



Home of the Tualatin River National Wildlife Refuge

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To: City of Sherwood Planning Commission
From: Hugo Agosto, Associate Planner
CC: Eric Rutledge, Community Development Director, Sean Conrad, Planning Manager
Date: October 24, 2025
Re: LU 2025-007 SP/VAR 'Old Town Multi-Family (Rock Point),' – Senate Bill (SB) 1537 – Staff Report Revisions and Findings

Dear Commissioners,

Land use application LU 2025-007 SP/VAR Old Town Multi-Family (Rock Point) is scheduled for its second public hearing before the Planning Commission on October 28, 2025. The applicant proposes the development of a multi-family structure consisting of thirty-two (32) dwelling units and associated site improvements.

An initial evidentiary hearing was held on October 14, 2025, at which the Planning Commission granted a continuance to allow staff to further analyze and revise the recommended findings and conditions outlined in the staff report dated October 7, 2025.

This memorandum summarizes the key revisions and updated findings contained in the revised Staff Report dated October 24, 2025.

The report also conditions the following additional attachments for the record:

- K.** Applicant email dated September 2, 2025
- L.** Applicant letter dated September 9, 2025
- M.** Applicant memo dated October 9, 2025
- N.** Applicant letter dated October 14, 2025
- O.** Public Testimony dated October 18, 2025

Architectural Features

Staff have revised the findings under *Section 16.12.030 - Residential Land Use Development Standards* to state,

The building is oriented towards SW Columbia Street and is setback a minimum of 14 ft., except where architectural features defined as porches are allowed to project up to 6 ft. into the front setback pursuant to Section 16.68.050(B). A porch is defined in Section 16.10 “a roofed shelter, usually open at the sides, projecting from the face of a building and used to protect the entrance to a building”. Based on this definition, the canopy and eave over the front entrances facing SW Columbia Street are porches and can project up to 6 ft. into the required front setback. This standard is intended to allow flexibility in street facing elevations for infill development.

As a result of this reanalysis, staff recommends removing Condition B.1, as the proposal complies with the applicable provisions and allowances under both *Chapter 16.12 – Residential Land Use District* and *Chapter 16.68 – Infill Development Standards*.

Multi-Family Dwelling Design Standards

The findings for *Section 16.12.030 - Residential Land Use Development Standards* & *16.90.020.D.7.b - Site Plan Review: Multi-Family Design Standards* have been revised as the proposed development meets the intent of this standard, since a portion of the building is located adjacent to and flush to the street; the objective of the standard is to promote buildings located near the street to promote pedestrian activity and access, while prohibiting incompatible uses like parking and loading areas.

Transportation Facilities

In response to correspondence received from the applicant’s legal counsel dated October 14, 2025, contesting requirements for right-of-way dedication, frontage improvements, or payment of a fee-in-lieu for SW Willamette Street, staff have revised the findings under *Chapter 16.106 – Transportation Facilities* to be reflective of and responsive to the comments received.

If the Planning Commission has any questions or concerns prior to the hearing, please contact staff for assistance.

Sincerely,

A handwritten signature in black ink that reads "Hugo Agosto". The signature is written in a cursive, flowing style.

Hugo Hamblin-Agosto, Associate Planner
City of Sherwood

CITY OF SHERWOOD
October 24, 2025
STAFF REPORT



OLD TOWN MULTI-FAMILY (ROCK POINT)
SITE PLAN REVIEW, CLASS A VARIANCE(S)
LU 2025-007 SP/VAR

To: City of Sherwood Planning Commission

From: Hugo Agosto, Associate Planner

Pre-App Meeting:	February 27, 2025
App. Submitted:	July 3, 2025
App. Complete:	August 26, 2025
Hearing Date:	October 14, 2025
120-Day Deadline:	December 24, 2025

PROPOSAL: A Type IV – Site Plan Review to develop a multi-family structure consisting of thirty-two (32) dwelling units. The applicant is requesting two (2) Class A Variances, pursuant to Senate Bill (SB) 1537 (2024):

- 1) Ten (10) percent reduction to the minimum lot size standards for multi-family dwellings beyond the first two (2) units from 1,500 to 1,350 square feet; and
- 2) A 16.96 percent increase to the maximum density standards under the High Density Residential (HDR) zone district from 24 to 28.07 dwelling units per acre.

The subject parcel is approximately ± 1.14 acres in size, High Density Residential (HDR) within the Old Town (OT) Overlay District – Old Cannery Area, and located at 15665 SW Willamette Street (Washington County Assessors and Tax Lot Number: 2S132BD/400).

I. BACKGROUND

A. Applicant:
Rock Point Construction
Attn: Adrian Oltean
8101 SW Nyberg Street, Suite 202
Tualatin, OR 97062

Owner:
Sherwood Group, LLC
8101 SW Nyberg Street, Suite 202

LU 2025-007 SP/VAR 'Old Town Multi-Family (Rock Point)'

Tualatin, OR 97062

- B. Location: 15665 SW Willamette Street (Washington County Assessors and Tax Lot Number: 2S132BD/400)
- C. Parcel Size: ±1.14 acres in size
- D. Review Type: Type IV – Site Plan Review & Class A Variances, subject to the mandatory adjustments under Senate Bill (SB) 1537 (2024).
- E. Public Notice: Notice of the application was provided in accordance with § 16.72.020 of the Sherwood Zoning and Development Code (SZDC) as follows: notice was distributed in five locations throughout the City, posted on the subject property, and mailed notice of the proposal was sent to property owners within 1,000 feet of the site on or before September 24, 2025. Notice of the application was also published in a local newspaper (The Times) general circulation on September 26, 2025, and October 3, 2025.
- F. Review Criteria: Sherwood Zoning and Community Development Code: Chapter 16.70 – General Provisions; Chapter 16.72 – Procedures for Processing Development Permits; Chapter 16.12 – Residential Land Use Districts; Chapter 16.58 – Vision Clearance and Fence Standards; Chapter 16.60 Yard Requirements; Chapter 16.68 – Infill Development Standards; Chapter 16.84.030.C – Variances Procedures; Chapter 16.90 – Site Planning; Chapter 16.92 – Landscaping; Chapter 16.94 – Off-Street Parking and Loading; Chapter 16.96 - On-Site Circulation; Chapter 16.98 – On-Site Storage; Chapter 16.106 Transportation Facilities; Chapter 16.108 Improvement Plan Review; Chapter 16.110 Sanitary Sewers; Chapter 16.112 Water Supply; Chapter 16.114 Storm Water; Chapter 16.116 Fire Protection; Chapter 16.118 Public and Private Utilities; Chapter 16.140 – Parks, Trees, and Open Spaces; Chapter 16.142 – Wetland, Habitat, and Natural Resources; Chapter 16.154 – Energy Conservation; Chapter 16.162 – Old Town (OT) Overlay District.
- G. History and Background:
- **LU 2021-022 SP / VAR / MLP:** A request for a 24-unit multifamily development on a High Density Residential (HDR) property in Sherwood's Old Town Overlay District. This proposal was not developed and the application expired March 14, 2024.
- H. Existing Conditions: The approximately 1.14-acre site is currently vacant. The property is covered with trees and shrubs with minimal vegetation management. A 0.48-acre wetland is present on the site, including native and non-native vegetation. The site has frontage on three (3) public streets: SW Columbia St., SW Pine St., and SW Willamette St. No driveways or curb cuts exist on any of the frontages.

- I. Surrounding Zoning Districts:
- West: Across SW Pine Street, High Density Residential – HDR (Old Town Overlay)
 - South: Across SW Willamette, Medium Density Residential Low-MDRL
 - East: High Density Residential – HDR (Old Town Overlay)
 - North: Across SW Columbia Street, Retail Commercial – RC (Old Town Overlay)
- J. Current Zoning: High Density Residential – HDR

II. AFFECTED AGENCY AND PUBLIC COMMENTS

- A. Notice of the application was sent to affected agencies via email on August 27, 2025. A full list of the agencies / staff receiving the routing email is included as **Attachment H**. The following responses were received:

1. City of Sherwood Engineering Department: Provided comments dated August 29, 2025. Comments are included in the Division VI - Public Infrastructure section of this report and are included as **Attachment B**. Comments are regarding Sanitary Sewer, Water, Storm Water, Transportation, Grading and Erosion Control, and Other Engineering Issues.
2. Clean Water Services (CWS): Provided comments dated September 11, 2025. Comments are included in the Division VI - Public Infrastructure section of this report and are included as **Attachment C**.
3. PRIDE Disposal & Recycling Company: Provided emailed correspondence dated September 9, 2025. Comments are included in the Division VI - Public Infrastructure section of this report and are included as **Attachment D**.
4. Oregon Department of Transportation (ODOT) Commerce and Compliance Division: Provided emailed correspondence dated August 27, 2025. Comments are included in the Division VI - Public Infrastructure section of this report and are included as **Attachment E**.
5. Oregon Department of Transportation (ODOT) Outdoor Advertising Sign Program: Provided emailed correspondence dated August 28, 2025. Comments are included in the Division VI - Public Infrastructure section of this report and are included as **Attachment F**.

B. Public Comments

No public comments were received at the time of writing this staff report. Comments from the community are welcome up to the close of the public hearing.

III. APPLICABLE CODE PROVISIONS

*Note – three asterisks (***) Indicates code has been omitted because it is not applicable.*

Chapter 16.70 - GENERAL PROVISIONS

16.70.030 - Application Requirements

C. Content

3. In addition to the required application form, all applications for Type II-V land use approval must include the following:

- k. Other special studies or reports that may be identified by the City Manager or his or her designee to address unique issues identified in the pre-application meeting or during project review including but not limited to:

- 4) Verification of compliance with other agency standards such as CWS, DSL, Army Corps of Engineers, ODOT, PGE, BPA, Washington County.

FINDING: Clean Water Services (CWS) (Attachment C) provided a memorandum dated September 11, 2025, which included comments and recommended conditions of approval. As stated under “prior to any work on the site,” the memorandum included the following language regarding an existing Service Provider Letter (SPL):

“Applicant shall comply with the conditions as set forth in the Service Provider Letter No. 21 002995, dated December 28, 2021. Note: This Service Provider Letter will require a review for extension of the expiration date prior to permit issuance.”

During the ongoing comment period, the applicant applied for a Service Provider Letter (SPL) (CWS File No. 25-002127), which was approved by CWS, issued on September 23, 2025, and is conditioned below to comply with all applicable conditions under their respective agency (Attachment A, Appendix Q). In combination of the information provided, staff believe the proposed development can achieve the requirements by CWS; the approval letter indicated that 21,040 square feet of vegetative corridor impact was mitigated through a wetland mitigation bank purchase.

Condition A.1: The applicant shall comply with all requirements and conditions set forth in the Clean Water Services (CWS) memorandum dated September 11, 2025, as applicable.

Condition A.2: The applicant shall comply with all requirements and conditions set forth in the Clean Water Services (CWS) Service Provider Letter File No. 25-002127.

As presented, the above criteria is met.

Chapter 16.72 - PROCEDURES FOR PROCESSING DEVELOPMENT PERMITS

16.72.010 - Generally

A. Classifications. Except for Final Development Plans for Planned Unit Developments, which are reviewed per Section 16.40.030, all ministerial, administrative, and quasi-judicial development permit applications and legislative land use actions shall be classified as one of the following:

5. Type IV.

The following quasi-judicial actions shall be subject to a Type IV review process:

- a. Site Plan review and/or "Fast Track" Site Plan review of new or existing structures in the Old Town Overlay District.

g. Class A Variance.

B. Hearing and Appeal Authority

1. The Hearing and Appeal Authorities shall be as follows:

- e. The Type IV Hearing Authority is the Planning Commission and the Appeal Authority is the City Council.

- 1) The Planning Commission shall hold a public hearing following public notice in accordance with Sections 16.72.020 through 16.72.080.
- 2) Any person who testified before the Planning Commission at the public hearing or submitted written comments prior to the close of the record may appeal the Planning Commission's decision.

FINDING: The proposal includes the development of a multi-family structure consisting of thirty-two (32) units within the Old Town Overlay District – Old Canary Area.

Consistent with Sherwood’s Zoning and Community Development Code, the subject proposal is categorized under a Type IV – Site Plan Review & includes two (2) Class A Variance requests, pursuant to Senate Bill (SB) 1537 (2024). A full discussion of the mandatory adjustments process pursuant SB 1537 is provided under the variances section of this report.

An initial hearing before the Planning Commission is scheduled for October 14, 2025, following public notice in accordance with Sections 16.72.020 through 16.72.080.

Under the mandatory adjustments Section 38(3) of SB 1537, only the applicant may appeal the decision of the adjustments.

The Site Plan Review appeal procedures follow the Sherwood Zoning and Community Development Code procedures described in this section above. Anybody who testifies orally or in writing before the close of the record may appeal the Site Plan decision.

As presented, this criteria is met.

16.72.020 - Public Notice and Hearing

A. Newspaper Notice

Notices of all public hearings for Type III, IV and V land use actions required by this Code shall be published in a newspaper of general circulation available within the City two (2) calendar weeks prior to the initial scheduled hearing before the Hearing Authority and shall be published one additional time in the Sherwood Archer, Sherwood Gazette or similarly local publication, no less than 5 days prior to the initial scheduled hearing before the hearing authority.

B. Posted Notice

- 1. Notices of all Type II, III, IV and V land use actions required by this Code shall be posted by the City in no fewer than five (5) conspicuous locations within the City, not less than fourteen (14) calendar days in advance of the staff decision on Type II applications or twenty (20) calendar days in advance of the initial hearing before the Hearing Authority for Type III, IV and V applications.**
- 2. Signage must be posted on the subject property fourteen (14) calendar days in advance of the staff decision on Type II applications and twenty (20) calendar days in advance of the initial hearing before the Hearing Authority for Type III, IV and V applications.**

- a. on-site posted notice shall provide a general description of the land use action proposed, the project number and where additional information can be obtained.
- b. On-site posted notice shall be designed to be read by motorists passing by; the exact size and font style to be determined by the City.
- c. On-site posted notice shall be located on the property in a manner to be visible from the public street. For large sites or sites with multiple street frontages, more than one sign may be required.

C. Mailed Notice

- 1. For Type II, III, IV and V actions specific to a property or group of properties, the City shall send written notice by regular mail to owners of record of all real property within one thousand (1,000) feet from the property subject to the land use action. Written notice shall also be sent to Oregon Department of Transportation (ODOT), Metro, the applicable transit service provider and other affected or potentially affected agencies. If the subject property is located adjacent to or split by a railroad crossing ODOT Rail Division shall also be sent public notice.
- 2. Written notice to property owners shall be mailed at least fourteen (14) calendar days prior to a decision being made on a Type II land use action and at least twenty (20) calendar days in advance of the initial public hearing before the Hearing Authority. If two (2) or more hearings are required on a land use action, notices shall be mailed at least ten (10) calendar days in advance of the initial hearing before the Commission or Council.
- 3. For the purposes of mailing the written notice, the names and addresses of the property owners of record, as shown on the most recent County Assessor's records in the possession of the City, shall be used. Written notice shall also be mailed to homeowner's associations when the homeowners association owns common property within the notification area and is listed in the County Assessor's records.
- 4. For written notices required by this Code, other than written notices to property owners of record, the City shall rely on the address provided by the persons so notified. The City shall not be responsible for verifying addresses so provided.
- 5. If a zone change application proposes to change the zone of property which includes all or part of a manufactured home park, the City shall give written notice by first class mail to each existing mailing address for tenants of the manufactured home park at least twenty (20) days but not more than forty (40) days before the date of the first hearing on the application. Such notice costs are the responsibility of the applicant.

FINDING: Public notice was distributed in five locations throughout the City, posted on the property, and mailed to property owners within 1,000 feet of the site on or before September 24, 2025. Notice of the public hearing was published in The Times, general circulation, on September 26, 2025, and October 3, 2025, consistent with the requirement for publication at least two weeks prior to the hearing and at least once no less than five days before the initial public hearing.

A complete description of the proposal, including accompanying application materials and approval criteria, were provided on the City of Sherwood website for all interested parties to review.; therefore, the above criteria is met.

Chapter 16.12 – Residential Land Use Districts
16.12.010 - Purpose and Density Requirements

- E. High Density Residential (HDR) - The HDR zoning district provides for higher density multi-family housing and other related uses with density of 16.8 to 24 dwelling units per acre (except middle housing types pursuant to 16.12.010.F). Minor land partitions shall be exempt from the minimum density requirement.**

16.12.20 - Allowed Residential Land Uses

A. Residential Land Uses

The table below identifies the land uses that are allowed in the Residential Districts. The specific land use categories are described and defined in Chapter 16.10.

Uses:	HDR
Multi-Family Dwellings	P
Whereas P=Permitted, C=Conditional, N=Not Allowed	

- B. Any use not otherwise listed that can be shown to be consistent or associated with the permitted uses or conditionally permitted uses identified**

in the residential zones or contribute to the achievement of the objectives of the residential zones will be allowed or conditionally permitted using the procedure under Chapter 16.88 (Interpretation of Similar Uses).

- C. Any use that is not permitted or conditionally permitted under this zone that cannot be found to be consistent with the allowed or conditional uses identified as in B. is prohibited in the residential zone using the procedure under Chapter 16.88 (Interpretation of Similar Uses).

FINDING: The proposal includes the establishment of a use categorized under **Multi-Family Dwellings**. Pursuant to SZDC §16.10, Multi-Family Dwellings are defined as:

A single structure containing five (5) or more dwelling units that share common walls or floor/ceilings with one or more units. The land underneath the structure is not divided into separate lots. Multi-dwellings include structures commonly called garden apartments, apartments and condominiums.

Pursuant to Chapter §16.12 – Residential Land Use District, the proposed use is permitted outright within the High Density Residential – HDR Zone District

As presented, this criterion is met.

16.12.030 - Residential Land Use Development Standards

- A. No lot area, setback, yard, landscaped area, open space, off-street parking or loading area, or other site dimension or requirement, existing on, or after, the effective date of this Code shall be reduced below the minimum required by this Code. Nor shall the conveyance of any portion of a lot, for other than a public use or right-of-way, leave a lot or structure on the remainder of said lot with less than minimum Code dimensions, area, setbacks or other requirements, except as permitted by Chapter 16.84. (Variance and Adjustments)

B. Development Standards

1. Except as modified under Chapter 16.68 (Infill Development), Section 16.144.030 (Wetland, Habitat and Natural Areas), or as otherwise provided, required minimum lot areas, dimensions and setbacks shall be provided in the following table.
2. Creation of new lots or parcels as part of a townhome or cottage cluster developments are subject to the applicable land division or Planned Unit Development approval process.
3. Sufficient Infrastructure. Prior to obtaining a residential building permit for construction of any new middle housing structure or division of an existing structure into middle housing, the applicant must submit a request for verification of Sufficient Infrastructure, together with any documentation requested by the City Engineer or designee, and receive approval from the City Engineer or designee.

