finding: Both the RMH and CC zoning districts allow for a variety of housing types for owner- and renter-occupants. Amending the Development Code to increase density would promote the construction of additional units, thus helping to achieve EOA housing targets including affordable units.

10. Ensuring the availability of affordable housing is a priority for the City of Forest Grove. Affordable housing options provided for through planning and development regulations should reflect documented housing needs of current and future residents of the City.

Finding: Increasing the bonus densities for affordable housing in the RMH and CC zoning districts would result in a greater number of units per acre which could result in a lower per-unit cost. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards, since the density bonus would apply when 20% of the units are set aside for renters or purchasers earning no more than 80% of Forest Grove's median income and paying no more than 30% of total household income on rent or a mortgage.

Finding: The Washington County Housing Plan identifies a need for as many as 14,000 affordable housing units in Washington County. The City of Forest Grove Affordable Housing Needs Assessment and Recommendations report identifies a need for at least

1,400 housing units affordable to low- and extremely low-income households in Forest Grove. Increasing allowed density in the RMH and CC zoning districts would expand opportunities for increasing the supply and availability of housing units including affordable housing options such as apartments.

11. Develop and implement incentives for the construction of affordable housing meeting documented community needs.

Finding: The Oregon Department of Housing and Community Services indicates that approximately 37% of renter households in Forest Grove currently experience a severe rent burden whereby such renters pay more than 50% of their household income on rent.

Finding: Increasing the bonus densities for affordable housing in the RMH and CC zoning districts should promote affordability for renter-occupants since a greater number of units per acre should result in a lower per-unit cost, thus potentially lowering the rent burden. In addition, the units would also be set aside specifically for those meeting affordable housing occupancy standards.

### **Forest Grove Comprehensive Plan Housing Goals and Policies**

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

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.

Finding: According to the Washington County Housing Plan, as many as 14,000 affordable housing units are needed in Washington County, with 1,400 of those units needed in Forest Grove.

Finding: The Oregon Department of Housing and Community Services has identified about 37% of the renter households in Forest Grove that are currently experiencing a severe rent burden whereby such renters pay more than 50% of their household income on rent. Increasing the bonus densities for affordable housing in the RMH and CC zoning districts could promote the construction of a greater number of units set aside specifically for those meeting affordable housing occupancy standards.

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

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.

Finding: The Community Commercial zoning district largely parallels the Pacific Avenue high-capacity transit corridor. Target density in the CC zoning district is 30.00 DUA. With the proposed amendment, density along the transit corridor could be increased by up to an additional 20.00 DUA for projects that comply with affordable housing standards.

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.

Finding: Increasing the bonus densities for affordable housing in the RMH and CC zoning districts would result in a greater number of units per acre. As the per-unit cost would thus be lower, increasing density should result in lower rents.

Finding: Increasing the bonus densities for affordable housing in the RMH and CC zoning districts would result in units being specifically set aside for those meeting affordable housing occupancy standards.

**B. The text amendment is consistent with relevant statewide and regional planning goals, programs and rules.**

Finding: Relevant statewide and regional goals and policies related to the proposed changes are addressed as follows:

**Statewide Planning Goal 10 Housing – To provide for the housing needs of citizens of the state.**

Finding: Increasing density for affordable housing in the RMH and CC zoning districts would increase opportunities for the construction of needed housing in a cost-effective manner by spreading the cost of construction across more units. This would help to reduce the per-unit cost of housing and would promote construction of housing at price ranges and rent levels commensurate with the financial capabilities of Oregon households, consistent with Statewide Planning Goal 10.

Finding: Oregon Administrative Rules Chapter 660-007-0035(2) requires that the City of Forest Grove provide for an overall density of eight or more units per net buildable acre across the City's residential zoning districts. Increasing opportunities for higher density in the RMH and CC zoning districts would help ensure that the City meets this requirement.

**Metro Urban Growth Management Functional Plan - Title 1: Housing Capacity**

Finding: Increasing the bonus densities in the RMH and CC zoning districts could further Statewide Goal 10 and Metro Title 1 by increasing the potential inventory of housing options available, thus helping to ensure that the City continues to meet its regional housing targets.

