ATTACHMENT 2

HOUSING PRODUCTION STRATEGY

LAKE OSWEGO, OREGON

ADOPTED VERSION – NOVEMBER 19, 2024

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EXECUTIVE SUMMARY

OVERVIEW

Oregon Statewide Planning Goal 10 requires cities to plan for the housing needs of all community members. As a city within the Portland Metro area, Lake Oswego must complete a Housing Needs Analysis (HNA) every six years as well as a Housing Production Strategy (HPS) to implement specific actions that address the identified needs.

Lake Oswego's Housing Production Strategy outlines a range of strategies the City plans to implement to address housing needs within the community. The HPS prioritizes current and future housing needs identified in the HNA and outlines actionable policies, actions, and implementation steps to encourage the production of housing. These include things like changes to how the City zones land and regulates development of housing, financial incentives, funding sources, partnerships, and other tools and policies.

This HPS Report includes information about the City's critical housing needs and summarizes public engagement activities that informed and shaped the housing strategies recommended for implementation. The document also summarizes how the HPS will help achieve fair and equitable housing outcomes for the Lake Oswego community – especially for low-income households, communities of color, people with disabilities, and other state and federal protected classes. Lastly, this document describes how the City of Lake Oswego will monitor the implementation and progress of the strategies recommended in the HPS.

RECOMMENDED STRATEGIES AND ACTIONS

On the next page is a summary of the strategies and actions recommended as part of Lake Oswego's HPS. The strategies are organized by the primary housing need that they address. However, some strategies address housing needs across multiple categories.

OVERALL HOUSING PRODUCTION AND SUPPLY	Increase housing production to meet the City's overall long-term housing need.
INCREASED HOUSING CHOICES	Enable and encourage production of housing that can meet a full range of household needs and preferences. This includes a wider variety of housing types and sizes, and housing to meet particular needs such as aging in place and accessibility.
AFFORDABLE HOUSING FOR LOWER-INCOME HOUSEHOLDS	Facilitate development of government-subsidized housing that meets the needs of low- and moderate-income households.
OTHER	The strategy in this category (Fair Housing policy and education) does not easily fit under the other headings, but supports equitable implementation of all recommended housing strategies.

More details about the implementation time frames and cost/effort estimates in the table below are provided in the **Strategies and Actions** section of this report.

	Strategy	Implementation Time Frame		Cost	Effort
		Begin	Complete		
Overall Housing Production and Supply					
1.	Code audit and amendments	Near Term	Medium Term	$$$$	● ● ●
2.	Remove or reduce minimum parking requirements	Near Term	Near Term	$$$$	● ○ ○
3.	Rezone land	Near Term	Medium Term	$$$$	● ● ●
Increased Housing Choices					
4.	Evaluate accessible design incentives or mandates	Longer Term	Longer Term	$$$$	● ● ○
5.	Evaluate Multiple Unit Property Tax Exemption	Longer Term	Longer Term	$$$$	● ● ○
6.	Pre-approved plan sets for ADUs	Longer Term	Longer Term	$$$$	● ● ●
7.	Modify System Development Charge fee schedule	Near Term	Medium Term	$$$$	● ● ●
Affordable Housing for Lower-Income Households					
8.	Nonprofit Low-Income Housing Exemption	Already Complete		$$$$	● ○ ○
9.	Low-Income Rental Housing Tax Exemption	Near Term	Near Term	$$$$	● ● ○
10.	Public-private partnerships for affordable housing	Near Term	Ongoing	$$$$	● ● ●
11.	Use Tax Increment Financing to support affordable housing development	Near Term	Longer Term	$$$$	● ● ●
12.	Affordable housing preservation inventory	Medium Term	Medium Term	$$$$	● ● ○
Other					
13.	Fair Housing policy and education	Near Term	Medium Term	$$$$	● ● ○

PROJECT OVERVIEW

PROJECT PURPOSE AND BACKGROUND

Oregon Statewide Planning Goal 10 requires cities to plan for the housing needs of all community members. As a city within the Portland Metro area, Lake Oswego must complete a Housing Needs Analysis (HNA) every six years as well as a Housing Production Strategy (HPS) to implement specific actions that address the identified needs.

The Lake Oswego City Council adopted an updated HNA in October 2023. The HNA looks at the community's 20-year housing needs and whether there is enough residential land in the city to meet those needs. Under Goal 10, the City is required to adopt measures that will increase the likelihood that development of needed housing will occur and to work towards addressing any deficiencies in land capacity necessary to meet its housing needs. As a Metro jurisdiction, Lake Oswego is also part of a regional process that ensures there is a 20-year supply of land to accommodate future growth in the region.

The Housing Production Strategy outlines a range of strategies the City of Lake Oswego plans to implement to address housing needs within the community. The HPS prioritizes current and future housing needs identified in the HNA and outlines actionable policies, actions, and implementation steps to encourage the production of needed housing. These include things like changes to how the City zones land and regulates development of housing, financial incentives, funding sources, partnerships, and other tools and policies.

The HPS process focuses on strategies related to the production of new housing, recognizing the significant shortfall of housing produced in Oregon during the last two decades. However, it also will be important for the City to work with its community partners to help conserve, maintain, and rehabilitate existing housing in Lake Oswego, particularly where such housing also is affordable to people with low and moderate incomes.

LAKE OSWEGO'S HOUSING NEEDS

The project team used the findings from the HNA, as well as additional information from the Census, other data sources, and from stakeholders involved in housing production in the city, to put Lake Oswego's housing needs into context with current demographic and development trends. Below are some key findings from the HNA and Contextualized Housing Needs Assessment (**Appendix A**).

Current Needs

- **While Lake Oswego is generally considered an affluent community, not all households are wealthy.** Over 40% of households in the city earn less than $100k and nearly 20% of households earn less than $50k per year.
- **Homeownership costs have increased significantly in Lake Oswego, consistent with national trends.** The median home sale price in Lake Oswego has more than doubled over the past 10 years, from $395k in 2012 to $860k in 2022.

Nearly 20% of households earn less than $50k per year

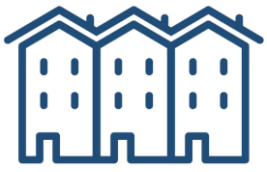
Nearly half of renters are cost burdened

- **There is very little existing housing available to those in lower income segments.** Around 2/3 of existing housing units (both rental and ownership units) are unaffordable to those earning less than $100k per year, and over 90% of existing units are unaffordable to those earning less than $50k per year.
- **Nearly half of renter households in Lake Oswego are considered housing cost burdened**, meaning they pay more than 30% of their income for housing.

Future Needs

- **Lake Oswego will need nearly 2,000 new housing units by 2043 to meet projected demand.** Housing will need to be produced across the income spectrum to meet these needs.
- **A wide range of housing types are needed to meet the range of household sizes and incomes.** The majority of new needed homes (61%) are projected to be attached housing – this includes 27% as middle housing units (townhomes and "plexes" with two to four units) and 34% as multi-family housing (e.g., apartments).

2,000 new housing units needed



27% of new needed units are middle housing

- **More than 1/3 of new housing units over the next 20 years will be needed by "low-income" households** – those earning at or below 80% of the median family income (MFI) for Clackamas County.
- **The private market will not deliver housing that is needed by low-income households on its own.** Housing that is affordable to those earning below 80% MFI typically requires government subsidy and partnerships with affordable housing providers.

- **There is a shortage of buildable residential land across all zone types** (low- to high-density) to meet the 20-year housing need in Lake Oswego (a deficit of 86 total acres, or 642 total units).

Shortage of residential land

Key Housing Gaps

The following housing types have been identified by stakeholders involved in local housing production as key gaps in Lake Oswego's housing market. The HPS will work toward meeting these housing needs and filling these gaps.

- Affordable housing for low- and moderate-income households.
- Greater housing choices within neighborhoods, including middle housing (e.g., townhomes, duplexes, cottage clusters).
- Opportunities for aging in place – More than 20% of the population is over 65.
- Options for more attainable homeownership (e.g., condos and middle housing).
- Apartments with family-size units (2-3 bedrooms) – Nearly 1/3 of current households in the city have children.
- Multi-family housing outside the Town Center.

ENGAGEMENT SUMMARY

The City of Lake Oswego is committed to reaching a broad range of community members to consider all perspectives related to housing within the city. The City values openness and transparency, recognizing that successful public engagement leads to better local decisions and outcomes.

The public engagement for the Lake Oswego HPS allowed community members, stakeholders, and interested parties to share their perspectives and input. This project was developed through a collaborative process among the community, City staff and decisionmakers, stakeholders, and consultants to ensure that multiple points of view were considered and understood. Below is a summary of engagement activities and outcomes for the HPS. More detail is provided in **Appendix B**.

Public engagement was split into three phases:

Phase 1: HNA (Dec 2022 - Oct 2023)

Phase 2: HPS Development (Oct 2023 - Jul 2024)

Phase 3: HPS Adoption (Aug - Nov 2024)

OUTREACH METHODS INCLUDED:

Housing Production Strategy Task Force. This advisory group included a variety of housing stakeholders, producers, and consumers. This included realtors, housing development industry members, homeowners, renters, and representatives of the City's Planning Commission, City Council, 50+ Advisory Board, and Transportation Advisory Board, among others.

The Task Force was instrumental in shaping the City's approach to the HPS and the strategies ultimately selected. They reviewed materials created by the project team at each step of the process and provided important information and feedback. This was especially beneficial in informing decisions by the Planning Commission and City Council.

Stakeholder Interviews. The project team interviewed stakeholders involved in various aspects of housing production, including affordable housing producers as well as developers or designers of market-rate multifamily, middle housing, and single-family housing.

The feedback received from housing stakeholders influenced the strategies included in the HPS. For example, the code topics addressed in the Code Audit and Amendments strategy were refined to address the barriers identified by housing developers and producers. Also, incentives and other strategies that support affordable housing development (tax abatements, TIF funding, partnerships) were shaped by these interviews.

Virtual Forums and Surveys. The City hosted two virtual community forums – on April 6, 2023 to discuss housing needs as part of the HNA, and on March 14, 2024 to review the strategies being considered for the HPS. The HPS forum used live polling to get feedback in real-time to supplement the discussion. The City also hosted two online surveys / online open houses that corresponded with the virtual forums.

The HPS community forum and online survey were used to gauge community support for various strategies under consideration for the HPS.

Presentations to Boards and Commissions. City staff presented to the following groups: Diversity, Equity and Inclusion Advisory Board; 50+ Advisory Board; November 2023 Mayor's Roundtable event; and Fall 2023 Kruse Way Economic Forum

City Council and Planning Commission meetings. The project team held work sessions with the City Council and Planning Commission at key points in the project. Adoption hearings with both bodies were held in fall 2024.

Planning Commission and City Council provided important direction to the project team at key points in the HPS development. Work sessions with both bodies were used to review, refine, and prioritize specific strategies included in the HPS. Ultimately, the Planning Commission and City Council provided direction on which strategies to include in the draft HPS and approved the final HPS via adoption hearings.

STRATEGIES AND ACTIONS

The Housing Production Strategy identifies strategies and actions that the City of Lake Oswego and community partners can take to promote housing development that meets the needs of the community. All strategies recommended in this report were supported by the HPS Task Force, City Council, and Planning Commission.

The strategies are organized by the primary housing need that they address. However, some strategies address housing needs across multiple categories.

OVERALL HOUSING PRODUCTION AND SUPPLY	Increase housing production to meet the City's overall long-term housing need.
INCREASED HOUSING CHOICES	Enable and encourage production of housing that can meet a full range of household needs and preferences. This includes a wider variety of housing types and sizes, and housing to meet particular needs such as aging in place and accessibility.
AFFORDABLE HOUSING FOR LOWER-INCOME HOUSEHOLDS	Facilitate development of government-subsidized housing that meets the needs of low- and moderate-income households.
OTHER	The strategy in this category (Fair Housing policy and education) does not easily fit under the other headings, but supports equitable implementation of all recommended housing strategies.

The HPS report summarizes key information for each of the recommended strategies and identifies steps needed for implementation. The summary of each housing strategy includes the following information:

Description	What is the strategy? How can the strategy work to address identified housing needs in Lake Oswego? What are potential outcomes?
Considerations	What potential options, funding needs, challenges, etc. are applicable to the strategy? Are there potential trade-offs or negative externalities to consider? How feasible is this strategy, given other considerations?
Recommendation	Identifies specific actions recommended for implementation. (Not applicable to all strategies).
Anticipated Impact	What is the anticipated impact of the strategy? The following types of impacts are considered: • **Housing need addressed** – Housing need identified in the HNA that is addressed by the strategy • **Populations served** by the strategy • **Income levels** addressed by the strategy • **Benefits and burdens** that "priority populations" may receive from the strategy. "Priority populations" include low-income households, people of color, people with disabilities, seniors, and other state or federal protected classes. • **Housing tenure** (either owner or renter) • **Magnitude** of the action for producing new housing: **Low impact =** The strategy is unlikely to meet the relevant housing need. A low impact strategy does not mean an action is unimportant. Some actions are necessary or beneficial, but not sufficient on their own to produce new housing. **Moderate impact =** The strategy either may have a moderate impact on meeting the relevant housing need or be designed to target that need. **High impact =** The strategy may directly benefit a certain housing need and is likely to be most effective at meeting that need relative to other strategies.
Time Frame	**Implementation:** When does the City expect to begin implementation, and when will the action to be adopted and implemented? Strategies are identified as Near Term (1-3 years), Medium Term (within 3-5 years), and Longer Term (>5 years) actions. **Impact:** Over what time period will the impact occur?
Implementation Actions	What actions will the City and other stakeholders need to take to implement the strategy?
Lead & Partners	Who will be responsible for implementing the strategy? What partnerships might be necessary or beneficial to the strategy?

SUMMARY OF STRATEGIES AND IMPLEMENTATION

Strategies are identified as Near Term (1-3 years), Medium Term (within 3-5 years), and Longer Term (>5 years) implementation time frames. A matrix shows each strategy with the time frames, relative cost, and level of effort.

A general implementation timeline follows on the next page.

Key

Cost		Effort	
$	Minimal Investment	● ○ ○	Minimal Effort
$$	Moderate Investment	● ● ○	Moderate Effort
$$$	Significant Investment	● ● ●	Significant Effort
$$$$	Major Investment		

	Strategy	Implementation Time Frame: Begin	Implementation Time Frame: Complete	Cost	Effort
Overall Housing Production and Supply					
1.	Code audit and amendments	Near Term	Medium Term	$$	● ● ●
2.	Remove or reduce minimum parking requirements	Near Term	Near Term	$	● ○ ○
3.	Rezone land	Near Term	Medium Term	$$	● ● ●
Increased Housing Choices					
4.	Evaluate accessible design incentives or mandates	Longer Term	Longer Term	$$	● ● ○
5.	Evaluate Multiple Unit Property Tax Exemption	Longer Term	Longer Term	$$	● ● ○
6.	Pre-approved plan sets for ADUs	Longer Term	Longer Term	$$$	● ● ●
7.	Modify System Development Charge fee schedule	Near Term	Medium Term	$$$	● ● ●
Affordable Housing for Lower-Income Households					
8.	Nonprofit Low-Income Housing Exemption	Already Complete		$	● ○ ○
9.	Low-Income Rental Housing Tax Exemption	Near Term	Near Term	$$	● ● ○
10.	Public-private partnerships for affordable housing	Near Term	Ongoing	$$	● ● ●
11.	Use Tax Increment Financing to support affordable housing development	Near Term	Longer Term	$$$$	● ● ●
12.	Affordable housing preservation inventory	Medium Term	Medium Term	$	● ● ○
Other					
13.	Fair Housing policy and education	Near Term	Medium Term	$	● ● ○

IMPLEMENTATION TIMELINE

		2024	2025	2026	2027	2028	2029	2030
1.	Code audit and amendments							
2.	Remove or reduce min. Parking requirements							
3.	Rezone land*		Non-Residential		Low-Density Res.			
4.	Evaluate accessible design incentives or mandates							
5.	Evaluate Multiple Unit Property Tax Exemption							
6.	Pre-approved plan sets for ADUs							
7.	Modify SDC fee schedule*		Cottage Cluster		SDC Methodology			
8.	Nonprofit Low-Income Housing Exemption							
9.	Low-Income Rental Housing Tax Exemption							
10.	Public-private partnerships for affordable housing		Ongoing					
11.	Use TIF to support affordable housing							
12.	Affordable housing preservation inventory							
13.	Fair Housing policy and education*		Policy Update		Education			

** Refer to the strategy description for details about phasing.*

STRATEGIES TO BOOST OVERALL HOUSING PRODUCTION AND SUPPLY

The following strategies are intended to increase housing production in Lake Oswego. The HNA indicates that nearly 2,000 new housing units will be needed by 2043. This includes approximately 950 units for higher-income households and over 1,000 units for middle- and lower-income households. Increasing housing production will not only help meet these needs, it can also slow increasing housing costs by helping balance housing supply and demand.

1. Code audit and amendments

Description

Undertake a comprehensive audit of the Community Development Code (CDC) to identify barriers to housing production and implement code amendments to address those barriers.

The CDC audit and amendments are recommended to address:

- Barriers to accessory dwelling units (ADUs) and middle housing;
- Ways to facilitate smaller units;
- Procedural requirements that add cost and delay to land use approvals;
- Open space requirements in high-density zones;
- Barriers to residential development within mixed-use districts;
- The impact of neighborhood and design district overlays, restrictive siting standards, or other regulatory provisions; and
- Other identified Code barriers.

The CDC amendments could also incorporate recent changes to state law related to affordable housing and lower-cost housing choices. These statutory provisions apply whether or not the City adopts them locally, but amending the Code could facilitate easier interpretation by staff and applicants. Recent changes to Oregon Revised Statutes (ORS) include:

- ORS 197A.445(2) (Senate Bill 8, 2021): Allows affordable housing with density and height bonuses.
- ORS 197A.445(3) (House Bill 2984, 2023): Allows conversion of commercial buildings into housing.
- ORS 197A.430 (House Bill 3395, Sections 16-19, 2023): Allows single room occupancies in all residential zones.

Considerations

- This strategy could help reduce or eliminate some of the major code and procedural barriers identified by housing stakeholders.
- The strategy could be shaped to prioritize housing types identified as most needed in the city, based on the City's recently adopted HNA and stakeholder input, such as:
  - Middle housing (e.g., townhomes, duplexes, and cottage clusters)
  - Apartments with family-size units (2-3 bedrooms)
  - Multi-family housing (of any size)
  - Smaller homes

- Simply removing code barriers will not lead to housing development. This strategy should be paired with others that directly influence housing production.
- There may be neighborhood resistance to this strategy, particularly for any code amendments intended to modify existing neighborhood overlays or neighborhood planning efforts. Extensive community engagement would be necessary.

Anticipated Impact

- **Housing need addressed:** General need for increased housing production and increased housing choices. This strategy could also specifically address the needs for multi-family housing, middle housing, and smaller units such as ADUs.
- **Population served:** Low to higher-income households
- **Income level:** All income levels
- **Benefits and Burdens:** This strategy is broad, and therefore difficult to evaluate in terms of benefits and burdens for priority populations. However, it does give the opportunity to target efforts in beneficial areas such as reducing barriers to affordable development or housing that is more attainable to low- and moderate-income households (e.g., multi-family and middle housing); facilitating smaller housing options such as ADUs, which could benefit seniors; and other areas aimed at helping priority populations. In addition, increasing overall housing supply can help keep housing costs down by balancing supply and demand, which benefits all residents, including priority populations.

  However, because the strategy is intended to increase housing production overall, it has the potential to primarily benefit upper income households. Implementation should include a focus on meeting the needs of housing types that benefit low- and moderate-income households, seniors, and other priority populations.
- **Housing tenure:** For rent or sale
- **Magnitude:** Moderate – This strategy could have a moderate impact on new housing production given the limited remaining inventory of buildable residential lands. The low inventory and relatively high land prices in Lake Oswego incentivize making more intensive use of remaining sites, if the code permits it.

Time Frame

Implementation: Begin in Near Term; Complete in Medium Term.

Impact: The action can begin to have impact after it is implemented in the CDC. However, the impact on housing development is expected to be longer-term.

Implementation Actions

- Identify priorities for the code audit, focusing on high-priority housing needs.
- Potentially seek a technical assistance grant from DLCD or other sources to support a code audit project.
- Conduct a comprehensive CDC audit, potentially with support from a consultant.
- Work with developers/housing stakeholders and residents to vet potential CDC amendments.
- Work with Lake Oswego's Planning Commission and City Council to adopt code amendments.
- City Council Action: Legislative CDC text amendments.

Lead & Partners

Lead: Lake Oswego Community Development

Partners: Developer and housing stakeholders

2. Remove or reduce minimum parking requirements

Description

As required by the State of Oregon's Climate-Friendly and Equitable Communities (CFEC) program, the City is currently undertaking Citywide Parking Reform efforts to develop regulations that comply with the CFEC rules. This includes requirements to remove parking mandates in certain areas (near transit, Downtown, and in the Lake Grove Village Center). The City is also required to take additional steps to reduce parking requirements. For example, the City could consider removing parking mandates citywide as a part of this work.

While the CFEC-related parking reform efforts were not initiated as part of the HPS, reducing parking mandates benefits housing production in several ways. It provides the opportunity to reduce the amount of lot area used for pavement and storage of vehicles and provides more space for housing and open space. It also offers greater flexibility to site housing and reduces costs associated with providing parking. The City is choosing to recognize the value of this work in facilitating housing development by including in the HPS.

More information about the Citywide Parking Reform project is available here: www.ci.oswego.or.us/planning/pp-22-0001-citywide-parking-reform.

Considerations

- Parking mandates are often cited as a major barrier for market-rate multi-dwelling and regulated affordable housing.
- Developers often choose to provide parking, even if not required. Lenders/investors may require some parking to ensure marketability of units.
- There could be community opposition to removing all parking mandates, due to the potential for higher usage of on-street parking and the potential for parking overflow from commercial areas to residential neighborhoods.

Anticipated Impact

- **Housing Need Addressed:** General need for increased housing production. This strategy would especially benefit production of multi-family and government-subsidized affordable housing.
- **Population served:** Especially beneficial to low- to moderate- income households
- **Income level:** All income levels – especially 30-120% AMI
- **Benefits and Burdens:** This strategy has the potential to benefit low-income households and people of color by removing parking mandates as a barrier to development of affordable housing.

  Access to convenient parking has been raised as an important need for people with disabilities; therefore, removing parking mandates could potentially burden those populations if parking is not provided. The City could consider encouraging property owners to provide parking for people

with disabilities and set policy on when on-street parking designated for people with disabilities is appropriate. On the other hand, some people with disabilities are unable to drive and could benefit from removing additional costs associated with parking.

- **Housing tenure:** For rent or sale
- **Magnitude:** High – This action is likely to have the most impact on market-rate multi-family and regulated affordable housing. Parking mandates are often cited as a major barrier for those types of development. Reduced parking often allows for greater density (i.e., additional housing) on a site, improving the financial feasibility via replacing the sunk cost of building and maintaining the parking area, with additional revenue-generating space. Reduced parking also allows developers to be more creative with site planning and design features in general, often improving the aesthetics and functionality of a property as well.

Time Frame

Implementation: Begin and Complete in Near Term

Impact: The action will begin to have impact as soon as the parking mandates are removed. Impacts to housing production are expected to be longer term.

Implementation Actions

- Conduct outreach and education related to parking mandates.
- Work with Lake Oswego's Planning Commission and City Council to adopt code amendments.
- City Council Action: Adopt Development Code text amendments.

Lead & Partners

Lead: Lake Oswego Community Development

Partners: N/A

3. Rezone land

Description

This strategy involves rezoning commercial, mixed-use, or other non-residentially zoned properties for residential uses, especially multi-family housing. It could also involve updating zoning districts to allow housing where not currently allowed or rezoning lower-density areas to allow higher-density housing.

The HNA identified a need for additional residential land across all zone types to meet the 20-year housing need in Lake Oswego (a deficit of 86 total acres, or 642 total units). As such, there may be a need to add to the city's capacity of residential land to meet the housing need. Rezoning is one way to help address this issue.

Recommendation

Prioritize rezoning in areas with the greatest potential for higher density multifamily housing – including areas where nonresidential uses are underutilized. Potential zoning districts to consider for this strategy include the Mixed Commerce District (MC) and Industrial District (I). Consider a phased approach that first looks at nonresidential zones, then looks at upzoning lower-density areas in a later phase. Some of this work could coincide with the Code Audit and Amendments work under Strategy 1.

Considerations

- If nonresidential land is considered for rezoning, it would be important to ensure there is still adequate land available for employment and commercial/industrial needs in the city. Lake Oswego's Economic Opportunities Assessment identifies the city's future employment land needs.
- In considering the most appropriate locations for City-initiated rezoning of land, the following criteria or factors should be considered:
  - Proximity to existing residential and higher-density areas.
  - Proximity to services (e.g., transit, schools, parks, etc.).
  - Size and ownership – larger properties will be more attractive for development.
- There may be neighborhood resistance to rezoning, especially "upzoning" single-family residential areas. This strategy would need significant community engagement.

Anticipated Impact

- **Housing need addressed:** Rezoning would address the shortage of land for housing, and the overall need for housing production in the city. Depending on how it is implemented, this strategy could also address the shortage of higher-density land by rezoning lower-density land.
- **Population served:** Low to higher income households
- **Income level:** All income levels
- **Benefits and Burdens:** Rezoning can increase the availability of land zoned for residential development. Additional capacity for more housing development can include opportunities for multi-family housing that is generally more affordable to low- and moderate-income households.

  A potential burden from this strategy is the possibility of lower-income households being displaced if rezoning leads to increased development pressures or increased property values. Rezoning commercial areas, or impacts of increased property values, can also lead to commercial displacement of small businesses. Rising commercial rents or pressures to redevelop for residential uses may have a larger impact on small-scale entrepreneurs and immigrant or minority-owned businesses. The characteristics of areas being considered for rezoning should be carefully considered as part of implementation to avoid displacement impacts.
- **Housing tenure:** For rent or sale
- **Magnitude:** Moderate to High – The impact of rezoning might be relatively high given the limited supply and high demand for buildable residential land in the community. The effectiveness of rezoning will depend on the physical and infrastructure characteristics of the rezoned land for residential use. The density of housing under the new zone will also depend on the physical constraints (e.g., steep slopes) that might limit the buildable portion of a site.

Time Frame

Implementation:

- Non-Residential Zones: Begin in Near Term, Complete in Medium Term.
- Low-Density Zones: Begin and Complete in Medium Term.

Impact: Land inside city limits will become available for development immediately after rezoning. Land outside city limits can also be developed, but will need to

overcome the additional hurdle of annexation. The impact on housing development is expected to be long-term.

Implementation Actions

Initial steps will include outlining the rezoning process, researching potential rezoning areas, and contacting owners of large properties in those areas to gauge interest. This will take place in the first year of implementation, with remaining steps taking place in subsequent years.

- Use the criteria listed above to identify and evaluate potential areas for rezoning. Prioritize sites with the best potential for housing production and access to services.
- Consider the demographic characteristics of potential rezoning areas to avoid potential displacement impacts.
- Engage with property owners as well as the broader community in targeted areas.
- Work with Lake Oswego's Planning Commission and City Council to adopt Zoning and Comprehensive Plan Map amendments.
- City Council action: Legislative Zoning and Comprehensive Plan Map amendments and CDC and Comprehensive Plan text amendments.

Lead & Partners

Lead: Lake Oswego Community Development

Partners: Property owners

STRATEGIES TO INCREASE HOUSING CHOICES

The following strategies are intended to meet a full range of household needs and preferences. This includes a wider variety of housing types and sizes, and housing to meet particular needs such as aging place and accessibility.

4. Evaluate accessible design incentives or mandates

Description

This strategy involves evaluating incentives or mandates to increase development of housing that is accessible for seniors and people with disabilities or mobility challenges.

Potential incentives could include:

- Bonuses for height, density, lot size, or floor area ratio.
- Tax abatements, e.g., MUPTE (see Strategy 5).