C. Development Standards per Residential Zone

Development Standards by Zone	HDR Zone
Multi-Family Dwelling; for the first 2 units	8,000 SF
Multi-Family Dwelling: each additional unit after first 2	1,500 SF
Minimum Lot width at front property line: (in feet):	25 ft
Minimum Lot width at building line²:	
Multi-Family dwelling	60 ft
Minimum Lot Depth	80 ft
Maximum Height (in feet)³:	
;bull; All other dwelling types	40 feet or 3 stories
Setbacks (in feet)	
Front yard⁵	14 ft
Face of garage	20 ft
Interior side yard⁶	
Multi-Family Dwelling	5 ft
Between 18—24 ft. in height	7 ft
If over 24 ft. in height	§ 16.68 Infill

Rear yard	20 ft
Footnote: If the lot is an irregular shape see definition for Lot Line, Rear, Section 16.10 Definitions	

² Minimum lot width at the building line on cul-de-sac lots may be less than that required in this Code if a lesser width is necessary to provide for a minimum rear yard.

³ Maximum height is the lesser of feet or stories.

⁵ Reductions in front yard setbacks for architectural features as described in 16.50.050 are not permitted in the MDRL, MDRH, or HDR zoning districts.

⁶ Adjustments and Variances to interior side yard setbacks for all housing types are not allowed.

FINDING: The proposed development is on an existing lot equating to 1.14 acres in size, approximately 49,659 square feet (1 acre = 43,560 square feet x 1.14 = 49,658.4 square feet).

The applicant is proposing thirty-two (32) dwelling unit, therefore requiring at least 8,000 square feet for the first two (2) units and 45,000 square feet for the remaining thirty (30) units (30 units x 1,500 square feet for “each additional unit after first 2” = 45, 000). Based on the proposed density, the applicant is required to have at least 53,000 square feet of area to support the development of thirty-two (32) units, indicating a deficiency of 3,341 square feet.

To remedy this deficiency, the applicant is requesting one (1) of two (2) variances, pursuant to Senate Bill (SB) 1537 (2024), further addressed under *Chapter 16.84 – Variances*.

The lot is irregular in composition, with frontage along SW Columbia, SW Pine Street, and SW Willamette Street. The building is oriented towards SW Columbia Street and is setback a minimum of 14 ft., except where architectural features defined as porches are allowed to project up to 6 ft. into the front setback pursuant to Section 16.68.050(B). A porch is defined in Section 16.10 “a roofed shelter, usually open at the sides, projecting from the face of a building and used to protect the entrance to a building”. Based on this definition, the canopy and eave over the front entrances facing SW Columbia Street are porches and can project up to 6 ft. into the required front setback. This standard is intended to allow flexibility in street facing elevations for infill development.

The subject development is approximately 31-feet 1-inch in height, and three stories in total height. Due to the height of the proposed structure, the interior side setbacks are subject to Chapter 16.68 Infill Development Standards and addressed in subsequent sections of this report.

No alterations to the existing lot dimensions are proposed with this application.

As presented above, and addressed in subsequent sections, the above criteria are met.

16.12.040 - Community Design

- D. For additional standards relating to off-street parking and loading, energy conservation, historic resources, environmental resources, landscaping, access and egress, signs, parks and open space, on-site storage, and site design, see Divisions V, VIII, IX.**

FINDING: The proposal includes development criteria that is subject to the Community Design Standards of the development code. These standards are addressed throughout this staff report; therefore, this criterion is met.

16.31.080 - Floodplain

Except as otherwise provided, Section 16.134.020 shall apply.

FINDING: No floodplains are located on or abutting the property; therefore, this standard is not applicable.

Chapter 16.58 - VISION CLEARANCE AND FENCE STANDARDS

16.58.010 - Clear Vision Areas

- A. A clear vision area shall be maintained on the corners of all property at the intersection of two (2) streets, intersection of a street with a railroad, or intersection of a street with an alley or private driveway.**
- B. A clear vision area shall consist of a triangular area, two (2) sides of which are lot lines measured from the corner intersection of the street lot lines for a distance specified in this regulation; or, where the lot lines have rounded corners, the lot lines extended in a straight line to a point of intersection, and so measured, and the third side of which is a line across the corner of the lot joining the non-intersecting ends of the other two (2) sides.**
- C. A clear vision area shall contain no planting, sight obscuring fence, wall, structure, or temporary or permanent obstruction exceeding two and one-half (2½) feet in height, measured from the top of the curb, or where no curb exists, from the established street center line grade, except that trees exceeding this height may be located in this area, provided all branches and foliage are removed to the height of seven (7) feet above the ground on the sidewalk side and ten (10) feet on the street side.**

The following requirements shall govern clear vision areas:

- 1. In all zones, the minimum distance shall be twenty (20) feet.**

2. In all zones, the minimum distance from corner curb to any driveway shall be twenty-five (25) feet.
3. Where no setbacks are required, buildings may be constructed within the clear vision area.

FINDING: The subject proposal is required to comply with the above standards, to ensure continued safety and navigation of the site. The applicant submitted a narrative with the following statement:

..Each driveway shall result in the creation of 2 clear vision areas which shall result of a total of 4 new clear vision areas on the subject property. One clear vision area shall extend beyond the boundaries of the subject property.. The applicant proposes no site obscuring fence, or other structures which would exceed 2.5 linear feet in height. The applicant's preliminary landscaping plan includes shrubs which can be groomed to ensure that they shall not grow more than 2.5 linear feet in height within the clear vision areas..."

The applicant did not delineate these areas within their development plans. A recommended condition of approval will require updated plans to provide this information prior to Final Site Plan Approval. No plantings beyond what is described above will be allowed within these designated areas.

Required maintenance of each clear vision area is bestowed upon the property owner(s), and future noncompliance will be subject to code compliance. No man-made structures are allowed within clear vision areas. To ensure these standards are met and maintained, the following condition applies:

Condition A.3: Clear Vision Areas shall be maintained at each private driveway intersection, pursuant to 16.58.010.

Condition B.2: Prior to Final Site Plan Approval, the applicant shall resubmit development plans that delineates each Clear Vision Area in compliance with the requirements of Chapter 16.58 – Vision Clearance and Fence Standards.

As conditioned, the above criteria is met.

Chapter 16.60 - YARD REQUIREMENTS

16.60.010 - Through Lots

On a through lot the front yard requirements of the zone in which such a lot is located shall apply to the street frontage where the lot receives vehicle access; except where access is from an alley, the front yard requirements shall apply to the street opposite the alley.

16.60.030 - Yards

- A. Except for landscaping, every part of a required yard (also referred to as minimum setback) shall be open and unobstructed from its lowest point to the sky, except that architectural features such as awnings, fire escapes, open stairways, chimneys, or accessory structures permitted in accordance with Chapter 16.50 (Accessory Structures) may be permitted when so placed as not to obstruct light and ventilation.**

FINDING: The applicant submitted materials indicating that every part of the required yard is open and unobstructed as presented the above criteria is met.

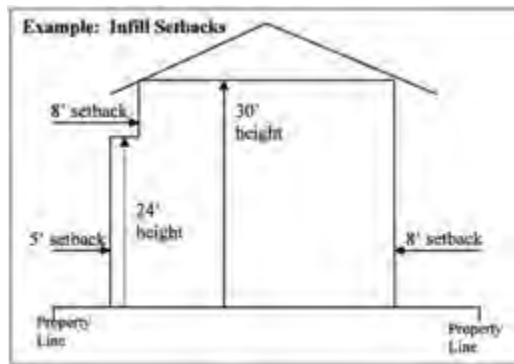
Chapter 16.68 - INFILL DEVELOPMENT STANDARDS

16.68.030 - Building Design on Infill Lots

Structures exceeding twenty-four (24) feet in height shall conform to the following standards:

B. Interior Side Setback and Side Yard Plane. When a structure exceeds twenty-four (24) feet in height:

- 1. The minimum interior side setback is five (5) feet, provided that elevations or portions of elevations exceeding twenty-four (24) feet in height shall be setback from interior property line(s) an additional one-half ($\frac{1}{2}$) foot for every one (1) foot in height over twenty-four (24) feet (see example below); and**
- 2. All interior side elevations exceeding twenty-four (24) feet in height shall be divided into smaller areas or planes to minimize the appearance of bulk to properties abutting the side elevation: When the side elevation of such a structure is more than 750 square feet in area, the elevation shall be divided into distinct planes of 750 square feet or less. For the purposes of this standard, a distinct plane is an elevation or a portion of an elevation that is separated from other wall planes, resulting in a recessed or projecting section of the structure that projects or recedes at least two (2) feet from the adjacent plane, for a length of at least six (6) feet. The maximum side yard plane may be increased by ten percent (10%) for every additional five (5) feet of side yard setback provided beyond the five (5) foot minimum.**



FINDINGS: The applicant submitted materials indicating that subject development is setback at least 10-feet from the nearest interior side setback, located against the western property line. Based on the structures proposed height of approximately 31-feet 1-inch, the required minimum interior side setback for the proposed development is approximately 8 feet 6.5 inches [$7.0833 \times 0.5 = 3.5417 = 3 \text{ feet } 6.5 \text{ inches}$] + 5-feet = 8-feet 6.5-inches]. The setback is approximately 10 ft. and this standard is met.

Furthermore, the applicant provided the necessary division of areas or planes, through the incorporation of balconies, to minimize the area of bulk appearance to properties abutting the side elevation (Sheet A200). The resulting composition visibly breaks up the massing of the wall, ultimately limiting perceived bulk and providing depth and shadow.

As presented, the above criteria are met.

Chapter 16.84 - VARIANCES

16.84.010 – Purpose

This Chapter provides standards and procedures for variances, which are modifications to land use or development standards that are not otherwise permitted elsewhere in this Code as exceptions to Code standards. This Chapter provides flexibility, while maintaining the purposes and intent of the Code. No variances shall be granted to allow the use of property for a purpose not authorized within the zone in which the proposed use is located. In granting a variance, conditions may be imposed when necessary to protect the best interests of surrounding properties and neighborhoods, and otherwise achieve the purposes of the adopted Comprehensive Plan, the Transportation System Plan, and other Code provisions.

16.84.020 - Applicability

A. Exceptions and Modifications versus Variances

A code standard or approval criterion may be modified without approval of a variance if the applicable code section expressly allows exceptions or modifications. If the code provision does not expressly provide for

exceptions or modifications then a variance is required to modify that code section and the provisions of Chapter 16.84 apply.

B. Combining Variances with Other Approvals; Permit Approvals by Other Agencies.

Variance requests may be combined with and reviewed concurrently by the City approval body with other land use and development applications (e.g., development review, site plan review, subdivision, conditional use, etc.); however, some variances may be subject to approval by other permitting agencies, such as ODOT in the case of State Highway access.

C. Adjustments and variances cannot be applied to change any existing Planned Unit Development (PUD).

16.84.030 - Types of Variances

As provided in this Section, there are three types of variances: Adjustments, Class A variance and Class B variance; the type of variance required depends on the extent of the variance request and the discretion involved in the decision making process.

C. Class A Variances

1. Generally

- a. The Class A variance procedure may be used to modify a standard for three (3) or fewer lots, including lots yet to be created through a partition process.
- b. An applicant who proposes to vary a standard for lots yet to be created through a subdivision process may not utilize the Class A variance procedure. Approval of a Planned Unit Development shall be required to vary a standard for lots yet to be created through a subdivision process, where a specific code section does not otherwise permit exceptions.
- c. A Class A Variance shall not be approved that would vary the "permitted, conditional or prohibited uses" of a land use district.

2. Approval Process:

- a. Class A Variances shall be processed using a Type IV procedure, as governed by Chapter 16.84, using the approval criteria in subsection 3, below.
- b. In addition to the application requirements contained in Chapter 16.72.010, the applicant shall provide a written narrative describing the reason for the variance, why it is required, alternatives considered, and compliance with the criteria in subsection 3.

3. Approval Criteria: The City shall approve, approve with conditions, or deny an application for a Class A Variance based on the following criteria:

- a. The proposed variance will not be materially detrimental to the purposes of this Code, to any other applicable policies and

standards, and to other properties in the same land use district or vicinity;

- b. A hardship to development exists which is peculiar to the lot size or shape, topography, or other similar circumstances related to the property over which the applicant has no control, and which are not applicable to other properties in the vicinity (e.g., the same land use district);
- c. The use proposed will be the same as permitted under this title and City standards will be maintained to the greatest extent that is reasonably possible while permitting reasonable economic use of the land;
- d. Existing physical and natural systems, such as but not limited to traffic, drainage, natural resources, and parks will not be adversely affected any more than would occur if the development occurred as specified by the subject Code standard;
- e. The hardship is not self-imposed; and
- f. The variance requested is the minimum variance that would alleviate the hardship.

FINDING: Senate Bill (SB) 1537 was passed by the Oregon Legislature and signed by Governor Kotek during the 2024 legislative session. The bill requires cities and counties to approve certain land use adjustments, sometimes called variances, for certain housing applications. The law requires cities to process these adjustment requests as limited land use decisions but allows cities to apply their adopted comprehensive plan and development code procedures for limited land use decisions. In this case, both adjustments are required to follow the Class A Variance procedures. The state law also sets specific approval criteria that apply, superseding local development code approval criteria. The Mandatory Adjustments provisions of SB 1537 (Sections 38-41) became operative July 1, 2025, with a sunset date of January 2, 2032.

The applicant is requesting an adjustment to the minimum lot size and maximum density standards of Sherwood's code. Staff find that the requested adjustments qualify under the bill and are required to be approved. The bill language and additional findings are provided below.

In order to qualify for a mandatory adjustment, Section 38(2) of the bill states:

An application qualifies for an adjustment under SB 1537, only if the following conditions are met:

- ***(a) The application is for a building permit or a quasi-judicial, limited or ministerial land use decision;***
- ***(b) The development is on lands zoned to allow for residential uses, including mixed-use residential;***

- ***(c) The residential development is for densities not less than those required under section 55 (3)(a)(C) of [SB 1537];***
- ***(d) The development is within an urban growth boundary, not including lands that have not been annexed by a city;***
- ***(e) The development is of net new housing units in new construction projects, including:***
 - ***(A) Single-family or multifamily;***
 - ***(B) Mixed-use residential where at least 75 percent of the developed floor area will be used for residential uses;***
 - ***(C) Manufactured dwelling parks;***
 - ***(D) Accessory dwelling units; or***
 - ***(E) Middle housing as defined in ORS 197A.420;***
- ***(f) The application requests not more than 10 distinct adjustments to development standards as provided in this section. A “distinct adjustment” means:***
 - ***(A) An adjustment to one of the development standards listed in [Section 38(4), SB 1537 (2024)] where each discrete adjustment to a listed development standard that includes multiple component standards must be counted as an individual adjustment; or***
 - ***(B) An adjustment to one of the development standards listed in [Section 38(5), SB 1537 (2024)] where each discrete adjustment to a listed development standard that includes multiple component standards must be counted as an individual adjustment.***

The only approval criteria that can be applied to the requested adjustment are listed under Section 38(2)(g) of the bill which states:

- ***The application states how at least one of the following criteria apply:***
 - ***(A) The adjustments will enable development of housing that is not otherwise feasible due to cost or delay resulting from the unadjusted land use regulations;***
 - ***(B) The adjustments will enable development of housing that reduces the sale or rental prices per residential unit;***
 - ***(C) The adjustments will increase the number of housing units within the application;...***

Applicants may request a mandatory adjustment to the following development standards:

Under Section 38 (4) a local government shall grant an adjustment to the following development standards:

- ***(d) Minimum lot sizes, not more than a 10 percent adjustment, and including not more than a 10 percent adjustment to lot widths or depths.***

- **(g) For manufactured dwelling parks, middle housing (as defined in ORS 197A.420), multifamily housing and mixed-use residential housing:**
 - **(C) Unit density maximums, not more than an amount necessary to account for other adjustments under this section; and**

Within the parameters of the proposed development, the applicant submitted materials indicating compliance with the above criteria, indicating that requested two (2) adjustments will increase the number of housing units within the application. The application is also for densities greater than 17 units per acre, is on land zoned for residential uses, is for new construction, and is within the Urban Growth Boundary. This meets the overall statutory eligibility and satisfies at least one of the required criteria described above to grant the requested adjustments. These two (2) adjustments include:

- 1) A ten (10) percent reduction to the minimum lot size standards for multi-family dwellings beyond the first two (2) units from 1,500 to 1,350 square feet; and
- 2) A 16.96 percent increase to the maximum density standards under the High Density Residential (HDR) zone district from 24 to 28.07 dwelling units per acre.

Regarding application procedures and following the limited land use procedure requirement, in August 2025, the Oregon Department of Land Conservation and Development (DLCD) and Housing Accountability and Production Office (HAPO), issued an amended Frequently Asked Questions (FAQ) regarding implementation of SB 1537 (Attachment J). One of the points of clarification (Q: 53) discussed what review processes are allowed for review of limited land use decisions. The response included the following:

HAPO staff understands the amendments to allow cities to continue to use the existing procedures in their land use ordinances. The amended ORS 197.195(6) directs a city to use only the procedures in this section to review limited land use decisions. The reference to “this section” includes ORS 197.195(3)(a), which directs cities and counties to use the review procedures in its acknowledged comprehensive plan. It was understood that the legislative intent of this provision was to require administrative review of limited land use decisions. However, the amendments do not appear to preclude a city from applying its existing review procedures. The amendments in ORS 197.195(6) mention only cities. County government procedures are not affected.

The City of Sherwood’s adopted Zoning and Community Development Code establishes procedures for processing adjustments to development standards through Chapter 16.72 (Procedures for Processing Development Permits) and Chapter 16.84 (Variances). Under the City’s acknowledged procedures, adjustments that exceed a 10% change to a standards are processed as Class A Variances under the City’s Type IV review procedures and go before the Planning Commission. While SB 1537 adjustments are mandatory approvals when statutory conditions are met, the City is utilizing its existing limited land use procedures as the vehicle for review, consistent with the provisions of the state law.

Accordingly, this application has been scheduled for review by the Planning Commission on October 14, 2025. SB 1537 limits the scope of discretionary review to only the applicable criteria outlined in Sections 38–41 of SB 1537 and not the criteria listed under the city’s code section 16.84.030.C.3.a-f. The Planning Commission’s role is therefore to determine whether the record demonstrates compliance with SB 1537’s eligibility conditions and approval criteria; if so, the requested adjustments must be granted. As noted above, staff recommend approval of the adjustment requests.

Chapter 16.90 - SITE PLANNING

16.90.010 – Purpose

Site planning review is intended to:

- A. Encourage development that is compatible with the existing natural and manmade environment, existing community activity patterns, and community identity.
- B. Minimize or eliminate adverse visual, aesthetic or environmental effects caused by the design and location of new development, including but not limited to effects from:
 - 1. The scale, mass, height, areas, appearance and architectural design of buildings and other development structures and features.
 - 2. Vehicular and pedestrian ways and parking areas.
 - 3. Existing or proposed alteration of natural topographic features, vegetation and water-ways.

16.90.020 - Site Plan Review

A. Site Plan Review Required

Site Plan review is required prior to any substantial change to a site or use that is not subject to Residential Design Checklist or Residential Design Review, does not meet the criteria of a minor or major modification per 16.90.030, issuance of building permits for a new building or structure, or for the substantial alteration of an existing structure or use. Exemptions noted below.

Site Plan Review is required for the following development:

- 1. Multi-dwelling
- 2. Commercial
- 3. Industrial
- 4. Mixed-use

FINDING: The proposal includes the development of a multi-family structure consisting of thirty-two (32) dwelling units. Pursuant to the above criteria, the proposal is subject to Chapter 16.90 and is further described below.