**Metro Regional Framework Plan Policy 1.3 Housing Choices and Opportunities**

Finding: Housing choices and opportunities would be improved by increasing the bonus density in the RMH and CC zoning districts, thus increasing the availability of both market rate and affordable housing options.

#### IV. ALTERNATIVES

The Planning Commission may recommend that the City Council –

- Approve the proposal as submitted; or
- Approve it with modifications; or
- Reject the proposal; or
- The Commission may continue deliberations to a date certain.

#### V. RECOMMENDATION

Based on the findings above, staff recommends approval of the proposed amendments listed in attached Exhibit A, as well as any revisions found appropriate by the Planning Commission.

#### VI. LIST OF EXHIBITS

The following exhibits were received, marked, and entered into the record as evidence for this application at the time this staff report was written. Exhibits received after the date of this report will be marked beginning with the next consecutive letter and will be entered into the record at the time the public hearing is opened, prior to oral testimony.

**Exhibit A**            Ordinance Exhibit A - Proposed Development Code Amendments

# Written Testimony

From: Kathy Corey 1815 D St. Forest Grove OR 97116

Monday July 16<sup>th</sup> Planning Commission 7pm

Regarding the proposed zoning change to increase the already overly dense RMH zoning. If this proposal includes D Street from Pacific to 18<sup>th</sup> and the "Gales Creek Terrace" area I am opposed to any increase, I would recommend a zone change as I have done before in this area to a less dense population. My neighborhood has been fighting the existing overly dense zoning in this area for several years. You are probably aware of our attendance, communications, presentations, and pleas for the City to revise the zoning to "better match the existing housing" on D Street, between 18<sup>th</sup> and 19<sup>th</sup> and the homes at D and 19<sup>th</sup> which are nice single family properties with orchards, gardens, shops, yards and landscaping and green space. Many of us own homes with ¼ to ½ acre lots. This zoning density increase will damage our basic right to pursue happiness, in a healthy, safe, secure neighborhood. Our property values will diminish as the "low income, High density" dwellings are wedged into the landscape.

Noted in Exhibit A, Ordinance No. 2018-00 below item (f), under RMH that RMH zone is generally applied near transit streets and adjacent to commercial districts. This statement alone should be enough to stop and make you think. The Gales Creek Terrace location is near properties that exist currently as ¼ to ½ acre single-family dwellings. Gales Creek Terrace is Not adjacent to commercial districts or a transit street if built beyond access from Pacific. It would be better suited to have that zoning at a location on the East side of town, near hwy 47 with the ability for that traffic to make use of hwy 26. Rather than on the west side of the city. For example, the area next to Ace is a new apartment complex, with close proximity to Pacific and HWY 47 and is adjacent to commercial districts.

Incentive Density is a Metro Plan, am I alone in thinking that Forest Grove should not bow to Portland Metro? I moved here because it was a small City, a comfortable place, a charming community. I do not believe that Forest Grove should take on Portland's population problems.

Forest Grove already has an overly high number of low-income or poverty level residents. You might want to do some research on the numbers the percentage is higher than other Oregon cities. One State of Oregon document from DHS (business services, poverty hotspots) shows us at 21% in 2015 compared to 11% for Washington County as a whole. There is additional information on CityData and even Forestgrove-or.gov that shows a 19.2% poverty level compared to 9.5 for Washington County as a whole. If you build more high density, low income housing that number will only increase. At a City Council meeting, I recall stating if you build it they will come, that stands true. If you build more low income, housing it will further increase that percentage. If you build for a population of wage earners, that is what you will get. If Forest Grove population is overwhelmed with those in the Poverty range, the wage earning population will no longer be able to support them. We are paying so many taxes in order to subsidize people now; our working median wage earning population is suffering. I would urge Forest Grove to stay in touch with that big picture. We cannot help anyone if there is nobody left to pitch in. You should give the incentive to existing low-income properties, not create new ones.