Potential mandates could include:

- **Requiring visitability in single-family and middle housing development—this would ensure that anyone using a wheelchair can visit the subject homes.** Visitability is most relevant for buildings with fewer than four units, townhouses, and detached homes that aren't subject to ADA requirements.
- **Requiring housing that receives public funding to provide more accessible units or more universal design features than required under federal standards.** This could mean applying the standards to a higher percentage of

units than would otherwise be required (above 5%) and/or requiring units to meet higher Universal Design or Lifelong Housing Certification standards.

- **Requiring elevators in some or all multi-story buildings.** Currently, the Building Code only requires elevators to reach common spaces (such as exercise rooms) or units that are federally required to be accessible. Requiring elevators in one or more multi-family buildings would provide access to all levels of that building. It would also make all units "covered" units under the Fair Housing Act, meaning all units would need to have baseline accessibility features.

Accessibility Standards:

A small number of units in multifamily buildings are already required to have accessibility features under federal law and Oregon's state building code. This strategy would go beyond those minimums by either requiring or incentivizing additional units that provide accessibility features, or targeting housing not subject to these requirements (e.g., single-family homes and middle housing).[1] Potential accessibility standards include:

- **Building Code Standards.** Oregon's building code provides specifications for "Accessible Units" (with features such as wider than Type B doorways and fully accessible bathroom and kitchen facilities), "Type A units" (less accessible than "Accessible Units" and adaptable for additional accessibility), and "Type B" units (fewer accessibility features than Type A). Relying on these existing statewide code standards would be a relatively straightforward approach.
- **Universal Design** is a building concept that incorporates design layouts and characteristics into residences to make them usable by the greatest number of people and respond to the changing needs of the resident. Universal Design incorporates standards for features such as hallways, doorways, bathrooms, and kitchens that make these features usable for people with disabilities or adaptable for that purpose.[2]
- **Visitability** is a design approach for new housing that allows anyone who uses a wheelchair or other mobility device to visit the home. A visitable home typically includes:
  - A zero-step entrance;
  - Wide interior doors; and
  - A half bathroom on the main floor.

[1] Multi-family developments are subject to the Fair Housing Act; for buildings with an elevator, all units must be Type B units, per the building code; for those without an elevator, all ground floor units must be Type B. At least 2% but not less than one dwelling unit in a multi-family site with more than 20 units must be Type A units. Housing projects receiving public funding are subject to federal laws (Section 504 of the Rehabilitation Act of 1973 and/or Title II of the ADA), which require 5% of units to be mobility-accessible. Sources: Portland Code Guide, Accessible Design. https://www.portlandoregon.gov/bds/article/514247; Disability Law Handbook, Southwest ADA Center. http://www.southwestada.org/html/publications/dlh/housing.html.

[2] Universal Design Standards, West Virginia Housing Development Fund. https://tinyurl.com/yx63h792

Considerations

- This strategy would help address housing disparities for people with disabilities and provide more options for aging in place.
- Strategies to promote accessible housing received support from the Middle Housing Code Advisory Committee as part of the House Bill 2001 code updates.
- Accessibility features can add to the cost of construction for a development, which can make affordable housing projects less financially feasible. Elevators, in particular, add significant cost to a project.
- While **mandates** may provide more accessible units, they could prevent some affordable housing projects from being developed.
- **Incentives** must be calibrated effectively to be attractive to both a nonprofit and for-profit developer. The benefit of using the incentive should outweigh the costs associated with implementing accessible design features.
- A more general strategy to utilize zoning bonuses was not recommended for inclusion in the HPS due to concerns expressed during project outreach that additional floor area, height, or lot coverage could conflict with existing neighborhood character. Zoning bonuses to incent accessible units may be met with similar opposition.

Anticipated Impact

- **Housing Need Addressed:** Housing for people with physical disabilities and mobility challenges. The HNA indicates that an estimated 8% of the population of Lake Oswego, or 3,140 people, report having some form of disability, including 2.9% with an ambulatory disability. However, the number of people that would benefit from physical accessibility in housing – especially amongst the senior population – likely exceeds these numbers. Also, housing stakeholders identified this as a notable gap in the local housing market.
- **Population served:** Seniors; people with disabilities
- **Income level:** All income levels
- **Benefits and Burdens:** This strategy is anticipated to benefit seniors and people with disabilities by increasing the stock of accessible housing units in the city. However, a potential trade-off of *mandating* accessibility features—especially for subsidized housing—is that it would reduce the total number of units that could be provided in a building (because bathrooms and other areas would need to be larger). While this may provide more accessible units, it could make some affordable housing projects less feasible. This could be a potential burden on low-income households by limiting the opportunity for production of housing they can afford. Incentive-based strategies would not carry the same burden. This will be an important consideration for implementation.
- **Housing tenure:** For rent or sale
- **Magnitude:** Moderate – Depending on how the strategy is structured, it could lead to production of a significant number of new units with accessibility features. However, the strategy could also have the effect of deterring housing production if requirements are too onerous. To improve feasibility, requirements may be applied to some but not all of the units in

new multi-family development. New elevator requirements may significantly deter new development, due to high cost.

Time Frame	**Implementation:** Begin and Complete in Longer Term **Impact:** The action can begin to have impact after it is implemented in the CDC or adopted as a financial incentive. The impact on housing production is expected to be longer-term.

Implementation Actions	• Potentially seek a technical assistance grant from AARP or other sources to support implementation efforts.
	• **Code bonus.**
	  ○ Evaluate a potential new height/FAR bonus with input from housing stakeholders and community members to determine whether—and how—it should be implemented.
	  ○ A potential accessibility bonus should be carefully considered in conjunction with any other potential incentives for accessible housing (see Strategy 5).
	  ○ Consult with developers and housing providers to determine their level of interest.
	  ○ Work with Lake Oswego's Planning Commission and City Council to consider potential code approaches, and if directed, to adopt code amendments.
	  ○ City Council Action (if directed): Legislative CDC text amendments.
	• **Code requirement.**
	  ○ Evaluate potential new accessibility requirements, working closely with non-profit and market-rate housing developers to understand how their projects might be impacted.
	  ○ Conduct a pro forma analysis to evaluate potential impacts to project costs.
	  ○ Implement via CDC updates, if directed.
	• **Financial incentive.**
	  ○ Evaluate an incentive program (e.g., MUPTE, Strategy 5) to increase the number of dwelling units designed accessibly.
	  ○ Work with developers to gather feedback on program parameters and interest.
	  ○ Implement incentive program through Council action, if directed.

Lead & Partners	**Lead:** Lake Oswego Community Development **Partners:** Home Building Association of Greater Portland; Fair Housing Council of Oregon; AARP; non-profit and for-profit housing developers.

5. Multiple Unit Property Tax Exemption (MUPTE)

Description

This tax exemption can be used to encourage multi-family or middle housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years (or longer, for housing subject to affordability agreements). It can be offered to new development or existing housing that is converted to meet the eligibility criteria.

MUPTE is a flexible tax abatement that can be used in various ways to encourage needed housing. The City has broad discretion as to how to structure the program. Eligibility criteria could include requirements for affordability, accessibility/universal design, unit size, or other desirable features.

The City must designate specific areas where the MUPTE applies, unless including affordability as a criterion, in which case the whole city could be eligible.

(Authorized by ORS 307.600-637)

Recommendation

Evaluate adoption of the MUPTE program with criteria that would make it available to housing with either accessible design (see Strategy 4) or moderate-income units affordable at 80-120% AMI. Also consider using this strategy to preserve affordability for existing lower-cost housing – i.e., focus the incentive on rehabilitation projects. As such, this strategy could follow implementation of Strategy 12: Affordable housing preservation inventory.

Considerations

Applicable to all tax exemption programs:

- Tax exemptions apply only to the tax levy of a governing body that adopts the exemptions. In order for the full property tax to be exempted, the City must seek approval from partner jurisdictions that, together with the City, make up at least 51% of the overall tax levy. Lake Oswego would need to secure agreement from either the School District or County or both.
- The City and participating taxing districts will lose property tax income for the duration of any tax exemption, reducing revenue for City services and revenue for participating taxing districts. Such taxing districts may express resistance to new tax abatement or exemption programs that involve reduced revenue, particularly for programs intended to produce market-rate housing.

Applicable to the MUPTE under consideration:

- The City should consider what income criteria would best fill the gaps in the local housing market. If the program targets rent levels for households earning up to 120% AMI, developers may be able to charge market-rate rents, which may not be more affordable than they would otherwise charge. A lower income target such as 100% AMI may be more effective at achieving lower-cost units. The local rental market and household income levels should be carefully evaluated as part of the City's analysis of this program.

Anticipated Impact

- **Housing Need Addressed:** This strategy has the potential to increase development of multi-family housing in targeted areas of the city.

Stakeholders in the HPS process identified a particular need for more multi-family housing outside the Town Center. Targeting the program to accessible units would help meet the needs of seniors and people with disabilities (see Strategy 4 for estimates of total need). Targeting the program to households earning 80-120% AMI would help meet the needs of moderate-income households. The HNA indicates that 16% of new needed housing units over the next 20 years will be needed by those earning 80-120% AMI.

- **Population served:** Moderate-income households, seniors, and people with disabilities.
- **Income level:** Depends on how the program is structured.
- **Benefits and Burdens:** This strategy has the potential to benefit various priority populations by encouraging housing needed by those communities (accessible units, moderate-cost units, etc.). The City could also target a MUPTE program to specific geographies to target housing development in neighborhoods where it is most needed. A challenge for the City will be to determine how best to balance those various needs to determine what housing types or features are most appropriate to include as criteria for the MUPTE abatement. This should be considered in the broader context of the HPS to ensure that the City's actions benefit all priority populations in equitable ways.

  No burdens on priority populations are anticipated for this strategy, provided it is implemented in the ways described above.
- **Housing tenure:** Typically for-rent.
- **Magnitude:** Moderate – This strategy could encourage production of more multi-family units that meet housing needs not currently being met by the private market. As noted above, to make this program effective at encouraging lower-cost units, the City should carefully consider what income criteria would best fill the gaps in the local housing market.

Time Frame

Implementation: Begin and Complete in Longer Term

Impact: The MUPTE can be used once it is adopted, and for as long as the City offers the exemption. The impact on housing supply is expected to be longer-term.

Implementation Actions

- Further evaluate the various options for structuring the MUPTE program to determine whether—and how—it should be implemented.
- Consult with developers and housing providers to determine their level of interest.
- Determine desired eligibility criteria (e.g., affordability, accessibility, etc.).
- Seek input from overlapping taxing districts on their willingness to support the exemption.
- City Council Action: Adopt tax exemption program by resolution or ordinance.

Lead & Partners

Lead: Lake Oswego Community Development

Partners: Lake Oswego Finance Department; overlapping taxing jurisdictions

6. Pre-approved plan sets for ADUs

Description

Pre-approved (or permit-ready) plan sets have been reviewed in advance for conformance with zoning and building codes. Permit-ready plan sets can reduce housing development costs by reducing design and permit process times and fees. This strategy could be used to encourage more development of accessory dwelling units (ADUs).

Permit-ready plans can reduce costs in three main ways:

- Streamlining permit processes – Permitting times are frequently cited by market-rate builders as a major barrier to housing production, as delays in permitting often translate into increased costs.
- Reducing permit fees – The Building Department may decrease permit review charges for applicants because of the simplified review.
- Reducing design fees – The builder would pay less in professional services to architects, etc.

ADUs are a type of housing located on the same lot (and sometimes in the same structure) as a primary dwelling unit. They are generally smaller in size compared to the primary home and come in a number of different configurations. In Lake Oswego, there may be one ADU per primary home. ADUs offer opportunities for multigenerational living, with family members living on the same site but in a separate dwelling. ADUs can also be rented out, allowing the homeowners to supplement their income.

Considerations

- This strategy potentially lowers site and building design costs, which could lead to an increase in new ADU units and increase rental stock.
- There are upfront costs associated with developing the pre-approved plans, including paying design fees for architects that develop the base plans, and dedicating staff time for working with the architects and reviewing the plans.
- The City could partner with a university, design institution, or develop a competition to produce plans. For example, the City of Eugene has partnered with several design firms to offer low-cost ADU plans, each of which is available for only $500. Eugene also offers a free ADU plan developed in-house.[3]
- ADUs are a good candidate for this type of program due to their small size and relative simplicity. Also, homeowners wanting to build an ADU may be especially interested in pre-made designs, as compared to experienced homebuilders.

Anticipated Impact

- **Housing Need Addressed:** Increased housing choices within existing neighborhoods. Increased rental opportunities. Options for multigenerational housing. Opportunities for aging in place. Many of these were mentioned by stakeholders in the HPS process as a gap in the local market.

[3] City of Eugene. Pre-Approved Accessory Dwelling Unit Program. https://www.eugene-or.gov/4707/Pre-Approved-Accessory-Dwelling-Unit-Pro

- **Population served:** Moderate to higher-income households; seniors; people with disabilities; multigenerational households; renters
- **Income level:** Likely 80% AMI and above
- **Benefits and Burdens:** ADUs are a popular choice for elders who wish to live on the same property as their children/grandchildren (ADUs are sometimes referred to as "granny flats"). As such, this strategy can offer benefits to seniors and multigenerational households. Because ADUs are often single-level, small homes, they may also benefit people with disabilities – with the potential added benefit of enabling family to live nearby for assistance and support.

  No burdens on priority populations are anticipated.
- **Housing tenure:** For rent
- **Magnitude:** Moderate – This strategy would likely lead to more development of ADUs in the city. Pre-approved plans can lower the logistical barriers for prospective ADU builders, and can be paired with a faster, cheaper permitting process. This could increase the number of available rental properties and increase housing choices in existing developed neighborhoods. However, the strategy would have a limited impact on overall housing supply.

Time Frame

Implementation: Begin and Complete in Longer Term. Could potentially be implemented sooner if the City can use pre-approved plans that are already developed.

Impact: The action is expected to have impact over the longer term.

Implementation Actions

- Develop ADU plans in collaboration with one of the partners listed below.
- Work with the Building Department to ensure plans meet all City Code standards, approve the plans, and adopt reduced fees for the plans.
- Work with the Building Department to implement a streamlined review process.

Lead & Partners

Lead: Lake Oswego Community Development (including Building Department)

Partners: Universities, design institutions, and/or design firms

7. Modify System Development Charge (SDC) fee schedule

Description

SDCs are one-time charges assessed on new development to pay for the costs of expanding public facilities to serve new development. The City of Lake Oswego charges SDCs for water, sewer, parks, and transportation (affordable housing meeting certain criteria is eligible for an exemption to SDCs). The Lake Oswego School District also charges a construction excise tax (effectively an SDC) for new construction in the city (except for affordable housing).

This strategy involves updating the City's SDC fee schedule so it is tied more directly to dwelling size. Currently, the City charges the same rates for all single-family homes regardless of size. Each unit of a duplex is also charged the same

single-family fee. Multi-family housing (3 or more units) is charged a lesser fee per unit.[4] While cottage clusters are currently charged the single-family rate for each unit, the City is planning to update the SDC fee schedule in the near term so that cottage clusters are charged a lower rate per unit.

Scaling SDC fees to dwelling size would better match a development's charges to its actual cost or impact on the system. Smaller housing units, including some middle housing types, typically have less impact on water, sewer, or transportation facilities, given the reduced average size and occupancy of these units. This is not fully reflected in Lake Oswego's current SDC schedule, although the current schedule does include lower fees for multi-family housing units.

The City could consider charging fees on a per-square-foot basis, rather than per-unit.[5]

Considerations

- This strategy would reduce barriers to construction of more affordable, smaller-scale homes, including small single-family homes and middle housing.
- The City sets its SDC fee schedule based on projected needs for system construction and improvements. Modifying the SDC methodology would likely increase fees for larger homes to make up for the reduced fees for smaller units.
- As part of the current Parks Plan 2040 update project (completion expected in 2025), the City will consider modifying its Parks SDCs to be scaled by housing unit size. That could provide a jumping off point and a model for a larger discussion about SDC schedules and potential future refinements to SDCs for other services.

Anticipated Impact

- **Housing need addressed:** This strategy will facilitate development of smaller, more attainable housing units that may be affordable to moderate-income and smaller households. The HNA indicates that 16% of new needed housing units over the next 20 years will be needed by those earning 80-120% AMI.
- **Population served:** Moderate to higher income households; first-time homebuyers; single or two-person households; seniors
- **Income level:** 80% AMI and above
- **Benefits and Burdens:** This strategy can increase production of smaller and lower-cost units which may benefit lower-income households, but is more likely to benefit moderate- or higher-income households. Smaller unit sizes may be of particular benefit to seniors due to lower maintenance and lower housing costs.

  No burdens on priority populations are anticipated. However, reducing SDCs for smaller units would likely need to be offset by increased SDCs for larger

[4] Lake Oswego Master Fees and Charges, 2024. https://www.ci.oswego.or.us/finance/master-fees-and-charges

[5] For example, the City of Newport, Oregon charges SDCs on a per-square-foot basis for single-unit dwellings. https://newportoregon.gov/dept/cdd/documents/FYE24SDCRates.pdf. The City of Albany, Oregon scales its sewer and streets SDCs for single-unit dwellings by dwelling size, with thresholds at 1,000 sq ft, 1,250 sq ft, and 3,000 sq ft. https://albanyoregon.gov/images/stories/cd/devcenter/fee_guide_city_of_albany_oregon.pdf.

units, the cost of which would be passed onto homebuyers. It is anticipated that homebuyers that can afford larger units would be less impacted by the increased cost than moderate to lower income homebuyers.

- **Housing tenure:** For rent or sale
- **Magnitude:** Low to Moderate – Given current SDC incentives already available, this tool may have a low to moderate impact in incentivizing additional housing units. It may incentivize some projects to produce a greater number of marginally smaller units, thus increasing density and unit production somewhat.

Time Frame

Implementation:

- Cottage cluster SDCs: Complete in Near Term.
- Overall SDC methodology: Begin and Complete in Medium Term.

Impact: The process of modifying a city's SDC methodology can be lengthy, as it is necessary to analyze projected needs for system construction and improvements and ensure that SDC revenues will be adequate to meet projected needs. Once a new SDC schedule is implemented, the impact to housing development is expected to be longer-term.

Implementation Actions

- Adopt SDC rates adjustments for cottage clusters, working with City Council and other City departments.
- Work with City Council, other departments (Public Works, Finance, Parks, etc.), and development stakeholders on policy discussions around modifying the SDCs.
- Potentially work with a consultant to develop an updated SDC methodology.
- City Council action: Adopt modified SDC schedule by resolution or ordinance.

Lead & Partners

Lead: Lake Oswego Engineering

Partners: Development stakeholders

Rendering of proposed Hacienda CDC affordable housing development in Lake Oswego

STRATEGIES TO SUPPORT AFFORDABLE HOUSING FOR LOWER-INCOME HOUSEHOLDS

The strategies below are intended to facilitate development of regulated affordable housing (i.e., government-subsidized housing) that meets the needs of low- and moderate-income households. The HPS indicates that over a quarter of new housing units needed by 2043 will be needed by lower-income households earning 80% or less of the area median income.

8. Nonprofit Low-Income Housing Tax Exemption

Description

This tax exemption benefits low-income residents by alleviating the property tax burden on those organizations that provide this housing opportunity. In particular, this strategy reduces ongoing operations costs and supports long-term stability for affordable housing developments.

Eligible properties must be offered to low-income persons (at or below 60% AMI for the initial year, and at or below 80% AMI for subsequent years), or held for the purpose of developing low-income rental housing. The housing may be for rent or for purchase, and could be new development or existing housing acquired by a nonprofit for the purpose of converting it to income-restricted affordable housing. Jurisdictions may adopt additional eligibility criteria for the exemption, provided they don't conflict with state statutes.

Applicants must renew their tax exemption applications annually. As long as the housing remains affordable to low-income residents, there is no time limit to the tax exemption.

(Authorized by ORS 307.540-548)

Lake Oswego City Council chose to fast-track adoption of this strategy to make it available to affordable housing projects being developed in 2024 (including the Mercy Greenbrae development at Marylhurst Commons). The tax exemption was approved by City Council as Ordinance 2945 in May 2024.[6]

Considerations

- By reducing operating income, property tax abatement programs can be a powerful tool to increase the feasibility of low-income housing, and perhaps increase the number of units that are feasible in planned projects. Many affordable housing developers cite abatements such as the Nonprofit Housing exemption as an essential tool in helping make projects financially feasible.
- See Strategy 5, MUPTE, for considerations related to all tax exemption programs.

Anticipated Impact

- **Housing need addressed:** Government-subsidized affordable housing for low-income households.
- **Population served:** Low-income households
- **Income level:** 0-60% AMI (for residents' initial year of tenancy; after the first year, up to 80% AMI)

[6] https://www.ci.oswego.or.us/planning/pp-24-0003-nonprofit-corporation-low-income-housing-tax-exemption

- **Benefits and Burdens:** This strategy would primarily benefit low-income households by increasing the City's capacity to support production of subsidized affordable housing.

  No burdens on priority populations are anticipated.
- **Housing tenure:** For rent
- **Magnitude:** High – This abatement can have a large impact on making low-income affordable housing more feasible to develop. The open-ended nature of the abatement (as long as the project maintains affordability) can offer very significant savings to the property manager over time and increase the viability of offering affordable rents indefinitely. The property tax level in Lake Oswego is roughly $20,000 per $1M in valuation per year. A mid- to large apartment complex could expect a valuation of many millions of dollars, amounting to potentially hundreds of thousands in taxes per year. An abatement of these taxes is a strong incentive and improves feasibility considerably.

Time Frame	**Implementation:** Already Complete **Impact:** The tax exemption can be used once it is adopted, and for as long as the City offers the exemption. The impact on supply of affordable housing is expected to be longer-term.
Implementation Actions	City Council action: Adopt tax exemption program by ordinance. (Already completed.)
Lead & Partners	**Lead:** Lake Oswego Community Development **Partners:** Lake Oswego Finance Department; overlapping taxing jurisdictions

9. Low-Income Rental Housing Tax Exemption

Description

This is a 20-year tax exemption for any entity that provides income-restricted rental housing, including nonprofits and for-profit developers. Eligible properties must be offered for rent to low-income persons or held for the purpose of developing low-income rental housing. Jurisdictions may adopt additional eligibility criteria for the exemption, provided they don't conflict with state statutes. (Authorized by ORS 307.515-537)

Comparison of low-income housing tax exemption programs:

While these two exemption programs appear similar, they do have some key distinctions.

	Nonprofit Low-Income Housing	**Low-Income Rental Housing**
Housing Type	Rental housing	Rental housing
Income Levels	Up to 60% AMI	Up to 60% AMI
Eligible Developers	Nonprofits only	Nonprofit or for-profit

New vs. Acquired Housing	New construction or acquisition of existing housing	New construction only
Annual Renewal Required?	Yes	No
Time Limit	No limit	20 years

Recommendation

Consider supplementing the adopted Nonprofit Low-Income Housing Tax Exemption with this additional exemption program to offer more options and flexibility.

Considerations

- Key advantages of this abatement are that it is available to more than just non-profits and it does not require annual renewal. This can significantly reduce an organization's administrative burden in implementing the exemption.
- However, this abatement has less flexibility compared to the Nonprofit Exemption because it cannot be used for acquisition of existing housing and is limited to 20 years.
- See Strategy 5, MUPTE, for considerations related to all tax exemption programs.

Anticipated Impact

- **Housing need addressed:** Government-subsidized affordable housing for low-income households.
- **Population served:** Low-income households
- **Income level:** 0-60% AMI (for residents' initial year of tenancy; after the first year, up to 80% AMI)
- **Benefits and Burdens:** This strategy would primarily benefit low-income households by increasing the City's capacity to support production of subsidized affordable housing.

  No burdens on priority populations are anticipated.
- **Housing tenure:** For rent
- **Magnitude:** High – Like the Nonprofit Exemption, this abatement can have a large impact on new affordable housing production. As noted above, an abatement of property taxes is a strong incentive and improves feasibility considerably. This abatement is available to for-profit developers and therefore may generate more new housing than the Non-Profit Exemption. While not open-ended, a 20-year exemption matches the period in which a property would otherwise undergo significant depreciation. However, at the end of the 20-year period, this housing often reverts to market-rate status.

Time Frame

Implementation: Begin and Complete in Near Term

Impact: The tax exemption can be used once it is adopted, and for as long as the City offers the exemption. The impact on supply of affordable housing is expected to be longer-term.

Implementation Actions

- Work with other taxing jurisdictions to gain approval.
- Develop application standards and guidelines.
- City Council action: Adopt tax exemption policy by resolution or ordinance.

Lead & Partners

Lead: Lake Oswego Community Development

Partners: Lake Oswego Finance Department; overlapping taxing jurisdictions

10. Public-private partnerships for affordable housing

Description

Public-private partnerships (PPPs) are arrangements between public and private entities to develop housing, especially affordable housing. PPPs have the capacity to bring resources to the table that would otherwise not be available if each institution were to provide housing on its own.

The City could partner with organizations to support their affordable housing efforts in a variety of ways:

- Acquire land and/or donate city-owned land;
- Provide grants or low-interest loans for specific development or rehabilitation projects;
- Provide direct funding; and/or
- Leverage federal, state, and regional resources.

Additionally, the City can pursue specific types of PPPs such as:

- **Partnering to convert underutilized non-residential properties into housing.** The City could work with landowners to evaluate opportunities for adapting vacant/underused buildings for new housing or mixed-use development.
- **Utilizing surplus land owned by faith-based organizations for affordable housing.** The City could work with faith organizations to utilize their excess land for affordable housing.

Recommendations

The following specific partnership actions are recommended for implementation:

- Consider donating surplus city-owned land for affordable housing as it becomes available.
- Work with faith organizations to utilize excess or underutilized land for affordable housing. Assist with favorable zoning, permitting, and financial incentives.
- Continue to leverage federal, state, and regional resources – such as the Metro Affordable Housing Bond – to fund affordable housing in Lake Oswego.
- If a new TIF district is established (Strategy 11), use TIF funds to support affordable housing partnerships. This could include addressing infrastructure deficiencies or contributing funding to affordable housing more directly.

Considerations

- The City is pursuing this strategy with several ongoing projects. This includes partnering with the Sisters of Holy Names of Jesus and Mary and Mercy Housing NW in facilitating the Mercy Greenbrae at Marylhurst Commons affordable housing development.
- PPPs are often opportunity-driven and may be spearheaded by the City or by private developers or partner agencies.
- Cities are often asked to provide land, financial assistance, and/or technical assistance, with potentially moderate costs. More significant financial assistance would depend on a new funding source.

Anticipated Impact

- **Housing Need Addressed:** Government-subsidized affordable housing for low-income households.

- **Population served:** Low-income households
- **Income level:** 0-80% AMI
- **Benefits and Burdens:** This strategy is intended to benefit low-income households by increasing the City's involvement in development of affordable housing.

  No burdens on priority populations are anticipated for this strategy.
- **Housing tenure:** For rent or sale
- **Magnitude:** High – Partnerships with private developers or non-profit housing agencies are very often a key component of a City contributing to new housing production. Few City governments directly build housing. The incentives and funding offered are aimed at these partners, who undertake the projects often with a development agreement to ensure the public goals are met. The magnitude of impact is high, and in a sense these partnerships are necessary for most successful City-based housing initiatives.

Time Frame

Implementation: Begin in Near Term; Ongoing implementation

Impact: Timing of impact depends on the nature of the public/private partnership. Given availability of funds, impact to housing production would be expected to occur over the longer term.

Implementation Actions

- Work with nonprofit, faith-based, or other organizations to discuss opportunities in Lake Oswego.
- Take action on partnership models and programs that best benefit the organization and the City's financial and/or administrative capacity.
- Partnership activities depend on the project, organization, and available resources.

Lead & Partners

Lead: Lake Oswego Community Development

Partners: Possibilities include landowners and organizations with excess land, as well as nonprofit affordable housing providers.

11. Use Tax Increment Financing (TIF) to support affordable housing development

Description

This strategy involves using TIF funds to support affordable housing development. This could involve creating one or more new TIF districts and incorporating affordable housing into new TIF district plans. For example, the City could create a TIF set-aside for affordable housing development programs within the district.

TIF is a funding mechanism in which future tax revenues in targeted development or redevelopment areas (TIF districts / urban renewal areas) are diverted to finance infrastructure improvements and/or development.