D. Required Findings

No site plan approval will be granted unless each of the following is found:

- 1. The proposed development meets applicable zoning district standards and design standards in Division II, and all provisions of Divisions V, VI, VIII and IX.**

FINDING: The subject parcel is zoned High Density Residential (HDR), and subject to Chapter 16.12 – Residential Land Use Districts, as well as all other applicable provisions of Divisions V, VI, VIII and IX. Compliance with all applicable code criterion is outlined within this staff report; therefore, this criterion is satisfied.

- 2. The proposed development can be adequately served by services conforming to the Community Development Plan, including but not limited to water, sanitary facilities, storm water, solid waste, parks and open space, public safety, electric power, and communications.**

FINDING: The application was reviewed by the City of Sherwood Engineering and Building departments for compliance with the above criteria. An Engineering memorandum, dated August 29, 2025 (Attachment B), indicated the proposed development would have adequate access to services, as further detailed and conditioned in subsequent sections of this report; therefore, this criterion is satisfied.

- 3. Covenants, agreements, and other specific documents are adequate, in the City's determination, to assure an acceptable method of ownership, management, and maintenance of structures, landscaping, and other on-site features.**

FINDING: The applicant submitted a narrative with the following statement,

The entire subject property shall be under common ownership, ensuring one entity is responsible for all property management and the maintenance of all structures, on-site amenities, and required landscaping. The applicant acknowledges that if the development were ever [Condominiumized] an organization and associated legal covenants must be established to ensure an acceptable method of ownership, management, and maintenance of structures, landscaping, and other on-site features.

Condition of Approval B14 requires the applicant to provide an acceptable form of ownership and maintenance for the common open space within the site. As presented and conditioned this criterion is satisfied.

- 4. The proposed development preserves significant natural features to the maximum extent feasible, including but not limited to natural drainage ways, wetlands, trees, vegetation (including but not limited**

to environmentally sensitive lands), scenic views, and topographical features, and conforms to the applicable provisions of Division VIII of this Code and Chapter 5 of the Community Development Code.

FINDING: The applicant submitted a narrative stating the following,

The applicant proposes to remove all on-site vegetation outside of the retention of two mature Douglas Fir trees which were previously identified as significant by the City of Sherwood. It is not feasible to maintain any significant on-site vegetation as the area is overgrown with non-native and invasive species. An efficient land clearing process is necessary to remove the overgrowth and prepare for development and this may result in the loss of the remaining native vegetation. The applicant has proposed landscaping which shall include primarily native plants as demonstrated by the attached landscaping plan. The proposed landscaping shall offset the loss of any significant mature native vegetation and shall replace the invasive and non-native vegetation with appropriate plants.

Based on the scope of the proposed development, the project preserves significant natural features to the maximum extent feasible, consistent with all applicable standards, as further described throughout this staff report. The size and configuration of the wetland, including its associated vegetation, limit opportunities for additional preservation while still accommodating development of the site. The following condition applies:

Condition A.4: The applicant shall preserve the two existing mature Douglas Fir trees, as identified within the approved plan set.

As presented and conditioned, this criterion is met.

5. For developments that are likely to generate more than 400 average daily trips (ADTs), or at the discretion of the City Engineer, the applicant must provide adequate information, such as a traffic impact analysis (TIA) or traffic counts, to demonstrate the level of impact to the surrounding transportation system. The developer is required to mitigate for impacts attributable to the project, pursuant to TIA requirements in Section 16.106.080 and rough proportionality requirements in Section 16.106.090. The determination of impact or effect and the scope of the impact study must be coordinated with the provider of the affected transportation facility.

FINDING: The project was reviewed by Public Works – Engineering staff. Staff determined the vehicle traffic from the project is not anticipated to generate more than 400 average daily trips (ADTs). Therefore, this section does not apply, and no additional traffic counts or traffic impact analysis are required.

6. Electric Vehicle Conduits

- a. For proposed multi-family residential or mixed-use developments - proposed multi-family residential buildings with five or more residential dwelling units and proposed mixed-use buildings consisting of privately owned commercial space and five or more residential dwelling units, shall provide sufficient electrical service capacity, as defined in ORS 455.417, to accommodate no less than 40 percent of all vehicle parking spaces. Dwelling units in townhouses are not included for purposes of determining the applicability of this regulation.
- b. For proposed Non-Residential Development under private ownership - Each building for a proposed non-residential development, under private ownership, shall provide electrical service capacity at no less than 20 percent of the vehicle parking spaces in the garage or parking area for the building. Fractional numbers derived from a calculation of the vehicle parking spaces must be rounded up to the nearest whole number.

FINDING: As further delineated under Chapter 16.94, the proposed development will provide a total of forty (40) off-street parking stalls. The subject property is required to dedicate sixteen (16) off-street parking stalls ($40 \times 0.40 = 16$) to future electrical service capacity (i.e., conduits). The applicant did not submit development plans indicating that these conduits will be placed accordingly, and information regarding the exact location of each conduit, or how they will connect to the larger overall power distribution system, were not provided. As to remedy this deficiency, the following condition applies:

Condition B.3: Prior to Final Site Plan Approval, the applicant shall submit plans detailing the exact location of each proposed conduit for future electrical service capacity, serving at least forty (40) percent of the proposed off-street parking stalls. The plans shall detail how the proposed conduits will connect to the overall power distribution system.

As presented, the above standard is met.

7. The proposed commercial, Multi-Family dwelling, institutional or mixed-use development is oriented to the pedestrian and bicycle, and to existing and planned transit facilities. Urban design standards include the following:
 - a. Primary, front entrances are located and oriented to the street, and have significant articulation and treatment, via facades, porticos, arcades, porches, portal, forecourt, or stoop to identify the entrance for pedestrians. Additional entrance/exit

points for buildings, such as a postern, are allowed from secondary streets or parking areas.

FINDING: The applicant submitted a narrative (Attachment A, Appendix A) stating that,

“The applicant proposes a design for the 32-unit apartment building that will include 3 ground floor units which are oriented towards SW Columbia St and a main lobby oriented towards SW Columbia Street. The lobby entrance shall provide direct pedestrian access to the pedestrian improvements along SW Columbia St. The lobby entry is emphasized through the following architectural treatments:

- *A 23'-wide, 5'-deep metal-framed canopy for weather protection and entry definition;*
- *An enhanced door height to establish hierarchy over unit entries;*
- *Wood-finish cladding at the recessed entry alcove; and*
- *An adjacent pedestrian bench to activate the streetscape.”*

As shown in the development plans, the building is oriented to SW Columbia Street and provides a pedestrian connection to the street. The street facing façade also provides articulation and treatment in conformance with this standard, through the treatments listed above.

Currently, the pedestrian pathway connecting the front entrance of the building to SW Columbia Street is required to avoid a city-owned property between the subject site and SW Columbia Street. The pathway extends to the north before making the connection to the right-of-way. The applicant is encouraged to work with the City to obtain permission to use this property for a more direct connection to the right-of-way. The following conditions are recommended:

Condition B.5: Prior to Final Site Plan Approval, applicant is encouraged, but not required, to work with the City to provide a more direct connection between the front entrance and SW Columbia Street over the city’s property (Tax Lot 2S132BD08900). An agreement is required to be reached between the City and applicant for use of this property.

With the recommended condition in place, this criterion is met.

b. Buildings are located adjacent to and flush to the street, subject to landscape corridor and setback standards of the underlying zone.

FINDING: As described in Section 16.12.030 of this report, the subject site is an infill lot and a reduction to the front yard setback is allowed for architectural features defined as porches. The entrance canopy and eave project into the front setback as allowed by the

infill development standards. While a portion of the northern section of the building exceeds a 14 ft. distance from the property line, staff finds the intent of this standard is met since a portion of the building is located adjacent to and flush to the street. The intent of the standard is to promote buildings are located near the street to promote pedestrian activity and access, while prohibiting incompatible uses like parking and loading areas.

As presented, the above criteria are met.

- c. The architecture of buildings are oriented to the pedestrian and designed for the long term and be adaptable to other uses. Aluminum, vinyl, and T-111 siding are prohibited. Street facing elevations have windows, transparent fenestration, and divisions to break up the mass of any window. Roll up and sliding doors are acceptable. Awnings that provide a minimum 3 feet of shelter from rain are required unless other architectural elements are provided for similar protection, such as an arcade.**

FINDING: The applicant submitted a narrative (Attachment A, Appendix A) stating that,

The requirement that architecture of buildings are oriented to the pedestrian and designed for the long term and be adaptable to other use requires interpretation as what is “oriented to the pedestrian” and “adaptable to other use” is up to interpretation and debate. As a result, this portion of this criteria is not clear and objective and may not be applied to this application.

The applicant has proposed a design for the 32-unit apartment that fulfills the objective criteria of this section and attempts to provide a design which is oriented towards the pedestrian and will be flexible for future uses despite the subjective nature of these standards.

The proposed design of the 32-unit apartment building is oriented towards Columbia St and has pedestrian accesses for the street facing ground floor units. These ground floor units could be adaptable to other uses. The street facing elevation of the building shall have windows and glazed doors. 3 of the ground floor units with pedestrian access shall have an awning which extends 3’ from the street facing building elevation.

This awning combined with the decks of the second story units shall create a traditional “stoop” area which provides shelter from rain. Stoops and similar semi-private spaces oriented towards the street are a hallmark of good pedestrian-oriented design which encourages street level interaction. In addition, the primary entrance shall be covered by a similar metal framed awning. The applicant shall not use aluminum, vinyl, or T-111 siding in the construction of the proposed 32-unit apartment building.

Materials detailed under the exterior elevations (Sheet A200 & A201) demonstrate no aluminum, vinyl, or T-111 will be utilized for development. The street facing elevations have windows, transparent fenestration, and divisions to break up the mass of any window. The applicant's narrative states that a 5 ft. deep canopy is proposed over the front entrance to the building along SW Columbia Street. The applicant is required to construct the front façade in conformance with the approved plans.

As presented, the above criteria are met.

- d. Multi-family development requires a minimum of 15 percent of the area of the primary building elevation adjacent to a public right-of-way to include windows and entrance doors, and for the side building elevation, adjacent to a public right-of-way or public accessway, a minimum of 10 percent glazing of area is required.**

FINDING: The applicant submitted a narrative (Attachment A, Appendix A) stating that,

...preliminary elevations and renderings of the proposed 32-unit apartment building...[display] Greater than 28% of the front elevation contains glazed area. The applicant finds that the glazing requirements of this section are met.

Staff concur with the above analysis for the front elevation. Glazing area calculations were provided under Sheet A002; the façade area is approximately 4,106 square feet, while 1,172 square feet are dedicated to windows and doors, resulting in 28.5 percent overall glazing area. The proposal exceeds the minimum standard.

No other portion of the proposed development is adjacent to a public right-of-way or public accessway.

As presented, the above criteria are met.

- 8. Driveways that are more than twenty-four (24) feet in width shall align with existing streets or planned streets as shown in the Local Street Connectivity Map in the adopted Transportation System Plan (Figure 17), except where prevented by topography, rail lines, freeways, pre-existing development, or leases, easements, or covenants.**

FINDING: The proposed development is permitted to utilize one of the proposed driveways, as access onto Pine will be limited to only emergency vehicles, as further described under Chapter 16.106. The approved driveway will be approximately 24 feet in width, provide access to SW Columbia Street, and align with the established road

network. The proposal complies with the standards set forth in the Sherwood Transportation System Plan (TSP); therefore, this criterion is met.

B. Approvals

The application is reviewed pursuant to Chapter 16.72 and action taken to approve, approve with conditions, or deny the application for site plan review. Conditions may be imposed by the Review Authority if necessary to fulfill the requirements of the adopted Comprehensive Plan, Transportation System Plan or the Zoning and Community Development Code. The action must include appropriate findings of fact as required by Section 16.90.020. The action may be appealed to the Council in accordance with Chapter 16.76.

C. Time Limits

Site plan approvals are void after two (2) years unless construction on the site has begun, as determined by the City. The City may extend site plan approvals for an additional period not to exceed one (1) year, upon written request from the applicant showing adequate cause for such extension, and payment of an extension application fee as per Section 16.74.010. A site plan approval granted on or after January 1, 2007 through December 31, 2009, is extended until December 31, 2013.

FINDING: The application was reviewed in compliance with Chapter 16.72, and action was taken to either approve, approve with conditions, or deny the application for site plan review, as further detailed in this report. The following condition applies:

Condition A.5: Approval of this decision is valid for a period of two (2) years from the date of Notice of Decision (LU 2025-007 SP/VAR) unless construction on the site has begun. A one (1) year extension may be granted by the City upon written request from the applicant showing adequate cause for such extension.

Chapter 16.92 - LANDSCAPING

16.92.010 - Landscaping Plan Required

All proposed developments for which site plan review is required pursuant to Section 16.90.020 shall submit a landscaping plan that meets the standards of this Chapter. All areas not occupied by structures, paved roadways, walkways, or patios shall be landscaped or maintained according to an approved site plan.

FINDING: Pursuant to Section 16.90.020, the proposal is subject to Site Plan Review; therefore, these standards are applicable.

16.92.020 - Landscaping Materials

A. Type of Landscaping

Required landscaped areas shall include an appropriate combination of native evergreen or deciduous trees and shrubs, evergreen ground cover, and perennial plantings. Trees to be planted in or adjacent to public rights-

of-way shall meet the requirements of this Chapter. Plants may be selected from the City's "Suggested Plant Lists for Required Landscaping Manual" or suitable for the Pacific Northwest climate and verified by a landscape architect or certified landscape professional.

1. Ground Cover Plants

- a. All of the landscape that is not planted with trees and shrubs must be planted in ground cover plants, which may include grasses. Mulch is not a substitute for ground cover, but is allowed in addition to the ground cover plants.
- b. Ground cover plants other than grasses must be at least the four-inch pot size and spaced at distances appropriate for the plant species. Ground cover plants must be planted at a density that will cover the entire area within three (3) years from the time of planting.

FINDING: The applicant submitted landscaping plans (Sheet L100) indicating the entire landscaped area, not dedicated to either trees or shrubs, will have sufficient ground coverage, through the incorporation of grasses (Fine Fescue Lawn Mix) and other appropriate materials (Kinnikinnick/Arctostaphylos Uva Ursi). Conversely, the applicant did not indicate if the proposed ground cover plants, excluding grasses, will be at least four inches in pot size. Plantings will be evenly spaced throughout the landscaped area and will cover the entire area within three (3) years of initial planting. The following condition applies:

Condition B.8: Prior to Final Site Plan Approval, the applicant shall resubmit landscaping plans to indicate all ground cover plants, excluding grasses, will be installed at a minimum four-inch pot size.

As conditioned, this standard is met.

2. Shrubs

- a. All shrubs must be of sufficient size and number to be at full growth within three (3) years of planting.
- b. Shrubs must be at least the one-gallon container size at the time of planting.

FINDING: The applicant submitted preliminary landscaping plans indicating each proposed shrub will be at least one-gallon container sized when planted. Further research into each individual shrub species indicated full growth within three (3) years of being established, given normal and appropriate conditions; therefore, this standard is met.

3. Trees

- a. Trees at the time of planting must be fully branched and must be a minimum of two (2) caliper inches and at least six (6) feet in height.
- b. Existing trees may be used to meet the standards of this chapter, as described in Section 16.92.020.C.2.

FINDING: The applicants' landscaping plan (Sheet L100) indicates each proposed tree will be at least two (2) caliper inches and at least six (6) feet in height when planted. Two (2) existing Douglas Fir Trees, located at the southeastern property line, are proposed for preservation but will not be included in meeting the minimum requirements, as further described under 16.92.020.C.2; therefore, this standard is met.

B. Plant Material Selection and Preparation

1. Required landscaping materials shall be established and maintained in a healthy condition and of a size sufficient to meet the intent of the approved landscaping plan. Specifications shall be submitted showing that adequate preparation of the topsoil and subsoil will be undertaken.
2. Landscape materials should be selected and sited to produce a hardy and drought-resistant landscape area. Selection of the plants should include consideration of soil type, and depth, the amount of maintenance required, spacing, exposure to sun and wind, the slope and contours of the site, and compatibility with existing native vegetation preserved on the site.

FINDING: The applicant submitted preliminary landscaping plans detailing the proposed planting schedule, which highlighted the various materials selected for landscaping. Further research into each species and plant type indicated the proposed landscaping materials were at least moderately drought resistant, given normal weather conditions. Conversely, the applicant did not provide details displaying adequate preparation of the topsoil and subsoil during the establishment of the proposed landscaped vegetation. Future maintenance of the proposed landscaping will be the responsibility of the owner(s). The following conditions apply:

Condition A.6: The property owner(s) shall be responsible for ensuring the overall maintenance and health of the approved landscaping materials. Only hardy and drought-resistant landscaping shall be permitted on the parcel. Violation of this condition will be subject to Code Enforcement.

Condition B.9: Prior to Final Site Plan Approval, the applicant shall submit landscaping plans indicating adequate preparation of the topsoil and subsoil will occur during the establishment of the proposed vegetation, pursuant to 16.92.020.B.2.

As conditioned, these standards are met.

C. Existing Vegetation

- 1. All developments subject to site plan review per Section 16.90.020 and required to submit landscaping plans per this section shall preserve existing trees, woodlands and vegetation on the site to the maximum extent possible, as determined by the Review Authority, in addition to complying with the provisions of Section 16.142.(Parks, Trees and Open Space) and Chapter 16.144 (Wetland, Habitat, and Natural Resources).**
- 2. Existing vegetation, except those plants on the Nuisance Plants list as identified in the "Suggested Plant Lists for Required Landscaping Manual" may be used to meet the landscape standards, if protected and maintained during the construction phase of the development.**
 - a. If existing trees are used, each tree six (6) inches or less in diameter counts as one (1) medium tree.**
 - b. Each tree that is more than six (6) inches and up to nine (9) inches in diameter counts as two (2) medium trees.**
 - c. Each additional three (3) inch diameter increment above nine (9) inches counts as an additional medium tree.**

FINDING: The applicant submitted an Existing Conditions Plan (Attachment A, Appendix F). Review of the Preliminary Landscaping Plans (Attachment A, Appendix: Sheet L100) indicates several trees posed for preservation.

The proposal was reviewed for compliance with Section 16.140.(Parks, Trees and Open Space) and Chapter 16.142 (Wetland, Habitat, and Natural Resources), further addressed in subsequent sections. All trees and vegetation shall be preserved to the maximum extent feasible. The following condition applies:

Condition A.7: The applicant shall protect and maintain existing vegetative areas posed for preservation, as presented within the approved plans, during the entire construction phase of development. Destruction or removal of existing vegetation not originally approved for removal shall be mitigated via the replanting of similar materials to what was approved under this decision (LU 2025-007 SP/VAR).

As conditioned this criterion is met.

D. Non-Vegetative Features

- 1. Landscaped areas as required by this Chapter may include architectural features interspersed with planted areas, such as sculptures, benches, masonry or stone walls, fences, rock groupings, bark dust, semi-pervious decorative paving, and graveled areas.**
- 2. Impervious paving shall not be counted toward the minimum landscaping requirements unless adjacent to at least one (1) landscape strip and serves as a pedestrian pathway.**

3. Artificial plants are prohibited in any required landscaped area.

FINDING: The proposal does not include any separate architectural features or artificial plantings being incorporated into the overall landscaping area. No impervious paving is being counted towards the minimum landscaping requirements; therefore, this criterion is satisfied.