**Infrastructure:** Forest Grove does not have the capacity, even at current densities. Which makes me wonder what you are thinking? We do not have a parallel route to take the burden off the only main road from here to Hillsboro. Cornelius will also be impacted by additional growth in Forest Grove. I would suggest you spend a few years creating an alternate close proximity parallel route from Forest Grove, thru Cornelius and into west Hillsboro, before you further impact traffic and congestion we are already facing.

#### EXHIBIT A STANDARDS ARGUMENTS ADDRESSED

- A. Refer to Infrastructure above. B. Refer to infrastructure above. C. Refer to paragraph 1 above, note our existing single-family homes on ¼ to ½ acre lots with gardens, landscaping, yards, orchards, shops, views, on a dead end road.

Thank you for your time, Kathy



July 16, 2018

City of Forest Grove Planning Commission  
1924 Council Street  
P.O. Box 326  
Forest Grove, Oregon 97116-0326

**Re: Development Code Amendments to increase the bonus residential density for  
affordable housing - File No. 311-18-000014-PLNG**

Dear Commissioners:

This letter is submitted jointly by Housing Land Advocates (HLA) and the Fair Housing Council of Oregon (FHCO). Both HLA and FHCO are non-profit organizations that advocate for land use policies and practices that ensure an adequate and appropriate supply of affordable housing for all Oregonians. FHCO's interests relate to a jurisdiction's obligation to affirmatively further fair housing. Please include these comments in the record for the above-referenced proposed amendment.

As an initial matter, FHCO and HLA applaud the City's proposal to add incentives for affordable housing. It is exciting to see a small city take its responsibility to provide affordable housing seriously and to start to plan for an incentive-based approach for providing affordable housing options. The following offers one constructive criticism which our organizations believe will help complete the Goal 10 analysis needed to adopt the proposed amendment so that all stakeholders, including the City staff can track the effectiveness of the proposed incentives.

As you may know, all amendments to the Comprehensive Plan Map and Zoning map must comply with the Statewide Planning Goals. ORS 197.175(2)(a). When a decision is made affecting the residential land supply, the City must refer to its Buildable Land Inventory (BLI) to show that an adequate number of needed housing units (both housing type and affordability level) will be supported by the residential land supply after enactment of the proposed change. The staff report for the proposed amendment notes that, "Increasing density for affordable



housing . . . would increase opportunities for the construction of needed housing in a cost-effective manner.” However, these findings do not rise to the level required by Goal 10.

The City must demonstrate that its actions do not leave it with less than adequate residential land supplies in the types, locations, and affordability ranges affected. *See Mulford v. Town of Lakeview*, 36 Or LUBA 715, 731 (1999) (rezoning residential land for industrial uses); *Gresham v. Fairview*, 3 Or LUBA 219 (same); see also, *Home Builders Assn. of Lane County v. City of Eugene*, 41 Or LUBA 370, 422 (2002) (subjecting Goal 10 inventories to tree and waterway protection zones of indefinite quantities and locations). Only with a complete analysis showing any gain in needed housing as compared to the HNA and BLI can housing advocates and planners understand whether the City is achieving its goals through code amendments.

We also would recommend that City staff calendar a time in 12-18 months to analyze whether any developer has used the incentive and report back to the Planning Commission and City Council. At this check-in point, the City could consider whether additional adjustments or incentives could be added to reach affordability levels at 60% average median income or below.

HLA and FHCO urge the City to defer adoption of the proposed amendment until Goal 10 findings include reference to the Buildable Land Inventory. Thank you for your consideration. Please provide written notice of your decision to, FHCO, c/o Louise Dix, at 1221 SW Yamhill Street, #305, Portland, OR 97205 and HLA, c/o Jennifer Bragar, at 121 SW Morrison Street, Suite 1850, Portland, OR 97204. Please feel free to email Louise Dix at [ldix@fhco.org](mailto:ldix@fhco.org).

Thank you for your consideration.

A handwritten signature in cursive script that reads "Louise Dix".

Louise Dix  
AFFH Specialist  
Fair Housing Council of Oregon

A handwritten signature in cursive script that reads "Jennifer Bragar".