At the time of adoption, the tax revenue flowing to each taxing jurisdiction from the TIF district is frozen at its current level. Any growth in tax revenues in future years, due to annual tax increase plus new development, is the "tax increment" that goes to the

district itself to fund projects in that area. TIF is a good tool to use in areas where new development or redevelopment is anticipated.

While many different types of projects are eligible for TIF funds, for the most part, TIF funds are used to pay for physical improvements in the district itself. These projects can include participating in public/private partnerships with developers—including for affordable, workforce, or market-rate housing—or can be used to complete off-site public improvements that benefit and encourage new development in the area, or to acquire key sites. TIF funds also can be used to purchase land.

TIF can be a direct source of funding for projects that meet public goals such as providing affordable housing, increased density, or mixed-use buildings that might not otherwise be feasible. In return for some public funding through TIF, private sector or non-profit developers agree to provide these benefits. Urban Renewal can also be used to purchase and reserve a key building site in the district to ensure that the development that takes place there meets public goals. The site can be offered to a development partner at reduced cost to provide the incentive.

Recommendation

Incorporate affordable housing into the Urban Renewal Plan for the Foothills Neighborhood. The Lake Oswego Redevelopment Agency (LORA) is currently planning to update the Foothills Refinement Plan, after which a new urban renewal district will be established. The City must include affordable housing as an approved "project" in the Urban Renewal Plan in order for it to be eligible for TIF funding.

Considerations

- TIF results in foregone tax revenue for the City and any other overlapping taxing districts for several decades, although it can (and should) grow the tax base in the long-term by supporting development that would not otherwise have occurred.
- Once a new TIF district is established, it will likely be several years before there will be sufficient revenue in the district to make significant investment in housing.
- Coordination and agreement with other taxing districts is also important.

Anticipated Impact

- **Housing Need Addressed:** Government-subsidized affordable housing.
- **Population served:** Low-income households
- **Income level:** 0-80% AMI
- **Benefits and Burdens:** This strategy would primarily benefit low-income households by increasing the City's capacity to support production of subsidized affordable housing.

  An intended outcome of urban renewal is increased property values and redevelopment within the district. If not balanced by adequate investment in housing production, urban renewal can lead to displacement of existing residents facing increased property taxes and development pressures. This can be a burden on existing low-income residents and should be considered carefully when designating new TIF districts.
- **Housing tenure:** For rent or sale
- **Magnitude:** High – An extended TIF district or new programs focused on housing have the potential to have a large impact on specific new projects with LORA partners. The impact of an expanded TIF program on housing production will depend on the revenue-generating potential of the district in question and the prioritization of housing projects among the broader range of projects eligible for

urban renewal funding (e.g., general infrastructure projects, beautification, economic development, etc.). If housing is prioritized for funding, and development opportunities are available within the district, it can directly bring about housing production.

Time Frame	**Implementation:** Begin in Near Term; Complete in Longer Term **Impact:** Analysis and planning for a new TIF district can take several years. Once a TIF district is established, it is expected to take several more years before adequate revenues are accrued to begin spending the urban renewal funds. The impact on housing production is expected over the medium or longer term.
Implementation Actions	• Incorporate affordable housing policies in the update to the Foothills Refinement Plan. • Incorporate affordable housing into the Foothills Urban Renewal Plan. Include affordable housing as an approved "project" in the plan and consider a dedicated set-aside to use TIF funds for affordable housing. • City Council to adopt URA boundaries and plan via ordinance. • Use TIF funds to support partnerships with affordable housing producers (Strategy 10).
Lead & Partners	**Lead:** Lake Oswego Redevelopment Agency **Partners:** Community Development Department, Development stakeholders

12. Affordable housing preservation inventory

Description	This strategy involves preparing an inventory of subsidized and naturally occurring affordable housing to support proactive policies intended to preserve the affordable housing stock. The inventory would be used to target potential properties for implementation of an affordable housing preservation strategy.
Considerations	• This strategy could help offset some of the need for costly new construction. • The strategy would be a good starting point if the City were to consider future strategies to preserve affordable housing. Understanding the city's stock of affordable housing could influence decision-making and prioritization for a preservation strategy. • The strategy would require staff time and resources to implement.
Anticipated Impact	• **Housing Need Addressed:** Housing for low-income residents. • **Population served:** Low-income households • **Income level:** 0-80% AMI • **Benefits and Burdens:** This strategy is expected to benefit low-income residents by evaluating the city's stock of naturally occurring affordable housing, in support of a low-cost housing preservation strategy. No burdens on priority populations are anticipated. • **Housing tenure:** For sale or rent

	• **Magnitude:** Low – This strategy will not contribute to new housing production, but it will contribute to the preservation of existing affordable housing, and aids in tracking performance metrics.
Time Frame	**Implementation:** Begin and Complete in Medium Term **Impact:** This strategy can provide information and influence decision-making about housing preservation in the shorter term. However, impacts to the city's housing inventory are expected to be longer term.
Implementation Actions	• Use Census data as a starting point. • Work with property owners to document housing costs. • Update inventory on a regular basis.
Lead & Partners	**Lead:** Lake Oswego Community Development **Partners:** Property owners

OTHER

The strategy in this category does not fit easily under the other headings, but supports equitable implementation of all recommended housing strategies.

13. Fair Housing policy and education

Description

This strategy involves amending the Comprehensive Plan to explicitly make *Affirmatively Furthering Fair Housing* a Housing Policy. Fair Housing laws protect individuals in "protected classes" from housing discrimination. Protected classes in Oregon include race, color, national origin, religion, disability, sex (includes pregnancy), sexual orientation, gender identity, age, and marital status. The City could add additional protected classes, such as ancestry, ethnicity, or occupation.

The City could also pursue the following types of actions to affirmatively further fair housing and work to reverse historical patterns of discrimination and exclusion in Lake Oswego:

- Create an Analysis of Impediments to Fair Housing.
- Conduct fair housing training for Council, Planning Commission, and other relevant policymakers.
- Provide residents, property owners, property managers, realtors, lenders, and others involved with real estate transactions with access to fair housing information and referrals.
- Ensure that City staff know how to identify potential fair housing violations and make referrals to the Fair Housing Council of Oregon and state and local enforcement agencies.

In addition, other strategies identified in this list can also generally serve the purpose of affirmatively furthering fair housing to the extent they expand housing opportunities or choices for people in protected classes.

Considerations	• This strategy would not necessarily contribute to housing production except when it is implemented through other strategies described in this document that result in housing production. However, in all cases it would demonstrate the City's commitment to working towards fair housing outcomes. • Training and education would require staff time and resources to implement.
Anticipated Impact	• **Housing Need Addressed:** This strategy would not directly address identified housing needs in most cases, but it would help prevent housing discrimination against protected classes. • **Population served:** Protected classes • **Income level:** All income levels • **Benefits and Burdens:** This strategy is intended to benefit priority populations by formalizing the City's commitment to fair housing goals, better understanding fair housing issues in the community, and by educating City staff, housing stakeholders, and community members about fair housing laws and residents' rights. No burdens on priority populations are anticipated. • **Housing tenure:** For sale or rent • **Magnitude:** Low – Fair housing policy and education will not directly contribute to housing production, but it could provide additional protections against housing discrimination. It could also bolster the City's focus on prioritizing housing equity and affordability in its housing programs and investments.
Time Frame	**Implementation:** • Fair Housing Policy: Begin and Complete in Near Term. • Education and Other Actions: Begin and Complete in Medium Term. **Impact:** Impact on community understanding of fair housing can be in the short term. Impact on fair housing outcomes is expected to be longer term.
Implementation Actions	• Policy adoption requires Legislative Comprehensive Plan text amendment. • Partner with organizations such as the Fair Housing Council of Oregon on training. • Develop informational materials. • Provide training to current staff and new hires.
Lead & Partners	**Lead:** Lake Oswego Community Development **Partners:** Fair Housing Council of Oregon

ACHIEVING FAIR AND EQUITABLE HOUSING OUTCOMES

This section summarizes how the housing strategies detailed in this report will help achieve fair and equitable housing outcomes. As required by OAR 660-008, all the strategies have been evaluated for achieving the different outcomes identified below. In addition, the City of Lake Oswego is already carrying out a range of housing measures that support fair and equitable outcomes, as summarized in the Contextualized Housing Needs Assessment (**Appendix A**). Those existing measures are also identified below.

Affordable Homeownership and Affordable Rental Housing

Many of the strategies included in the HPS support production of affordable rental housing and the opportunity for wealth creation via homeownership—especially for low- and moderate-income households that have been disproportionately impacted by past housing policies. As described in the Contextualized Housing Needs Assessment (**Appendix A**), many racial and ethnic minorities statewide are less likely to own the homes they occupy – meaning that they tend to occupy rental units. These communities face systemic obstacles to home ownership, including lower generational wealth, less access to capital and financing, and a history of discrimination in lending and geography (e.g., redlining). The legacy of these barriers continues to hamper home ownership for many minority households. Prioritizing affordable home ownership can begin to address these patterns of exclusion. Also, by benefiting low-income households more broadly, these strategies are anticipated to benefit populations with lower median household incomes — including certain racial and ethnic groups.

Strategies that address these needs include:

5. *Multiple Unit Property Tax Exemption* – Provided the City includes income as an eligibility criterion.
8. *Nonprofit Low-Income Housing Tax Exemption*
9. *Low-Income Housing Tax Exemption*
10. *Public-private partnerships for affordable housing*
11. *Use Tax Increment Financing (TIF) to support affordable housing development*
12. *Affordable housing preservation inventory*

Existing Measures:

- Height/density bonus for affordable developments: Such bonuses are allowed within limited areas.

- Mandatory affordable housing in limited areas.
- Expedited permitting for affordable housing.
- Waived SDC fees for affordable housing.
- Surplus City-owned land/land banking for affordable housing.
- Utilizing surplus or underutilized land owned by faith-based organization for housing.

By implementing these affordable housing strategies, Lake Oswego can work to ensure equitable outcomes for people with lower incomes. To further prioritize benefits for communities of color, the City can:

- ✓ Partner with culturally specific organizations or other organizations that often work with certain groups (e.g., faith-based organizations).
- ✓ Target programs to certain city areas with higher proportions of people of color (e.g., tax abatements within certain neighborhoods).
- ✓ Use equitable engagement strategies to reach diverse communities.

Gentrification, Displacement, and Housing Stability

Many of the actions included in this HPS increase housing stability for residents and mitigate the impacts of gentrification and displacement. The strategies listed above promote the development of affordable rental and ownership housing and when targeted to areas that are experiencing – or may experience – gentrification, can help to counteract displacement. Strategy 1, *Code Audit and Amendments*, can also help by identifying the housing types most needed, removing code and procedural barriers, and incorporating new state laws intended to enable local housing development.

Strategies that work toward preservation of existing low-cost housing, such as Strategy 12 *Affordable Housing Preservation Inventory*, can also help prevent displacement. However, the City would also need to focus other efforts – such as public-private partnerships – towards preservation of existing housing.

It should be noted that some strategies have the potential to increase risks of displacement by enabling denser or more intensive development in existing residential areas, which could increase redevelopment pressures and in turn may drive up the value and cost of existing housing to some degree. This could include Strategy 1 *Code Audit and Amendments*, Strategy 3 *Rezone Land*, and Strategy 11 *Tax Increment Financing*. These strategies can benefit lower-income populations by supporting development of affordable housing, or more attainable housing types, in areas of higher opportunity and access to services. However, as part of implementing strategies that rezone properties or increase allowed development intensity, the City will need to assess potential displacement risks and ensure that these strategies are paired with the anti-displacement strategies listed above, which should be specifically targeted at the residents affected by zoning or code changes or increased investments.

Housing Choice

The following strategies will facilitate access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes:

1. *Code audit and amendments* – Remove barriers to development of needed housing types, such as multifamily housing, smaller units, ADUs, and middle housing.
2. *Remove or reduce minimum parking requirements* – Reduce parking mandates as a barrier to housing development, especially multifamily housing.

4. *Evaluate accessible design incentives or mandates* – Use requirements or incentives to encourage housing that is accessible to people with disabilities.
5. *Multiple Unit Property Tax Exemption (MUPTE)* – Target tax abatements to encourage accessible units and/or moderate-cost units.
6. *Pre-approved plan sets for ADUs* – Facilitate ADU development through faster and less costly permitting.
7. *Modify System Development (SDC) fee schedule* – Encourage smaller housing units by scaling SDCs by unit size.

Existing measures:

- Increased code flexibility for accessory dwelling units.
- Short-term rental regulations.
- Waived SDC fees for ADUs.
- Lot coverage bonus for housing within limited areas.

A potential trade-off of potential accessibility mandates in Strategy 4—especially for subsidized housing—is that it could limit the number of units produced or prevent some projects from being developed. This is an important consideration for implementation. Strategy 5, *MUPTE*, could help offset these concerns by offering a tax incentive for projects that include accessible units.

The strategies listed above that promote more attainable homeownership opportunities (smaller units, middle housing, condos) have the potential to benefit communities that have been disproportionately impacted by past housing policies, especially communities of color. These strategies encourage a broader range of housing choices that are more attainable for moderate-income households than typical single-detached housing.

Location of Housing

The strategies listed below can encourage housing in compact, mixed-use neighborhoods, helping to reduce greenhouse gas emissions and increasing opportunities to live in neighborhoods near needed services and amenities.

1. *Code audit and amendments* – Remove barriers to multifamily housing and residential development within mixed-use districts.
2. *Remove or reduce minimum parking requirements* – Reduce parking mandates as a barrier to denser housing.
3. *Rezone land* – Rezone land in areas that are near existing higher-density or commercial areas, or other amenities, such as parks and schools, and that have good access to transit and services.
5. *Multiple Unit Property Exemption (MUPTE)* – Incentivize multi-unit housing in targeted areas.
11. *Use TIF to support affordable housing* – Support housing development in a new urban renewal district for the Foothills Neighborhood, just east of Downtown Lake Oswego.

Existing Measures:

- Increased density near transit stations.
- Use of urban renewal funds to support housing near Downtown.
- Conversion of underperforming commercial assets in Downtown.

These strategies can increase allowances for higher density housing in residential and mixed-use areas that are located near transit and that are within walking distance of a variety of businesses, services, public facilities, and other amenities. This is a particular benefit to low-income households and people with disabilities, who are less likely to own a car and may rely on transit and other modes to get around. The MUPTE program (Strategy 5) can also be targeted to amenity- and service-rich parts of the city where residents would most benefit from proximity.

Housing Options for Residents Experiencing Homelessness

The HPS does not include strategies that are specifically aimed at addressing homelessness or reducing the risk of households becoming homeless. However, several of the HPS strategies that support affordable housing development could be targeted to benefit extremely low-income households. For example, Strategy 10, *Public-private partnerships for affordable housing*, could be targeted to housing that benefits those with incomes below 30% AMI. This could be supported by regional or state funding sources. Also, the Nonprofit Low-Income Housing Tax Exemption recently approved by City Council would benefit deeply affordable housing. In addition, the City could work with Metro and Clackamas County to target some of the regional supportive housing services funding (via Ballot Measure 26-210) to support services and housing within Lake Oswego.

Fair Housing

This section identifies how the City will use the HPS to affirmatively further fair housing for all state and federal protected classes. This includes addressing disproportionate housing needs, patterns of integration and segregation, and disparities in access to housing opportunity. Lake Oswego is committed to furthering fair housing outcomes by including a fair housing strategy in the HPS (Strategy 13). Adopting a comprehensive plan policy to *Affirmatively Further Fair Housing* would demonstrate the City's commitment to working towards fair housing outcomes in the city and could also bolster the City's focus on prioritizing housing equity and affordability in its housing programs and investments. Other actions identified in Strategy 13, including fair housing training for City staff and policymakers and providing information to those involved with real estate transactions, would also help ensure fair housing outcomes for the local housing market.

In addition, strategies that encourage affordable rental and homeownership housing, increase housing stability, and increase housing choice are all part of supporting Fair Housing (see above).

MONITORING PROGRESS AND OUTCOMES

The City of Lake Oswego is required to monitor the implementation and progress of the strategies recommended in the HPS and to report on progress to DLCD three (3) years after adoption. That progress report must include:

- A summary of the actions already taken by the city to implement the strategies adopted in the HPS Report. If the city has not implemented housing strategies per the schedule adopted in the HPS report, the city must provide an explanation of the circumstances or factors that posed a barrier to implementation and a plan for addressing the identified need that the strategy addressed;
- A reflection of the relative efficacy of implemented housing strategies adopted in the HPS; and
- A reflection of the efficiency of the actions taken in response to the Fair and Equitable Housing Outcomes described previously in this report.

In addition, the City will provide a yearly summary as part of the overall report that details the above listed items. This is expected to be a simplified version of the required three-year report that includes a more limited set of key metrics.

PROPOSED MEASURES

Lake Oswego proposes the following measures to monitor the progress and impact of the HPS implementation:

Permitted/Constructed Housing Units

- Monitor and track housing development applications and building permits by housing type, location/zone, density/lot size, and number of bedrooms. Use this information to estimate the potential change in the mix and range of different types of housing developed over time.
- Specific tracked housing types should include single-detached, townhouse, duplex, triplex, quadplex, cottage cluster, multi-dwelling, manufactured housing, accessory dwelling units, and mixed-use residential developments/units.
- Track the number of new regulated affordable housing units and loss of regulated affordable housing units.
    - If affordable housing developments take advantage of any regulatory or financial incentives, those should be noted.

- Track the number of regulated affordable housing units that Lake Oswego contributed funding to, including the sources of funding or tax exemption.
- Track the number of accessible housing units constructed and/or rehabilitated to enhance accessibility. Note when those units are built pursuant to adopted City requirements or incentives.
- If MUPTE is adopted, track:
    - Number of projects and units that qualify for the program.
    - How many units are affordable (if this is a criterion that the City adopts) and at what level.
    - Market rents (if possible), and any other features / public benefits they provide as part of qualifying for the abatement (e.g., accessibility features).
- Identify successful partnership projects that resulted in housing production or housing stability for identified groups in the HPS; include number of units built, preserved, or rehabilitated and the number of people served by the partnership(s).

Economic and Demographic Data

- Track changes in the characteristics of Lake Oswego's population including changes in:
    - Median household income
    - Percent of population of color
    - Percent of renters
    - Percent of renter and owner households that are cost burdened and severely cost burdened
- Monitor changes in housing prices, median rents and median sales prices

Programs and Adoption Actions

Document the following:

- Successful adoption of Code Amendments related to the strategies identified in the HPS.
- City Council Ordinances related to the HPS strategies (e.g., tax abatement, etc.).
- Achievement of annual city work plan items related to strategies in the HPS.

Outreach

Summarize the following:

- Documented coordination with property owners in efforts to produce needed housing identified in the HPS.
- Documented consultation with non-profit and market-rate housing developers, and other community stakeholders to seek input on how implemented HPS strategies are working.
- Summary of continued housing engagement efforts and resulting actions.

The ability to report the progress described above will depend on the City's ability to obtain and evaluate readily available data and information. Availability or lack thereof may necessitate refinements to monitoring approaches.

LIST OF APPENDICES

Appendix A: Contextualized Housing Needs Memorandum

Appendix B: Engagement Summary

Appendix C: Pre-HPS Survey Results

APPENDIX A: LAKE OSWEGO CONTEXTUALIZED HOUSING NEEDS ASSESSMENT

Lake Oswego Housing Production Strategy | November 19, 2024

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EXECUTIVE SUMMARY

The City of Lake Oswego completed its most recent Housing Needs Analysis (HNA) in the fall of 2023. The analysis included an inventory of buildable land for residential uses and a projection of future housing need, consistent with state and regional requirements. The HNA found that, despite a very low assumed growth rate over the 20-year planning horizon, the City of Lake Oswego has a need for nearly 2,000 new housing units, including over 1,100 multi-family and middle housing units. According to the HNA, about half of those units are needed to meet upper income ranges (greater than 120% of the Area Median Income, or AMI), while the remaining half are needed to meet very low to middle income household needs.

To advance the City's planning efforts to encourage and allow for development of needed housing, the City is in the process of creating a Housing Production Strategy (HPS), the purpose of which is to identify a set of actions that the City of Lake Oswego will take to facilitate housing development that meets the needs of the community. The HPS focuses on how to fill the gap between the City's housing need and supply, particularly housing available to low- and moderate-income households—and particularly low-cost rental housing.

A key step in this process is developing a Contextualized Housing Needs Assessment (CHNA) per OAR 660-008-0050(1). This assessment is intended to build on previous work conducted for the HNA to describe demographic, housing, and market conditions; housing affordability issues; barriers to meeting identified housing needs, including the needs of traditionally underserved and disadvantaged populations; and existing or previous programs implemented to address housing needs.

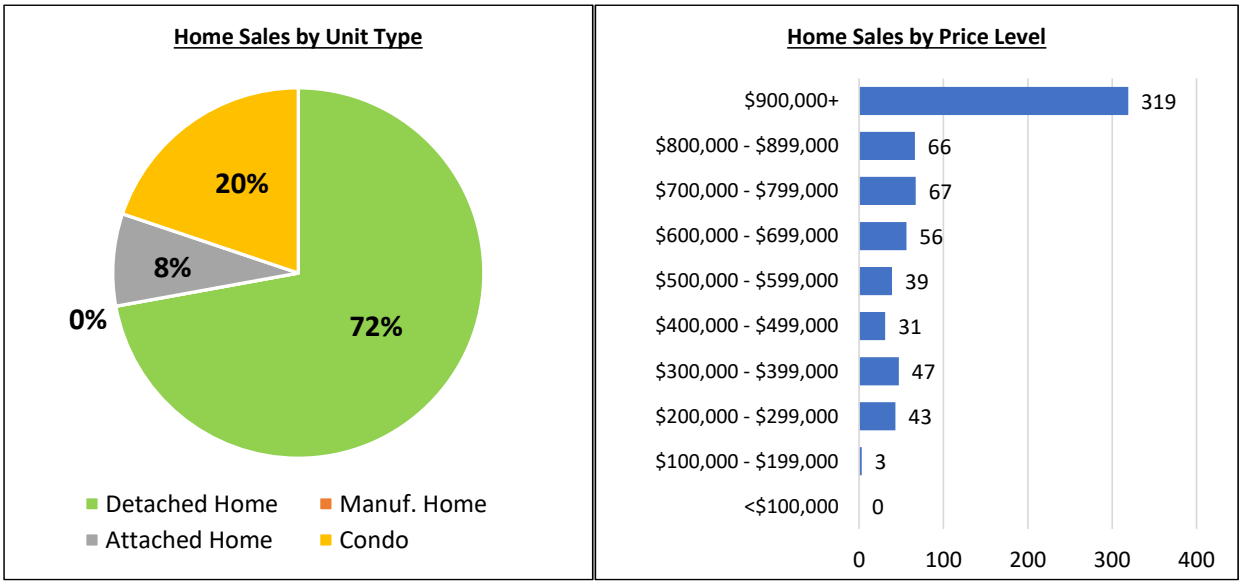
Data sources for this report include the US decennial census and 5-year American Communities Survey (ACS) tables, CoStar, Regional Multiple Listing Service (RMLS), and Johnson Economics. Key takeaways from this report follow.

Summary of Market Conditions

- **For-Sale Housing.** The median sale price was $860,000, while The average (mean) sale price was $1,075,000 during the last 12 months. The median square footage was 2,300 sq. ft. Attached units and condominiums currently make up a significant share of home sales (28%). The median home sale price in Lake Oswego has more than doubled over the past 10 years, from $395k in 2012 to $860k in 2022. Median price growth has averaged 8% per year over the past decade but has recently experienced the strongest one-year growth in 2020 (14%) and 2021 (19%).
- **Rental Housing.** The average effective rent in Lake Oswego is $2,038/mo. In the last decade, rent growth has been 52% or 4.3% per year. By comparison, inflation has been 31% or 2.7% per year for the same period. Rents peaked in 2022 and have moderated slightly since.
- **Housing Affordability.** 75% of recent sales in Lake Oswego were priced at least $600,000. Homes in this range would be mostly affordable to households earning at least $175,000 per year. This is well above the median household income of $123,000. In addition, nearly half of renter households in Lake Oswego are considered housing cost burdened (i.e., pay more than 30% of their income for housing).

- **Publicly Assisted Housing.** The state tracks three current subsidized affordable housing properties in Lake Oswego, with a total of 76 units in 2023. The majority (75) of these units are offered for elderly residents. The Marylhurst Commons will offer an additional 100 affordable units for families when it is constructed. Upon completion in 2024, the total 176 subsidized units in Lake Oswego will represent 1% of the local housing stock. The Housing Authority of Clackamas County administers over 1,600 Section 8 housing choice, some of which are used in Lake Oswego. No agricultural worker housing exists currently in Lake Oswego.

Figure EX-1. Lake Oswego Home Sales (12 months, July 2022 to July 2023)

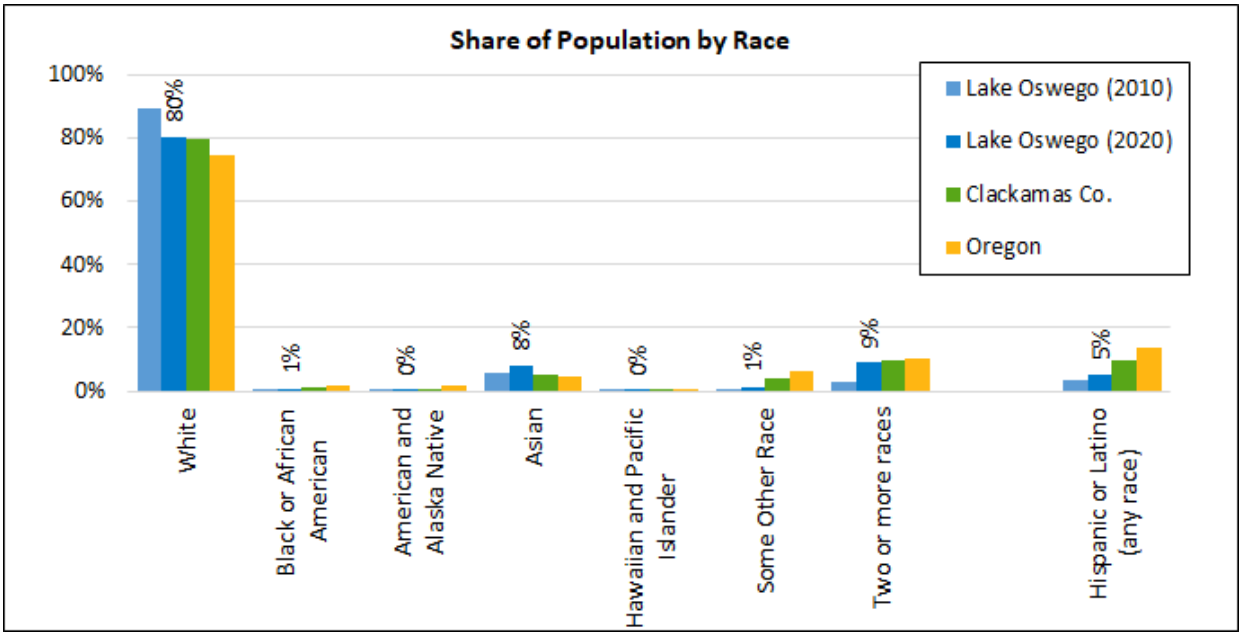


Source: RMLS, Johnson Economics

Socio-Economic Information

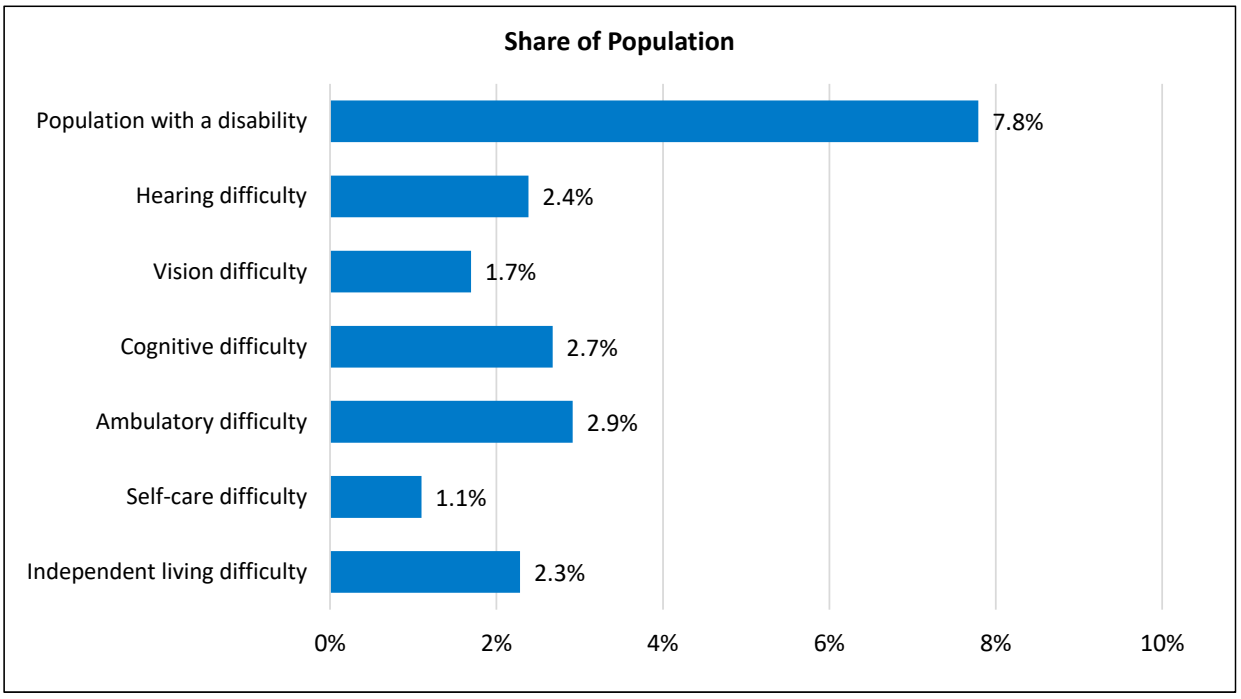
- **Racial Diversity.** Lake Oswego is roughly 80% white, 8% Asian, and 9% two or more races. The City is more diverse today than ten years ago when approximately 90% of the population was white.
- **Disability.** There are roughly 3,140 individuals in Lake Oswego with one or more disabilities.
- **Veterans.** Veterans are 6% of the adult population. 63% are 65 and older. Veterans have lower than average poverty levels, and 21% have some sort of disability.