16.92.030 - Site Area Landscaping and Perimeter Screening Standards

A. Perimeter Screening and Buffering

2. Perimeter Landscaping Buffer

- a. A minimum ten (10) foot wide landscaped strip comprised of trees, shrubs and ground cover shall be provided between off-street parking, loading, or vehicular use areas on separate, abutting, or adjacent properties.
- b. The access drives to a rear lots in the residential zone (i.e. flag lot) shall be separated from abutting property(ies) by a minimum of forty-two-inch sight-obscuring fence or a forty-two-inch to an eight (8) feet high landscape hedge within a four-foot wide landscape buffer. Alternatively, where existing mature trees and vegetation are suitable, Review Authority may waive the fence/buffer in order to preserve the mature vegetation.

3. Perimeter Landscape Buffer Reduction

If the separate, abutting property to the proposed development contains an existing perimeter landscape buffer of at least five (5) feet in width, the applicant may reduce the proposed site's required perimeter landscaping up to five (5) feet maximum, if the development is not adjacent to a residential zone. For example, if the separate abutting perimeter landscaping is five (5) feet, then applicant may reduce the perimeter landscaping to five (5) feet in width on their site so there is at least five (5) feet of landscaping on each lot.

FINDING: The proposed landscaping between the dedicated off-street parking, loading, and vehicular use areas with abutting or adjacent properties is approximately 5-feet. Research into the abutting and developed properties indicated existing perimeter landscaping, while the only undeveloped properties (TL: 7900 & 8800) will be required to incorporate a minimum of 5'-feet of landscaping strip material against the subject parcel at the time of development, thus equating to a total minimum of 10'-foot landscaping strip, and meeting the intent of the standard.

Conversely, the applicant is not seeking a reduction to the required landscape buffer area. The subject parcel is located within the Old Town Overlay, which pursuant to section 16.162.070.B.2 - *Community Design: Landscaping for Residential Structures*, allows the required permitter landscaping to be a minimum of five (5) feet in width by right.

Therefore, as presented, the above criteria are met.

B. Parking Area Landscaping

1. Purpose

The standard is a landscape treatment that uses a combination of trees, shrubs, and ground cover to provide shade, storm water management, aesthetic benefits, and screening to soften the impacts of large expanses of pavement and vehicle movement. It is applied to landscaped areas within and around the parking lot and loading areas.

2. Applicability. The provisions of this section apply to off-street parking areas of more than four (4) parking and/or loading spaces.

3. Definitions

a. **Parking Area Landscaping:** Any landscaped area on the site that is not required as perimeter landscaping § 16.92.030 (Site Landscaping and Screening).

b. Canopy Factor

1) Landscape trees are assigned a canopy factor to determine the specific number of required trees to be planted. The canopy factor is calculated based on the following formula:

$$\text{Canopy Factor} = \text{Mature Height (in feet)} \times \text{Canopy Spread (in feet)} \times \text{Growth Rate Factor} \times .01$$

2) **Growth Rate Factor:** The growth rate factor is three (3) for fast-growing trees, two (2) for medium growing trees, and one (1) for slow growing trees. The growth rate of a tree is identified in the "Suggested Plant Lists for Required Landscaping Manual."

FINDINGS: The applicant submitted a request to develop a multi-family structure consisting of thirty-two (32) dwelling units. A total of forty (40) new off-street parking stalls are proposed, exceeding the minimum applicability threshold; therefore, these standards apply.

4. Required Landscaping

There shall be at least forty-five (45) square feet parking area landscaping for each parking space located on the site. The amount

of required plant materials are based on the number of spaces as identified below.

FINDING: The proposal includes a total of forty (40) parking stalls on the subject property. Approximately 1,800 ($45 \times 40 = 1,800$) square feet of landscaping is required. The applicant submitted materials (Attachment A, Appendix K: Sheet L100) indicating sufficient parking area landscaping will be provided, equating to approximately 18,980 square feet. As presented, the above criteria is met.

5. Amount and Type of Required Parking Area Landscaping

a. Number of Trees required based on Canopy Factor

Small trees have a canopy factor of less than forty (40), medium trees have a canopy factor from forty (40) to ninety (90), and large trees have a canopy factor greater than ninety (90);

1) Any combination of the following is required:

- i. One (1) large tree is required per four (4) parking spaces;
- ii. One (1) medium tree is required per three (3) parking spaces; or
- iii. One (1) small tree is required per two (2) parking spaces.
- iv. At least five (5) percent of the required trees must be evergreen.

2) Street trees may be included in the calculation for the number of required trees in the parking area.

FINDING: The applicant submitted preliminary landscaping plans (Attachment A, Appendix K: Sheet L100). The table below delineates each tree and its corresponding total canopy coverage:

Tree Species (Deciduous/Evergreen)	QTY	Size	Mature Spread	Mature Radius	Canopy Equation	Mature Canopy Area (SF)	Total Canopy Coverage (SF)
Carpinus Betulus 'Fastigiata' (Deciduous)	6	Small	30'	15'	$\pi(15')^2$	706.86	4,241.16
Quercus Robur 'Fastigiata' (Deciduous)	18	Small	15'	7.5'	$\pi(7.5')^2$	176.71	3,180.78
Zelkova Serrata 'Musahino' (Deciduous)	4	Small	15'	7.5'	$\pi(7.5')^2$	176.71	706.84
Total	28						8,128.78

On-Site Project Area:			49,658.4
On-Site Project Canopy			16.36% (min 30%) \$16.140.070

As further defined under Chapter 16.94, the proposal incorporates forty (40) off-street parking stalls. Based on the above table and proposed development plans, twenty (20) small trees will be within the off-street parking area, meeting the minimum one (1) small tree required per two (2) parking spaces. As all the trees provided are deciduous, the applicant shall be conditioned to ensure at least five (5) percent perimeter off-street parking area landscaping is evergreen; within the applicant's narrative, the following statement was included:

The applicant is planning to preserve two mature Pseudotsuga menziesii (Douglas Fir) trees identified on the existing conditions plan. One fir is 10" in DBH while the other is 35" in DBH. The 10" fir shall be considered two medium trees, and the 35" fir shall be considered 10 medium trees. These two trees provide parking lot landscaping for the remaining 28 parking spaces

However, the applicant is required to plant at least one tree in each required landscaping island. The preliminary landscaping plan shows that the applicant shall plant a small tree which is both native to the Pacific Northwest and Drought tolerant. The applicant proposes to plant one Acer negundo (Boxelder Maple) tree in each in each required landscaping island.

Based on the proposed development plans, the two (2) Douglas Firs posed for preservation are not within the defined off-street parking area, and therefore unable to count them towards the required parking area landscaping calculations. The following condition applies:

Condition B.10: Prior to Final Site Plan Approval, the applicant shall revise the landscaping plan to demonstrate that a minimum of five percent (5%) of the required parking area landscaping trees are evergreen species.

As conditioned, these standards are met.

b. Shrubs:

- 1) Two (2) shrubs are required per each space.**
- 2) For spaces where the front two (2) feet of parking spaces have been landscaped instead of paved, the standard requires one (1) shrub per space. Shrubs may be evergreen or deciduous.**

FINDING: The proposal includes a total of forty (40) parking stalls. Ten (10) stalls do not qualify for the reduction, as they are abutting hard surfaces, and are required to provide twenty (20) shrubs. Thirty (30) stalls are defined as either compact or reduced, pursuant to 16.94.020.B.3, and are required to provide a minimum of thirty (30) shrubs. A total of fifty (50) shrubs are required within the defined parking area.

The applicant submitted preliminary landscaping plans (Attachment A, Appendix K: Sheet L100) indicating that at least fifty (50) shrubs within this area are provided, meeting the minimum standard. New shrubs will consist of both evergreen and deciduous plant species; therefore, this standard is met.

c. Ground cover plants:

- 1) Any remainder in the parking area must be planted with ground cover plants.**
- 2) The plants selected must be spaced to cover the area within three (3) years. Mulch does not count as ground cover.**

FINDING: The remaining amount of parking area landscaping not occupied by either trees or shrubs will consist solely of ground cover plants. No mulch is included as ground coverage within the off-street parking area; therefore, this standard is met.

Condition A.8: Ground cover plants shall envelop any remainder of the proposed landscaping area within three (3) years of planting, pursuant to 16.92.030.B.5.c.

6. Individual Landscape Islands Requirements

- a. Individual landscaped areas (islands) shall be at least ninety (90)square feet in area and a minimum width of five (5) feet and shall be curbed to protect the landscaping.**
- b. Each landscape island shall be planted with at least one (1) tree.**
- c. Landscape islands shall be evenly spaced throughout the parking area.**
- d. Landscape islands shall be distributed according to the following:**
 - 1) Residential uses in a residential zone: one (1) island for every eight (8) contiguous parking spaces.**

- e. Storm water bio-swales may be used in lieu of the parking landscape areas and may be included in the calculation of the required landscaping amount.**
- f. Exception to Landscape Requirement**

Linear raised or marked sidewalks and walkways within the parking areas connecting the parking spaces to the on-site buildings may be included in the calculation of required site landscaping provide that it:

- 1) Trees are spaced a maximum of thirty (30) feet on at least one (1) side of the sidewalk.
- 2) The minimum unobstructed sidewalk width is at least six (6) feet wide.
- 3) The sidewalk is separated from the parking areas by curbs, bollards, or other means on both sides.

FINDING: The applicant submitted plans indicating the incorporation of six (6) landscaped islands. Two (2) of the proposed landscaped islands do not meet the distribution requirements applicable to residential uses, and therefore, shall be required to demonstrate compliance with the distribution requirements and ensure each landscaped island is evenly spaced throughout the parking area.

As proposed, each island is at least 5-feet in width, contains a minimum area of approximately ninety (90) square feet or greater, and includes at least one (1) tree within each island. No exceptions or alternatives in lieu, as described above, are requested with this proposal.

The following condition applies:

Condition B.11: Prior to Final Site Plan Approval, the applicant shall resubmit development plans demonstrating how all required landscaped islands meet the distribution requirements for residential uses and with each landscaped island evenly spaced throughout the parking area in conformance with applicable standards.

As conditioned, the above criteria are met.

7. Landscaping at Points of Access

When a private access-way intersects a public right-of-way or when a property abuts the intersection of two (2) or more public rights-of-way, landscaping shall be planted and maintained so that minimum sight distances shall be preserved pursuant to Section 16.58.010.

FINDINGS: The proposed development will have direct access onto SW Columbia Street; access onto SW Pine Street will be restricted for only emergency access, as described throughout this report and Chapter 16.106 – Transportation Facilities. The applicant has been conditioned to comply with Clear Vision Area standards, pursuant to Chapter 16.58 – Vision Clearance and Fence Standards and be required to ensure the above criteria are met; therefore, this standard is satisfied.

8. Exceptions

- a. For properties with an environmentally sensitive area and/or trees or woodlands that merit protection per Chapters 16.142 (Parks, Trees and Open Space) and 16.144 (Wetland, Habitat and Natural Areas) the landscaping standards may be reduced, modified or

"shifted" on-site where necessary in order to retain existing vegetation that would otherwise be removed to meet the above referenced landscaping requirements.

- b. The maximum reduction in required landscaping buffer permitted through this exception process shall be no more than fifty (50) percent. The resulting landscaping buffer after reduction may not be less than five (5) feet in width unless otherwise permitted by the underlying zone. Exceptions to the required landscaping may only be permitted when reviewed as part of a land use action application and do not require a separate variance permit.

C. Screening of Mechanical Equipment, Outdoor Storage, Service and Delivery Areas

All mechanical equipment, outdoor storage and manufacturing, and service and delivery areas, shall be screened from view from all public streets and any adjacent residential zones. If unfeasible to fully screen due to policies and standards, the applicant shall make efforts to minimize the visual impact of the mechanical equipment.

FINDING: Based on submitted architectural elevations and applicants' narrative (Attachment A, Appendix K), all rooftop mechanical equipment will be adequately screened. To ensure compliance, the following condition applies:

Condition A.9: The property owner(s) shall be responsible for maintaining all required screening of all Mechanical Equipment, Outdoor Storage, Service and Delivery Areas from public streets and any adjacent residential zone or public street, pursuant to 16.92.030.C.

As conditioned, this criterion is met.

16.92.040 - Installation and Maintenance Standards

A. Installation

All required landscaping must be in-ground, except when in raised planters that are used to meet minimum Clean Water Services storm water management requirements. Plant materials must be installed to current nursery industry standards. Plant materials must be properly supported to ensure survival. Support devices such as guy wires or stakes must not interfere with vehicular or pedestrian movement.

B. Maintenance and Mitigation of Landscaped Areas

1. Maintenance of existing non-invasive native vegetation is encouraged within a development and required for portions of the property not being developed.
2. All landscaping shall be maintained in a manner consistent with the intent of the approved landscaping plan.

3. Any required landscaping trees removed must be replanted consistent with the approved landscaping plan and comply with § 16.142, (Parks, Trees and Open Space).

C. Irrigation

The intent of this standard is to ensure that plants will survive the critical establishment period when they are most vulnerable due to lack of watering. All landscaped areas must provide an irrigation system, as stated in Option 1, 2, or 3.

1. Option 1: A permanent built-in irrigation system with an automatic controller installed.
2. Option 2: An irrigation system designed and certified by a licensed landscape architect or other qualified professional as part of the landscape plan, which provides sufficient water to ensure that the plants become established. The system does not have to be permanent if the plants chosen can survive independently once established.
3. Option 3: Irrigation by hand. If the applicant chooses this option, an inspection will be required one (1) year after final inspection to ensure that the landscaping has become established.

D. Deferral of Improvements

Landscaping shall be installed prior to issuance of occupancy permits, unless security equal to one hundred twenty-five (125) percent of the cost of the landscaping is filed with the City. "Security" may consist of a performance bond payable to the City, cash, certified check, or other assurance of completion approved by the City. If the installation of the landscaping is not completed within one (1) year, the security may be used by the City to complete the installation.

FINDING: Installation, maintenance, and mitigation of all landscaped areas is the responsibility of the property owner(s). No deferral of improvements is requested. Prior to building occupancy, all required landscaping must be in-ground with an approved irrigation system, as conditioned below:

Condition A.10: All landscaped areas shall be maintained in accordance with the approved landscaping plan. Existing non-invasive native vegetation on portions of the site not subject to development shall be retained and maintained. Any required landscaping trees that are removed shall be replaced consistent with the approved landscaping plan and in compliance with Chapter 16.142 – Parks, Trees, and Open Space.

Condition G.1: Prior to Occupancy, the applicant shall install or otherwise provide irrigation consistent with one of the following options:

- 1) a permanent built-in irrigation system with an automatic controller;
- 2) an irrigation system designed and certified by a licensed landscape architect or other qualified professional that ensures adequate watering during the establishment period; or

- 3) a written commitment and actionable plan to irrigation by hand, in which case a City inspection shall occur one (1) year after final inspection to verify plant establishment.

Condition G.2: Prior to Occupancy, the applicant shall place all required landscaping in-ground, including installation of an approved irrigation system, pursuant to the 16.92.040. standards.

As conditioned, these standards are met.

Chapter 16.94 - OFF-STREET PARKING AND LOADING

16.94.010 - General Requirements

A. Off-Street Parking Required

No site shall be used for the parking of vehicles until plans are approved providing for off-street parking and loading space as required by this Code. Any change in uses or structures that reduces the current off-street parking and loading spaces provided on site, or that increases the need for off-street parking or loading requirements shall be unlawful and a violation of this Code, unless additional off-street parking or loading areas are provided in accordance with Section 16.94.020, or unless a variance from the minimum or maximum parking standards is approved in accordance with Chapter 16.84 Variances.

B. Deferral of Improvements

Off-street parking and loading spaces shall be completed prior to the issuance of occupancy permits, unless the City determines that weather conditions, lack of available surfacing materials, or other circumstances beyond the control of the applicant make completion impossible. In such circumstances, security equal to one hundred twenty-five (125) percent of the cost of the parking and loading area is provided the City. "Security" may consist of a performance bond payable to the City, cash, certified check, or other assurance of completion approved by the City. If the installation of the parking or loading area is not completed within one (1) year, the security may be used by the City to complete the installation.

C. Options for Reducing the Required Parking Spaces

1. Two (2) or more uses or, structures on multiple parcels of land may utilize jointly the same parking and loading spaces when the peak hours of operation do not substantially overlap, provided that satisfactory evidence is presented to the City, in the form of deeds, leases, or contracts, clearly establishing the joint use.
 - a. Within residential, commercial, institutional and public, or industrial zones, shared parking may be provided on lots that are within two thousand (2,000) feet of the property line of the use to be served.

- b. Shared parking is allowed if the application can show that the combined peak use is available by a parking study that demonstrates:
 - 1) There is a sufficient number of parking spaces to accommodate the requirements of the individual businesses; or
 - 2) That the peak hours of operation of such establishments do not overlap, and
 - 3) That an exclusive permanent easement over a delineated area has been granted for parking space use.
- 2. Mixed use projects are developments where a variety of uses occupies a development project or complex. For example, an eating establishment, professional office building and movie theater are all components of a mixed-use site. It does not include a secondary use within a primary use such as an administrative office associated with a retail establishment. In mixed-use projects, the required minimum vehicle parking shall be determined using the following formula:
 - a. Primary use: i.e. that with the largest proportion of total floor area within the development at one hundred (100) percent of the minimum vehicle parking required for that use.
 - b. Secondary Use: i.e. that with the second largest percentage of total floor area within the development, at ninety (90) percent of the vehicle parking required for that use.
 - c. Subsequent use or uses, at eighty (80) percent of the vehicle parking required for that use.
- 3. Parking reduction is allowed with development that provides solar panels or wind power capacity, carsharing parking spaces, electric-vehicle parking spaces, and housing units that are fully accessible to people with mobility disabilities as defined in Section 16.94.020.B(6).

D. Prohibited Uses

Required parking, loading and maneuvering areas shall not be used for long-term storage or sale of vehicles or other materials, and shall not be rented, leased or assigned to any person or organization not using or occupying the building or use served.

FINDING: The proposal includes the development of a multi-family structure consisting of thirty-two (32) dwelling units. This application is subject to the criteria of Chapter 16.94, as further detailed in subsequent sections of this staff report. No deferrals or reduction to the required off-street parking is requested. The property owner(s) will be responsible for ensuring that no prohibited use will occur within the off-street parking area, as conditioned below:

Condition A.11: The property owner(s) shall be responsible for ensuring all required parking, loading, and maneuvering areas are not used for long-term storage or sale of vehicles or other materials, or rented, leased, or assigned to any person or organization

not using or occupying the building or use served, pursuant to 16.94.010.D. All future violations are subject to Code Compliance.

As conditioned, the above criteria are met.