Jennifer Bragar  
President  
Housing Land Advocates

cc: Kevin Young ([kevin.young@state.or.us](mailto:kevin.young@state.or.us))



City Council/Planning Commission work session  
meeting minutes of May 29, 2018



*A place where families and businesses thrive.*

City Council & Planning Commission  
Joint Work Session Minutes  
RMH Zoning District Density

Tuesday, May 29, 2018  
6:00 p.m., Community Auditorium

***Minutes are unofficial until approved by Council.  
Council approved minutes as presented June 11, 2018.***

**1. ROLL CALL:**

Mayor Peter Truax called the Work Session to order at 6:09 p.m.

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

**ROLL CALL: PLANNING COMMISSION PRESENT:** Lisa Nakajima; Hugo Rojas; Virginia Sanderson; Dale Smith; and Tom Beck, Chair. **PLANNING COMMISSION ABSENT:** Sebastian Lawler and Phil Ruder, 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; and Anna Ruggles, City Recorder.

**2. JOINT WORK SESSION: RMH Zoning District Density**

Riordan, Pohl and VanderZanden facilitated the above-noted joint work session and presented a PowerPoint presentation overview on residential density and incentives, noting the purpose of the joint work session was to provide an opportunity for Council and Planning Commission (PC) to discuss approaches for density in the RMH (Residential Multi-Family High Density) zone. Pohl provided background information, noting last November, Council referred to the PC to increase the target density in the RMH zone from 20.28 dwelling units per net acre (DUA) to 30 DUA, consistent with the neighboring Community Commercial Zone. Council also requested PC consider an incentive for affordable housing.

**Council Discussion:**

Mayor Truax opened the floor and roundtable Council and PC discussion ensued pertaining to current market need and land already available for high-density housing within the town center and commercial corridor, compatibility with existing lower density neighborhoods and whether to increase density with incentivized affordable housing. Pohl recapped the PC work session held on April 2, 2018, noting the PC reached consensus to retain the target density of 20.28 DUA and implement an affordable housing incentive density of 10 DUA, provided 20% of the 30.28 DUA are for affordable

housing, and AMI (area median income) is defined as 60% County AMI. In addition, Pohl recapped Council's work session held on April 23, 2018, noting staff proposed three concepts for RMH density: 1) Accept PC's recommendation noted above; 2) Increase target density of 20.28 DUA to 30 DUA in the RMH zone with an affordable housing incentive of 10 DUA with 20% set-aside for 60% County AMI; and 3) Increase target density of 20.28 DUA to 30 DUA in the RMH zone with an affordable housing incentive of 20 DUA with 20% set-aside for 60% County AMI. In conclusion of the above-noted roundtable discussion, Council and PC collectively concurred to allow a maximum density of 20.28 DUA in the RMH zone with an affordable housing incentive of 10 DUA and increase target density in the Community Commercial zone from 30 DUA to 50 DUA. VanderZanden advised staff will bring back a proposal for Council consideration at a later date.

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

**3. ADJOURNMENT**

Mayor Truax adjourned the work session at 6:54 p.m.

Respectfully submitted,



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Anna D. Ruggles, CMC, City Recorder

Date: AUGUST 13, 2018

Agenda Item: 8.

Subject: PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2018-05 AMENDING FOREST GROVE DEVELOPMENT CODE ARTICLE 3, ZONING DISTRICT, AND ARTICLE 7, RESIDENTIAL DENSITY INCENTIVE ABOVE BASE REQUIREMENT, TO INCREASE RESIDENTIAL DENSITIES FOR AFFORDABLE HOUSING. FILE NO. 311-18-000014-PLNG

# CITY COUNCIL MEETING

## Request to Testify at Public Hearing

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

*Please sign-in below to testify.*

**PROPONENTS:** (Please print legibly)

First & Last Name:	Address:	City, State & Zip Code:
DR Russ Dondero	1506 LIMPAUS CANE FG	97116
DEBORAH RODGERS-BIANCHI	2240 'B' ST FG	
JOHN ANDERBERG	2527 18 <sup>th</sup> AVE FG	
KATHY COREY	1815 'D' ST. FG	
ANNE WELLINGTON	2537 18 <sup>th</sup> AVE FG	
EVA KNIERIM	1521 21 <sup>st</sup> PL FG	