Figure EX-6. Population by Race



SOURCE: US Census, Johnson Economics LLC; Census Tables: P1, P2 (2010, 2020)

Figure EX-7. Population with Disabilities



SOURCE: US Census, Johnson Economics LLC; Census Tables: DP02, (2020 ACS 5-year)

Existing Adopted Housing Measures

The City of Lake Oswego already implements a variety of measures intended to enable or facilitate the production of needed housing. In combination with the other findings in the Contextualized Housing Needs report, this list will help the City and community understand where there are gaps in the City's approach toward meeting its housing needs. Below is a brief summary of the key housing measures adopted by the City, organized into the categories defined by DLCD.

Zoning Strategies

- Height/density bonus for affordable developments in the West Lake Grove Design District (WLG-OC) and R-DD zones.
- Increased code flexibility for accessory dwelling units (ADUs) as to occupancy and size limits.
- Regulates short-term rentals to help preserve long-term rental opportunities regulations
- Requires affordable housing in limited areas of the city.
- Allows increased density near transit stations.
- Lot coverage bonus for housing within the Lake Grove Village Center Overlay (LGVCO).

Reducing Regulatory Impediments

- Removed parking mandates near transit.
- Expedites permitting for affordable housing.

Financial Incentives

- Waives system development charges (SDCs) and development review fees for affordable housing and ADUs.

Financial Resources

- Uses urban renewal funds to support housing (recently with the North Anchor development).

Land Acquisition, Lease, and Partnerships

- Donates surplus City-owned land for affordable housing.
- Engages in public-private partnerships with non-profit organizations to produce affordable housing units.
- Enables conversion of underperforming commercial assets into housing (recently with the North Anchor site).
- Utilizing surplus land owned by faith-based organization for housing (recently with the Marylhurst University Campus).

Barriers to Development of Needed Housing

Numerous factors contribute to the availability of housing in Lake Oswego – market factors, physical conditions, regulations, public investments, etc. Some of these factors can serve as barriers to the production of housing that is most needed in the city. To understand the major barriers to developing needed housing in Lake Oswego, the project team interviewed a number of stakeholders involved in housing production in the city. Following are some of the key housing needs that the stakeholders identified as gaps in the market:

- Affordable housing for low- and moderate-income households
- Middle housing (e.g., townhomes, duplexes, and cottage clusters)
- Housing options for seniors and opportunities for aging in place
- Options for more attainable homeownership (e.g., condos and middle housing)
- Apartments with family-size units (2-3 bedrooms)
- Multi-family housing outside the Town Center

Stakeholders identified the following barriers to meeting these housing needs, and to housing production more generally:

- The **high cost of land in Lake Oswego** translates to high rental and sale prices, and makes deed-restricted affordable housing especially challenging to pencil out.
- There are **few large, developable sites** within the City and urban service boundary to support multi-family housing and other development types that typically rely on larger parcels of land.
- The City's **Development Code** can pose barriers to housing development. Stakeholders identified issues such as highly-prescriptive Overlay and Design District standards, tree protection/planting standards, and open space standards as particular challenges for housing.
- The City's **development review and permitting processes** can be lengthy and contribute to housing costs.
- **Neighbor opposition** to affordable or higher-density housing can drag out the process and add to costs.

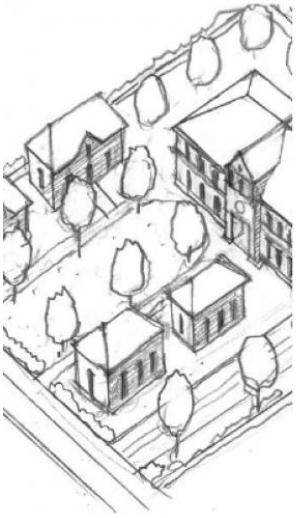
A focus of the Housing Production Strategy will be to identify tools and strategies to remove or reduce these barriers or help housing producers overcome them.

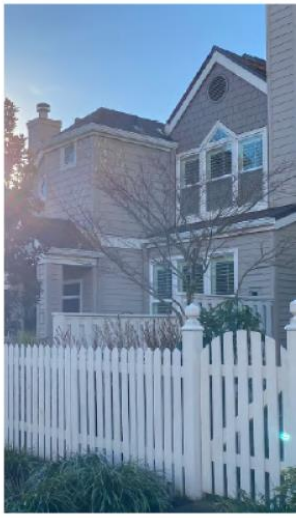
I. INTRODUCTION

The City of Lake Oswego completed its most recent Housing Needs Analysis (HNA) in the fall of 2023. The analysis included an inventory of buildable land for residential uses and a projection of future housing need, consistent with state and regional requirements. The HNA found that, despite a very low assumed growth rate over the 20-year planning horizon, the City of Lake Oswego has a need for nearly 2,000 new housing units, including over 1,100 multi-family and middle housing units. According to the HNA, about half of those units are needed to meet upper income ranges (greater than 120% of the Area Median Income, or AMI), while the remaining half are needed to meet very low to middle income household needs.

To advance the City's planning efforts to encourage and allow for development of needed housing, the City is in the process of creating a Housing Production Strategy (HPS), the purpose of which is to identify a set of actions that the City of Lake Oswego will take to facilitate housing development that meets the needs of the community. The HPS focuses on how to fill the gap between the City's housing need and supply, particularly housing available to low- and moderate-income households—and particularly low-cost rental housing.

To provide context to Lake Oswego's housing needs, the memorandum uses data from the 2023 Housing Needs Analysis, US Census, and other available sources describe in greater detail the context of socio-economic, demographic trends, and market conditions. This memorandum also incorporates information obtained though stakeholder engagement meetings with affordable housing producers and consumers, landowners, and representatives of underrepresented communities, including people experiencing homelessness, low-income households, renters, and non-profit and governmental organizations serving those in need of housing.





II. MARKET CONDITIONS

The information on housing market conditions provides a look into the way the housing market is or is not meeting the needs of the residents of Lake Oswego.

Housing Tenure

Lake Oswego has a greater share of homeowner households than renter households. The 2021 ACS estimates that 71% of occupied units were owner occupied, and only 29% renter occupied. The ownership rate is little changed since 2000. The estimated ownership rate is higher across Clackamas County (73%) and lower statewide (63%).

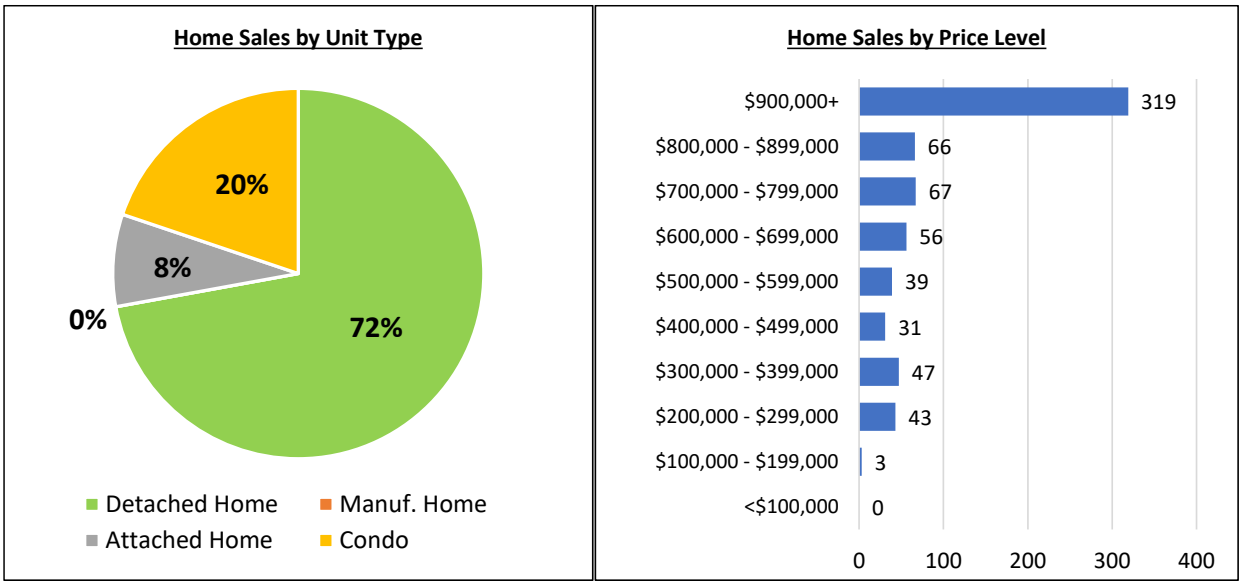
Market Conditions (For-Sale Housing)

This section presents home sales data from the Regional Multiple Listing Service (RMLS) for the prior 12 months (July 2022 to July 2023). There were 671 home sales in Lake Oswego over this period, or an average of 56 sales/month. Currently, RMLS tracks 181 active listings, or over three months of for-sale inventory at the average rate of the prior 12 months (see Figure 1). Of these listings:

- The median sale price was $860,000.
- The average (mean) sale price was $1,075,000.
- The average price per square foot was $430/square foot
- The median square footage was 2,300 square feet
- Attached units and condominiums make up a significant share of home sales (28%).
- 48% of sales were priced above $900,000.
- 34% of sales were priced between $500,000 and $899,000.
- Only 18% of sales were priced at less than $500,000.
- Only 7% of sales were priced below $300,000.

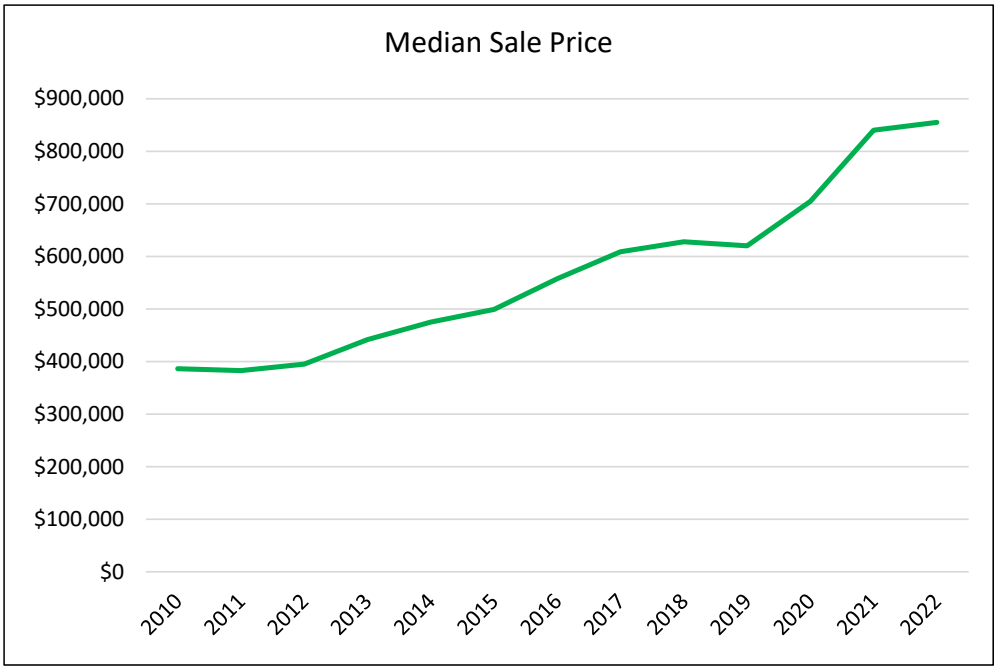
As shown in Figure 2, the median home sale price in Lake Oswego has more than doubled over the past 10 years, from $395k in 2012 to $860k in 2022. Median price growth has averaged 8% per year over the past decade but has recently experienced the strongest one-year growth in 2020 (14%) and 2021 (19%). Mobility patterns and work-from-home trends during the COVID pandemic were the likely contributors to this trend, as remote workers from more expensive markets such as California and Seattle were able to relocate to attractive Oregon communities. Competition for limited housing inventory during those years also contributed to rising prices. The price increases moderated in 2022, growing by only 2% from 2021.

Figure 1. Lake Oswego Home Sales (12 Months)



Sources: RMLS, JOHNSON ECONOMICS

Figure 2. Median Home Sale Price (2010-2022)



Sources: RMLS, JOHNSON ECONOMICS

Affordability: As indicated, roughly 75% of recent sales in Lake Oswego were priced at least $600,000. Homes in this range would be mostly affordable to households earning at least $175,000 per year, which is well above the median household income of $123,000. Roughly 66% of households earn less than $175,000 per year, meaning that the bulk of housing supply on the current for-sale market (75%) is likely too expensive for most of these households.

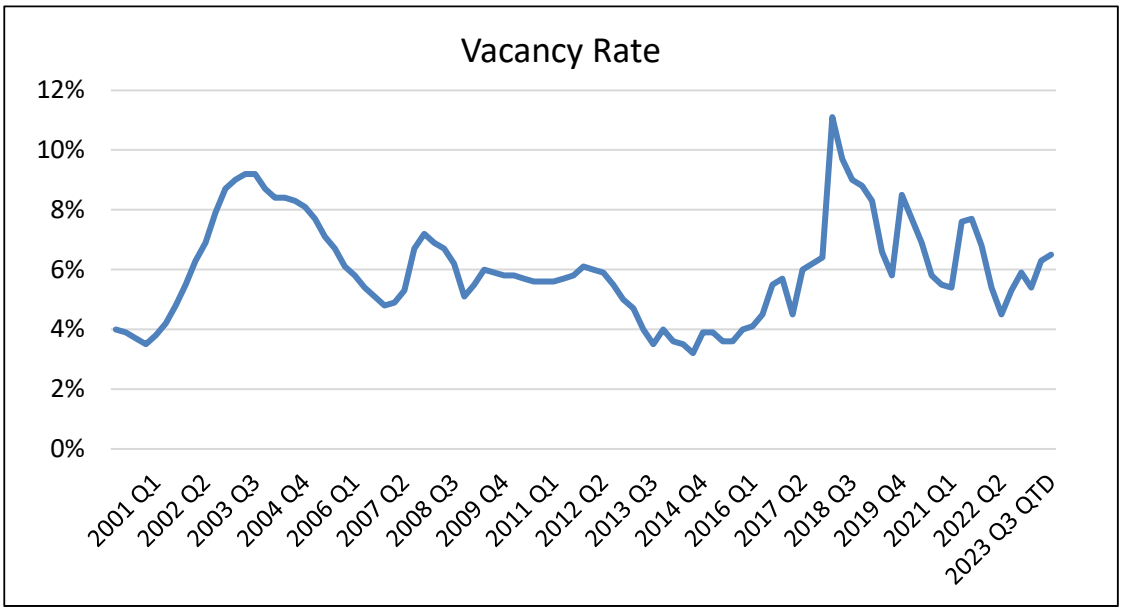
Market Conditions (Rental Housing)

Lake Oswego has experienced an uneven vacancy rate over the last two decades, according to data from CoStar. The following figure shows that rental vacancy in the area fell in the prior decade to a low vacancy of under 4%. By 2017, when new apartment inventory was built in Lake Oswego, vacancy climbed temporarily and has been moderating ever since (see Figure 3).

Average rents have climbed steadily since 2011 (Figure 4 and Figure 5). The average rent in Lake Oswego has nearly doubled over that period, increasing to roughly $2.20/square foot, or an average of $2,050/month according to data from CoStar. Rents peaked in mid-2022 at an average monthly rate of $2,200/month and an average $2.35/square foot.

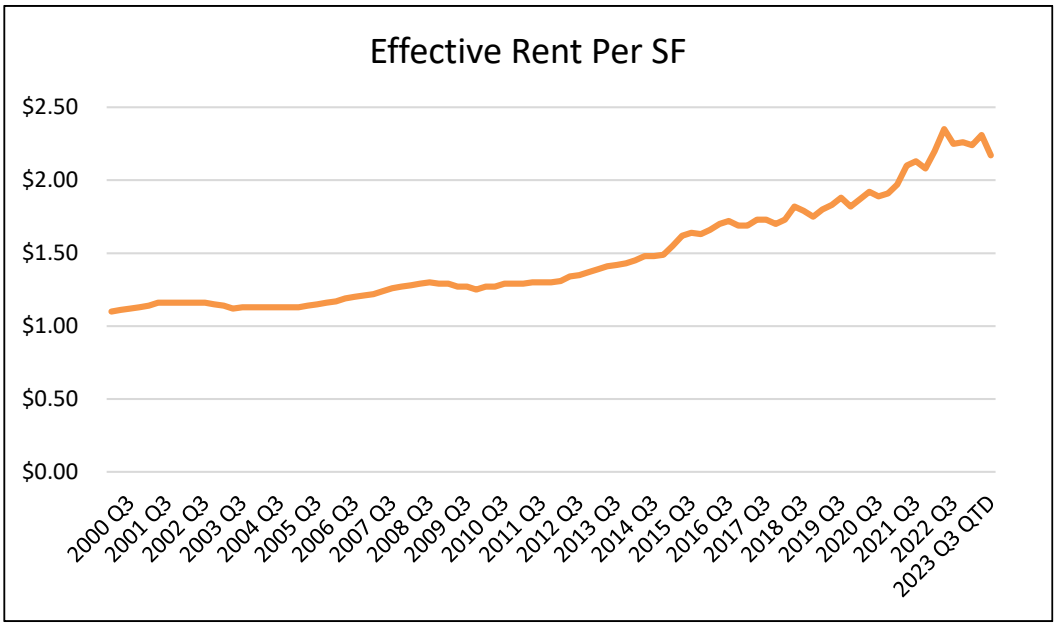
Figure 6 presents the average annual rent growth since 2001. Rent growth has remained mostly positive since the prior recession. After rents fell at the outset of the COVID pandemic, it reversed by 2010 and growth was positive until the most recent quarters. Since the second quarter of 2023, average rents have fallen an estimated 5% on a year-over-year basis.

Figure 3. Rental Vacancy In Lake Oswego (2000-2023)



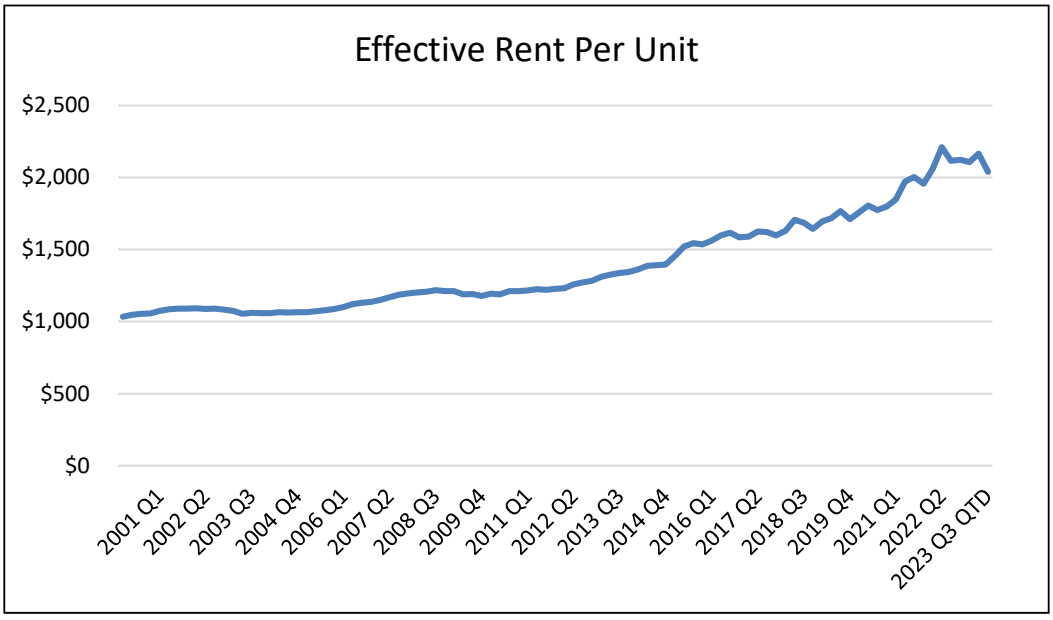
Source: CoStar, Johnson Economics

Figure 4. Average Rent/Square Foot, Lake Oswego (2000-2023)



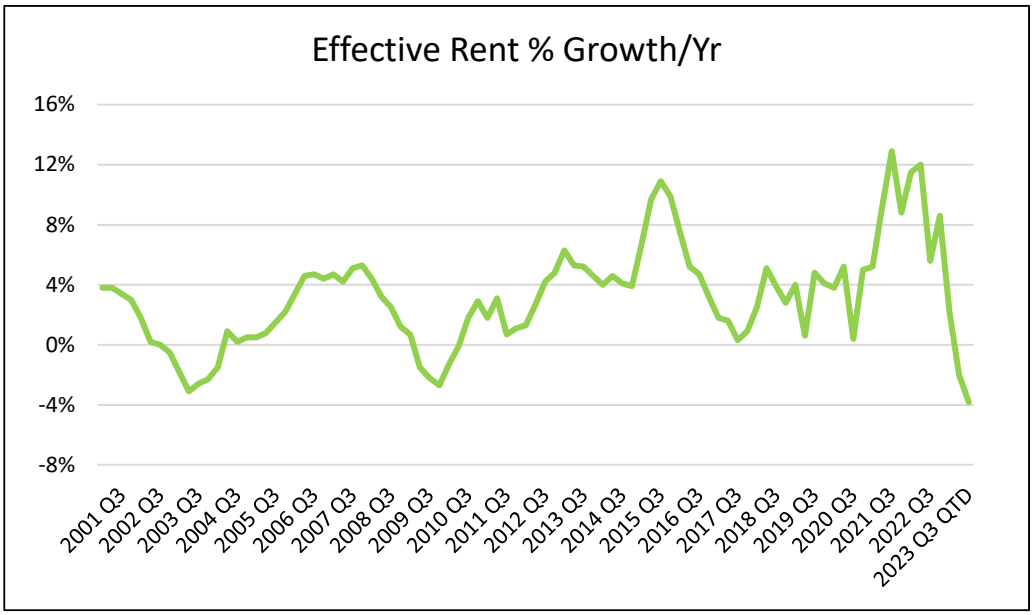
Source: CoStar, Johnson Economics

Figure 5. Average Monthly Rent, Lake Oswego (2000-2023)



Source: CoStar, Johnson Economics

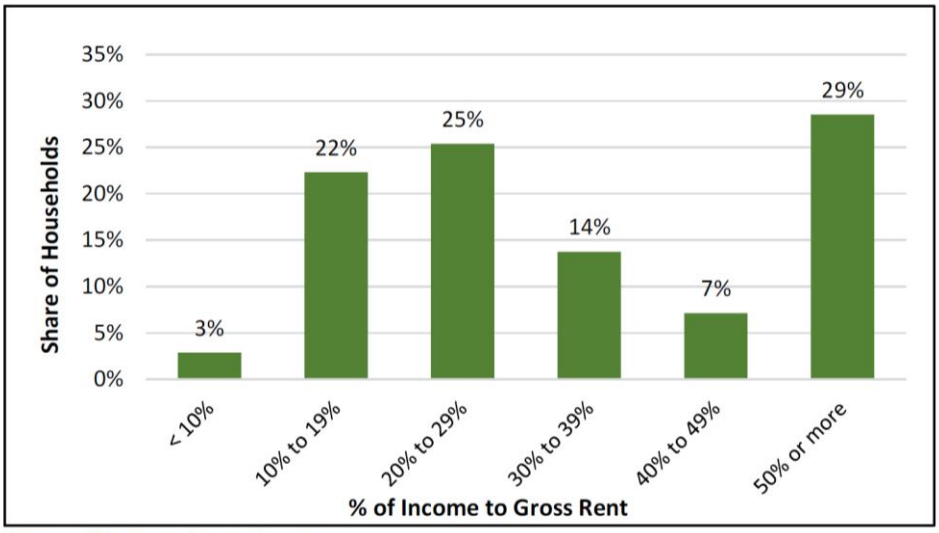
Figure 6. Annual Rent Growth Rate, Lake Oswego (2000-2023)



Source: CoStar, Johnson Economics

Affordability: Figure 7 shows the percentage of household income spent on gross rent[1] for rental households. Roughly half of renter households in Lake Oswego spend more than 30% of their income on rent – meaning that they are housing cost burdened. Further, an estimated 29% of renter households are spending 50% or more of their income on housing and are considered severely housing cost burdened.

Figure 7. Percentage of Household Income Spent on Gross Rent, Lake Oswego Renter Households



Sources: US Census, JOHNSON ECONOMICS
Census Table: B25070 (2021 ACS 5-yr Estimates)

[1] The Census defines Gross Rent as "the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else)." Housing costs for homeowners include mortgage, property taxes, insurance, utilities and condo or HOA dues.

III. SOCIO-ECONOMIC AND DEMOGRAPHIC TRENDS AFFECTING HOUSING NEEDS

The following table (Figure 8) presents a profile of City of Lake Oswego demographics from the 2000 and 2010 Census. It also reflects the estimated population of this area as of 2023 from PSU estimates, forecasted forward to 2023 using the estimated growth rate between 2010 and 2022.