E. Location

1. Residential off-street parking spaces:

- a. Garages and carports are not required for residential developments.**
- b. If garages and carports are proposed, the garage and carport parking space(s) shall count as off- street parking.**
- c. Residential off-street parking spaces can be shared per Section 16.94.010.C.1.a.**
- d. If all proposed parking is off-site, off-site parking for people with disabilities must be located within the shortest possible distance of an accessible entrance via an accessible path and no greater than 200 feet from that entrance.**

- 3. Vehicle parking is allowed only on improved parking shoulders that meet City standards for public streets, within garages, carports and other structures, or on driveways or parking lots that have been developed in conformance with this code. Specific locations and types of spaces (car pool, compact, etc.) for parking shall be indicated on submitted plans and located to the side or rear of buildings where feasible.**

FINDING: The applicant submitted materials indicating off-street parking stalls will be confined to the subject parcel and will be located at the rear of the development. No shared or off-site parking is proposed and will be developed in conformance with this code section. No garages or carports are proposed. As presented the above criteria is met.

F. Marking

All parking, loading or maneuvering areas shall be clearly marked and painted. All interior drives and access aisles shall be clearly marked and signed to show the direction of flow and maintain vehicular and pedestrian safety.

FINDING: The applicant submitted materials indicating each proposed off-street parking stall and maneuvering area will be clearly marked, painted, and delineated. Interior drive and access aisles will be marked and signed to show the directional flow of traffic, as to maintain vehicle and pedestrian safety. No designated loading areas will be provided.

Off-street parking and other vehicular parking areas will be striped in accordance with the applicable dimensional standards, as further detailed in subsequent sections of this report; therefore, this criterion is met.

G. Surface and Drainage

- 1. All parking and loading areas shall be improved with a permanent hard surface such as asphalt, concrete or a durable pervious surface. Use of pervious paving material is encouraged and preferred where appropriate considering soils, location, anticipated vehicle usage and other pertinent factors.**
- 2. Parking and loading areas shall include storm water drainage facilities approved by the City Engineer or Building Official.**

FINDING: The applicant submitted application materials indicating that all off-street parking, loading, and vehicle use areas will be improved with permanent hard surfaces. The development will utilize a new mechanical filter catch basin, and on-site flows are detained in private underground pipe storage. A preliminary stormwater analysis (Attachment A, Appendix J) indicated all requirements of the Clean Water Services R&O 19-22 will be met.

This was reviewed by CWS and City Engineering for compliance with the above criteria and is further addressed under Chapter 16.114; as presented, this standard is met.

H. Repairs

Parking and loading areas shall be kept clean and in good repair. Breaks in paved surfaces shall be repaired. Broken or splintered wheel stops shall be replaced. Painted parking space boundaries and directional symbols shall be maintained in a readable condition.

FINDING: The property owner(s) shall be responsible for properly maintaining the parking and loading areas. Future violations are subject to Code Compliance. This standard is met as conditioned below:

Condition A.12: The property owner(s) shall be responsible for the maintenance and repair of the parking and loading areas, including associated infrastructure, pursuant to Chapter 16.94.010.H.

I. Parking and Loading Plan

An off-street parking and loading plan, drawn to scale, shall accompany requests for building permits or site plan approvals. A parking and loading plan is not required for all residential housing types, except for Multi-family, on residential lots in a recorded subdivision. The plan shall show but not be limited to:

- 1. Delineation of individual parking and loading spaces and dimensions.**
- 2. Circulation areas necessary to serve parking and loading spaces.**

3. Location of accesses to streets, alleys and properties to be served, and any curb cuts.
4. Landscaping as required by Chapter 16.92.
5. Grading and drainage facilities.
6. Signing and bumper guard specifications.
7. Bicycle parking facilities as specified in Section 16.94.020.C.
8. Parking lots more than one (1) acre in size shall provide street-like features including curbs, sidewalks, and street trees or planting strips.

FINDING: The applicant provided materials with sufficient detail to analyze the proposed off-street parking and loading area. Compliance with all applicable standards and criteria, pursuant to Chapter 16.94, were reviewed against these materials and approved as part of this decision; therefore, this standard is met.

16.94.020 - Off-Street Parking Standards

A. Generally

Where square feet are specified, the area measured shall be the gross building floor area primary to the functioning of the proposed use. Where employees are specified, persons counted shall be those working on the premises, including proprietors, during the largest shift at peak season. Fractional space requirements shall be counted as a whole space. The Review Authority may determine alternate off - street parking and loading requirements for a use not specifically listed in this Section based upon the requirements of comparable uses. Per OAR 660-012-0440 Parking Reform Near Transit Corridors no off-street parking is required for developments on a lot or parcel that includes lands within one-half (½) mile of a frequent transit corridor. Per OAR 660-012-0435 Climate Friendly Areas, no off-street parking is required within the Sherwood Town Center and one-quarter mile of the area (see CFEC Parking Delineated Area Map at the end of this section).

Table 1: Parking Standards for lots or parcels not within the CFEC Parking Delineated Area

(Metro spaces are based on 1 per 1,000 sq ft of gross leasable area; ADU standards are per OAR Division 46)

Use	Minimum Parking Standard	Maximum Permitted Parking Zone A¹
Multi-Family dwelling⁴	1 per unit	None
	18 = (32 units Feet x 1 stall per unit = 32)	None
Total	32 Off Street Parking Stalls	None

¹ Parking Zone A reflects the maximum number of permitted vehicle parking spaces allowed for each listed land use. Parking Zone A areas include those parcels that are located within one-quarter ($\frac{1}{4}$) mile walking distance of bus transit stops, one-half ($\frac{1}{2}$) mile walking distance of light rail station platforms, or both, or that have a greater than twenty-minute peak hour transit service.

⁴ Visitor parking in residential developments: Multi-Family dwelling units with more than ten (10) required parking spaces shall provide an additional fifteen (15) percent of the required number of parking spaces for the use of guests of the residents of the development. The spaces shall be centrally located or distributed throughout the development. Required bicycle parking facilities shall also be centrally located within or evenly distributed throughout the development.

FINDING: Based on the development scope, the applicant traditionally would be required to provide a minimum of thirty-two (32) dedicated off-street parking stalls. Review of the submitted plans indicate forty (40) dedicated off-street parking stalls will be provided.

Conversely, Climate Friendly and Equitable Communities (CFEC) regulations administered under Oregon Administrative Rule (OAR) 660-012-0440, in response to an executive order issued by the previous Governor Kate Brown (2015-2023) in March of 2022, requiring state agencies to reduce climate pollution and managed by the Oregon Land Use Conservation and Development Commission (LCDC), included the elimination of off-street parking minimums for lots or parcels located within 0.5 miles of “frequent transit” as defined by OAR 660-012-0440(3)(c).

As the subject parcel is located within 0.5 miles of Tri-Met Line 94 “Frequent Transit” at the time of this review, no minimum off-street parking is required. Staff finds the proposal will have sufficient off-street parking to service the proposed *Multi-Family Dwelling* use.

No maximum off-street parking is imposed on *multi-family* uses for parcels located within Parking Zone A; the subject development is within $\frac{1}{4}$ walking distance of a bus transit stop, located SW 1st & Pine (Stop ID: 14108).

Future establishment and change of use(s) will be reviewed for compliance with the above off-street parking maximums during future building permit submittals.

As presented, the above criterion is met.

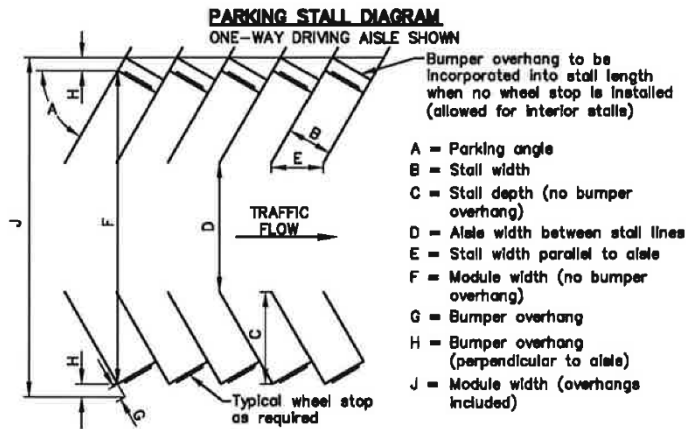
B. Dimensional and General Configuration Standards

- 1. Dimensions** For the purpose of this Chapter, a “parking space” means a stall nine (9) feet in width and twenty (20) feet in length. Up to twenty five (25) percent of required parking spaces may have a minimum

dimension of eight (8) feet in width and eighteen (18) feet in length so long as they are signed as compact car stalls.

2. Layout

Parking space configuration, stall and access aisle size shall be of sufficient width for all vehicle turning and maneuvering. Groups of more than four (4) parking spaces shall be served by a driveway so as to minimize backing movements or other maneuvering within a street, other than an alley. All parking areas shall meet the minimum standards shown in the following table and diagram.



FINDING: The applicant is proposing forty (40) dedicated off-street parking stalls positioned at a 90° degree angle. Measurements of the proposed standard stalls display the proposed dimensional length of twenty-four (24) stalls at approximately 18-feet in length with a width of 9-feet, while the eight (8) compact stalls have a length of 18-feet and a width of 8-feet. The applicant is seeking a three (3) foot reduction to the paved portion of each standard parking stall length, pursuant 16.94.020.B.3.c, by providing three (3) feet of low-lying landscaping in lieu of a wheel stops.

The proposed off-street will be serviced by one (1) two-way drive-aisles, connected by an abutting driveway, with an aisle width of approximately 26-feet. The modular width of the off-street parking area (no bumper overhang) is between 60-62 feet, exceeding the minimum standards.

As presented, the above criteria is met.

3. Wheel Stops

- a. Parking spaces along the boundaries of a parking lot or adjacent to interior landscaped areas or sidewalks shall be provided with a wheel stop at least four (4) inches high, located three (3) feet back from the front of the parking stall as shown in the above diagram.
- b. Wheel stops adjacent to landscaping, bio-swales or water quality facilities shall be designed to allow storm water runoff.

- c. The paved portion of the parking stall length may be reduced by three (3) feet if replaced with three (3) feet of low lying landscape or hardscape in lieu of a wheel stop; however, a curb is still required. In other words, the traditional three-foot vehicle overhang from a wheel stop may be low-lying landscaping rather than an impervious surface.

FINDING: The applicant is seeking a reduction to the minimum standard stall length by two (2) feet for stalls designated as standard and will provide three (3) feet of either low-lying landscaping or hardscape in lieu of the required wheel stops; adequate curbing and infrastructure improvements are required to meet City engineering standards. All wheel stops adjacent to landscaping are designed to allow storm water runoff. As presented, these criteria are met.

4. Service Drives

Service drives shall be clearly and permanently marked and defined through use of rails, fences, walls, or other barriers or markers, and shall have minimum vision clearance area formed by the intersection of the driveway center line, the street right-of-way line, and a straight line joining said lines through points fifteen (15) feet from their intersection.

6. Reduction in Required Parking Spaces

- a. Developments utilizing Engineered storm water bio-swales or those adjacent to environmentally constrained or sensitive areas may reduce the amount of required parking spaces by ten (10) percent when twenty-five (25) through forty-nine (49) parking spaces are required, fifteen (15) percent when fifty (50) and seventy-four (74) parking spaces are required and twenty (20) percent when more than seventy-five (75) parking spaces are required, provided the area that would have been used for parking is maintained as a habitat area or is generally adjacent to an environmentally sensitive or constrained area.
- b. Solar Panels or Wind Power - developments utilizing solar panels or wind power may reduce the amount of required parking spaces by one (1) parking space when three kilowatts of capacity in solar panels or wind power is proposed to be provided in a development.
- c. Car-Sharing - developments utilizing car-sharing parking may reduce the amount of required parking spaces by one (1) off-street parking space for each dedicated car-sharing parking space in a development. Dedicated car-sharing parking spaces shall count as spaces for parking mandates.
- d. Electric Vehicle Charging Station - developments that provide electric vehicle charging station may reduce the amount of required parking spaces by two (2) off-street parking spaces for every electric vehicle charging station provided in a development. Parking spaces

that include electric vehicle charging while an automobile is parked shall count towards parking mandates.

- e. **Fully Accessible Parking** - developments utilizing this provision may reduce one (1) off-street parking space for every two units in a development above minimum requirements that are fully accessible to people with mobility disabilities.
 - f. Any reductions under Section 16.94.020.B.6 (a-e) above, shall be cumulative and not capped.
7. **Parking Location and Shared Parking**
Owners of off-street parking facilities may post a sign indicating that all parking on the site is available only for residents, customers and/or employees, as applicable.

FINDING: The applicant is not seeking a reduction or credit for off-street parking. No service drives are proposed. The applicant did not indicate if a sign will be posted on the premises indicating the site is only available for customers and/or employees but will retain the right to pursue this option in the future; therefore, these criteria are not applicable.

C. Bicycle Parking Facilities

1. General Provisions

- a. **Applicability.** Bicycle parking spaces shall be provided for new development, changes of use, and major renovations, defined as construction valued at twenty-five (25) percent or more of the assessed value of the existing structure.

FINDING: The proposal includes the development of a multi-family structure consisting of thirty-two (32) dwelling units. As presented, this proposal falls within the parameters of a change of development; therefore, bicycle parking standards are applicable.

- b. **Types of Spaces.** Bicycle parking facilities shall be provided in terms of short-term bicycle parking and long-term bicycle parking. Short-term bicycle parking is intended to encourage customers and other visitors to use bicycles by providing a convenient and readily accessible place to park bicycles. Long-term bicycle parking provides employees, students, residents, commuters, and others who generally stay at a site for at least several hours a weather-protected place to park bicycles.
- c. **Minimum Number of Spaces.** The required total minimum number of bicycle parking spaces for each use category is shown in Table 4, Minimum Required Bicycle Parking Spaces.
- d. **Minimum Number of Long-term Spaces.** If a development is required to provide eight (8) or more required bicycle parking spaces in Table 4, at least twenty-five (25) percent shall be

provided as long-term bicycle with a minimum of one (1) long-term bicycle parking space.

- e. **Multiple Uses.** When there are two or more primary uses on a site, the required bicycle parking for the site is the sum of the required bicycle parking for the individual primary uses.

Table 4: Minimum Required Bicycle Parking Spaces

Use Categories	Minimum Required Spaces
Residential Categories	
Household living	Multi-dwelling — 2 or 1 per 10 auto spaces.

FINDING: The proposal includes the development of a multi-family structure consisting of thirty-two (32) dwelling units. This use is categorized under SDZC section 16.94.020.A, Table 4: Minimum Required Bicycle Parking Spaces, as a *Household living: multi-dwelling*. The proposal requires a minimum of two dedicated stalls or one per 10 auto spaces, whichever is greater. Since a total of forty (40) stalls are proposed to service the primary use, as described under section 16.94.020.A, the applicant is required to provide at least four (4) dedicated bicycle parking stalls ($40/10 = 4$). The applicant submitted development plans (Attachment A, Appendix K: Sheet A101) indicating the incorporation of eight (8) interior long-term bike racks, exceeding the minimum requirement.

As presented, the above criterion is met.

2. Location and Design.

a. General Provisions

- 1) Each space must be at least two (2) feet by six (6) feet in area, be accessible without moving another bicycle, and provide enough space between the rack and any obstructions to use the space properly.
- 2) There must be an aisle at least five (5) feet wide behind all required bicycle parking to allow room for bicycle maneuvering. Where the bicycle parking is adjacent to a sidewalk, the maneuvering area may extend into the right-of-way.
- 3) Lighting. Bicycle parking shall be at least as well lit as vehicle parking for security.
- 4) Reserved Areas. Areas set aside for bicycle parking shall be clearly marked and reserved for bicycle parking only.
- 5) Bicycle parking in the Old Town Overlay District can be located on the sidewalk within the right-of-way. A standard inverted "U shaped" or staple design is appropriate. Alternative, creative designs are strongly encouraged.

- 6) Hazards. Bicycle parking shall not impede or create a hazard to pedestrians. Parking areas shall be located so as to not conflict with vision clearance standards.

FINDING: As indicated in the submitted development plans (Attachment A, Appendix K: Sheet A101), each dedicated bicycle parking stall is designed to meet the minimum required dimensions of 2-feet by 6-feet, with adequate spacing between racks to prevent obstruction. A minimum of 5-feet of clearance is provided behind all required stalls to allow for safe and efficient maneuvering. Because the bicycle parking is located within the proposed structure, each stall will not impede clear vision standards or pedestrian circulation. The following condition applies:

Condition A.13: All designated bicycle parking areas must be clearly marked and reserved exclusively for bicycle use, using appropriate signage, pavement markings, or other visible indicators to ensure clear identification and prevent unauthorized use.

As presented, these criteria are met.

- b. Short-term Bicycle Parking
 - 1) Provide lockers or racks that meet the standards of this section.
 - 2) Locate inside or outside the building within thirty (30) feet of the main entrance to the building or at least as close as the nearest vehicle parking space, whichever is closer.
- c. Long-term Bicycle Parking
 - 1) Provide racks, storage rooms, or lockers in areas that are secure or monitored (e.g., visible to employees or customers or monitored by security guards).
 - 2) Locate the outside bicycle parking spaces within one hundred (100) feet of the entrance that will be accessed by the intended users.
 - 3) All of the spaces shall be covered.
- d. Covered Parking (Weather Protection)
 - 1) When required, covered bicycle parking shall be provided in one (1) of the following ways: inside buildings, under roof overhangs or awnings, in bicycle lockers, or within or under other structures.
 - 2) Where required covered bicycle parking is not within a building or locker, the cover must be permanent and designed to protect the bicycle from rainfall and provide seven-foot minimum overhead clearance.
 - 3) Where required bicycle parking is provided in lockers, the lockers shall be securely anchored.

FINDING: As indicated in the submitted materials (Attachment A, Appendix K: Sheet A100), the applicant is proposing eight (8) long-term bicycle parking stalls, located within a dedicated storage room/lockers area. Each stall will be provided with a securely anchored wall-mounted rack. Based on the submitted design, the applicable criteria are satisfied.

Chapter 16.96 - ON-SITE CIRCULATION

16.96.010 - General Requirements for On-Site Pedestrian and Bicycle Circulation

A. Purpose

All new development, (except single-family detached and middle housing types), shall provide a continuous system of private pathways/sidewalks. The on-site facilities shall connect to adjacent residential areas and neighborhood activity centers within one-half mile of the development. Neighborhood activity centers include but are not limited to existing or planned schools, parks, shopping areas, transit stops or employment centers.

FINDING: The proposal includes the development of a multi-family structure consisting of thirty-two (32) dwelling units. The applicant submitted materials indicating a continuous on-site circulation system of pathways/sidewalks will be provided. Adjacent or neighborhood activity centers within one-half mile of the parcel include Sherwood Cannery Square and Sherwood Center for the Arts, located north and west of the development site. The proposed pedestrian pathways will connect onto all abutting public right away off SW Columbia, SW Pine Street, and SW Willamette Street; therefore, meeting the above criterion.

B. Maintenance

No building permit or other City permit shall be issued until plans for pedestrian ingress, egress and circulation have been approved by the City. Any change increasing any ingress, egress or circulation requirements, shall be a violation of this Code unless additional facilities are provided in accordance with this Chapter. Required ingress, egress and circulation improvements shall be kept clean and in good repair.

C. Joint Pedestrian Access

Two (2) or more uses, structures, or parcels of land may utilize the same ingress and egress when the combined ingress and egress of all uses, structures, or parcels of land satisfied the other requirements of this Code, provided that satisfactory legal evidence is presented to the City in the form of deeds, easements, leases, or contracts to clearly establish the joint use.