**OPPONENTS:** (Please print legibly)

First & Last Name:	Address:	City, State & Zip Code:
<del>KATHY COREY</del>	<del>1815 D ST FOREST GROVE</del>	<del>97116</del>
<del>EVA KNIERIM</del>	<del>1521 21st Place, FG.</del>	<del>97116</del>
<del>John Anderberg</del>	<del>2527 18<sup>th</sup> AV, Forest Grove,</del>	<del>97116</del>
<del>Anne Wellington</del>	<del>2537 18<sup>th</sup> AVE, Forest Grove</del>	<del>97116</del>
DAVID MORELLI	1320 CEDAR	97116

**OTHERS:** (Please print legibly)

First & Last Name:	Address:	City, State & Zip Code:



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**AFFIDAVIT OF PUBLICATION**

State of Oregon, County of Washington, SS I, Charlotte Allsop, being the first duly sworn, depose and say that I am the Accounting Manager of the **Forest Grove News Times**, a newspaper of general circulation, serving Forest Grove in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

**City of Forest Grove  
 NOTICE OF PUBLIC HEARING  
 AMENDING FOREST GROVE DEVELOPMENT CODE  
 ALLOWING AFFORDABLE HOUSING DENSITY BONUS  
 IN COMMUNITY COMMERCIAL ZONING DISTRICT  
 FILE NUMBER 311-18-000014-PLNG**

**Ad#: 62295**

A copy of which is hereto annexed, was published in the entire issue of said newspaper(s) for 1 week(s) in the following issue(s):  
**08/08/2018**

*Charlotte Allsop*

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this 08/08/2018.

*Sue Ellen Casey*  
 NOTARY PUBLIC FOR OREGON



Acct #: 104052

**Attn: Anna Ruggles**  
 FOREST GROVE, CITY OF  
 PO BOX 326  
 FOREST GROVE, OR 97116

**NOTICE OF PUBLIC HEARING  
 AMENDING FOREST GROVE DEVELOPMENT CODE  
 ALLOWING AFFORDABLE HOUSING  
 DENSITY BONUS IN COMMUNITY  
 COMMERCIAL ZONING DISTRICT  
 FILE NUMBER 311-18-000014-PLNG**

**NOTICE IS HEREBY GIVEN** that the Forest Grove City Council will hold a Public Hearing on **Monday, August 13, 2018, 7:00 p.m.** or thereafter, in the Community Auditorium, 1915 Main Street, Forest Grove, to consider adopting the Planning Commission's recommendation to enact an ordinance to amend the Development Code and allow a 20 unit per acre density bonus for affordable housing projects in the Community Commercial zone. This would increase the maximum allowed density in the Community Commercial zone district from 30 units to 50 units per acre for affordable housing projects. To qualify for the density bonus at least 20% of the housing units must be set-aside for households earning no more than 50% of area median income. If enacted by City Council, the ordinance would take effect 30 days immediately after enactment unless City Council declares an emergency.

The proposed code amendment will be reviewed based on the following Development Code review criteria:

1. The text amendments are consistent with the relevant goals and policies of the Comprehensive Plan; and
2. The text amendments are consistent with the relevant statewide and regional planning goals, program and rules.

This hearing is open to the public and interested parties are encouraged to attend. A copy of the staff report and proposed ordinance are available for inspection before the hearing at the City Recorder's Office or by visiting the City's website at [www.forestgrove-or.gov](http://www.forestgrove-or.gov). Written comments or testimony may be submitted at the hearing or sent to the attention of the City Recorder's Office, P. O. Box 326, 1924 Council Street, Forest Grove, OR 97116, prior to the hearing. For further information, please call Anna Ruggles, City Recorder, at 503.992.3235.

**Anna D. Ruggles, CMC, City Recorder**  
 City of Forest Grove

Publish August 8, 2018  
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