- Lake Oswego is a City of over 41,500 people located in Clackamas County in the southern-central area of the Portland metropolitan region.
- Based on estimated population, Lake Oswego is the 13th largest city in the state by population, similar in size to Oregon City regionally, or Keizer and Grants Pass statewide. Lake Oswego has about 1.5 times the population of neighboring West Linn or Tualatin, and about 75% of the population of Tigard.
- Lake Oswego has experienced modest growth, growing roughly 18% since 2000, or less than 1% per year. In contrast, Clackamas County and the state experienced population growth of 26% and 25% respectively during the same period. (US Census and PSU Population Research Center)

Figure 8. Lake Oswego Population, Households, and Income

POPULATION, HOUSEHOLDS, FAMILIES, AND YEAR-ROUND HOUSING UNITS					
	2000 (Census)	**2010 (Census)**	**Growth 00-10**	**2023 (PSU)**	**Growth 10-23**
Population[1]	35,278	36,619	4%	41,550	13%
Households[2]	14,824	15,893	7%	17,481	10%
Families[3]	9,775	10,079	3%	11,842	17%
Housing Units[4]	15,668	16,995	8%	18,345	8%
Group Quarters Population[5]	163	222	36%	329	48%
Household Size (non-group)	*2.37*	*2.29*	-3%	*2.36*	3%
Avg. Family Size	*2.93*	*2.88*	-2%	*2.97*	3%
PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	**2010 (Census)**	**Growth 00-10**	**2023 (Proj.)**	**Growth 10-23**
Per Capita ($)	$42,166	$53,652	27%	$74,600	39%
Median HH ($)	$71,597	$84,186	18%	$123,300	46%

SOURCE: Census, Metro Consolidated Forecast, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

1 From Census, PSU Population Research Center, growth rate 2010-2022 extended to 2023

2 2023 Households = (2023 population - Group Quarters Population)/2023 HH Size

3 Ratio of 2023 Families to total HH is based on 2021 ACS 5-year Estimates

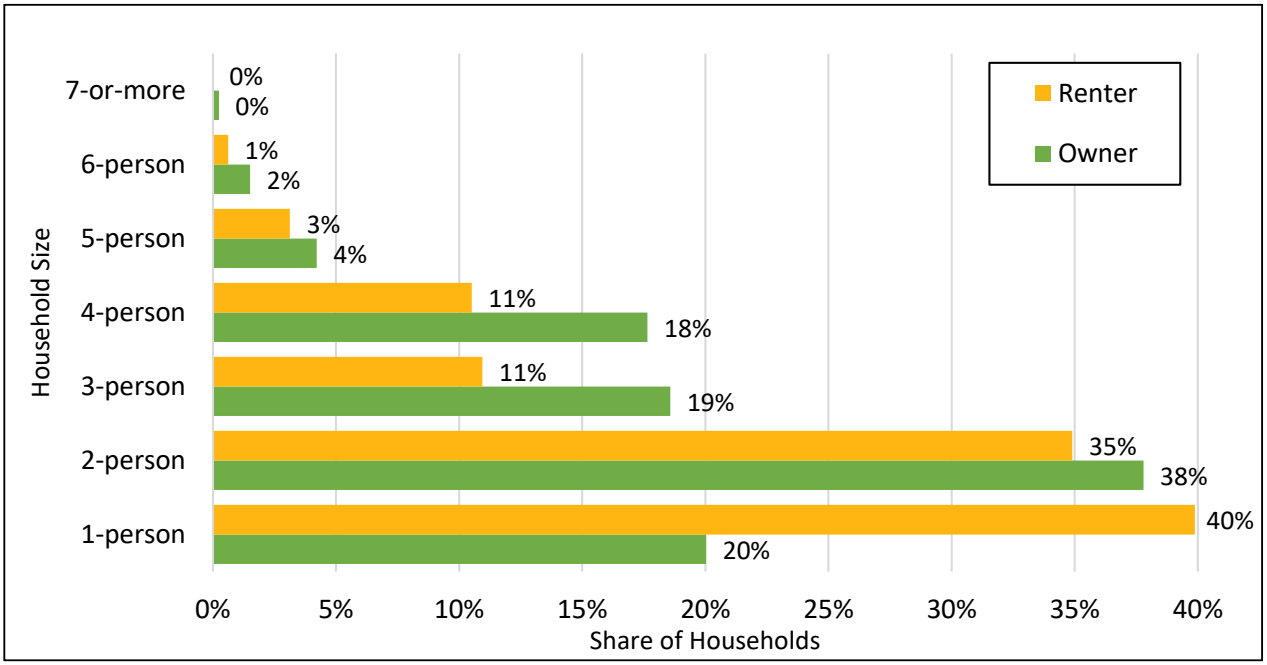
4 2023 housing units are the '20 Census total plus new units permitted from '20 through '22 (source: Census, City)

5 2023 Group Quarters Population based on 5-year ACS estimates 2017-2021

Lake Oswego was home to an estimated 17,500 households in 2023, an increase of over 2,650 households since 2000. The percentage of families has increased slightly from 66% of all households in 2000 to 68% in 2023. The city has a similar share of family households to Clackamas County (69%) but higher than the state (63%). Average household size is estimated to have remained fairly stable during this period.

Lake Oswego's estimated average household size is 2.4 persons. This is lower than the Clackamas County average of 2.6 and similar to the statewide average of 2.44. Figure 9 shows the rental/ownership split by household size in Lake Oswego.

Figure 9. Household Size in Lake Oswego



Family Households

As of the 2021 ACS, 68% of Lake Oswego households were family households, up from 63.4% of households in 2010. The total number of family households in Lake Oswego is estimated to have grown by over 2,060 since 2000. The Census defines family households as two or more persons, related by marriage, birth or adoption and living together. In 2023, family households in Lake Oswego have an estimated average size of 2.97 people.

Group Quarters Population

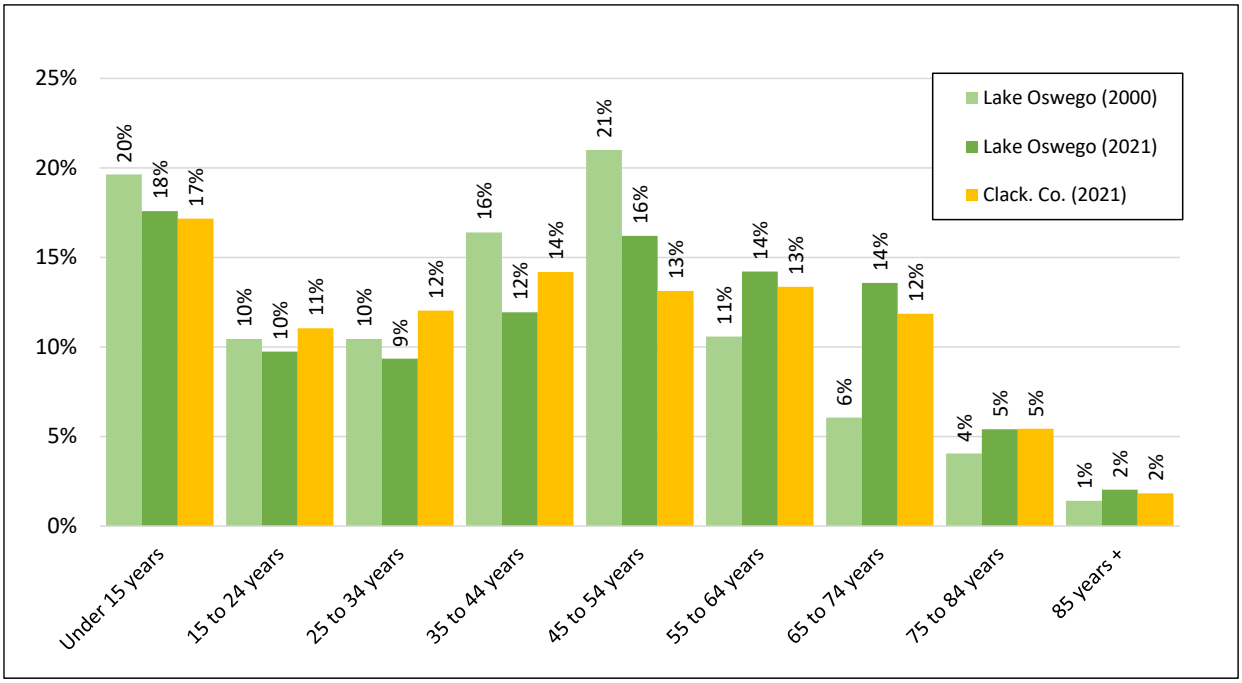
As of the 2020 Census, the City of Lake Oswego had an estimated group quarters population of 0.8% of the total population, or 329 persons. Group quarters include such shared housing situations as nursing homes, prisons, dorms, group residences, military housing, or shelters. For the purposes of this analysis, these residents are removed from the estimated population total, before determining the number of

other types of housing that are needed for non-group households. In Lake Oswego, nearly 90% of the group quarters population is found in assisted living facilities.

Age

Figure 10 shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year American Community Survey estimates. There is a general trend for middle age and young cohorts to fall as share of total population, while older cohorts have grown in share. This is in keeping with the national trend caused by the aging of the Baby Boom generation. Overall, Lake Oswego has an older population than the county, with a similar share of children, but a smaller share of those aged 25 to 44 years. The cohorts which grew the most in share during this period were those aged 55 to 74 years. Still, an estimated 79% of the population is under 65 years of age. In the 2021 ACS, the local median age was an estimated 46 years, compared to 40 years in Oregon, and 39 years nationally.

Figure 10. Age Cohort Trends, 2000-2021

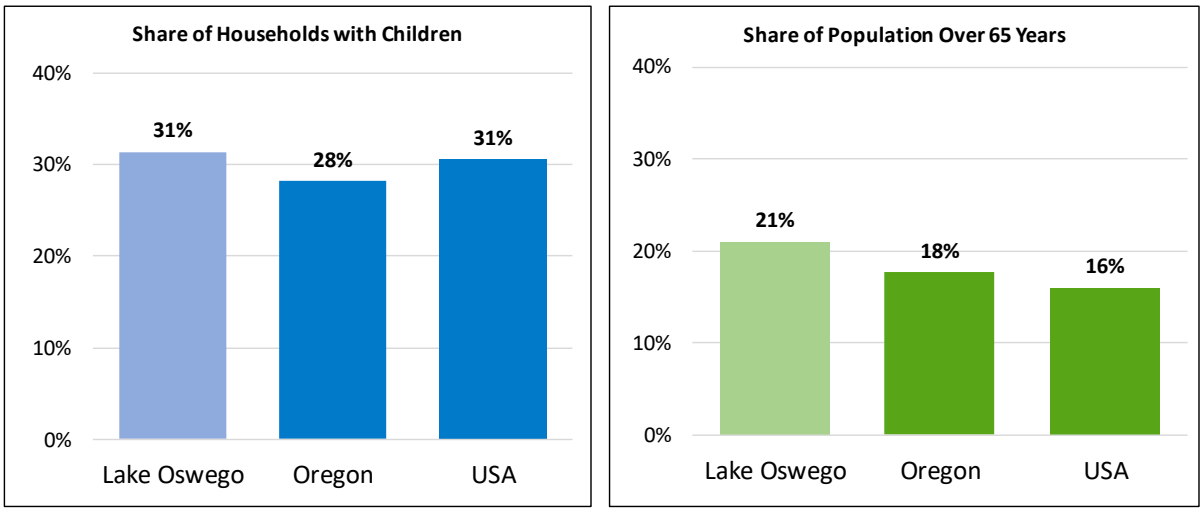


SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: QT-P1 (2000); S0101 (2021 ACS 5-yr Estimates)

The cohorts which grew the most in share during this period were those aged 55 to 74 years. Still, an estimated 79% of the population is under 65 years of age. In the 2021 ACS, the local median age was an estimated 46 years, compared to 40 years in Oregon, and 39 years nationally.

Figure 11 presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Lake Oswego has a similar share of households with children. However, at 21%, the share of population over 65 is higher than the state and national figures.

Figure 11. Share of Households with Children/Population over 65 Years (Lake Oswego)

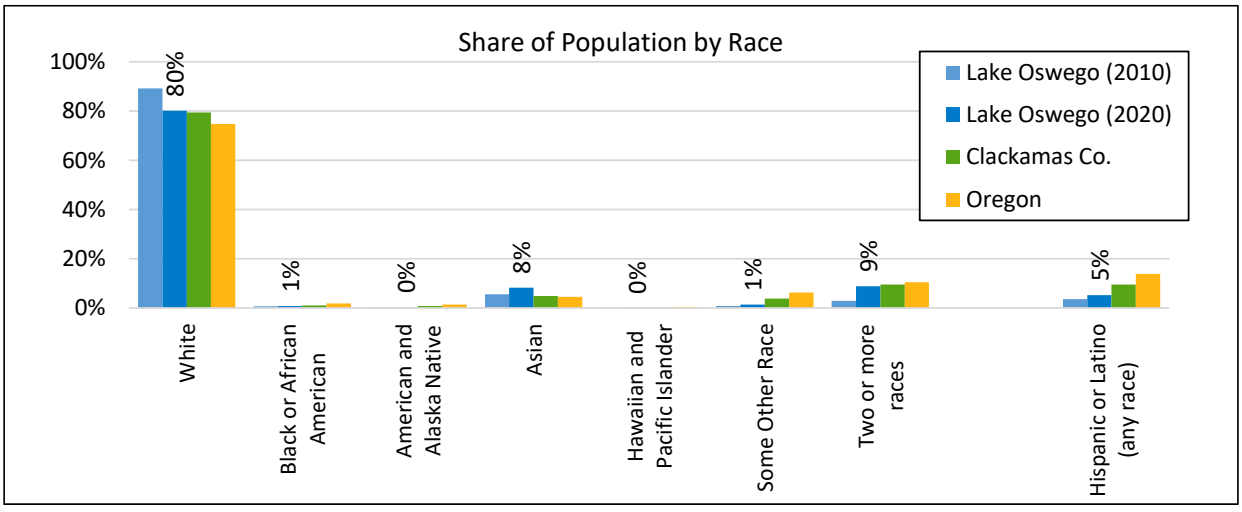


SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: B11005; S0101 (2021 ACS 5-yr Estimates)

Diversity Trends

Figure 12 presents the distribution of Lake Oswego's population by race and Hispanic ethnicity. The community grew more diverse between the 2010 and 2020 Census, with the population's white (non-Hispanic) share falling from 90% to 80%. The Asian population makes up 8% of the population, and the Hispanic or Latino population makes up 5% of residents. 9% of residents identify as two or more races.

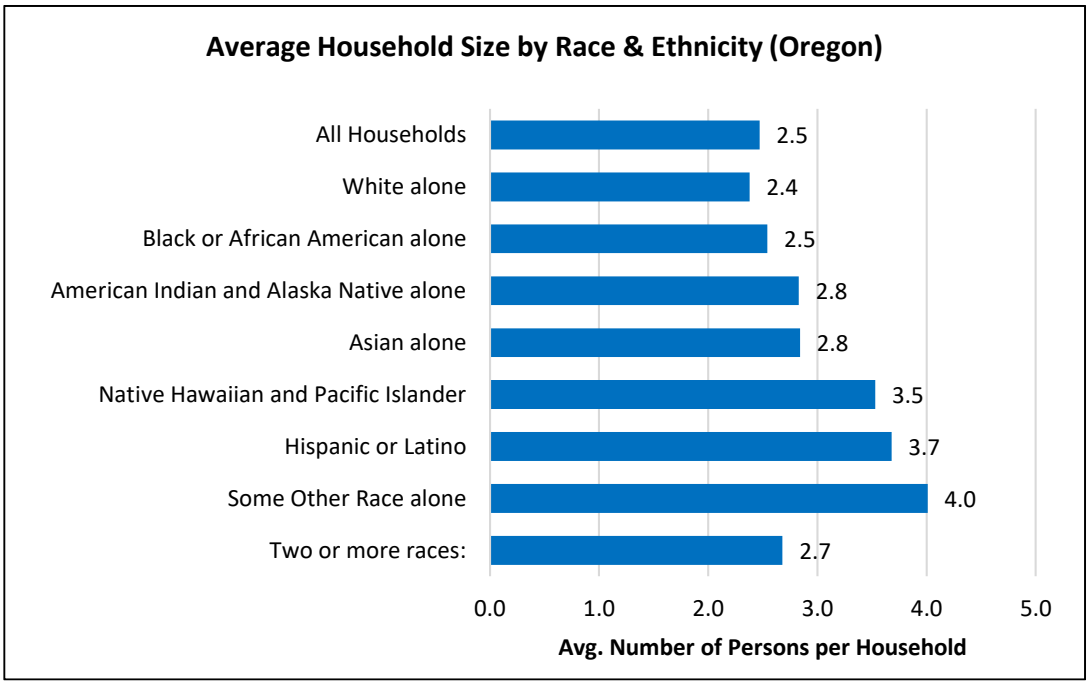
Figure 12. Racial and Ethnic Diversity, 2010 – 2020 (Lake Oswego)



SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: P1, P2 (2010, 2020)

In comparison, the share of the population identifying as white is also 80% in Clackamas County, and 75% statewide. The share of Lake Oswego's population identifying as Hispanic or Latino is 5% of the population, indicating over 2,100 people as of the 2020 Census. This is lower than the 14% share statewide.

Figure 13. Average Number of Persons per Household by Racial and Ethnic Category (Oregon)



SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: P17A-H, (State of Oregon, 2020)

** This data is presented on a statewide basis using the most recent Census data available (2010). The data for the Lake Oswego or Clackamas County geographies feature unusually large margins of error due to the small sample size.*

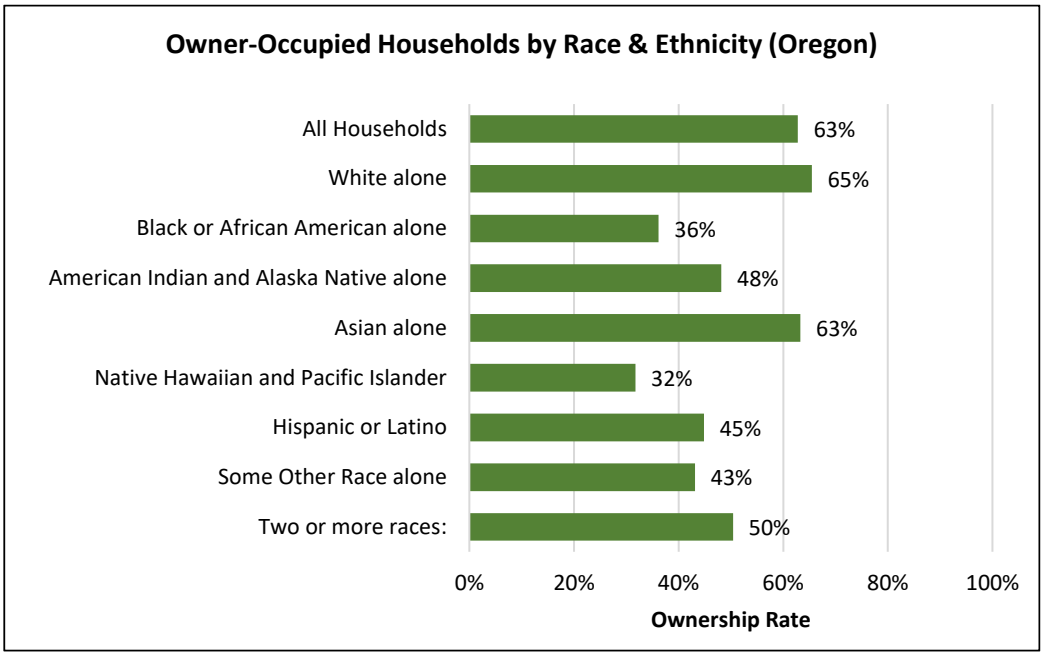
As shown in Figure 13, minority households tend to have a larger average household size than the average of all households. (This figure presents statewide data due to the high margin of error for local data in this data set.) Households identifying as "white alone" have the lowest average household size (2.4 persons), while all other racial and ethnic categories have a larger estimated average household size. Some of the non-white categories, such as black households and those of two or more races, are still similar in average size (2.5 and 2.7 persons, respectively). Those with the largest estimated households are Latinos, Pacific Islanders, and those identifying as "some other race."

Larger average household size indicates a need for units with more bedrooms on average among many minority households. Each household has its own housing needs in terms of the number of bedrooms and other factors, based on the specific makeup of each family. Based on voluntary guidelines provided by HUD for public housing programs, households of between 2 persons generally need a one-bedroom unit, households with 3 persons might need two bedrooms, and those with 4 persons might need three bedrooms. Larger households may need four or more bedrooms, which are typically found in single detached homes.

Based on statewide data, many racial and ethnic minorities are currently less likely to own the homes they occupy (Figure 14) – meaning that they tend to occupy rental units. These communities face systemic obstacles to home ownership, including lower generational wealth, less access to capital and financing, and a history of discrimination in lending and geography (e.g., redlining). While the country and state try to address explicit discrimination through the law, the legacy of these barriers continues to hamper home ownership for many minority households. Going forward, many communities would

benefit from more entry-level homebuying opportunities for these households, as well as additional rental housing for those who are still unready or unable to buy a home.

Figure 14. Home Ownership Rate by Racial and Ethnic Category (Oregon)



SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: B25003A-H, (State of Oregon, 2021 ACS 5-year)

** This data is presented on a statewide basis using the most recent Census data available (2020). The data for the Lake Oswego or Clackamas County geographies feature larger margins of error due to small sample size in some of the racial categories.*

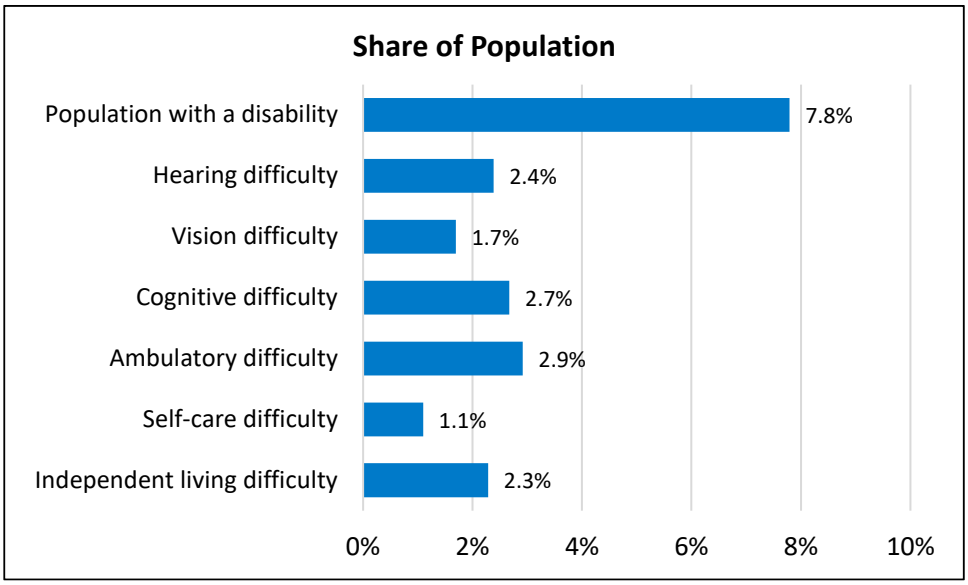
Populations from some racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level when compared to the total population. Such income levels are correlated with a greater share of renter households and impact the types of housing these populations consume, as discussed in further detail below.

People with a Disability

An estimated 8% of the population of Lake Oswego, or 3,140 people, report having some form of disability. This is lower than the statewide rate of 14% and the Clackamas County rate of 12% of people with a disability. (The Census reports these statistics for the "non-institutionalized population.")

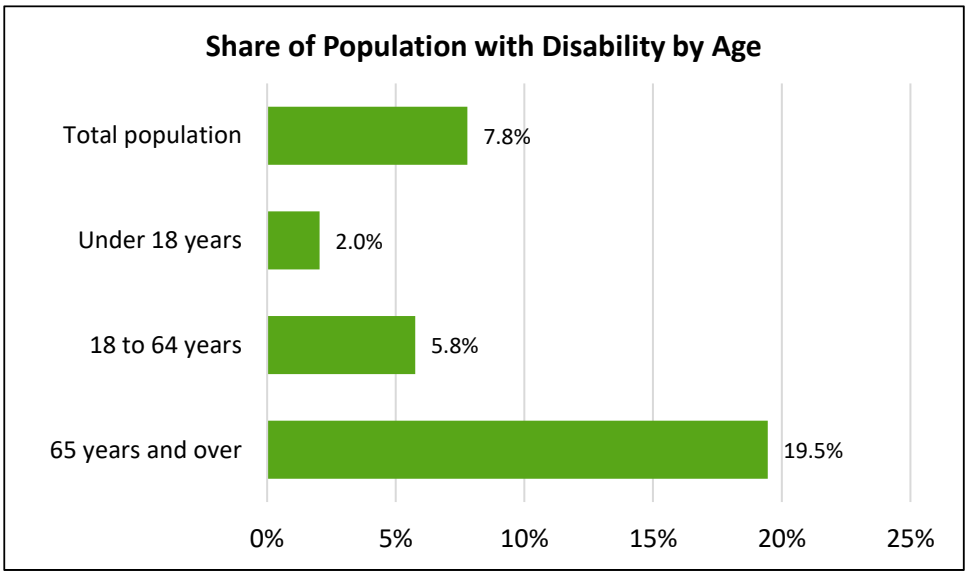
Figure 15 presents Census estimates of the types of disability reported among Lake Oswego residents. Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Those with an ambulatory disability often need units with expanded access for a wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who cannot always be directly monitored.

Figure 15. Lake Oswego Share of the Population with Disability, By Type



SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: DP02, (2020 ACS 5-year)

Figure 16. Lake Oswego Population with a Disability, by Age



SOURCE: US Census, JOHNSON ECONOMICS LLC; Census Tables: DP02, (2020 ACS 5-year)

Older residents are more likely to report a disability, including nearly 20% of those over 65 years. Of those aged 18 to 64 years, 6% of the local population reports a disability, and 2% of children. Because Census data tends to undercount the homeless and other vulnerable populations, there are likely more disabled residents in Lake Oswego than reflected in these data.

Income Trends

As shown in Figure 17, Lake Oswego's estimated median household income was $123,000 in 2023. This is nearly 40% higher than the Clackamas County median of $88,500, and 75% higher than the statewide median of $70,000. Lake Oswego's per capita income is roughly $75,000. Median income has grown an estimated 46% between 2010 and 2023, in real dollars. Inflation was an estimated 34% over this period, so the local median income has well exceeded inflation. This is not the case in many regions and nationally, where income growth has not kept pace with inflation.

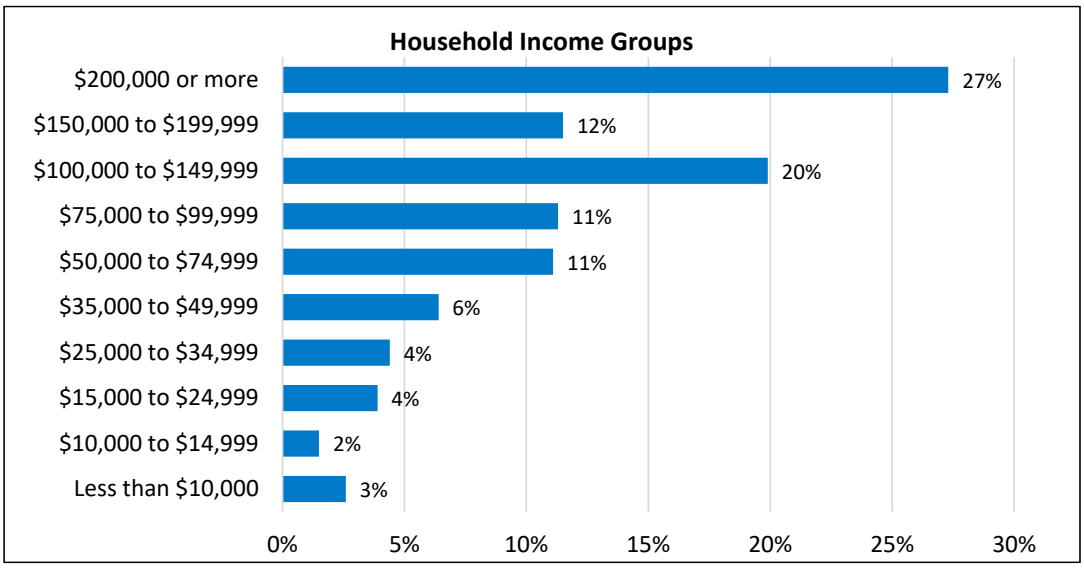
Figure 17. Income Trends, 2000 – 2023 (Lake Oswego)

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000 (Census)	2010 (Census)	Growth 00-10	2023 (Proj.)	Growth 10-23
Per Capita ($)	$42,166	$53,652	27%	$74,600	39%
Median HH ($)	$71,597	$84,186	18%	$123,300	46%

SOURCE: Census, Metro Consolidated Forecast, PSU Population Research Center, and Johnson Economics

Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301

Figure 18. Household Income Cohorts, 2021 (Lake Oswego)



SOURCE: US Census, Census Tables: S1901 (2021 ACS 5-yr Est.)