FINDING: Maintenance of the proposed pathway system will be the responsibility of the property owner(s). Violation of the above criteria will result in Code Enforcement action.

No multiple uses, structures, or parcels of land are proposing joint pedestrian access with this application. This criterion is satisfied as conditioned below:

Condition A.14: The property owner(s) shall be responsible for the maintenance and repair of the on-site pedestrian circulation area, including associated infrastructure, pursuant to section 16.96.010.B.

As conditioned, the above criterion is met.

D. Connection to Streets

- 1. Except for joint access per this Section, all ingress and egress to a use or parcel shall connect directly to a public street, excepting alleyways with paved sidewalk.**
- 2. Required private sidewalks shall extend from the ground floor entrances or the ground floor landing of stairs, ramps or elevators to the public sidewalk or curb of the public street which provides required ingress and egress.**

FINDING: The applicant submitted materials indicating the proposed pedestrian pathway network will connect each entry point directly with adjacent public streets, with frontage along SW Columbia, SW Pine Street, and SW Willamette Street; therefore, these standards are met.

16.96.020 - Minimum Residential Pedestrian Circulation Standards

Minimum standards for private, on-site pedestrian circulation improvements in residential developments:

2. Multi-Family Dwelling:

- a. A system of private pedestrian sidewalks/pathways extending throughout the development site shall connect each dwelling unit to vehicular parking areas, common open space, storage areas, recreation facilities, adjacent developments, transit facilities within five hundred (500) feet of the site, and future phases of development. Main building entrances shall also be connected to one another.**
- b. Required private pathways/sidewalks shall extend from the ground floor entrances or the ground floor landing of stairs, ramps or elevators, on one (1) side of approved driveways connecting to the public sidewalk or curb of the public street that provides required ingress and egress. Curbs shall also be required at a standard approved by the Review Authority.**
- c. Private Pathway/Sidewalk Design. Private pathway surfaces shall be concrete, brick/masonry pavers, or other durable surface, at least five (5) feet wide and conform to ADA standards. Where the system**

crosses a parking area, driveway or street, it shall be clearly marked with contrasting paving materials or raised crosswalk (hump).

- d. Exceptions Private pathways/sidewalks shall not be required where physical or topographic conditions make a connection impracticable, where buildings or other existing development on adjacent lands physically preclude a connection now or in the future considering the potential for redevelopment; or pathways would violate provisions of leases, restrictions or other agreements.

FINDING: The proposed private pedestrian network will connect each unit to the sites off-street parking area, common open space, storage areas, recreation facilities, and adjacent developments. Pedestrian connections will be at least 5-feet in width and be required to conform to ADA standards. Required segments of pedestrian walkway will be located along each driveway connection onto SW Columbia Street and SW Pine Street (restricted for emergency vehicle access only).

The submitted development plans did not provide an appropriate curbing detail and shall be conditioned accordingly. A proposed connection within the dedicated parking area, between the proposed structure and recreational/open space area, did not provide adequate contrasting materials or raised crosswalk (hump). To remedy these deficiencies, the following conditions apply:

Condition B.12: Prior to Final Site Plan Approval, the applicant shall resubmit development plans indicating all proposed pedestrian crossings within a dedicated parking area, driveway or street will be constructed with either contrasting paving materials or a raised crosswalk (hump), consistent with ADA standards.

Condition B.13: Prior to Final Site Plan Approval, the applicant shall resubmit development plans displaying curbing along all required private pedestrian pathways/sidewalks.

16.96.040 - General Requirements for On-Site Vehicle Circulation

- A. **Maintenance.** No building permit or other City permit shall be issued until plans for vehicle ingress, egress and circulation have been approved by the City. Any change increasing any ingress, egress, or circulation requirements, shall be a violation of this Code unless additional facilities are provided in accordance with this Chapter.
- B. **Joint Access.** Two (2) or more uses, structures, or parcels of land are strongly encouraged to utilize jointly the same ingress and egress when the combined ingress and egress of all uses, structures, or parcels of land satisfy the other requirements of this Code, provided that satisfactory legal evidence is presented to the City in the form of deeds, easements, leases, or contracts to clearly establish the joint use. In some cases, the City may

require a joint access to improve safety, vision clearance, site distance, and comply with access spacing standards for the applicable street classification.

FINDING: City Engineering and Planning reviewed on-site vehicle circulation for compliance with all ingress, egress, and other circulation requirements, as it related to the project scope, and is further addressed in subsequent sections of this staff report. No alterations to the existing on-site vehicle circulation are proposed. Maintenance of the on-site vehicle circulation systems will be the responsibility of the property owner(s). Violation of the above criteria will result in Code Enforcement action; therefore, these criterions are satisfied.

Condition A.15: Any change that alters or modifies the approved ingress, egress, or circulation for vehicles, without written approval, will result in Code Enforcement action, pursuant to 16.96.040.A.

- C. Connection to Streets.** Except for joint access per this Section, all ingress and egress to a use or parcel shall connect directly to a public street, excepting alleyways.
- D. Maintenance of Required Improvements.** Required vehicle ingress, egress and circulation improvements shall be kept clean and in good repair.
- E. Service Drives.** Service drives shall be provided pursuant to Section 16.94.030.

FINDING: On-site vehicle circulation is provided, and connects with abutting public right of way, with access onto SW Columbia Street & SW Pine Street (restricted for emergency vehicle access only). The property owner(s) shall be responsible for the proper maintenance of the on-site vehicle circulation areas. Future violations are subject to Code Compliance. These criterions are met as conditioned below:

Condition A.16: The property owner(s) shall be responsible for the maintenance and repair of all on-site vehicle circulation areas located on the subject parcel, pursuant to Chapter 16.96.040.D.

16.96.050 - Minimum Residential Vehicle Circulation Standards

Minimum standards for private, on-site vehicle circulation improvements in residential developments:

A. Driveways

6. Multi-Family: Improved hard surface driveways are required as follows:

Number of Units	Number of Driveways	One Way Drive Width (Pair)	Two Way Drive Width
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5—49	1	15 feet	24 feet
50 or more	2	15 feet	24 feet

FINDING: A single improved driveway will be constructed to provide continuous passenger flow with direct access to SW Columbia Street. The driveway will have a minimum width of 24 feet, accommodating two-way traffic circulation throughout the site; as presented, the above criteria is met.

Chapter 16.98 - ON-SITE STORAGE

16.98.020 - Solid Waste and Recycling Storage

All uses shall provide solid waste and recycling storage receptacles which are adequately sized to accommodate all solid waste generated on site. All solid waste and recycling storage areas and receptacles shall be located out of public view. Solid waste and recycling receptacles for multi-family, commercial, industrial, and institutional uses shall be screened by six (6) foot high sight-obscuring fence or masonry wall and shall be easily accessible to collection vehicles.

16.98.030 - Material Storage

- A. **Generally.** Except as otherwise provided herein, external material storage is prohibited, except in commercial and industrial zones where storage areas are approved by the Review Authority as part of a site plan or per Section 16.98.040.
- B. **Standards.** Except as per Section 16.98.040, all service, repair, storage, and merchandise display activities carried on in connection with any commercial or industrial activity, and not conducted within an enclosed building, shall be screened from the view of all adjacent properties and adjacent streets by a six (6) foot to eight (8) foot high, sight obscuring fence subject to chapter 16.58.020. In addition, unless adjacent parcels to the side and rear of the storage area have existing solid evergreen screening or sight-obscuring fencing in place, new evergreen screening no less than three (3) feet in height shall be planted along side and rear property lines. Where other provisions of this Code require evergreen screening, fencing, or a landscaped berm alongside and rear property lines, the additional screening stipulated by this Section shall not be required.
- C. **Hazardous Materials.** Storage of hazardous, corrosive, flammable, or explosive materials, if such storage is otherwise permitted by this Code, shall comply with all local fire codes, and Federal and State regulations.

FINDING: The applicant submitted application materials displaying a trash/recycling enclosure will be provided towards the southeastern portion of the property. Based on the dimensions provided on the development plans, the proposed enclosure will be at least 20-feet wide with a depth of 18-feet, exceeding the minimum standards. The location of the enclosure allows truck(s) accessing the site to safely navigate the area, with approximately 155-feet of unobstructed access, exceeding the minimum standard, and allow trucks to safely re-enter traffic.

Staff were unable to verify the proposed construction materials or enclosure height, including overhead clearance, as these details were not provided in the application. Pursuant to P.R.I.D.E. standards, enclosure gates must be hinged in front of the walls and capable of fully swinging open without a center post impeding access. To ensure compliance with the Sherwood Zoning and Community Development Code as well as P.R.I.D.E. disposal standards, the following conditions shall apply:

Condition B.14: Prior to Final Site Plan approval, the applicant shall resubmit a development plan demonstrating the proposed Solid Waste and Recycling Storage area(s) will meet the minimal trash enclosure standards, as required by Sherwood Zoning and Development Code and PRIDE disposal.

Chapter 16.106 - TRANSPORTATION FACILITIES

16.106.020 - Required Improvements

A. Generally

Except as otherwise provided, all developments containing or abutting an existing or proposed street, that is either unimproved or substandard in right-of-way width or improvement, shall dedicate the necessary right-of-way prior to the issuance of building permits and/or complete acceptable improvements prior to issuance of occupancy permits. Right-of-way requirements are based on functional classification of the street network as established in the Transportation System Plan, Figure 17.

B. Existing Streets

Except as otherwise provided, when a development abuts an existing street, the improvements requirement shall apply to that portion of the street right-of-way located between the centerline of the right-of-way and the property line of the lot proposed for development. In no event shall a required street improvement for an existing street exceed a pavement width of thirty (30) feet.

D. Extent of Improvements

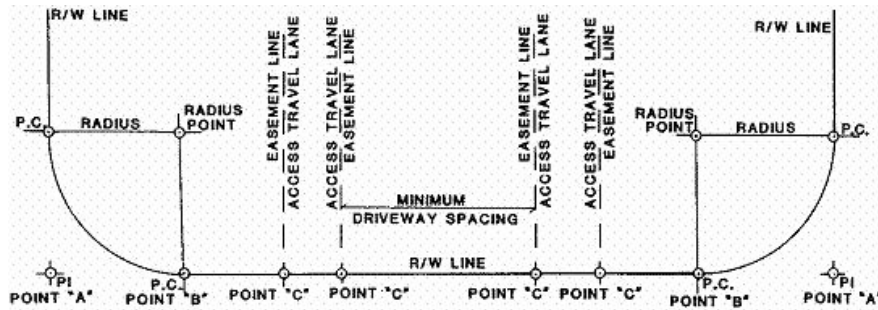
- 1. Streets required pursuant to this Chapter shall be dedicated and improved consistent with Chapter 6 of the Community Development Plan, the TSP and applicable City specifications included in the City of Sherwood Construction Standards. Streets shall include curbs, sidewalks, catch basins, streetlights, and street trees. Improvements shall also include any bikeways designated on the Transportation System Plan map. Applicant may be required to dedicate land for required public improvements only when the exaction is directly related to and roughly proportional to the impact of the development, pursuant to Section 16.106.090.**
- 2. If the applicant is required to provide street improvements, the City Engineer may accept future improvements guarantee in lieu of street improvements if one or more of the following conditions exist, as determined by the City:**
 - a. A partial improvement is not feasible due to the inability to achieve proper design standards;**
 - b. A partial improvement may create a potential safety hazard to motorists or pedestrians.**
 - c. Due to the nature of existing development on adjacent properties it is unlikely that street improvements would be extended in the foreseeable future and the improvement associated with the project under review does not, by itself, provide a significant improvement to street safety or capacity;**
 - d. The improvement would be in conflict with an adopted capital improvement plan;**
 - e. The improvement is associated with an approved land partition on property zoned residential use and the proposed land partition does not create any new streets; or**
 - f. Additional planning work is required to define the appropriate design standards for the street and the application is for a project that would contribute only a minor portion of the anticipated future traffic on the street.**

16.106.040 – Design

M. Vehicular Access Management

All developments shall have legal access to a public road. Access onto public streets shall be permitted upon demonstration of compliance with the provisions of adopted street standards in the Engineering Design Manual.

1. **Measurement:** See the following access diagram where R/W = Right-of-Way; and P.I. = Point-of-Intersection where P.I. shall be located based upon a 90 degree angle of intersection between ultimate right-of-way lines.
 - a. Minimum right-of-way radius at intersections shall conform to City standards.
 - b. All minimum distances stated in the following sections shall be governed by sight distance requirements according to the Engineering Design Manual.
 - c. All minimum distances stated in the following sections shall be measured to the nearest easement line of the access or edge of travel lane of the access on both sides of the road.
 - d. All minimum distances between accesses shall be measured from existing or approved accesses on both sides of the road.
 - e. Minimum spacing between driveways shall be measured from Point "C" to Point "C" as shown below:



2. Roadway Access

No use will be permitted to have direct access to a street or road except as specified below. Access spacing shall be measured from existing or approved accesses on either side of a street or road. The lowest functional classification street available to the legal lot, including alleys within a public easement, shall take precedence for new access points.

a. Local Streets:

Minimum right-of-way radius is fifteen (15) feet. Access will not be permitted within ten (10) feet of Point "B," if no radius exists, access will not be permitted within twenty-five (25) feet of Point "A." Access points near an intersection with a Neighborhood Route, Collector or Arterial shall be located beyond the influence of standing queues of the intersection in accordance with AASHTO standards. This requirement may result in access spacing greater than ten (10) feet.

b. Neighborhood Routes:

Minimum spacing between driveways (Point "C" to Point "C") shall be fifty (50) feet with the exception of single family detached dwellings and middle housing dwellings on residential lots in a recorded subdivision. Such lots shall not be subject to a minimum spacing requirement between driveways (Point "C" to Point "C"). In all instances, access points near an intersection with a Neighborhood Route, Collector or Arterial shall be located beyond the influence of standing queues of the intersection in accordance with AASHTO standards. This requirement may result in access spacing greater than fifty (50) feet.

- c. Collectors: All commercial, industrial and institutional uses with one-hundred-fifty (150) feet or more of frontage will be permitted direct access to a Collector. Uses with less than one-hundred-fifty (150) feet of frontage shall not be permitted direct access to Collectors unless no other alternative exists.

Where joint access is available it shall be used, provided that such use is consistent with Section 16.96.040, Joint Access. No use will be permitted direct access to a Collector within one- hundred (100) feet of any present Point "A." Minimum spacing between driveways (Point "C" to Point "C") shall be one-hundred (100) feet. In all instances, access points near an intersection with a Collector or Arterial shall be located beyond the influence of standing queues of the intersection in accordance with AASHTO standards. This requirement may result in access spacing greater than one hundred (100) feet.

16.106.080 - Traffic Impact Analysis (TIA)

A. Purpose

The purpose of this section is to implement Sections 660-012-0045(2)(b) and -0045(2)(e) of the State Transportation Planning Rule (TPR), which require the City to adopt performance standards and a process to apply conditions to land use proposals in order to minimize impacts on and protect transportation facilities. This section establishes requirements for when a traffic impact analysis (TIA) must be prepared and submitted; the analysis methods and content involved in a TIA; criteria used to review the TIA; and authority to attach conditions of approval to minimize the impacts of the proposal on transportation facilities.

This section refers to the TSP for performance standards for transportation facilities as well as for projects that may need to be constructed as mitigation measures for a proposal's projected impacts. This section also relies on the City's Engineering Design Manual to provide street design

standards and construction specifications for improvements and projects that may be constructed as part of the proposal and mitigation measures approved for the proposal.

B. Applicability

A traffic impact analysis (TIA) shall be required to be submitted to the City with a land use application at the request of the City Engineer or if the proposal is expected to involve one (1) or more of the following:

1. An amendment to the Sherwood Comprehensive Plan or zoning map.
2. A new direct property approach road to Highway 99W is proposed.
3. The proposed development generates fifty (50) or more PM peak-hour trips on Highway 99W, or one hundred (100) PM peak-hour trips on the local transportation system.
4. An increase in use of any adjacent street or direct property approach road to Highway 99W by ten (10) vehicles or more per day that exceed the twenty thousand-pound gross vehicle weight.
5. The location of an existing or proposed access driveway does not meet minimum spacing or sight distance requirements, or is located where vehicles entering or leaving the property are restricted, or such vehicles are likely to queue or hesitate at an approach or access connection, thereby creating a safety hazard.
6. A change in internal traffic patterns that may cause safety problems, such as back up onto the highway or traffic crashes in the approach area.

C. Requirements

The following are typical requirements that may be modified in coordination with Engineering Staff based on the specific application.

1. **Pre-application Conference.** The applicant shall meet with the City Engineer prior to submitting an application that requires a TIA. This meeting will be coordinated with Washington County and ODOT when an approach road to a County road or Highway 99W serves the property, so that the TIA will meet the requirements of all relevant agencies.
2. **Preparation.** The TIA shall be prepared by an Oregon Registered Professional Engineer qualified to perform traffic Engineering analysis and will be paid for by the applicant.
3. **Typical Average Daily Trips and Peak Hour Trips.** The latest edition of the Trip Generation Manual, published by the Institute of Transportation Engineers (ITE), shall be used to gauge PM peak hour vehicle trips, unless a specific trip generation study that is approved by the City Engineer indicates an alternative trip generation rate is appropriate.
4. **Intersection-level Analysis.** Intersection-level analysis shall occur at every intersection where the analysis shows that fifty (50) or more peak hour vehicle trips can be expected to result from the development.

5. **Transportation Planning Rule Compliance.** The requirements of OAR 660-012-0060 shall apply to those land use actions that significantly affect the transportation system, as defined by the Transportation Planning Rule.

D. Study Area

The following facilities shall be included in the study area for all TIAs:

1. All site-access points and intersections (signalized and unsignalized) adjacent to the proposed development site. If the site fronts an arterial or collector street, the analysis shall address all intersections and driveways along the site frontage and within the access spacing distances extending out from the boundary of the site frontage.
2. Roads and streets through and adjacent to the site.
3. All intersections needed for signal progression analysis.
4. In addition to these requirements, the City Engineer may require analysis of any additional intersections or roadway links that may be adversely affected as a result of the proposed development.

E. Analysis Periods

To adequately assess the impacts of a proposed land use action, the following study periods, or horizon years, should be addressed in the transportation impact analysis where applicable:

1. Existing Year.
2. Background Conditions in Project Completion Year. The conditions in the year in which the proposed land use action will be completed and occupied, but without the expected traffic from the proposed land use action. This analysis should account for all City-approved developments that are expected to be fully built out in the proposed land use action horizon year, as well as all planned transportation system improvements.
3. Full Buildout Conditions in Project Completion Year. The background condition plus traffic from the proposed land use action assuming full build-out and occupancy.
4. Phased Years of Completion. If the project involves construction or occupancy in phases, the applicant shall assess the expected roadway and intersection conditions resulting from major development phases. Phased years of analysis will be determined in coordination with City staff.
5. Twenty-Year or TSP Horizon Year. For planned unit developments, comprehensive plan amendments or zoning map amendments, the applicant shall assess the expected future roadway, intersection, and land use conditions as compared to approved comprehensive planning documents.