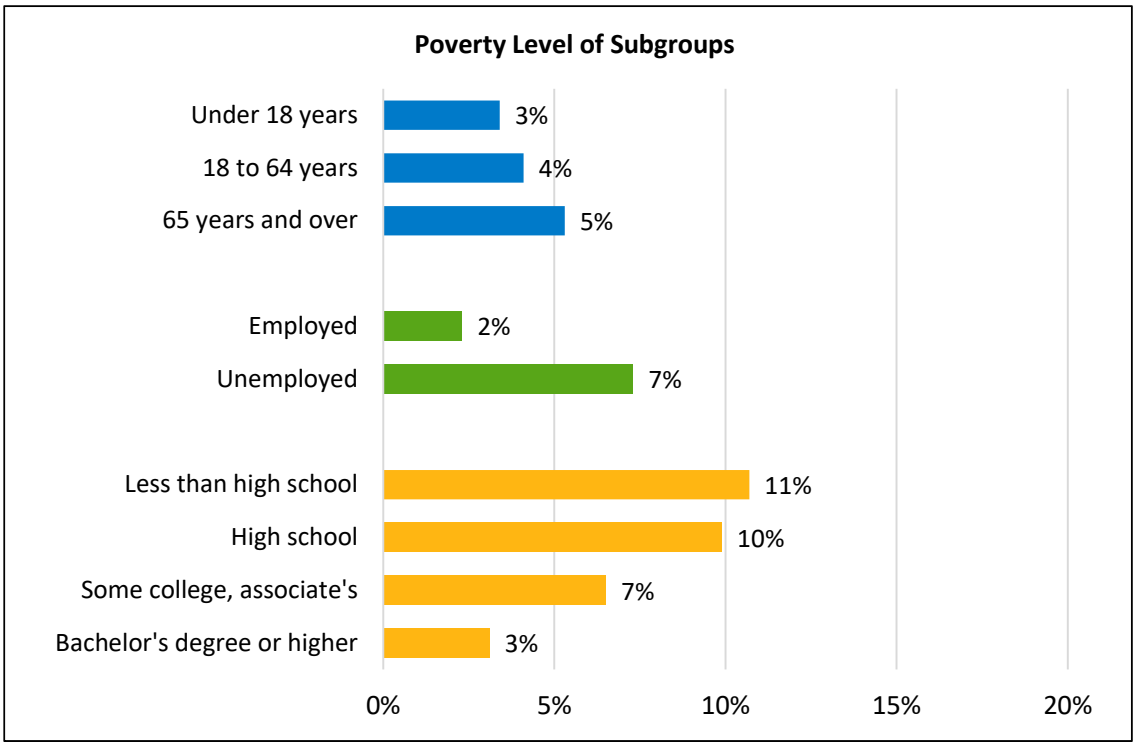
Figure 18 presents the estimated distribution of households by income as of 2021. The largest income cohorts are those households earning between $100k and $200k per year (32%), followed by households earning over $200k (27%). Approximately 41% of households earn less than $100,000. Roughly 19% of households earn less than $50k per year.

Poverty

According to the US Census, the official poverty rate in Lake Oswego is an estimated 4% over the most recent period reported (2021 5-year estimates).[2] This is roughly 1,700 individuals in Lake Oswego. In comparison, the official poverty rate in Clackamas County is 9%, and at the state level is 17%. As shown in Figure 19, in the 2017-21 period:

- The Lake Oswego poverty rate is low among all groups, but highest among those 65 years and older at 5%. The rate is 4% among those 18 to 64 years of age. The estimated rate is lowest for children at 3%.
- For those without a high school diploma, the poverty rate is 11%.
- Among those who are employed the poverty rate is 2%, while it is 7% for those who are unemployed.
- Information on affordable housing is presented in Section II F of this report.

Figure 19. Poverty Status by Category (Lake Oswego)



SOURCE: US Census; Census Tables: S1701 (2021 ACS 5-yr Est.)

[2] Census Tables: S1701 (2018 ACS 5-yr Estimates); Methodology
The Census Bureau uses a set of income thresholds that vary by family size and composition to determine who is in poverty. There are 48 separate income thresholds set based on the possible combinations of household composition.

People Experiencing Homelessness

The Census makes a multi-faceted effort to include the unhoused population in the total Decennial Census count, by attempting to enumerate these individuals at service providers, and in transitory locations such as RV parks or campgrounds, as of the official Census data (4/1/20). However, it is difficult to make an accurate count of this population, and it is generally presumed that the unhoused are undercounted in the Census.

The most recent (January 2023) Point-in-Time count of people experiencing homelessness and households experiencing homelessness in Clackamas County[3] found 410 unhoused individuals on the streets, in shelters, or other temporary and/or precarious housing. This is a 31% decrease from the 597 individuals counted in 2022, which was likewise a decline from the prior count. The estimated 410 unhoused individuals represent 0.1% of the county's total estimated population in 2023.

A detailed breakdown of the data from the 2023 count is not yet available. The following are some demographic indicators from the 2022 count:

- An estimated 45% of individuals were in some sort of temporary shelter, while 55% were unsheltered.
- Of those indicating a gender, 60% of those counted identified as men, 40% women.
- Five percent of those counted were Hispanic or Latino compared to 9.5% in the general population.
- Approximately 51%, were counted as "chronically homeless".[4]

While the Point-in-Time count is one of the few systematized efforts to count people experiencing homelessness across the country in a regular, structured way, it is widely thought to undercount the population of unhoused individuals and households. People who are doubled up, couch surfing, or experiencing domestic violence may not always be accurately counted. In addition to the impossibility of finding all unsheltered individuals experiencing homelessness, the count is conducted in late January, when homeless counts are likely near their lowest of the year due to inclement weather. It also relies on self-reporting.

Data on unhoused school-aged children is tracked in keeping with the McKinney-Vento Act. The Department of Education reports that in the 2021/22 school year, there were 41 enrolled students experiencing homelessness in Lake Oswego School District, and an estimated 304 children between the ages of 5 and 17 living in poverty.

The persistence of people experiencing homelessness speaks to the need for continuing to build a full spectrum of services and housing types to shelter this population, from temporary shelter to subsidized affordable housing. An analysis of the ability of current and projected housing supply to meet the needs of low-income people and the potential shortfall is included in the following sections of this report.

[3] Figures are for the entire County

[4] HUD defines "chronically homeless" as an individual with a disability as defined by the McKinney-Vento Assistance Act, who has been in uninhabitable conditions for more than 12 mo. or on four separate occasions in the last three years; or has been in institutional care for less than 90 days; or a family with an adult head of household who meets this definition.

Households Needing Publicly Assisted Housing

Oregon Housing and Community Services (OHCS) tracks three currently operating subsidized affordable housing properties in Lake Oswego, with a total of 76 units. These are properties that are funded through HUD programs, tax credits and other programs which guarantee subsidized rents for qualified households. All of these units, save one, are offered for elderly residents.

The Marylhurst Commons, currently under development, is planned to offer 100 affordable units for families when constructed. Upon completion in 2024, the total 176 subsidized units in Lake Oswego will represent 1% of the local housing stock. An additional 8 units of 80% AMI housing are also in the pipeline as part of the North Anchor project.

The Housing Authority of Clackamas County administers over 1,600 Section 8 housing choice vouchers that allow low-income participants to find rental units anywhere in the county. Under this program, the renters can find participating landlords and the voucher helps to subsidize the cost of a market-rate rental unit. The unit does not have to be in a property dedicated to subsidized affordable housing but can be in any rental property.

The high share of renters still paying over 30% of their income towards housing costs indicates that there is an ongoing need for rental units at the lowest price points.

Agricultural Workers

Lake Oswego is not currently home to properties dedicated to agricultural workers. This population may also be served by other available affordable units.

Veterans

This group is called out as a population with specific needs and which is often under-represented in planning for future needed housing. In general, veterans often may have physical or mental health disabilities resulting from injuries or stress experienced during their service. They also frequently have fixed, lower incomes and need access to services provided by the US Veterans Administration or other service providers. As a result, they share many of the same unmet needs described here for people with disabilities, low-income households, and in some cases senior residents.

Figure 20. Veterans in Lake Oswego

	Individuals	Share of Adult Population
Total Veterans	1,801	5.7%
Period of Service		**Share of Veterans**
Gulf War (9/2001 or later) veterans	344	19.1%
Gulf War (1990 to 8/2001) veterans	335	18.6%
Vietnam era veterans	634	35.2%
Korean War veterans	140	7.8%
World War II veterans	83	4.6%
Other	265	14.7%
Veteran Age		**Share of Veterans**
18 to 34 years	107	5.9%
35 to 54 years	335	18.6%
55 to 64 years	232	12.9%
65 to 74 years	474	26.3%
75 years and over	653	36.3%
Veteran Poverty Status	**61**	**3.4%**
Veterans with a Disability	**375**	**20.9%**

Source: Table S2101,ACS 2021 5-Year, Johnson Economics

IV. BARRIERS TO DEVELOPMENT OF NEEDED HOUSING

Numerous factors contribute to the availability and/or lack of needed housing in Lake Oswego – market factors, physical conditions, regulations, public investments, etc. Some of these factors can serve as barriers to the production of housing that is most needed in the city. To understand the major barriers to developing needed housing in Lake Oswego, the project team interviewed a number of stakeholders involved in housing production in the city. These interviews were conducted in September and October 2023 and included market-rate developers and architects with experience in single-family, middle housing, and multi-family housing production; nonprofit housing providers, including Habitat for Humanity and Mercy Housing Northwest; and City staff involved in Planning and Redevelopment.

Following are some of the key housing needs that the stakeholders identified as gaps in the market:

- Affordable housing for low- and moderate-income households
- Middle housing (e.g., townhomes, duplexes, and cottage clusters)
- Housing options for seniors and opportunities for aging in place
- Options for more attainable homeownership (e.g., condos and middle housing)
- Apartments with family-size units (2-3 bedrooms)
- Multi-family housing outside the Town Center

In terms of barriers to meeting these needs, and to housing production more generally, some of the major themes are summarized below.

- **High cost of land in Lake Oswego**. The city has very high land values, which translates to high rental and sale prices, and makes deed-restricted affordable housing especially challenging to pencil out.
- **Few large, developable sites.** There is limited land within the City and urban service boundary to support multi-family housing and other development types that typically rely on larger parcels of land. The Buildable Lands Inventory prepared as part of the Housing Needs Analysis also supports this notion – finding a deficit of buildable land to meet future housing needs, including lands zoned for high-density housing.
- **Code barriers.** Stakeholders identified a range of barriers to housing development in the Lake Oswego Community Development Code. Stakeholders expressed that the City's code is especially challenging to work with compared to some other jurisdictions. The following specific code barriers were identified:
    - Overlay and Design District standards are highly prescriptive, which can add to the cost of development and limit flexibility. Stakeholders pointed to detailed architectural standards as being a particular challenge – e.g., requirements for specific siding materials adding to construction costs.
    - Tree protection and tree planting and landscaping standards are also very prescriptive and can be difficult to meet on constrained sites.
    - Open space standards for multi-family housing are considered by stakeholders to be excessive, limit the available space on a site for housing units, and don't necessarily lead

to great outcomes. They note that open spaces can be smaller and more concentrated while still providing appealing amenities for residents.
    - Setbacks and other standards limit middle housing infill opportunities. Stakeholders shared that siting standards can make it difficult for middle housing such as duplexes and townhomes to fit on existing lots.
- **Process barriers.** Stakeholders also noted that Lake Oswego's development review and permitting processes can be lengthy and contribute to housing costs. A few stakeholders noted that this limits the number of developers that are interested in building in the city. In particular:
    - The design review process in Design Districts adds time and cost.
    - Building permit review can also be slow.
    - Due to prescriptive standards, applicants often need to apply for multiple variances, which lengthens the process and adds uncertainty.
    - Public improvements (e.g., road improvements and utilities) can be very costly.
- **Neighbor opposition.** A few stakeholders also noted that neighbor opposition to affordable or higher-density housing can drag out the process and add to costs.
- **Market trends.** At the time of this analysis, there are some headwinds to development of new housing regionally and nationwide. These include inflation in the cost of building inputs such as labor, materials, and land. Increasing interest rates in recent years that haven't been offset by a proportionate fall in property prices are another major impediment.

A focus of the Housing Production Strategy will be to identify tools and strategies to remove or reduce these barriers or help housing producers overcome them.

V. ADOPTED MEASURES

The City of Lake Oswego already implements a variety of measures intended to enable or facilitate the production of needed housing. The City submitted a "Pre-HPS Survey" to DLCD in 2022, as required by former subsection 2 of ORS 456.586, which includes an exhaustive list of the housing measures the City has adopted and implemented. In combination with the other findings in the Contextualized Housing Needs report, this list will help the City and community understand where there are gaps in the City's approach toward meeting its housing needs.

Below is a summary of the key housing measures adopted by the City, organized into the categories defined by DLCD. The full list of adopted measures will be included as an appendix to the HPS Report.

Zoning Strategies

- **Height/density bonus for affordable developments** – The City allows a limited height or density bonus for affordable developments in the West Lake Grove Design District (WLG-OC) and R-DD zones.
- **Increased code flexibility for accessory dwelling units** – The City removed occupancy requirements for ADUs and expanded maximum ADU size to 1,000 sq. ft. for internal remodels of primary dwellings.
- **Short-term rental regulations** – The City requires that short-term rental is a home occupation where a resident lives on the lot. Short-term rentals are not permitted in ADUs where the ADU received a system development charge (SDC) waiver.
- **Mandatory affordable housing** – City requires affordable housing (affordable to those earning 80% or less of AMI) on a portion of the Marylhurst Special District and a portion of the West Lake Grove Design District (WLG-OC zone) where multifamily use is allowed.
- **Increased density near transit stations** – The mixed-use zoning that is in place near transit – Metro 'town centers' – allows residential use and does not limit density. These areas have developed/redeveloped with high-density (50-100 units per acre) development in recent years.
- **Lot coverage bonus for housing** – The City allows a limited lot coverage bonus within the Lake Grove Village Center Overlay (LGVCO) for developments where housing is provided.

Reducing Regulatory Impediments

- **Removed parking mandates near transit** – In compliance with the state's Climate-Friendly and Equitable Communities rules, the City does not apply minimum parking requirements within 1/2-mile of priority transit, which includes the entire Downtown Town Center, and will remove minimum parking requirements in the City's other climate-friendly area (Lake Grove Village Center) to comply with CFEC rules.
- **Expedites permitting for affordable housing** – The City has a practice of expediting the permitting process for deed-restricted affordable units.

Financial Incentives

- **Waives fees for affordable housing and ADUs** – The City has adopted regulations to waive SDCs and development review fees for income restricted affordable housing (80% or less of AMI) and for accessory dwelling units. The City has exempted $388,073 in SDCs for ADUs since 2019.

Financial Resources

- **Uses urban renewal funds to support housing** – The Lake Oswego Redevelopment Agency underwrote some of the costs in the North Anchor development downtown to ensure the provision of deed-restricted affordable housing units using funds from the City's urban renewal program.

Land Acquisition, Lease, and Partnerships

- **Surplus City-owned land / land banking for affordable housing** – The City does this with vacant or underutilized sites, most recently the 1.4-acre construction staging property for the Boones Ferry Road Improvement Project. The site will be used to create 50 deed-restricted affordable housing units, using Metro Affordable Housing Bond funds.
- **Public-private partnerships** – The City has worked with organizations such as Habitat for Humanity and Mercy Housing Northwest to produce affordable housing units.
- **Conversion of underperforming commercial assets** – The Lake Oswego Redevelopment Agency acquired the North Anchor site to convert this commercial property into a mixed-use development with affordable and market-rate housing.
- **Utilizing surplus land owned by faith-based organization for housing** – The City worked collaboratively with the Sisters of Holy Names of Jesus and Mary (Sisters) when they were considering reuse of the former Marylhurst University Campus. Ultimately, the Sisters entered into an agreement with Mercy Housing NW for construction of 100 units of affordable family housing.

APPENDIX B: PUBLIC ENGAGEMENT SUMMARY

Lake Oswego Housing Production Strategy | November 19, 2024

Introduction

This memorandum summarizes public engagement activities that informed Lake Owego's Housing Production Strategy (HPS). The summary includes the following:

- Summary of engagement during both Housing Needs Analysis and Housing Production Strategy phases
- What activities took place
- Who participated (which stakeholders and other groups)
- Summary of community and stakeholder input
- How community and stakeholder input influenced the HPS
- Recommendations for future engagement – evaluation of how to improve housing engagement practices going forward

Housing Needs Analysis Engagement

Winter 2022 – Fall 2023

The first phase of this project was the Housing Needs Analysis (HNA), which included preparation of a Housing Capacity Analysis (HCA) and Buildable Lands Inventory (BLI). The City provided multiple avenues for engagement activities and events during this phase, as described below.

HNA Public Engagement Opportunities

- **Online Open House/Virtual Neighborhood Forum.** The City created an Online Open House to (1) provide a summary of the project's draft findings to date, and (2) ask for feedback on those materials, as well as participants' opinions and priorities related to housing in Lake Oswego. The Online Open House was made available for public input from March 31 through April 24, 2023.[1]
- **Neighborhood Forum.** The City of Lake Oswego held a virtual neighborhood forum on April 6, 2023 at 5pm.[2]
- **Housing Production Strategy Task Force.** The City appointed a Task Force that included a variety of housing stakeholders, including realtors, housing development industry members, homeowners, renters, and representatives of the City's Planning Commission, City Council, 50+

[1] For detailed survey results, see https://www.ci.oswego.or.us/WebLink/DocView.aspx?id=8&page=&repo=CityOfLakeOswego.

[2] For a meeting summary, see https://www.ci.oswego.or.us/WebLink/DocView.aspx?id=36&page=&repo=CityOfLakeOswego.

Advisory Board, and Transportation Advisory Board, among others. The Task Force discussed the following topics at their first three meetings:
    - December 16, 2022 – Project overview and work plan.
    - March 24, 2023 – Reviewed initial housing needs and BLI findings.
    - June 23, 2023 – Reviewed summary of engagement; reviewed updates to the BLI and HCA; introduced the HPS.
- **Planning Commission.** The Lake Oswego Planning Commission discussed the HNA at work sessions on January 23 and April 10, 2023. The Planning Commission recommended approval of the HNA at a public hearing on August 28, 2023.
- **City Council.** The Lake Oswego City Council discussed the HNA at study sessions on February 21 and April 18, 2023. The City Council recommended approval of the HNA at a public hearing on October 3, and approved the findings on October 17, 2023. The HNA was adopted via Ordinance 2934, which became effective on November 16, 2023.

HNA Key Themes and Topics of Discussion

Feedback from the HNA activities was incorporated into the HNA documents and also informed the later HPS work – especially the City's focus on affordable housing strategies. Key themes related to housing needs and housing production are summarized below.

AFFORDABLE HOUSING

As with many other communities, housing affordability is a key concern in Lake Oswego. "Housing Affordability" and "Availability of housing for lower incomes" were the two greatest needs identified in the Online Open House survey. In a separate survey question, "Housing specifically for people with lower incomes" was the second highest choice for desired housing types. Other opinions heard include:

- Some of the more affordable housing today are older homes that might be considered redevelopable by the analysis – redevelopment would likely result in more expensive homes in those locations in comparison to some of the existing homes in those areas.
- The income breakdowns shown in the draft HNA seemed too focused on higher incomes, with roughly half of new housing units being affordable to those below the highest income brackets.
- Providing large amounts of new affordable housing is not an appropriate role for the City.
- The market will set housing prices and the government should get out of the way.

When asked whether the City should play a strong role in supporting the development of housing for lower income residents, survey respondents generally said yes. The community provided a variety of opinions on the topic of what that role should entail, including:

- Multi-unit housing should be concentrated in specific areas, away from single-unit housing and existing neighborhoods.
- Middle housing and multi-unit housing should be integrated into all neighborhoods.
- Entry-level homeownership units are needed.
- Rent control/tax on house flippers/inclusionary zoning is needed.
- Workforce housing is critical. A diverse community is a strong community.
- Government intervention only makes things worse.
- Consider tree canopy.

- Preserving neighborhood character should be the top priority.
- Large single detached homes are being built; this is problematic.
- There are disparate impacts of development and construction across the city.
- The City has taken strides toward more affordable housing recently – keep it up.

AGING IN PLACE

"Availability of housing that supports aging in place" was identified as a key need for Lake Oswego in the online survey. This generally means housing that has accessibility features for individuals with impaired mobility, and that is located adjacent to amenities that support a high quality of life and/or provide needed services. The affordability of housing is also a consideration, as older people who may be on fixed incomes may find it more difficult to afford to live in the community.

MIDDLE HOUSING

Cottage homes, also known as "cottage cluster" housing, were the most frequently chosen housing type that respondents would like to see more of in Lake Oswego.

Housing Production Strategy Engagement

Fall 2023 – Fall 2024

In fall 2023, the City of Lake Oswego shifted its focus to the HPS process. Similar to the HNA phase, the City provided multiple avenues for engagement activities and events for the HPS, as described below.

HPS Public Engagement Opportunities

- **Housing Production Strategy Task Force.** The HPS Task Force met five more times between fall 2023 and summer 2024. The Task Force was instrumental in shaping the strategies and approaches that are included in the HPS. The Task Force discussed the following topics at these five meetings:
    - October 6, 2023 – Reviewed findings from the Contextualized Housing Needs Assessment and stakeholder interviews; reviewed existing housing measures and provided input on an initial list of potential housing strategies.
    - December 5, 2023 – Engaged in group discussions focused on identifying housing production strategies that could best address high-priority housing needs.
    - February 16 and March 1, 2024 – Discussed initial recommendations for strategies to include in the HPS. At the March 1 meeting, the Task Force voted on which strategies to recommend to the Planning Commission and City Council for inclusion.
    - June 21, 2024 – Reviewed the Draft HPS Report.
- **Stakeholder Interviews.** The project team interviewed stakeholders involved in various aspects of housing production in September and October 2023. See below for the list of stakeholders and key themes from those interviews.
- **Community Forum.** On March 14, 2024 at 5 PM, the City hosted a virtual community forum using the Zoom videoconference platform to review the strategies being considered for the HPS. A total of 15 attendees participated in the forum. The forum used live polling in Zoom to get feedback in real-time to supplement the discussion to indicate their level of support. See *Results of Survey and Polling*, below, for a summary of survey results.

- **Online Survey.** The City hosted an online survey from March 13 – 31, 2024 as a companion to the virtual Community Forum. A total of 134 participants completed the survey. The survey asked participants to indicate their level of support for various housing strategies being considered for the HPS. Respondents provided general support for all strategies that ended up in the final HPS. See *Results of Survey and Polling*, below, for a summary of survey results.
- **Presentations to Boards and Commissions.** City staff presented to the following groups: Diversity, Equity and Inclusion Advisory Board; 50+ Advisory Board; Chamber of Commerce Government Affairs Committee; November 2023 Mayor's Roundtable event; Fall 2023 Kruse Way Economic Forum.
- **Planning Commission.** The Lake Oswego Planning Commission discussed the HPS at work sessions on November 13, 2023 and June 24, 2024, as well as a joint study session with the City Council on April 2, 2024. See below for a summary of results from straw polls taken at the April 2 joint study session. The Planning Commission recommended approval of the HPS at a public hearing on September 23, 2024.
- **City Council.** In addition to the joint study session noted above, the Lake Oswego City Council discussed the HPS at study sessions on November 7, 2023 and July 16, 2024. The City Council held a public hearing for adoption of the HPS on November 5, 2024. The HPS was adopted via Resolution 24-36.

Stakeholder Interviews

Stakeholders interviewed in fall 2023 included the following:

- Market-rate developers and architects – These included local professionals involved in development of multifamily housing, middle housing, and single-family housing.
    - Koble Creative
    - Shorenstein Properties
    - Keith Abel Design LLC
    - Blue Palouse Properties
- Non-profit housing providers – These providers represented both the development community and the lower-income households that may be served by their housing projects.
    - Habitat for Humanity
    - Mercy Housing Northwest
- City of Lake Oswego staff
    - Community Development Director
    - Long Range Planning Manager
    - Redevelopment Manager

The project team asked stakeholders about the city's greatest housing needs, barriers to development of needed housing, gaps in affordable housing, and tools and strategies that would be effective in producing needed housing. Key themes from the stakeholder's responses are summarized below.

KEY HOUSING NEEDS AND GAPS IN THE MARKET

- Affordable housing for low- and moderate-income households
- Middle housing (e.g., townhomes, duplexes, cottage clusters)
- Opportunities for aging in place

- Options for more attainable homeownership (e.g., condos and middle housing)
- Apartments with family-size units (2-3 bedrooms)
- Multi-family housing outside the Town Center

MAJOR HOUSING BARRIERS IN LAKE OSWEGO

- High cost of land in Lake Oswego
- Few large sites to support multi-family housing
- Neighbor opposition to affordable or higher-density housing can drag out the process, adding to costs
- Code barriers:
    - Design overlay standards are highly prescriptive – can add to cost, limit flexibility
    - Tree protection / tree planting and landscaping standards
    - Open space standards for multi-family housing
    - Setbacks and other standards limit middle housing feasibility
- Process barriers:
    - Design review process in design districts adds time and cost
    - Building permit review can also be slow
    - Often need multiple variances, lengthens process and adds uncertainty
- Public improvements (roads, utilities) can be very costly

POTENTIALLY EFFECTIVE STRATEGIES

- Density bonuses for providing public benefits, such as affordable housing or developing near transit
- Code amendments to remove code barriers
- More flexibility for middle housing
- Streamline permitting
- Simplify design standards and guidelines
- Pre-approved plans
- Property tax abatements for affordable housing
- SDC waivers
- Tax Increment Financing to support affordable housing
- Land banking
- Partnerships with nonprofits and faith organizations

STAKEHOLDER IMPACT

The feedback received from stakeholders greatly influenced the strategies included in the Housing Production Strategy. For example, the code topics addressed in the Code Audit and Amendments strategy were refined to address the barriers identified by housing developers and producers. Also, incentives and other strategies that support affordable housing development (tax abatements, TIF funding, partnerships) were shaped by these interviews.

Results of Survey and Polling

In March and April 2024, the City used various survey and polling tools to seek input on the strategies under consideration for the HPS. This included the online survey, Zoom polling at the virtual Community Forum, and straw polls taken at the March 1 HPS Task Force meeting and April 2 joint study session with the Planning Commission and City Council. Input from these groups was based on information provided in the Initial Strategy Recommendations Memo, and the results of the polls informed the strategies that were eventually recommended for inclusion in the Draft HPS. A general summary of the results and detailed online survey results are both included, below.

Strategy	Survey + Forum	Task Force	City Council	PC	Notes / Follow-up Actions
Pro-Housing Policies [GENERAL]	Support	Support	-	-	-
Recommended Strategies					
Code Audit and Amendments (Z01)	Support	Support	YES (7:0)	YES (3:2)	**Include all strategies in Draft HPS**. Two Planning Commissioners expressed concerns about the pre-approved plan sets for ADUs strategy
Property tax exemptions for housing affordable to low-income households	Mild Support	Support			
Public-private partnerships for affordable housing (F04)	Support	Support			
Fair Housing Policy and Education (B14)	Support	Support			
Rezone Land (Z02)	Mild Support	Support			
Evaluate accessible design incentives or mandates (A23)	Strong Support	Support			
Use Tax Increment Financing (TIF) to support affordable housing development (D10)	Split	Support			
Affordable Housing Preservation Inventory (F19)	Support	Support			
Modify System Development (SDC) fee schedule (C02)	Support	Support			
Pre-Approved Plan Sets for ADUs (A21)	Support	Support			
Remove or Reduce Minimum Parking Requirements (B01)	-	-			

Strategies Needing Further Discussion					
Zoning Incentives for Affordable Housing (A03)	Mild Oppose	Mild Support	NO (1:6)	NO (1:4)	**Do not include in Draft HPS.** There was no interest expressed by the PC or CC in combining this with the code audit strategy; only strategy opposed by public.
Construction Excise Tax (CET) (D09)	Mild Support	Support	NO (0:5)	NO (0:7)	**Do not include in Draft HPS.**
Vertical Housing Development Zone Tax Abatement (E03)	Mild Support	Oppose	NO (0:7)	NO (1:4)	**Do not include in Draft HPS.**
Multiple Unit Property Tax Exemption (MUPTE) (E04)	Mild Support	Mild Support	NO (3:4)	YES (4:1)	**Include in Draft HPS**, with criteria that would only make it available to housing with either (1) accessible design or (2) units affordable at 80-120% AMI.
Pre-Approved Plan Sets for Middle Housing Typologies (A20)	Mild Support	Mild Support	NO (0:7)	NO (0:5)	**Do not include in Draft HPS**. HPS Task Force only recommended this if paired with an affordability requirement.
Contingent Strategies					
Housing Trust Funds (D03)	-	-	-	-	**Do not include in Draft HPS.** PC / CC did not express interest in these strategies.
Low-Interest Loans/Revolving Loan Fund (D13)					
Community Land Trusts (F03)					
Preserving Low-Cost Rental Housing to Mitigate Displacement (F05)					
Not Recommended					
Homebuyer Opportunity Limited Tax Exemption (HOLTE)	-	-	-	-	**Do not include in Draft HPS.** PC / CC were fine with excluding this from the Draft HPS.

HOUSING STRATEGY SURVEY RESULTS

This section provides a summary of results from an online survey hosted by the City of Lake Oswego as part of its Housing Production Strategy (HPS). The online survey was available from March 13 – 31, 2024 and asked participants to indicate their level of support for various housing strategies being considered for the HPS. A total of 134 participants completed the survey, and additional participants responded to portions of the survey.

Respondents provided a **general level of support** for all strategies that were included in the draft HPS.

1. Strategy: Update the Community Development Code to remove barriers to housing production

Conduct a comprehensive review and update of the rules that guide housing development (the Community Development Code), to identify and remove or revise regulations that may constrain housing production. This strategy would focus on addressing requirements that overly limit flexibility, add to housing costs, and/or delay project approvals. Potential focus areas include: removing barriers to accessory dwelling units, middle housing, and multi-family housing; incentivizing smaller units; streamlining requirements in design overlay districts; and facilitating housing development in mixed-use areas.

Housing Need Addressed: General need for increased housing production and housing choices.

Magnitude: MODERATE – Could have a moderate, indirect impact on new housing production.

Value	Percent	Responses
Strongly Oppose	20.3%	29
Oppose	14.0%	20
Neutral (neither support nor oppose)	14.7%	21
Support	26.6%	38
Strongly Support	24.5%	35
		Totals: 143

2. Strategy: Property tax exemptions for housing affordable to low-income households

This strategy exempts property taxes from housing developments that are affordable to low-income households (those earning less than 60% to 80% of the median family income for the area). By reducing operating income, property tax exemptions can be a powerful tool to increase the feasibility of producing low-income housing, and perhaps increase the number of lower cost units that are feasible within a development.

Housing Need Addressed: Government-subsidized affordable housing for low-income households.

Magnitude: HIGH – Can have a large impact on making low-income affordable housing more feasible to develop.

Value	Percent	Responses
Strongly Oppose	21.7%	31
Oppose	16.8%	24
Neutral (neither support nor oppose)	14.7%	21
Support	23.8%	34
Strongly Support	23.1%	33
	Totals: 143	

3. Strategy: Public-private partnerships for affordable housing

Public-private partnerships are arrangements between public and private entities (such as nonprofit or for-profit housing developers) to build housing, especially housing affordable to people with lower incomes or specific needs. Public-private partnerships can bring resources to the table that would otherwise not be available if each organization were to provide housing on its own.

The City could partner with organizations to support their affordable housing efforts in a variety of ways:

- Acquire land and/or donate city-owned land;
- Provide grants or loans for development or rehabilitation projects;
- Provide direct funding; and/or
- Leverage federal, state, and regional resources.

The City is already pursuing this strategy with several ongoing projects, including partnering with Habitat for Humanity on a project and also with the Sisters of Holy Names of Jesus and Mary and Mercy Housing NW in facilitating the Mercy Greenbrae affordable housing development at Marylhurst Commons.

Housing Need Addressed: Government-subsidized affordable housing for low-income households.

Magnitude: HIGH – Partnerships are very often a key component of a city contributing to new housing production.

Value	Percent	Responses
Strongly Oppose	15.0%	21
Oppose	11.4%	16
Neutral (neither support nor oppose)	12.9%	18
Support	30.0%	42
Strongly Support	30.7%	43
	Totals: 140	

4. Strategy: Fair Housing Policy and Education

Amend the Lake Oswego Comprehensive Plan – which guides the long-term development and growth of the city – to explicitly make *Affirmatively Furthering Fair Housing* an official City policy. Federal Fair Housing laws protect individuals in "protected classes" from housing discrimination – in Oregon, protected classes include race, color, national origin, religion, disability, sex (includes pregnancy), sexual orientation, gender identity, age, and marital status. Adding this as a policy would demonstrate Lake Oswego's commitment to reversing discrimination, exclusion, and concentrations of wealth in the city. The strategy also involves other actions to educate staff and decision makers about fair housing issues, and to provide fair housing information to residents, property owners, realtors, lenders, and others involved in real estate transactions.

Housing Need Addressed: This strategy would not directly address identified housing needs in most cases, but it would help prevent housing discrimination against protected classes.

Magnitude: LOW – Will not directly contribute to housing production but could bolster the City's focus on equity and affordability in its housing programs and investments.

Value	Percent	Responses
Strongly Oppose	16.9%	23
Oppose	9.6%	13
Neutral (neither support nor oppose)	17.6%	24
Support	32.4%	44
Strongly Support	23.5%	32
		Totals: 136

5. Strategy: Rezone selected areas to support residential development

This strategy involves rezoning commercial or other non-residentially zoned properties to allow for housing development in those areas, especially multi-family housing. It could also involve rezoning lower-density areas to allow for higher-density housing. Areas to rezone typically would include land that is close to existing high-density areas and/or existing services, and larger parcels of land. This strategy addresses the fact that the city faces a shortage of residential land across all zone types to meet long-term housing needs.

Housing Need Addressed: General need for increased housing production. Could also address the shortage of higher-density land by rezoning lower-density land.

Magnitude: MODERATE TO HIGH – Might be relatively high given the limited supply and high demand for buildable residential land in the community.

Value	Percent	Responses
Strongly Oppose	23.1%	31
Oppose	16.4%	22
Neutral (neither support nor oppose)	12.7%	17
Support	24.6%	33
Strongly Support	23.1%	31
		Totals: 134

6. Strategy: Evaluate accessible design incentives or mandates

This strategy aims to increase development of housing that is accessible for seniors and people with disabilities or mobility challenges through either incentives or requirements to develop this type of housing. Potential incentives include height or density bonuses and reduced property taxes. Potential mandates include requiring a certain number of units in a multi-unit development to have enhanced accessibility. The City would need to further evaluate the feasibility and trade-offs associated with these programs before implementing a particular action.

Housing Need Addressed: Housing for people with physical disabilities and mobility challenges, including seniors.

Magnitude: MODERATE – Depending on how the strategy is structured, it could lead to production of a significant number of new units with accessibility features.

Value	Percent	Responses
Strongly Oppose	9.6%	13
Oppose	3.7%	5
Neutral (neither support nor oppose)	18.5%	25
Support	42.2%	57
Strongly Support	25.9%	35
		Totals: 135

7. Strategy: Use Tax Increment Financing to support affordable housing development

Tax increment financing, or TIF, is a way for the City to pay for projects or improvements within a certain area (an “urban renewal area” or “TIF district”), like building roads, parks, or housing. These projects make land in the area more valuable, and the City uses the extra revenue it gets from the higher property taxes to reinvest in development or redevelopment within the area. TIF can be a direct source of funding for projects that meet public goals such as affordable housing or mixed-use buildings that

might not otherwise be feasible. The City has been considering expanding the use of urban renewal and TIF in Lake Oswego – particularly in the Foothills neighborhood – and could make affordable housing a priority in those efforts.

Housing Need Addressed: Government-subsidized affordable housing for low-income households.

Magnitude: HIGH – TIF funds would enable the City to acquire land, partner with housing providers, contribute to public improvements, and take other actions that could have a big impact on development of affordable housing in targeted areas.

Value	Percent	Responses
Strongly Oppose	25.4%	34
Oppose	17.2%	23
Neutral (neither support nor oppose)	14.2%	19
Support	25.4%	34
Strongly Support	17.9%	24
		Totals: 134

8. Strategy: Affordable Housing Preservation Inventory

Prepare an inventory of subsidized and other already existing affordable housing to support proactive policies intended to preserve existing affordable housing. The inventory would be used to target potential properties for implementation of an affordable housing preservation strategy.

Housing Need Addressed: Housing for low-income residents.

Magnitude: LOW – Will not contribute to new housing production but will contribute to the preservation of existing affordable housing.

Value	Percent	Responses
Strongly Oppose	11.2%	15
Oppose	6.7%	9
Neutral (neither support nor oppose)	23.1%	31
Support	38.8%	52
Strongly Support	20.1%	27
		Totals: 134

9. Strategy: Modify System Development Charge (SDC) fees so they area scaled by unit size

SDCs are one-time charges on new development that help pay for the costs of expanding public facilities to serve new development. The City of Lake Oswego charges SDCs for water, sewer, parks, and transportation improvements. This strategy involves updating the way the SDCs are structured so they are tied more directly to the size of a home. This also better matches the fees to the development's impact on the system, since smaller housing units typically have fewer occupants and therefore less impact on water, sewer, or transportation facilities.

Housing need addressed: Would facilitate development of smaller, more attainable housing units that may be affordable to moderate-income and smaller households.

Magnitude: LOW TO MODERATE – This tool may enable some projects to produce a greater number of smaller units, thus increasing production of more units and expand housing choices somewhat.

Value	Percent	Responses
Strongly Oppose	11.4%	15
Oppose	6.1%	8
Neutral (neither support nor oppose)	18.2%	24
Support	35.6%	47
Strongly Support	28.8%	38
		Totals: 132

10. Strategy: Create pre-approved plan sets for accessory dwelling units (ADUs)

Pre-approved plan sets are building plans that have been reviewed in advance for conformance with zoning and building codes. The City could make such pre-approved plans available for ADUs, which are small homes located on the same property as a single-family home. ADUs offer opportunities for family members to live on the same site but in a separate dwelling, or can be rented out, allowing the homeowners to supplement their income. Pre-approved plan sets can make ADUs easier to build and reduce costs through reduced design fees and faster permit timelines. The plan sets could also be designed to be accessible (consistent with the accessibility strategy discussed earlier).

Housing Need Addressed: Increased housing choices within existing neighborhoods. Increased rental opportunities. Options for multigenerational housing. Opportunities for aging in place.

Magnitude: MODERATE – Would likely lead to more development of ADUs in the city, which could increase the number of available rental properties and increase housing choices in developed neighborhoods.

Value	Percent	Responses
Strongly Oppose	15.3%	20
Oppose	9.2%	12
Neutral (neither support nor oppose)	17.6%	23
Support	32.8%	43
Strongly Support	25.2%	33
		Totals: 131

11. Strategy: Zoning bonuses for affordable housing

This strategy involves allowing additional building height, density, or floor area, or relaxing other zoning standards for affordable housing. These types of bonuses allow affordable developers to make more efficient use of land, fit more units into a development, and make their projects more financially viable. The City already allows a limited height or density bonus for affordable developments in certain zones and could consider enhancing or expanding this program or adopting a new bonus, such as reduced open space for affordable housing.

Housing Need Addressed: Government-subsidized affordable housing for low-income households.

Magnitude: LOW TO MODERATE – Might lead to a small increase in the number or percentage of affordable housing units.

Value	Percent	Responses
Strongly Oppose	26.0%	34
Oppose	20.6%	27
Neutral (neither support nor oppose)	22.1%	29
Support	19.8%	26
Strongly Support	11.5%	15
		Totals: 131

12. Strategy: Adopt a Construction Excise Tax (CET) to fund affordable housing projects and programs

This strategy applies a tax on construction projects, and the funds generated from the tax can be used to fund affordable housing or other needed housing. Most cities using this program have adopted a CET tax of up to 1% on construction projects. Cities have options to exempt certain types of development – such as smaller units or multi-family housing – and affordable housing is already exempted. Some cities have used CET to fund new affordable development, purchase property for affordable housing, provide financial incentives, and provide down payment assistance for first-time homebuyers. CET is one of the few available locally-controlled sources of money to help fund affordable housing.

Housing Need Addressed: Government-subsidized affordable housing for low-income households.

Magnitude: HIGH – The revenue potential of a CET in Lake Oswego is potentially quite high and could support a significant amount affordable housing development in the city.

Value	Percent	Responses
Strongly Oppose	19.2%	25
Oppose	16.9%	22
Neutral (neither support nor oppose)	16.9%	22
Support	25.4%	33
Strongly Support	21.5%	28
		Totals: 130

13. Strategy: Adopt a Vertical Housing Development Zone tax abatement in targeted areas

This strategy is intended to encourage multi-story mixed-use development (ground-floor businesses with housing above) and affordable housing in areas designated by the City. The program allows a property tax reduction for 10 years, which can make mixed-use development more financially viable, as it is often a challenging form of development. Projects earn additional tax reductions if they include housing units that are affordable to low-income households.

Housing Need Addressed: High-density housing in targeted areas of the city. Increased housing choices in areas with strong access to goods, services, and transit.

Magnitude: LOW TO MODERATE – This program has the potential to encourage some mixed-use development in designated areas.

Value	Percent	Responses
Strongly Oppose	14.1%	18
Oppose	8.6%	11
Neutral (neither support nor oppose)	28.1%	36
Support	36.7%	47
Strongly Support	12.5%	16
		Totals: 128

14. Strategy: Adopt a Multiple Unit Property Tax Exemption (MUPTE)

This is a 10-year property tax exemption for multi-family or middle housing (e.g., triplexes and fourplexes) with particular features or at particular price points. MUPTE is a flexible tax abatement

strategy that can be used in various ways to encourage development of specific types of needed housing. The City has broad discretion as to how to structure the program. Eligibility criteria could include requirements for affordability, accessibility/universal design, unit size, or other desirable features.

Housing Need Addressed: More attainable housing choices, including multi-family and middle housing options. Could also encourage apartments with family-sized units (2-3 bedrooms) and accessible housing options for seniors and people with disabilities.

Magnitude: MODERATE **–** Could encourage production of more multi-unit housing that meets needs not currently being met by the private market.

Value	Percent	Responses
Strongly Oppose	19.0%	24
Oppose	15.1%	19
Neutral (neither support nor oppose)	23.8%	30
Support	34.1%	43
Strongly Support	7.9%	10
		Totals: 126

15. Strategy: Create pre-approved plan sets for middle housing types

This is similar to the strategy of pre-approved plan sets for ADUs, except this would encourage more development of middle housing types, such as duplexes, triplexes, and cottage clusters. Pre-approved plan sets can make these housing options easier to build and reduce costs through lower design fees and faster permit timelines. This could attract developers that typically develop only single-family housing to get involved in building middle housing. The plan sets could also be designed to be accessible (consistent with the accessibility strategy discussed earlier).

Housing Need Addressed: Increased housing choices, including more attainable homeownership options.

Magnitude: MODERATE – Would likely lead to more development of middle housing in the city, but cost savings to builders wouldn't necessarily translate to reduced sale prices or rents.

Value	Percent	Responses
Strongly Oppose	15.6%	20
Oppose	18.0%	23
Neutral (neither support nor oppose)	19.5%	25
Support	31.3%	40
Strongly Support	15.6%	20
	Totals: 128	

16. Strategy: Remove or reduce minimum parking requirements – *no question asked*

17. Do you have any thoughts or concerns about any of the strategies described in this survey that you would like to share with the City? *(open ended responses)*

1. Removal of parking mandates is a bad idea. There is little rapid transit in town and individuals must get to work. Cars will be forced to park on the street in areas where there is limited street parking.
2. Don't allow developers to raze old buildings and build multi-million dollar homes making Lake Oswego unaffordable to families who want to live there.
3. The city is already becoming overwhelmed we have seen a sharp increase in traffic, as the population has increased, and this is putting a drain on services - by simply adding more affordable houses we increase the density and thereby further increase the strain on what was once a comfortably sized small city.
4. What about allowing Tiny Houses on lots with alleys? They can be added or removed as needed. A simple way to offer lower housing costs.
5. It will destroy the atmosphere and the character of the city and many people who lived here for decades will move out
6. Stop taxing us. The people living here are trying to afford staying in their homes. The constant bonds and taxes are making that very difficult.
7. Lake Oswego is a great place to live and if someone wants to live here they can find a way, like I did. Like we all did. I am not rich, far from it. Where was our hand out? That is what you are creating. Keep it fair, will you subsidize ALL of the lower income families in Lake Oswego? Will you reduce my taxes when I retire and they become a massive burden? People need to work harder and make it on their own. Sorry sometimes you need to live in an area you can afford. The crying of unfairness is getting old, I want a new Lexus, but I don't ask the manufacturer to reduce rates or give me a deal, I buy a Toyota. The city needs to stay far away from playing in the real estate business let the private sector do that.

8. It seems that the cities options for affordable house only consist of apartments or attached houses. What about people who want to have a home that is standalone. Perhaps it would be worth looking into all the developers who buy smaller affordable homes and turn them into huge expensive monstrosity. They are literally taking affordable homes out of the hands of people in Lake Oswego.
9. I would like to know if it's been taken in to account how all this construction will affect the surrounding nature density? Is there a requirement for preserving our tree canopy? What is the environmental impact of all this proposed construction? The natural beauty of this are is important! Please consider an initiative regarding tree replacement! Perhaps a requirement that if one is cut one, one must be planted.
10. The city should consider goal 5 (natural resources) and goal 1 (citizen input) of the comp plan as it relates to the environmental impact of housing. These decisions cannot be made in a "silo". The comp plan is mentioned once in this survey - in strategy number four relating to fairness in housing. The city should not cherry pick portions of the comp plan to suit developers or appear DEI-minded. If we have an environment with noise and air pollution, and increased heat, and disconnection from trees and insects and birds, we can have all the houses in the world, but we will be unhappy due to increased crime, reduced property values, and physical, mental, and spiritual illness.
11. Either one can afford to live in a certain city or not. It's out of control to mandate government to implement services/policies to accommodate those who can't. It's really that simple.
12. Concerns with loss of unique characteristics of neighborhoods. Loss of older homes and mature tree canopy. New builds that lack character or charm and are built with low quality materials.
13. I really just would like to see more new housing of any type built in LO (this includes and is not limited to any and all new apartment buildings of any visual appearance built anywhere in the city). I have lived in LO my whole life, but as a college student about to enter the workforce, I'm concerned I'll never be able to buy or rent anywhere in LO because of the rising costs (and while I never expect LO to be a cheap place to live, I think it should be a possibility for people like me making near the US median salary). I think increasing the supply of new housing should be the #1 priority of the city with these plans, and I see cities like Austin, TX as success stories for reducing the rent burden of their residents by allowing the building of tens of thousands of new housing units — resulting in significant decreases in rent prices. I also see multi-unit dwellings as a bonus for the City of Lake Oswego, because they add multiple new citizens to the city's tax base, while requiring public service expenditures that are far less per citizen (than in a comparable number of people in single family homes) because of the housing density.
14. Strategy #16 did not have a response option, although I support it fully, so long as the city continues its commitment to regionally integrated mass transportation and bicycling lanes.
15. You can easily address housing issues for seniors on fixed incomes by providing property tax discounts for people over 65 and provide homestead property tax exemption to encourage home ownership rather than rental.
16. Do not reduce parking or build high rise buildings. Schools will be impacted by more families so it is sometime to consider. As well as increased traffic.
17. This important project has s in the right track. Keep moving forward with a sense of urgency.
18. Na

19. 1.) I strongly support removing minimum parking requirements 2.) As a low income senior dependent on Social Security, the burden of meeting my property taxes is becoming almost impossible. I have owned my house for a long time and would like to age in place. I don't want to be forced out of my home because I cannot afford the taxes.
20. Recommend changes to strict protections for trees in our city to allow home owners to build more ADUs and middle housing on their land.
21. There needs to be more options for seniors so they can stay in LO. There is no real tax breaks for seniors as the deferred property tax is just a loan that has to be paid back. I support housing for low income/moderate income households. Start with the seniors, they have been paying property taxes for 50 years and need a break to age in place. This state is very backwards on tax breaks for seniors.
22. I think that the approach to most construction for existing homeowners is restrictive by the City. For example, ADUs should not have the restrictions on them. The City should be working with community members not making it impossible for anyone to modify their property as they feel fit, obviously safely.
23. Removing parking is a mistake that will lead to increased engine idling due to congestion and decreased pedestrian safety for a generation as businesses are choked through lack of customer space. It will make the city less accessible to elders and families. Can the city designate mandatory "waiting spaces"? It's already hard to pick up and drop off my children from dance, which I certainly can't do by bicycle with my three other children under 10 in tow. Less space for vehicular movement means less commerce and less tax revenue.
24. Reduced parking needs to be offset with enhancement to public transportation
25. I strongly disagree with reducing parking requirements as part of developing middle/affordable housing. I also strongly disagree with the City's continuing to allow greedy developers (e.g. Monogram and Renaissance) to purchase perfectly good, relatively affordable homes, destroy the houses, and erect over-sized, highly-priced, mcmonster houses in their place.
26. Concerns - need to have parking to support multi family housing. Most residents living in these units will have at least one car. Also concerned that traffic will increase significantly with these plans. - LOSD class sizes are already too large; not sure how the schools can support big increases in multi family housing especially if property tax exemptions are made. - preserving our parks and green spaces needs to be a priority.
27. this last state mandate strongly concerns me as someone who is disabled
28. It's pretty simple, Lake Oswego is expensive. You can build 5 low income units in LO for the same price you can build 20 elsewhere. Every measure proposed is increasing our density and increasing costs of living for those in our community while infrastructure gets no improvements. Those living here will reach a point they can longer afford to age in place forcing their sale of what has been their family home. Traffic continues to increase with no additional roads or improvement to roads occurs. The planning department and existing codes do not allow homeowners to build what they choose due to a myriad of rules that will all be thrown out the window if one chooses to add a home via ADU, why is this ok when you won't even allow a second kitchen in a home? I am aware of the State's housing requirements but they DO NOT FIT OUR COMMUNITY! People work hard and pay a fortune to live here, our property taxes alone are higher than many pay for mortgage and everything you are proposing will simply increases costs while reducing the quality of our community and the quality of life in our community.

29. My family and many other community members are concerned about the city taking our parks, like Springbrook and Waluga, and turning them into housing developments. Kids use Springbrook to walk to school, explore, connect with nature, run trails during gym class, and bike. It's also home to many animals. It's a treasured part of the community by kids and adults. Our parks are a big part of what make LO unique and beautiful. Please don't take Springbrook annd other parks away from the community.
30. The City is beholden to large developers of large houses because their construction generates greater taxes, most of which (greater than 50% of my tax bill) go toward LOSD bonds. We would have been wise to use some of the land in First Addition where older homes were demolished and large new trendy homes were built, and devote them to multi-family dwellings like townhomes. Public transit is almost non-existent in LO without driving to a transit mall or to a neighborhood with a bus stop and on-street parking. Tri-Met schedules are infrequent, inconvenient, and the rides are long. Affordable housing and/or middle-income housing doesn't make sense unless they are near public housing, especially if we are required to reduce or eliminate the already low parking inventory. Thinking logically, there are almost always 2 drivers per household, and almost always 2 vehicles because, in order to afford housing costs, there are 2 workers per household. That means there needs to be 2 parking spaces per household or living unit. If the household has student drivers with vehicles, you need more space. Through eminent domain, the City forced out a couple of businesses so they could rebuild the water treatment plant, which idea has since been scrapped. But the land is still being considered for affordable/middle-income waterfront housing? Seriously? The large plats of land that are available, and there aren't many, are in zoned industrial areas. This reminds me of the Projects of Chicago, Detroit and New York, or "Planned Ghettos". In addition, we do not have the infrastructure in place to handle our current population much less an increased one due to an increased number of housing units. I understand the Governor has mandated changes and I don't think she fully grasps the magnitude of the negative effect on Lake Oswego's livability. As one of those people trying to "age in place", I fully appreciate what our current inventory lacks in terms of places for me to move when the time comes. I can't afford to live anywhere other than my mortgage-free 2-story home. The "creep" effect of our proximity to Portland has brought more people to LO panhandling in parking lots and on sidewalks and generally undesirable-looking people wandering around our neighborhoods. And by that description I mean a young white male with falling jeans and bare chest stumbling down the hill near Kruse Way Place at Boones Ferry Road (it was about 45 that day), or another young white male in a dark hoody and extremely baggy pants grabbing his pants to keep from exposing himself. I have never seen this type of thing in the 37 years I have lived here. I'd like to keep LO livable, and I'd like to continue to feel safe here so whatever strategies the City ultimately adopts, I hope they don't negatively impact my, and others' feeling of well-being. A challenge to be sure and thank you for the opportunity to share my opinion.
31. I think the State mandated rule to "Remove or reduce minimum parking requirements" is an extremely bad idea. This will push drivers to park in residential neighborhoods causing friction between the neighborhood, businesses, pedestrians and future home owners. I see this as a first step toward going to a permit system to park in front of my own house.
32. While I generally support increased housing for those in need, it is difficult to support an increase in housing in Lake Oswego without also expanding our infrastructure to accommodate

an influx of 1000 people. This is a relatively small town, without amenities a large city offers. There are regions in Oregon with expansive land...why aren't we creating new clusters of low income housing in areas that can manage a massive influx of cars and people with daily living needs? Why are we needing to cram everyone in to these area/towns with over loaded capacity? I realize we can't reverse federal laws, but whatever can be done to minimize the impact on Lake Oswegos charm and livability, should be prioritized. The Mercato Grove which has "unaffordable" housing and is mixed use, is a complete eyesore because of its height and grandiose size,and robs our city of its natural beauty. The parking area in the center should be a piazza where people can gather. The strategies described in this survey all seem to diminish quality of life in Lake Oswego. I am not sure what the answers are, but I lean towards cottage clusters, built near downtown or Foothills, over massive apt buildings any day.

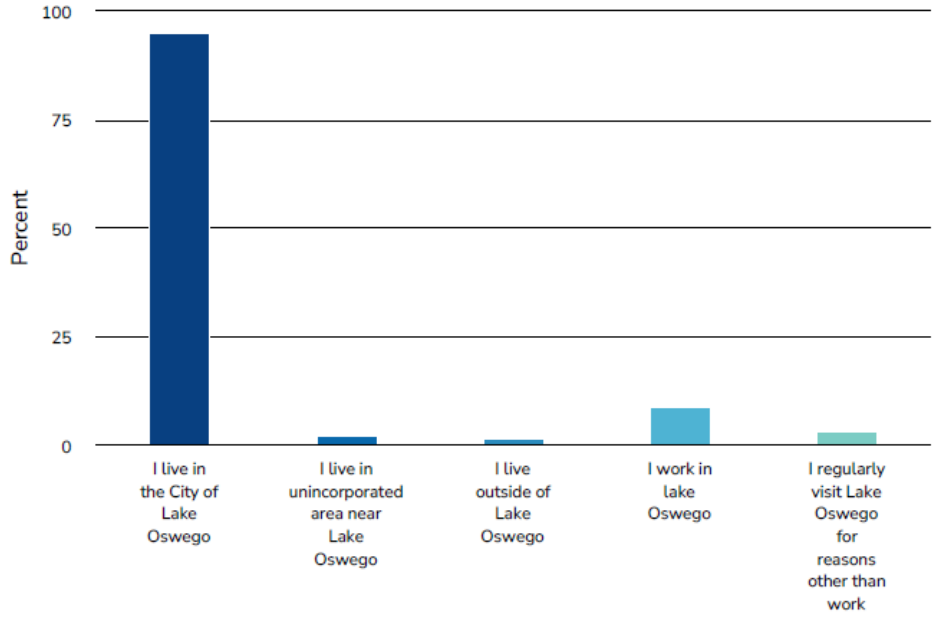
33. In general, I am opposed to government subsidy of new house, or rezoning to increase density. I prefer seeing further development outside of Lake Oswego where the natural setting has already been obliterated by suburban development.
34. Limit teardowns!
35. More affordable house typically leads to more litter, vandalism and crime. Lake Oswego doesn't necessarily need to adopt liberal housing policies just because Portland does.
36. Of the 40 percent of current households with incomes less than $100K, how many are owned by retired folks who are living in their homes with no mortgage. Protecting those generally older homes and affordability for seniors should be an important consideration.
37. It's a mistake to reduce parking. There's not enough safe public transit. Even in Portland, the MAX runs without transit police and when I commuted by MAX I felt unsafe on many occasions and I'm no stranger to big cities. In LO we just have a few bus routes. We're a car-centric city.
38. Reduce property taxes for seniors living on fixed income, utility bills also!!!!
39. As a lifelong LO resident, I have no problem with encouraging more ADUs, low income residences and bringing that diverse population into LO.
40. The parking issue is a major concern for me. The City cannot put its head in the sand and think for one minute that people don't have cars. You MUST provide adequate parking for the housing that is being built. This includes the hotel project at 1st and B. I believe that the City is ignoring the impact on current residents when it is reducing the required number of parking spaces. PLEASE WAKE UP AND CHANGE THIS WAY OF THINKING!!! I don't care that it costs more for developers to build adequate parking. I don't care that you can't have as many housing units if you also build parking. The people who live there NOW should be treated with more consideration.
41. This type of social engineering always has more negative, if unintentioned, consequences than benefits. It is a massive waste of resources that has no measurable benefits for current resident/taxpayers and greatly expands the role of government in our lives. The primary roles of local government are public safety, providing adequate and safe infrastructure, fair and effective land use and ensuring a public environment where environmentally friendly space is made available for recreation. The rest is mostly political ideology.
42. I like the idea of middle housing, but do not like the pre approved plans idea because I don't want to see the same clusters all over town. I like them to be unique to the area and neighborhood.