F. Approval Criteria

When a TIA is required, a proposal is subject to the following criteria, in addition to all criteria otherwise applicable to the underlying land use proposal:

1. The analysis complies with the requirements of 16.106.080.C;
2. The analysis demonstrates that adequate transportation facilities exist to serve the proposed development or identifies mitigation measures that resolve identified traffic safety problems in a manner that is satisfactory to the City Engineer and, when County or State highway facilities are affected, to Washington County and ODOT;
3. For affected non-highway facilities, the TIA demonstrates that mobility and other applicable performance standards established in the adopted City TSP have been met; and
4. Proposed public improvements are designed and will be constructed to the street standards specified in Section 16.106.010 and the Engineering Design Manual, and to the access standards in Section 16.106.040.
5. Proposed public improvements and mitigation measures will provide safe connections across adjacent right-of-way (e.g., protected crossings) when pedestrian or bicycle facilities are present or planned on the far side of the right-of-way.

A. Conditions of Approval

The City may deny, approve, or approve a development proposal with conditions needed to meet operations and safety standards and provide the necessary right-of-way and improvements to ensure consistency with the future planned transportation system. Improvements required as a condition of development approval, when not voluntarily provided by the applicant, shall be roughly proportional to the impact of the development on transportation facilities, pursuant to Section 16.106.090. Findings in the development approval shall indicate how the required improvements are directly related to and are roughly proportional to the impact of development.

FINDING: Based on the above criteria, a Traffic Impact Analysis (TIA) is not required. City of Sherwood engineering staff reviewed the proposed development and determined that it does not generate 50 or more PM peak-hour trips on Highway 99W, nor 100 or more PM peak-hour trips on the local transportation system.

Additionally, the project does not propose a new direct approach to Highway 99W, nor does it involve changes that would create safety hazards or require access modifications.

As presented, these standards do not apply.

16.106.090 - Rough Proportionality

A. Purpose

The purpose of this section is to ensure that required transportation facility improvements are roughly proportional to the potential impacts of the

proposed development. The rough proportionality requirements of this section apply to both frontage and non-frontage improvements. A proportionality analysis will be conducted by the City Engineer for any proposed development that triggers transportation facility improvements pursuant to this chapter. The City Engineer will take into consideration any benefits that are estimated to accrue to the development property as a result of any required transportation facility improvements. A proportionality determination can be appealed pursuant to Chapter 16.76. The following general provisions apply whenever a proportionality analysis is conducted.

- B. Mitigation of impacts due to increased demand for transportation facilities associated with the proposed development shall be provided in rough proportion to the transportation impacts of the proposed development. When applicable, anticipated impacts will be determined by the TIA in accordance with Section 16.106.080. When no TIA is required, anticipated impacts will be determined by the City Engineer.**
- C. The following shall be considered when determining proportional improvements:**
 - 1. Condition and capacity of existing facilities within the impact area in relation to City standards. The impact area is generally defined as the area within a one-half-mile radius of the proposed development. If a TIA is required, the impact area is the TIA study area.**
 - 2. Existing vehicle, bicycle, pedestrian, and transit use within the impact area.**
 - 3. The effect of increased demand on transportation facilities and other approved, but not yet constructed, development projects within the impact area that is associated with the proposed development.**
 - 4. Applicable TSP goals, policies, and plans.**
 - 5. Whether any route affected by increased transportation demand within the impact area is listed in any City program including school trip safety; neighborhood traffic management; capital improvement; system development improvement, or others.**
 - 6. Accident history within the impact area.**
 - 7. Potential increased safety risks to transportation facility users, including pedestrians and cyclists.**
 - 8. Potential benefit the development property will receive as a result of the construction of any required transportation facility improvements.**
 - 9. Other considerations as may be identified in the review process pursuant to Chapter 16.72.**

FINDING: The subject property fronts SW Pine Street (southwest side), SW Willamette Street (southeast side) and a SW Columbia Street (northwest side). Per the City of Sherwood Transportation System Plan (TSP), SW Pine Street is classified as a collector street, SW Willamette Street is classified as a neighborhood street and SW Columbia Street is classified as a local street.

The applicant has submitted a letter from their legal counsel dated October 14, 2025 (Attachment K) objecting to a number of staff-recommended conditions of approval relating to road right-of-way dedication and frontage improvements, arguing that they lack a necessary nexus and rough proportionality based on the Takings Clause of the US Constitution. In summary, these conditions include:

D.1 – SW Pine Street – Pay a fee-in-lieu of improvements for the 77-feet of property frontage

D.2 – SW Willamette Street – Pay a fee-in-lieu of improvements for the 120-feet of property frontage

F.1 – SW Willamette Street – Dedicate 12 feet of right-of-way along the property frontage

The applicant's letter indicates the only road-related improvement conditions the applicant is willing to accept is paying the fee-in-lieu for a more limited selection of the identified improvements along SW Pine Street if proportionality findings were made by the City. For the reasons explained in greater detail below, the staff requested conditions are made necessary as a result of the additional pedestrian, bicycle and vehicle load placed on public streets by this development. These conditions satisfy all constitutional obligations as detailed in the findings that follow.

While the applicant's letter states that proportionality standards must be clear and objective, a recent decision by the Oregon Court of Appeals clarified that this interpretation is incorrect. The Court held that the clear and objective standard does not "apply to public road development" (*Roberts v. City of Cannon Beach*, 334 Or App 762, 776 (2024)). The applicant's statement that public road improvements related to the regulation of housing development must be clear and objective is incorrect.

Finally, the applicant's letter states that by requiring right-of-way dedication and frontage improvements for SW Willamette Street, the applicant would be required to re-draw their plans which would result in unreasonable cost and delay. Staff notes that the applicant has numerous other conditions of approval that will require additional work and plan revisions in order to meet basic code standards such as landscaping requirements. In part, this is because the applicant requested to be deemed complete despite not having all of the information required to schedule a land use hearing. Since that time, staff has worked with the applicant to continue to revise the staff report and findings as material

has come in, saving the applicant time and money. These additional plan revisions are comparably minor and unlikely to add any significant cost or delay to the effort.

Prior to final site plan approval, the plans will need to be revised to account for the 12 ft. right-of-way dedication. Landscaping is allowed within the right-of-way on a temporary basis until the street improvements are made. However, no permanent improvements such as fences are allowed.

SW Pine Street

SW Pine Street has an existing 60-foot right-of-way consisting of a non-centered, underdeveloped, 2-lane street with curb and a curb-tight asphalt sidewalk along the subject property frontage. The 30-foot-wide half right-of-way width complies with the downtown pedestrian street standards. Since the project frontage along SW Pine Street is within the Old Town Overlay District, extension of the concrete pedestrian street section that is northwest of the subject property may be desired (two 11-foot wide travel lanes and two 7-foot wide parking lanes with a 3.5-foot wide exposed aggregate separation strip and an 8-foot wide sidewalk within a 30-foot wide half street right-of-way). However, due to the significant curvature of the existing street putting it significantly off centered within the existing right-of-way and the 75-feet of separation with the existing concrete downtown streetscape improvements, it would be impractical to construct street widening improvements along the subject property's 77.39 feet of frontage as it would not be consistent with the street sections of the surrounding parcels.

Given these significant special limitations which will complicate road realignment, staff has modified the recommended condition of approval asking that applicant pay a fee-in-lieu of construction for an extremely small amount of frontage – 77.39 ft. – for a concrete sidewalk, streetlight relocation, and two street trees to local street standards. These are only the pedestrian-related improvements. Importantly, the fee-in-lieu of construction does not require payment to a collector street standard, which SW Pine Street is classified as.

The applicant is proposing full development of the site with 32 family-sized units, above the density allowed by the underlying zone, and is proposing pedestrian and emergency vehicle access to SW Pine Street. The addition of 32 family-sized dwelling units will generate a measurable increase in pedestrian and bicycle traffic along SW Pine Street, as SW Pine Street is the primary commercial corridor within the Old Town District. The street connects directly to the Sherwood City Hall and Library and the site is across the street from the Sherwood Center for the Performing Arts. It is likely that families residing in this development will directly benefit from these on-site pedestrian improvements.

SW Willamette Street

SW Willamette Street has an existing 20-foot wide half street right-of-way consisting of a 13-foot improved travel and parking lane with curb and a 5-foot wide curb-tight sidewalk along the subject property frontage. TSP requirements for a neighborhood

route street are an 18-foot wide half street section (11-foot wide travel lane with 7-foot wide parking lane), curb and gutter, 5-foot wide landscape strip, 8-foot wide sidewalk and 1-foot wide buffer strip within a 32-foot wide half street right-of-way section.

Since the existing street does not meet minimum TSP standards, it would typically be required to construct half street widening improvements along with an asphalt grind and inlay to centerline. SDC credits are typically available when improvements are made above and beyond a local street standard. While street improvements are desired, constructing street widening improvements along this mid-block section of SW Willamette Street (120.85 feet of street frontage) would make this short section of street inconsistent with the street sections of the surrounding properties. As such, it would be best to leave the existing street section as is and forego frontage improvements until a capital improvement project led by the City of Sherwood can redevelop the entire street between SW Pine Street and SW Orcutt Place.

However, since the existing right-of-way width is less than the width required for a neighborhood route street, right-of-way will need to be dedicated to create a 32-foot wide half street right-of-way width along the subject property frontage of SW Willamette Street to accommodate the future improvements. This right-of-way dedication is found to be roughly proportional to the development based on the findings below.

The applicant proposes full development of the site with 32 family-sized dwelling units, above the density allowed by the base zone, including construction of a basketball court and play area along SW Willamette Street. The development also proposes a direct pedestrian access onto SW Willamette Street, where existing pedestrian improvements do not meet the City's minimum standards. Further, residents and visitors are expected to access and park along SW Willamette Street, based on limited parking availability on other streets such as SW Pine Street. In addition, the subject site is approximately 1,000 feet away from Snyder Park, a heavily used community park to the southwest of the site. In order to access this park, the most direct pedestrian route would be along SW Willamette Street to SW Pine Street.

The right-of-way dedication can also be evaluated in terms of actual dollar value. The Washington County Tax Assessor values the 1.17-acre property at \$617,610. This equates to approximately \$12.12 per square foot. The required right-of-way dedication is 1,450 SF (12 ft. wide x 120.85 long). Therefore, the value of the right-of-way dedication is estimated to be \$17,574. This amount is deemed to be proportional to constructing 32 market-rate multi-family dwelling units in a highly desirable location within the City of Sherwood and within the Portland metro. This cost will be further offset by the property value increase the development will experience when the City completes full frontage improvements along the SW Willamette to current street standards.

Based on the foregoing, City staff concludes that requiring the dedication of an additional 12-feet of right-of-way along SW Willamette Street, necessary to meet the

City's minimum 32-foot wide half street section has a nexus and will be directly proportional to the impacts from this development. The list of conditions has been modified to reflect the limited list of fee-in-lieu improvements for SW Pine Street and to delete the fee-in-lieu improvements for SW Willamette Street.

SW Columbia Street

SW Columbia Street currently has a fully developed street section (Sherwood Cannery Square Public Improvements) along the subject property frontage that is in good condition. However, since site access to the subject property is to come from SW Columbia Street it will be necessary to remove some of the existing street widening improvements in order to create an driveway access point for the subject property. It will be necessary for the subject development to restore the SW Columbia Street frontage in a manner meeting the approval of the City of Sherwood Engineering Department. An EV charging station exists at the proposed driveway location onto SW Columbia Street. Relocation of the EV charging station will be the responsibility of the developer.

Vehicle Access to Public Streets

The subject property will have legal access from SW Columbia Street, a designated Local Street, located approximately 261-feet from the nearest intersection. The proposed access point will comply with the minimum right-of-way radius, driveway spacing, and sight distance requirements for a Local Street as outlined in the City's Engineering Design Manual.

The development is proposing to have a driveway access onto SW Pine Street. Per Sherwood municipal code section 16.106.040.M.2.c, there are no allowances for residential property to obtain access to a Collector status street. Also, section 210.8 of the Sherwood engineering design manual, a driveway can't be within 150 feet of an intersection on a collector street. This proposed driveway is only approximately 60 feet from SW Odge Gribble Lane and approximately 135 feet from SW Willamette Street. With the proposed site plan layout submitted, the driveway connection appears to be necessary for emergency vehicle access. As such the driveway access to SW Pine Street shall be allowed for emergency vehicle and pedestrian use only. Removable bollards meeting the approval of TVF&R and Pride Disposal shall be installed. If bollards do not meet TVF&R and Pride Disposal standards, a gate shall be installed to their specifications.

Since the subject property is within the Old Town Overlay District, no PUE is required.

Condition B.15: Prior to Final Site Plan Approval, the applicant shall resubmit development plans displaying the installation of bollards at the driveway entrance on SW Pine Street to prevent non-emergency vehicular access. The bollards shall be designed and installed in a manner acceptable to Tualatin Valley Fire and Rescue (TVF&R), Pride Disposal & City of Sherwood Engineering. If bollards are not

permissible by either TVF&R or Pride Disposal, an alternative method of access restriction, such as a gate, may be used.

Condition D.1: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall make a payment-in-lieu of installing street improvements along the subject property frontage of SW Pine Street. Said payment-in-lieu will be based upon 125% of the engineer's estimate meeting the approval of the City of Sherwood Engineering Department which will include the following:

7. Concrete sidewalk (77.39'x6')
9. Streetlight relocation.
10. Two street trees.

Condition D.2: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for driveway access and associated street frontage restoration along SW Columbia Street (including EV charging station relocation) meeting the approval of the City of Sherwood Engineering Department.

Condition D.3: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for emergency access (unless otherwise deemed unnecessary by TVF&R) and associated street frontage restoration along SW Pine Street meeting the approval of the City of Sherwood Engineering Department.

Condition D.4: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for either removable bollard at the emergency access to SW Pine Street meeting the approval of TVF&R and the City of Sherwood Engineering Department. If bollards are not permissible by either TVF&R or Pride Disposal, an alternative method of access restriction, such as a gate, may be used.

Condition F.1: Prior to Acceptance of Public Improvements, the proposed development shall dedicate half-street right-of-way to a width of 32 feet along the subject property frontage of SW Willamette Street meeting the approval of the City of Sherwood Engineering Department.

Condition D.19: Prior to Final Site Plan approval, the applicant shall revise the plans to account for the required 12 ft. wide right-of-way dedication along SW Willamette Street. No permanent improvements are permitted in the right-of-way.

Chapter 16.108 - IMPROVEMENT PLAN REVIEW

16.108.010 - Preparation and Submission

An improvement plan shall be prepared and stamped by a Registered Civil Engineer certifying compliance with City specifications. Two (2) sets of the plan shall be submitted to the City for review. An improvements plan shall be accompanied by a review fee as per this Section.

A. Review Fee

Plan review fees are calculated as a percentage of the estimated total cost of improvements and are set by the "Schedule of Development and

Business Fees" adopted by Resolution of the Council. This schedule is included herein for the purposes of information, but is deemed to be separate from and independent of this Code.

B. Engineering Agreement

A copy of an agreement or contract between the applicant and Registered Civil Engineer for:

- 1. Surveying sufficient to prepare construction plans.**
- 2. Preparation of construction plans and specifications.**
- 3. Construction staking, and adequate inspection.**
- 4. Construction notes sufficient to develop accurate as-built plans.**
- 5. Drawing of accurate as-built plans and submission of reproducible mylars for finals to the City.**
- 6. Certificate stating that construction was completed in accordance with required plans and specifications.**

16.108.020 - Construction Permit

A. Approval

The City will return one (1) set of plans to the applicant marked "approved," "approved as noted" or "modify and resubmit." Plans marked for re-submittal must be corrected in accordance with notations or instructions. After correction and approval, additional plans shall be provided the City for office use, field inspection and submittal to affected agencies.

B. Permit and Fee

Upon approval the applicant shall obtain a construction permit. The construction permit fee is set by the "Schedule of Development Fees", adopted by Resolution of the Council. This schedule is included herein for the purposes of information, but is deemed to be separate from and independent of this Code.

C. Easement Documents

Easements shall be provided in a form acceptable to the City prior to issuance of a construction permit.

D. Improvement Guarantees

Prior to issuance of a construction permit the applicant shall file the following documents with the City:

- 1. Liability Insurance**
Evidence of liability and property damage insurance adequate to protect the applicant and the City from all claims for damage or personal injury.
- 2. Performance Bond**
To assure full and faithful performance in the construction of required improvements in accordance with approved construction plans, the applicant shall provide security in an amount equal to one hundred twenty-five percent (125%) of the estimated cost of the improvements. In the event the applicant fails to carry out all provisions of the approved improvements plans and the City has non-reimbursed costs or expenses resulting from such failure, the

City shall call on the security for reimbursement. Security may be in the form of a surety bond executed by a surety company authorized to transact business in the State of Oregon, a cash deposit, or irrevocable standby letter of credit.

16.108.030 - Construction

A. Initiation of Construction

Actual construction of improvements shall not begin, or after a discontinuance, be restarted until the City is notified in writing.

B. Inspection

All construction shall be done to the City's specifications. The City shall perform inspections to verify compliance with approved plans and shall make a final inspection of the construction at such time as the improvements are complete. The City may require changes in typical sections and details, if unusual conditions warrant the change.

C. As-Built Plans

A complete set of reproducible plans and an electronic copy of the base files in "AutoCad" or PDF format showing the public improvements as built shall be filed with the City upon completion of the improvements.

D. Suspension of Improvements Activity

The City may cause a suspension of construction or engineering when, in the opinion of the City, work is not being done to the City's satisfaction.

16.108.040 - Acceptance of Improvements

A. Final Inspection

At such time as all public improvements, except those specifically approved for later installation, have been completed, the applicant shall notify the City of the readiness for final inspection.

B. Notification of Acceptance

The City shall give written notice of acceptance of the improvements upon finding that the applicant has met the requirements of this Chapter and the specifications of all approved plans.

C. Maintenance Bond

Prior to City acceptance of public improvements, the applicant shall provide the City a maintenance bond computed at ten percent (10%) of the full value of the improvements, for the purpose of correcting any defective work or maintenance that becomes apparent or arises within two (2) years after final acceptance of the public improvements.

FINDING: The City of Sherwood Engineering & Public Works Department reviewed all materials provided by the applicant and found sufficient information was provided to satisfy the above criteria. Engineering provided formal comments and conditions (Attachment B), as it related to Chapter 16.108. To ensure compliance with the above standards, the following conditions apply:

Condition A.17: Construction of public improvements shall not begin, or after a discontinuance, be restarted until the City is notified in writing.

Condition A.18: A complete set of reproducible plans and an electronic copy of the base files in "AutoCad" and PDF format showing the public improvements as built shall be filed with the City upon completion of the improvements.

Condition D.5: Prior to Issuance of Engineering Public Improvement Plans, the developer shall execute an engineering compliance agreement with the Sherwood Engineering Department.

Condition E.1: Prior to Building Permit Issuance, the developer shall execute an Engineering Compliance Agreement for the public improvements related to the project.

Condition G.3: Prior to Occupancy, final acceptance of the constructed public improvements shall be obtained from the Sherwood Engineering Department.

Chapter 16.110 - SANITARY SEWERS

16.110.010 - Required Improvements

Sanitary sewers shall be installed to serve all new developments and shall connect to existing sanitary sewer mains. Provided, however, that when impractical to immediately connect to a trunk sewer system, the use of septic tanks may be approved, if sealed sewer laterals are installed for future connection and the temporary system meets all other applicable City, Clean Water Services, Washington County and State sewage disposal standards.