43. Based on my experience as a Lake Oswego homeowner and history of working with low income populations I have a couple of thoughts: 1) increase/preserve starter homes that allow and promote home ownership by low and moderate income families with children and a pathway to our rich resources LO (parks, schools, etc.) 2) Identify what role developers can play beyond just making a profit 3) Keep engaging residents
44. Well prepared proposals and survey!
45. Lake Oswego does not need more housing.
46. Turning Lake Oswego into Portland's Pearl District is a major concern for me, a 30 yr resident.
47. Builders need to build simple, homes with good bones. Cut out the granite countertops but keep well insulated walls. No more flashy homes that are out of financial reach. & Yes we need parking. 2 per unit. & charging stations in apartment complexes. Limit corporate ownership for renting so more affordable to buy.
48. Lowering our existing home values, creating population density and infrastructure issues by adding more people. I'm strongly opposed to these ideas which is basically trying to sell overdevelopment in the. name of fair, affordable housing. Not everyone can afford everywhere, it's ridiculous to make towns forced to add cheaper housing than the market allows
49. STOP BUILDING MULTI MILLION DOLLAR HOMES AND CONDOS. You all are complete idiots. Stop building unaffordable e
50. Glad to see any and all housing in LO!
51. Our housing shortage is 100% due to 50 years of restrictive zoning. Open up all LO neighborhoods to any development and stop nitpicking. Setbacks, FAR, driveway and garage regulations? Gatekeeping, homogenous NIMBY BS. Throw away Euclidean zoning and let LO change according to its needs NOW, not 50 years ago.
52. I feel that the current water rates are inequitable and don't align with LO's affordable housing goals. One way to support affordable housing and lower income residents like myself would be a reevaluation of water and sewer charges. I live alone, shower every other day, do 2 loads of laundry per week, 3 dishwasher loads. I don't have a driveway and I live in a small townhome so my surface/stormwater impact is minimal. I also don't water a lawn because I don't have a yard. And yet my water bill is only $10 a month less than a family of 3 that I know who live on a double lot with a home, garage and additional outbuilding. People like me are subsidizing the water bills of more affluent people with huge stormwater impacts from long driveways and roofs covering 5000 square foot homes. Plus their high water usage for pools, lawns and family water needs barely moves up their water costs. Because the base rate is the same for all people regardless of their property size, usage and income level, the system is set up to reward the wealthy while putting an unfair burden on lower income people. I currently have zero incentive to conserve water as I could let my tap run all day and my bill would hardly increase at all. I think there needs to be a tiered base rate system that addresses property size, surface area for stormwater runoff and income level. And an incentivized lower usage rate for people who's usage falls below a certain amount.
53. Any incentives should only apply to affordable units, not market rate dwellings. There should be a strategy to leverage regional and state resources and partnerships.
54. My biggest concern is control of security and crime. How do we ensure our city stays safe? And - how do we ensure we avoid homelessness issues?
55. Please don't ruin our community!

56. get rid of rent control. 98 % of economists say it is a bad idea. Get rid of the tree code. It is counter-productive to a healthy urban forest. becauseof it no one plants trees that will grow large. with no new trees the forest will end.
57. This issue has been under discussion for decades. I hope this survey/project actually leads to...something? Someday?
58. We struggle with finding parking as it is in Lake Grove, and you want to take that away? My clients are seniors and had to walk two blocks just to eat at Gubanc's after the Vity took up the parking, there has to be a better way.
59. Housing cost is extremely high. How about a rent break on taxes?
60. The location of high density needs to be where there is transportation and grocery options
61. Support services (schools, emergency services, grocery, restaurants, parking, more traffic solutions and so much more) must be planned for with any new housing that may be considered.
62. Reducing parking is a problem. It should only be done for housing along public transit lines.
63. I am concerned about losing the character of Lake Oswego for sake of new development. I'm concerned that we will lose our natural beauty and spaciousness. More development means more traffic, more strain on community systems, and ultimately, a more crowded place to live. I oppose the assumption here that Lake Oswego needs to develop more housing. Development control has more or less worked to preserve the small town feel and beauty here for years.
64. As many other Oregon cities have with Middle Housing and in general code, Lake Oswego needs to include detached units (duplexes, etc) and encourage universal design.

Demographic Questions

1. What is your relationship to Lake Oswego? Check all that apply.



2. Do you rent or own your home?

Value	Percent	Responses
I live in the City of Lake Oswego	95.2%	119
I live in unincorporated area near Lake Oswego	2.4%	3
I live outside of Lake Oswego	1.6%	2
I work in lake Oswego	8.8%	11
I regularly visit Lake Oswego for reasons other than work	3.2%	4

3. What type of housing do you currently live in?

Value	Percent	Responses
Rent	11.9%	15
Own	88.1%	111

Totals: 126

4. What is your age?

Value	Percent	Responses
Detached single-family home	75.8%	94
Duplex, triplex, or quadplex	4.0%	5
Townhouse (attached home on its own lot)	9.7%	12
Apartment or condo	10.5%	13

Totals: 124

5. What is your approximate household income (before taxes)?

Value	Percent	Responses
18-24	0.8%	1
25-34	0.8%	1
35-44	21.0%	25
45-54	14.3%	17
55-64	22.7%	27
65 and older	40.3%	48

Totals: 119

6. What is your race/ethnicity? Check all that apply.

Value	Percent	Responses
White	87.9%	94
Black or African American	0.9%	1
American Indian or Alaska Native	1.9%	2
Asian	1.9%	2
Native Hawaiian or Pacific Islander	0.9%	1
Hispanic or Latino	1.9%	2
Other (please describe):	11.2%	12

Other (please describe):	Count
American	1
Doesn't matter	1
Human	1
N/A	1
mixed	1
prefer not to disclose	1
why does it matter	1
Totals	7

7. What is the highest level of education you've received?

Value	Percent	Responses
High school degree or equivalent (e.g. GED)	2.5%	3
Some college	8.4%	10
Associate's degree	4.2%	5
Bachelor's Degree	34.5%	41
Graduate Degree	50.4%	60
		Totals: 119

Engagement Evaluation

Even though this project included a thorough engagement effort, with various opportunities for community members and stakeholders to participate, there are opportunities for improvement in future engagement practices.

The city did include members of historically underrepresented groups and marginalized communities – including renters and people of color – as part of the HPS Task Force, and also engaged these communities through discussions with the Diversity, Equity and Inclusion Advisory Board. However, the City could make more efforts to more directly engage with these communities, for example, through

targeted focus groups. The City could consider partnering with organizations that specialize in that type of engagement – such as organizations that work with Hispanic and Latino or other culturally-specific communities.

Also, the city lacks tools and platforms that make virtual/hybrid participation accessible and engaging for everyone. The project incorporated some tools (e.g., the Alchemer survey platform and Zoom) to engage community members virtually. However, in the future, a virtual engagement platform like Bang the Table could make virtual engagement more accessible to those who cannot attend or commit to an event/meeting at a set date and time, and could facilitate more robust community conversations.

APPENDIX C:
PRE-HPS SURVEY RESULTS

All Categories #	Strategy	Encourage Needed Housing?	Increase Affordability?	Reduce rent burden?	Comments (LO)	Description	
A02	Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	Yes	Yes	Yes	We allow ADUs, manufactured homes, and housing units of all sizes in most residential zones. We allow multi-family residential in high-denisty residential zones. We do not allow the other housing types mentioned in the description.	In many cities, towns, and counties, changes to local zoning policies can help to facilitate the development of lower-cost housing types, such as Accessory Dwelling Units (ADU's), manufactured homes, multifamily housing, micro-units, or single-room occupancy developments. Changes to local zoning policies can also help to facilitate the development of safe overnight sheltering options for unhoused residents, such as Safe Park programs, Conestoga Hut Micro-shelters, sleeping pod micro-shelters, and others. To increase the likelihood the market can produce lower-cost housing types, it is important to make them allowable as of right in all locations and neighborhoods. If not, still provide flexibility in zoning code to still issue variance or conditional use permits that allow deviations from existing regulations on a case-by-case basis.	
A03	FAR, Density, or Height Bonuses for Affordable Housing	Yes	Yes	Yes	We allow a limited height or density bonus for affordable developments in the WLG-OC and R-DD zones	FAR, density, and height bonuses for affordable housing developments. Note: FAR/density bonuses do not work if there is not adequate height to make additional development feasible.	
A04	Housing Rehabilitation Codes	Yes	No	No	We administer the state building code that accomplishes this as a part of House Bill 2001 compliance.	Housing rehabilitation codes (or rehab codes) are building codes designed to reduce the costs of renovating and rehabilitating existing buildings, thereby facilitating the continued availability and habitability of older rental housing and owner-occupied homes. This is especially helpful to facilitate conversation into multiplex housing.	
A05	Code Provisions for ADUs	Yes	No	No	We have removed occupancy requirements for ADUs and expanded maximum ADU size to 1,000 sq. ft. for internal remodels of primary dwellings.	ADUs are smaller, ancillary dwelling units located on the same lot as a primary residence. They are typically complete dwellings with their own kitchen, bathroom and sleeping area. Given that ADUs are usually built by individual homeowners with limited experience or financial resources, code provisions can have a significant influence on the feasibility of their development and enable more widespread production. For example, easing occupancy requirements, allowing more ADUs on a lot, and expanding maximum size requirements. Certain building and development code regulations can inadvertently drive up ADU construction costs. More flexibility in siting, design, construction and lower fees are also needed to achieve feasibility in many cases.	
A08	Promote Cottage Cluster Housing	Yes	No	No	We do not specify ownership of cottages so that both renters/owners can live on the same cluster. Our minimum site size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots, and we have design standards for cottage clusters that implement HB 2001. We allow shared underground infrastructure for cottages on one single lot.	Cottage clusters are groups of relatively small homes typically oriented around shared common grounds with 4-14 homes typically between 1,000-1200 square feet in size. By further defining cottage cluster design and development standards, housing code can effectively address a predictable process for developers, and potentially encourage greater production for this housing type. Some examples may include: allowing for a wide range of sizes and attached/detached options for housing; not specifying ownership structure so that both renters/owners can live on the same cluster; ensuring that minimum site size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots; draft design requirements that ensure neighborhood compatibility, and efficient use of land, but are not so specific as to restrict the ability to adapt to varying neighborhood contexts. Other ideas include: uniformed codes, form-based codes, and allowing shared underground infrastructure when practical (e.g. sewer lines from each cottage can connect to one main that runs out to street, rather than 8 parallel lines out to street).	
A09	Short-Term Rentals Regulations	Yes	Yes	Yes	We have short-term rental regulations that require the rental is a home occupation where a resident lives on the lot. STRs are not permitted in ADUs where the ADU received an SDC fee waiver.	Short-term rentals can be seen as an investment strategy for small investors, but can also remove rental housing supply from the market, in effect driving up rent from the local housing market. To avoid this effect, regulations can include definitions for various forms of short-term rentals, defining use, and occupancy standards, and even adding limits to the number of days that a short term rental can be in operation in order to mitigate their impact on the local housing market. Short Term Rental Regulation should begin with/include registration requirements for all short term rentals.	
A10	Inclusionary Zoning	Yes	Yes	Yes	We require affordable housing (affordable to those earning 80% or less of AMI) on a portion of the Marylhurst Special District and a portion of the West Lake Grove Design District (WLG-OC zone) where multifamily use is allowed.	Requiring that a portion of the units within a market rate development be set aside as affordable housing. This tool will often be combined with property tax exemptions, fee waivers, or development bonuses to offset the cost of affordable housing units. Careful consideration should be employed when enacting inclusionary zoning. Note: A number of studies, including those analyzing the IZ Ordinance in Portland, have shown that IZ suppresses, rather than increases, the creation of new housing. Given that, if IZ is proposed, the financial components need to be calculated right to ensure that the inclusionary rate is not too high for the offsets provided and that overall housing production increases as a result.	
A11	Add Restrictive Covenants to Ensure Affordability	Yes	Yes	Yes	We do this for affordable housing developments that are within the Marylhurst Special District or the West Lake Grove Design District, and for any affordable housing development that receives SDC fee waivers.	Adding restrictive covenants to ensure affordability over time at a certain income level for affordable housing developments. Restrictive covenants are usually placed on a property in exchange for a local or state government providing financial contribution to the project. These covenants work best over the short-term (up to 30 years); after that they become unable to accommodate changed circumstances.	
A13	FAR & Density Transfer Provisions	Yes	Yes	Yes	We allow development rights to be transferred from areas protected as sensitive lands.	Enable and encourage Transfer of Development Rights (TDR) to maximize available Floor Area Ratio (FAR) provided public benefit (e.g. historic preservation & affordable housing) are attained and covenants ensure long term benefit. This strategy assumes that there are adequate, realistic, and relatively easy receiving areas for TRDs.	
A14	Re-examine Requirements for Ground-floor Retail/Commercial	Yes	No	No	We have a very limited area within our downtown where a ground-floor commercial requirement applies.	Critically re-assess requirements for ground floor retail; lively streetscape is a worthy goal, but not for every street. Jurisdictions can inadvertently impose massive costs on developers by requiring ground floor retail and commercial space even when it's unlikely to be fully occupied or generate nearly enough revenue to pay for itself. Ground floor uses should be driven by market demand; with residential use more beneficial to meet needed housing in some cases (eg. affordable housing).	
A18	Increase Density near Transit Stations and Regional Multi-use Trails	Yes	No	No	The mixed-use zoning that is in place near transit - Metro 'town centers', which also serve as CFAs, allows residential use and does not limit density. These areas have developed/redeveloped with s of high-density (50-100 units per acre) development in recent years.	Adopt increased density codes by right near transit stations, with higher levels of density near high capacity/high frequency stations, then stepping back into residential areas. Automatically upzone based on transportation corridor classifications; meaning wider ROWs get more flexibility in land use by right. This will add some flexibility for new transit stops, including bus stops. Be careful not to word the language so that people incorrectly assume that the density can only come after the transit has been put in place.	
A25	Legalize and Encourage Tiny Homes and Villages	Yes	No	No	We don't have policies to encourage them, but we do allow tiny houses to be constructed as primary or accessory dwellings, and as cotttages within cottage cluster developments.	The Oregon Reach Code, Part II, defines a "tiny house" as a dwelling that is 400 square feet or less in floor area, excluding lofts. While many (though not all) jurisdictions allow tiny homes to be sited as a primary or accessory dwelling, few encourage their development through regulatory incentives. Legalizing the siting of tiny homes as primary or accessory dwellings through the removal of minimum unit size requirements can enable the development of this housing type. Jurisdictions can encourage the development of tiny houses and tiny house villages by providing regulatory incentives – such as reductions in required off-street parking or open space – for units less than 400 SF in floor area.	
B01	Remove or Reduce Minimum Parking Requirements	Yes	No	No	The City has removed minimum parking requirements within 1/2-mile of priority transit, which includes the entire Downtown Town Center, and will remove minimum parking requirements in the City's other climate-friendly area (Lake Grove Village Center) to comply with CFEC rules.	Removing parking requirements for residential uses provides the opportunity to reduce the amount of lot area used for pavement and provides more space for housing and open space. This strategy offers greater flexibility to site housing and reduces costs associated with providing parking. Allow developers to respond to market demands and transit access without having the burden of parking minimums. Consider removing parking requirements near transit or for affordable housing.	
B03	Expedite Permitting for Needed Housing Types	Yes	No	No	The City has a practice of expediting the permitting process for deed-restricted affordable units.	Expedited permitting will help to reduce costs of development of Needed Housing as identified by the City. Consider projects with direct or indirect funding from local government as essential and projects with long term affordability covenants through tax abatement or inclusionary requirements as high priority and/or only expedite housing according to the jurisdictions identified needed housing types. Local governments might also consider assigning a designating staff to shepherd projects through the construction process in order to expedite process.	

B05	Reduce Regulatory Barriers to Lot Division	Yes	No	No	The City allows up to two flag lots, in addition to a "non-flag" lot that meets minimum frontage requirements. This can limit the total number of lots created, notwithstanding the minimum lot size (maximum density) allowed by the zone.	Remove barriers such as minimum street frontage, driveway requirements, etc., that impact minimum lot size/density during lot division. Preferably allow by-right lot division up to max number of units allowed.	
B07	Flexible Regulatory Concessions for Affordable Housing	Yes	Yes	Yes	The City allows minor variances and residential infill design variances for all buildings, including affordable housing developments; the City also offers a height or density bonus for affordable housing developments in certain zones (portion of WLG-OC, and the Marylhurst District's CI zone).	Often, nonprofit housing developers and housing agencies face regulatory impediments to building affordable housing, which can often derail projects. This strategy provides a flexible framework for delivery of affordable housing including but not limited to reduced minimum setbacks, height bonuses, and/or allowing for flexibility in how units are delivered. This strategy is not intended to allow for a lower quality for affordable housing buildings.	
B12	Pro Affordable Housing Agenda	Yes	Yes	Yes	The City Council has prioritized affordable housing for several years now with specific initiatives relating to City land banking, fee waivers, rezonings, code and permit streamlining, partnerships with Metro and the Housing Authority of Clackamas County, and incentives and assistance to nonprofit affordable housing developers including Mercy Housing NW, Habitat for Humanity. This has resulted in more than 180 units of affordable housing in the development pipeline.	Change the culture of Planning / Development Services departments to have a pro Affordable Housing agenda for both rental and homeownership. Supplement with fair housing education and education on the supply and demand impact on housing prices. The State could support jurisdictions in this effort by providing an incentive (e.g. funding set-aside) for jurisdictions that adopt aggressive pro Affordable Housing policies. This agenda should include a plan to ensure that affordable housing is not suppressed in single-family zones or in wealthier communities. As part of this, encourage departments to look closely at how existing approaches may inadvertently favor one type of tenure over another.	
B13	Align Bike Parking Requirements with Actual Use	No	Yes	No	The City has bike parking requirements that comply with Metro's requirements, and relatively few spaces are required.	Require bicycle parking requirements more in line with actual use. Example: No more than 1-1.5 bike parking stalls per unit.	
B15	Reduce the Power of NIMBYism to stop, slow, change, or reduce affordable housing	Yes	Yes	Yes	The City has adopted numerous clear and objective standards and development review processes that provide predictability in the permit process with appropriate opportunities for public input.	Many jurisdictions give communities/neighborhoods too much veto power on both zoning policy, and particular project proposals to keep others who they don't approve of from moving in. Dedicate funds to educate citizens on poverty, exclusion, and racial dynamics. Remove policies that allow neighborhood opposition to evidence based zoning proposals and individual projects. Decisions about what kind and how much housing goes where it needs to be data-driven and focused on equitable outcomes instead of the best outcomes for those with the most money and/or privilege.	
B16	Holistic Planning to Distribute New Density More Equitably	Yes	No	No	Our Comprehensive Plan historically has proritized infill and redevelopment over UGB expansion to manage growth, reduce infrastructure costs, and maintain a high quality of life. The City has focused higher density development into its two town centers and the mixed-use employment districts. The City opted to take an equity approach in complying with middle housing requirements under HB 2001, wherein middle housing is generally permitted in all of the City's residential districts (we did not use the performance metric approach).	Geography is often at odds with social equity; natural beauty is often in wealthy neighborhoods, as are historic buildings, allowing them to exclude new development and affordable housing. Develop a targeted plan to distribute density within the jurisdiction more equitably to areas with quality schools, access to natural resources etc. Additionally, work to distribute transit equitably to ensure that exclusionary neighborhoods don't remain that way because they don't offer transit for higher density housing.	
B19	Survey Applicants on Development Program Decision-Making	Yes	No	No	The City regularly seeks input from developers and builders when drafting land use and local building code amendments to understand how these policies may affect their projects. We also seek input from affordable housing developers specifically when developing policy and when the City is a partner or contributor to their project (e.g., financial incentives). The Community Development Director also coordinates with the Home Builders Association on legislative proposals, and over the years has convened a Builders Advisory Committee to vet policy issues and provide customer feedback.	Add a section to the city's development application asking developers how they decided on their development program and which public incentives were part of the consideration. This would lead to better information about how to tailor city strategies toward production. An alternative to requiring cities to collect this info, is to consider this approach as part of a production strategy. To be a strategy it needs additional action like logging and making publicly available the aggregated survey information on the city's housing/development/planning webpage or similar. The information could be collected on a form separate from the development application, so it is clear that the additional information is not part of the permit decision.	
C01	Reduce or Exempt SDCs for Needed Housing	Yes	Yes	No	The City has adopted regulations to waive systems development charges (SDCs) and development review fee waivers for income restricted affordable housing (80% or less of AMI) and for accessory dwelling units	Reducing, deferring, and/or financing System Development Charges (SDCs) at a low interest rate for needed housing types. This strategy reduces development costs.	
C03	Reduce or Exempt SDCs for ADUs	Yes	Yes	No	The City has adopted regulations to waive systems development charges (SDCs) and development review fees for accessory dwelling units	Waivers/reductions of SDCS for ADU production in order to improve the feasibility of the development. Create a model ordinance for the waiver, or deferment, of SDCs. Scale SDCs based on size, resource efficiency, and access to alternative transportation.	
C06	Publicly Funded Infrastructure Improvements	Yes	Yes	No	The City funds some off-site improvements for affordable housing developments on a case-by-case basis.	Fund off-site improvements for workforce or affordable housing; e.g. street intersection improvements triggered by development.	
D02	Low Income Housing Tax Credit (LIHTC)	Yes	Yes	Yes	LIHTC are used by affordable housing developers, not the City we do not have our own housing authority.	Federal tax provision that encourages private investment in affordable rental housing by providing qualified investors with a dollar-for-dollar reduction in federal income tax liability in exchange for investment in qualifying new construction and rehabilitation projects. LIHTCs may also be paired with Tax Exempt Revenue Bonds.	
D10	Tax Increment Financing (TIF) Set-Aside	Yes	Yes	Yes	The Lake Oswego Redevlopment Agency underwrote some of the costs in the North Anchor development to ensure the provision of deed-restricted affordable housing units using funds from the City's urban renewal program.	Create a TIF set-aside for affordable housing development programs within designated Urban Renewal Areas (URAs). Target could be to begin setting aside funds for affordable housing projects as a medium-term action, over the next 5 years or so. For example: Portland City Council designates 45% of the gross amount of TIF for designated housing purposes (rental housing for households under 60% of Area Median Income (AMI) and homeownership for households under 80% of AMI.	
F01	Land Banking	Yes	Yes	Yes	The City does this with vacant or underutilized sites, most recently the 1.4 acre construction staging property for the Boones Ferry Road Improvement Project. Metro is acquiring the site using regional affordable housing bond funds to create 50 deed-restricted affordable housing units.	Public purchasing of vacant/under-utilized sites of land in order to save for future affordable housing development. House Bill 2003, section 15 supports land banking: SECTION 15. (1) As used in this section, "public property" means all real property of the state, counties, cities, incorporated towns or villages, school districts, irrigation districts, drainage districts, ports, water districts, service districts, metropolitan service districts, housing authorities, public universities listed in ORS 352.002 or all other public or municipal corporations in this state.	

F04	Public/Private Partnerships (P3)	Yes	Yes	Yes	The City has partnered with organizations such as Habitat for Humanity and Mercy Housing Northwest to produce affordable housing units.	Partnerships between government and the private sector and/or nonprofits have the capacity to bring resources to the table that would otherwise not be available if each institution were able to help communities provide housing on its own. This can come in the form of coalitions, affordable housing task forces, and collaboratives.	
F07	Providing Information and Education to Small Developers	Yes	No	No	The City's Planning Department frequently dedicates time to working with small, local developers to help them undertsand the City's housing regulations.	Providing information to small, local developers that will help them understand land use permitting processes and give them a sense of clarity and certainty about requirements so they can better provide smaller scale housing at an affordable level.	
F08	Conversion of Underperforming or Distressed Commercial Assets	Yes	No	No	The City acquired the North Anchor site - which was an underperforming commercial asset in the City's Downtown Redevelopment District, and is working to convert the property into a mixed-use development that includes both market-rate and deed-restricted affordable housing units.	Acquisition of underperforming or distressed commercial assets (commercial, retail, industrial, or hotel) or partnerships with owners of the assets for conversion into needed housing.	
F10	Prioritize Housing on City/County Owned Land	Yes	No	No	The City does this with City-owned land, including the disposition of the staging site for the City's recent street improvement project on Boones Ferry Road, which is now slated to become deed-restricted affordable housing.	Surplus property suitable for housing is offered up for affordable development.	
F12	Surplus Land for Affordable Housing	Yes	No	No	The City does this with vacant or underutilized sites, most recently the 1.4 acre construction staging property for the Boones Ferry Road Improvement Project. Metro is acquiring the site using regional affordable housing bond funds to create 50 deed-restricted affordable housing units.	Sell land at the State or City's cost (below market) to developers of affordable housing. Long-term lease at very minimal cost to developers for land the City is not yet ready to surplus. County surplus of foreclosed land to affordable housing developers and/or housing authority.	
F14	Right of First Refusal for Land Purchase	Yes	No	No	The City employed this strategy in the Boones Ferry staging site affordable housing development.	Affordable housing providers could be offered a Right of First Refusal for city, county, or state owned land when the land would be used for affordable housing. Examples include a manufactured home program where residents can buy out the manufactured home park when the owner is ready to sell.	
F16	Regulatory Agreement	Yes	Yes	Yes	The City does this for a 50-year term, for all SDC waivers for affordable housing.	Regulatory Agreement, between the jurisdiction and developer, in place with the land sale that keeps the units affordable for 20 years in exchange for SDC waivers. This is straightforward without going through a difficult or costly process.	
F18	Utilize Surplus Land Owned by Faith-Based Organizations for Affordable Housing	Yes	No	No	The City employed this strategy through its work with the Sisters of Holy Names of Jesus and Mary (Sisters) when they were considering resuse of the former Marylhurst University Campus. Ultimately, the Sisters entered into an agreement with Mercy Housing NW for construction of 100 units of affordable family housing.	Over the past few decades, faith institutions across the country have been declining. This has prompted conversations within different faith communities about how to refocus their mission of social change. The housing affordability crisis in many cities around the country has brought these institutions into the work of creating affordable housing in their communities. This strategy would: 1) Identify faith and community-based organizations that are interested in offering their available land for development of affordable housing, 2) Provide design and finance consultation for three organizations to prepare them for future affordable housing development projects, and 3) Determine barriers to development and how those can be addressed and/or streamlined.	