16.110.020 - Design Standards

A. Capacity

Sanitary sewers shall be constructed, located, sized, and installed at standards consistent with this Code, the Sanitary Sewer Service Plan Map in the Sanitary Sewer Master Plan, and other applicable Clean Water Services and City standards, in order to adequately serve the proposed development and allow for future extensions.

B. Over-Sizing

1. When sewer facilities will, without further construction, directly serve property outside a proposed development, gradual reimbursement may be used to equitably distribute the cost of that over-sized system.
2. Reimbursement shall be in an amount estimated by the City to be a proportionate share of the cost for each connection made to the sewer by property owners outside of the development, for a period of ten (10) years from the time of installation of the sewers. The boundary of the reimbursement area and the method of determining proportionate shares shall be determined by the City. Reimbursement shall only be made as additional connections are made and shall be collected as a surcharge in addition to normal connection charges.

16.110.030 - Service Availability

Approval of construction plans for new facilities pursuant to Chapter 16.106, and the issuance of building permits for new development to be served by existing sewer systems shall include certification by the City that existing or proposed sewer facilities are adequate to serve the development.

FINDING: The City of Sherwood Engineering & Public Works Department reviewed all materials provided by the applicant and found insufficient information was provided to satisfy the above criteria. A CWS Memorandum (Attachment C), dated September 11, 2025, and included additional comments and conditions of approval. Conversely, applicant provided a Clean Water Service (CWS) Service Provider Letter (SPL) after the standard comment period (Attachment A, Appendix Q) and has been conditioned to comply accordingly, as previously described under the findings within section 16.70.030 - Application Requirements.

Engineering provided formal comments and conditions, as it related to Chapter 16.110. An engineering memorandum, dated August 29, 2025 (Attachment B) provided the following analysis and information:

“There is an existing 12-inch diameter public sanitary sewer within SW Willamette Street and an existing 8-inch diameter public sanitary sewer within both SW Pine Street and SW Columbia Street. There appears to be no sanitary sewer laterals currently available for connection by the subject property. The developer will need to install a sanitary sewer lateral to provide sanitary sewer for the development.”

Staff concur with the above information. The applicant shall ensure compliance with Clean Water Services, Washington County and State sewage disposal standards. The following conditions apply:

Condition D.6: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a sanitary sewer service lateral for the subject development meeting the approval of the City of Sherwood Engineering Department.

Condition G.4: Prior to Occupancy, any private sanitary sewer piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.

As presented the above criteria is met.

Chapter 16.112 - WATER SUPPLY

16.112.010 - Required Improvements

Water lines and fire hydrants conforming to City and Fire District standards shall be installed to serve all building sites in a proposed development. All waterlines shall be connected to existing water mains or shall construct new mains appropriately sized and located in accordance with the Water System Master Plan.

16.112.020 - Design Standards

A. Capacity

Water lines providing potable water supply shall be sized, constructed, located and installed at standards consistent with this Code, the Water System Master Plan, the City's Design and Construction Manual, and with other applicable City standards and specifications, in order to adequately serve the proposed development and allow for future extensions.

B. Fire Protection

All new development shall comply with the fire protection requirements of Chapter 16.116, the applicable portions of Chapter 7 of the Community Development Plan, and the Fire District.

C. Over-Sizing

1. When water mains will, without further construction, directly serve property outside a proposed development, gradual reimbursement may be used to equitably distribute the cost of that over-sized system.
2. Reimbursement shall be in an amount estimated by the City to be the proportionate share of the cost of each connection made to the water mains by property owners outside the development, for a period of ten (10) years from the time of installation of the mains. The boundary of the reimbursement area and the method of determining proportionate shares shall be determined by the City. Reimbursement shall only be made as additional connections are made and shall be collected as a surcharge in addition to normal connection charges.
3. When over-sizing is required in accordance with the Water System Master Plan, it shall be installed per the Water System Master Plan. Compensation for over-sizing may be provided through direct reimbursement, from the City, after mainlines have been accepted. Reimbursement of this nature would be utilized when the cost of over-sizing is for system wide improvements.

16.112.030 - Service Availability

Approval of construction plans for new water facilities pursuant to Chapter 16.106, and the issuance of building permits for new development to be served by existing water systems shall include certification by the City that existing or proposed water systems are adequate to serve the development.

FINDING: City of Sherwood Engineering & Public Works Department reviewed all materials provided by the applicant and found sufficient information was provided to satisfy the above criteria. Engineering provided formal comments and conditions, as it related to Chapter 16.112. An engineering memorandum, dated August 29, 2025 (Attachment B) provided the following analysis and information:

“There is an existing 12-inch diameter water main within SW Pine Street and SW Willamette Street and an existing 8-inch diameter water main within SW Columbia Street.

There appears to be no water services currently available for connection by the subject property. The subject development will need to install a domestic water service and fire service (if necessary/desired).

The subject property is within 100 feet of a community well owned and operated by the city of Sherwood. As such, per OAR 333-061-0050, a perpetual restrictive easement shall be dedicated to the city of Sherwood over the area of the subject property that is within 100 feet of the city well."

Staff concur with the above information. The applicant shall ensure that water lines and fire hydrants conform to City, state, and Fire District standards. The following conditions apply:

Condition D.7: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a domestic water service with backflow prevention for the subject development meeting the approval of the Sherwood Engineering Department.

Condition D.8: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for fire water service, as needed, with backflow prevention for the subject development meeting the approval of the Sherwood Engineering Department.

Condition F.2: Prior to Acceptance of Public Improvements, the proposed development shall dedicate a public water line easement for any public water facilities within private property meeting the approval of the City of Sherwood Engineering Department.

Condition F.3: Prior to Acceptance of Public Improvements, the proposed development shall dedicate a perpetual restrictive easement to the city of Sherwood over the portion of the subject property that is within 100 feet of the city well meeting the approval of the City of Sherwood Engineering Department.

Condition G.5: Prior to Occupancy, any private water piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.

As presented, the above criteria are met.

Chapter 16.114 - STORM WATER

16.114.010 - Required Improvements

Storm water facilities, including appropriate source control and conveyance facilities, shall be installed in new developments and shall connect to the existing downstream drainage systems consistent with the Comprehensive Plan and the requirements of the Clean Water Services water quality regulations contained in their Design and Construction Standards R&O 04-9, or its replacement.

16.114.020 - Design Standards

A. Capacity

Storm water drainage systems shall be sized, constructed, located, and installed at standards consistent with this Code, the Storm Drainage Master Plan Map, attached as Exhibit E, Chapter 7 of the Community Development Plan, other applicable City standards, the Clean Water Services Design and Construction standards R&O 04-9 or its replacement, and hydrologic data and improvement plans submitted by the developer.

B. On-Site Source Control

Storm water detention and groundwater recharge improvements, including but not limited to such facilities as dry wells, detention ponds, and roof top ponds shall be constructed according to Clean Water Services Design and Construction Standards.

C. Conveyance System

The size, capacity and location of storm water sewers and other storm water conveyance improvements shall be adequate to serve the development and accommodate upstream and downstream flow. If an upstream area discharges through the property proposed for development, the drainage system shall provide capacity to the receive storm water discharge from the upstream area. If downstream drainage systems are not sufficient to receive an increase in storm water caused by new development, provisions shall be made by the developer to increase the downstream capacity or to provide detention such that the new development will not increase the storm water caused by the new development.

16.114.030 - Service Availability

Approval of construction plans for new storm water drainage facilities pursuant to Chapter 16.106, and the issuance of building permits for new development to be served by existing storm water drainage systems shall include certification by the City that existing or proposed drainage facilities are adequate to serve the development.

FINDING: The application was reviewed by City of Sherwood Engineering for compliance with applicable criterion and provided the following findings:

“There is an existing 27-inch diameter public storm sewer within SW Pine Street and SW Willamette Street and an existing 15-inch diameter public storm sewer within SW Columbia Street. There appears to be no storm sewer laterals currently available for connection by the subject property. The developer will need to install a storm sewer lateral to provide service to the subject property.

Storm water runoff water quality treatment in compliance with Clean Water Services standards is required for the subject development. Private onsite storm water runoff water quality treatment is proposed to be provided for the development via a storm filter manhole.

Storm water runoff hydro-modification in compliance with Clean Water Services standards is required for the subject development. Private onsite storm water hydro-modification is proposed to be provided for the development via a subsurface detention facility. Any on-site water quality/hydro-modification facilities will require a recorded Private Stormwater Facility Access and Maintenance Covenant and an O&M plan.”

Planning staff concur with the above information. The applicant shall comply with the applicable criteria within the Comprehensive Plan and Clean Water Services water quality regulations contained in their Design and Construction Standards R&O 04-9, or its replacement. The following conditions apply:

Condition D.9: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a storm sewer service lateral for the subject development. The connection to the public storm mainline shall be in conformance with City engineering standards.

Condition D.10: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for on-site water quality treatment in compliance with Clean Water Services standards or make a payment-in-lieu thereof for impervious area not being treated by the development or a combination thereof if approved by the City of Sherwood and Clean Water Services.

Condition D.11: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for on-site hydro-modification in compliance with Clean Water Services standards.

Condition D.12: Prior to Approval of Engineering Public Improvement Plans, a stormwater connection permit shall be obtained from Clean Water Services.

Condition F.4: Prior to Acceptance of Public Improvements, all public improvements and private on-site storm water runoff water quality treatment and hydro-modification facilities shall be installed meeting the approval of the Sherwood Engineering Department.

Condition F.5: Prior to Acceptance of Public Improvements, a Private Stormwater Facility Access and Maintenance Covenant meeting City of Sherwood standards shall be recorded at Washington County for any on-site water quality/hydro-modification facilities.

Condition F.6: Prior to Acceptance of Public Improvements, an O&M Plan meeting City of Sherwood standards shall be provided to the city.

Condition G.6: Prior to Occupancy, any private stormwater piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.

As presented, the above criteria is satisfied.

Chapter 16.116 - FIRE PROTECTION

16.116.010 - Required Improvements

When land is developed so that any commercial or industrial structure is further than two hundred and fifty (250) feet or any residential structure is further than five hundred (500) feet from an adequate water supply for fire protection, as determined by the Fire District, the developer shall provide fire protection facilities necessary to provide adequate water supply and fire safety.

16.116.020 - Standards

A. Capacity

All fire protection facilities shall be approved by and meet the specifications of the Fire District, and shall be sized, constructed, located, and installed consistent with this Code, Chapter 7 of the Community Development Plan, and other applicable City standards, in order to adequately protect life and property in the proposed development.

B. Fire Flow

Standards published by the Insurance Services Office, entitled "Guide for Determination of Required Fire Flows" shall determine the capacity of facilities required to furnish an adequate fire flow. Fire protection facilities shall be adequate to convey quantities of water, as determined by ISO standards, to any outlet in the system, at no less than twenty (20) pounds per square inch residual pressure. Water supply for fire protection purposes shall be restricted to that available from the City water system. The location of hydrants shall be taken into account in determining whether an adequate water supply exists.

C. Access to Facilities

Whenever any hydrant or other appurtenance for use by the Fire District is required by this Chapter, adequate ingress and egress shall be provided. Access shall be in the form of an improved, permanently maintained roadway or open paved area, or any combination thereof, designed, constructed, and at all times maintained, to be clear and unobstructed. Widths, height clearances, ingress and egress shall be adequate for District firefighting equipment. The Fire District may further prohibit vehicular parking along private accessways in order to keep them clear and unobstructed, and cause notice to that effect to be posted.

D. Hydrants

Hydrants located along private, accessways shall either have curbs painted yellow or otherwise marked prohibiting parking for a distance of at least fifteen (15) feet in either direction, or where curbs do not exist, markings shall be painted on the pavement, or signs erected, or both, given notice that parking is prohibited for at least fifteen (15) feet in either direction.

16.116.030 - Miscellaneous Requirements

A. Timing of Installation

When fire protection facilities are required, such facilities shall be installed and made serviceable prior to or at the time any combustible construction begins on the land unless, in the opinion of the Fire District, the nature or

circumstances of said construction makes immediate installation impractical.

B. Maintenance of Facilities

All on-site fire protection facilities, shall be maintained in good working order. The Fire District may conduct periodic tests and inspection of fire protection and may order the necessary repairs or changes be made within ten (10) days.

C. Modification of Facilities

On-site fire protection facilities may be altered or repaired with the consent of the Fire District; provided that such alteration or repairs shall be carried out in conformity with the provisions of this Chapter.

FINDING: The City of Sherwood Public Works – Engineering Department and Building Department reviewed all the submitted materials, and found sufficient information was provided to satisfy the above criteria. Preliminary plans approved by Tualatin Valley Fire & Rescue (TVF&R) (Attachment A, Appendix M) indicated compliance with applicable regional requirements. The following conditions apply:

Condition A.19: Hydrants located along private, accessways shall either have curbs painted yellow, or otherwise marked, prohibiting parking for a distance of at least fifteen (15) feet in either direction. When curbs do not exist, markings shall be painted on the pavement, or signs erected, or both, given notice that parking is prohibited for at least fifteen (15) feet in either direction.

Condition A.20: All on-site fire protection facilities, shall be maintained in good working order. Compliance with the standards defined by Tualatin Valley Fire & Rescue (TVF&R), or their successor, shall be the responsibility of the property owner(s).

Condition A.21: On-site fire protection facilities may be altered or repaired with the consent of the Tualatin Valley Fire & Rescue (TVF&R), or their successor, provided that such alteration or repairs shall be carried out in conformity with the provisions of Chapter 16.116 – Fire Protection.

As presented, the above criteria is met.

Chapter 16.118 - PUBLIC AND PRIVATE UTILITIES

16.118.010 – Purpose

Public telecommunication conduits as well as conduits for franchise utilities including, but not limited to, electric power, telephone, natural gas, lighting, and cable television shall be installed to serve all newly created lots and developments in Sherwood.

16.118.020 - Standard

- A.** Installation of utilities shall be provided in public utility easements and shall be sized, constructed, located, and installed consistent with this Code, and applicable utility company and City standards.

- B. Public utility easements shall be a minimum of eight (8) feet in width unless a reduced width is specifically exempted by the City Engineer. An eight-foot-wide public utility easement (PUE) shall be provided on private property along all public street frontages. This standard does not apply to developments within the Old Town Overlay.
- C. Where necessary, in the judgment of the City Manager or his designee, to provide for orderly development of adjacent properties, public and franchise utilities shall be extended through the site to the edge of adjacent property(ies).
- D. Franchise utility conduits shall be installed per the utility design and specification standards of the utility agency.
- E. Public Telecommunication conduits and appurtenances shall be installed per the City of Sherwood telecommunication design standards.
- F. Exceptions: Installation shall not be required if the development does not require any other street improvements. In those instances, the developer shall pay a fee in lieu that will finance installation when street or utility improvements in that location occur.

16.118.030 - Underground Facilities

Except as otherwise provided, all utility facilities, including but not limited to, electric power, telephone, natural gas, lighting, cable television, and telecommunication cable, shall be placed underground, unless specifically authorized for above ground installation, because the points of connection to existing utilities make underground installation impractical, or for other reasons deemed acceptable by the City.

16.118.040 - Exceptions

Surface-mounted transformers, surface-mounted connection boxes and meter cabinets, temporary utility service facilities during construction, high capacity electric and communication feeder lines, and utility transmission lines operating at fifty thousand (50,000) volts or more may be located above ground. The City reserves the right to approve location of all surface-mounted transformers.

16.118.050 - Private Streets

The construction of new private streets, serving single-family residential developments shall be prohibited unless it provides principal access to two or fewer residential lots or parcels i.e. flag lots. Provisions shall be made to assure private responsibility for future access and maintenance through recorded easements. Unless otherwise specifically authorized, a private street shall comply with the same standards as a public street identified in the Community Development Code and the Transportation System Plan. A private street shall be distinguished from public streets and reservations or restrictions relating to the private street shall be described in land division documents and deed records. A private street shall also be signed differently from public streets and include the words "Private Street".

FINDING: The application was reviewed by City of Sherwood Engineering for compliance with applicable criterion and provided the following findings:

“...Since the subject property is within the Old Town Overlay District, no PUE is required...”

Sherwood Broadband service exists in the area and provides service for all properties in the vicinity of the subject development. Therefore, no Sherwood Broadband vaults or conduits are not necessary except as necessary to provide service to the new development.”

Planning concurs with the above information. As the subject property is located within the Old Town Overlay, no Public Utility Easement (PUE) is required. All future utilities will be required to be undergrounded, as conditioned below:

Condition A.22: Per City of Sherwood standards, all new utilities shall be placed underground.

Condition D.13: Prior to Approval of Engineering Public Improvement Plans, the developer shall design to bring Sherwood Broadband facilities to the proposed building.

As presented, the above criteria are met.

Chapter 16.140 - PARKS, TREES AND OPEN SPACES

16.140.010 - Purpose

This Chapter is intended to assure the provision of a system of public and private recreation and open space areas and facilities consistent with this Code and applicable portions of the City's adopted Comprehensive Plan. The standards of this section do not supersede the open space requirements of a Planned Unit Development, found in Chapter 16.40 - Planned Unit Development (PUD).

16.140.020 - Multi-Family Dwelling Developments

A. Standards

Except as otherwise provided, recreation and open space areas shall be provided in new Multi-Family dwelling residential developments to the following standards:

1. Open Space

A minimum of twenty percent (20%) of the site area shall be retained in common open space. Required yard parking or maneuvering areas may not be substituted for open space.

FINDING: Based on the size of the parcel, approximately 9,930 square feet (1.14 acres = 49,650 square feet x 0.20 = 9,930 square feet) of dedicated open space is required. The applicant submitted materials indicating that approximately 13,377 square footage of open space will be provided, exceeding the minimum standard; therefore, this standard is met.

2. Recreation Facilities

A minimum of fifty percent (50%) of the required common open space shall be suitable for active recreational use. Recreational spaces shall be planted in grass or otherwise suitably improved. A minimum area of eight-hundred (800) square feet and a minimum width of fifteen (15) feet shall be provided.

FINDING: Of the required common open space, at least fifty percent (50%) shall be dedicated to active recreational uses, equating to at least 4,965 square feet ($9,930/2=4,965$ square feet). The applicant submitted materials displaying that 4,743.71 square feet [2,346.75 square feet (Basketball Court) + 2,396.96 square feet (play structure)] will be provided, below the minimum requirement.

The applicant will be required to either expand, add, or create space that supports active recreation; benches, shade structures, and fountains support active recreation indirectly (e.g., providing rest between play), however, these features can be considered in the calculation as they contribute and are suitable for active recreational use. To ensure the applicant addresses this deficiency, the following condition applies:

Condition B.16: Prior to Final Site Plan Approval, the applicant shall revise the plans to demonstrate that a minimum of 4,965 square feet of active recreational space is provided. Compliance shall be achieved through enlargement of existing facilities, addition of new active recreational amenities, or clear infrastructure improvements that support active recreation. (i.e. Benches, shade structures, or water fountains).

As conditioned this standard is met.

3. Minimum Standards

Common open space and recreation areas and facilities shall be clearly shown on site development plans and shall be physically situated so as to be readily accessible to and usable by all residents of the development.

4. Terms of Conveyance

Rights and responsibilities attached to common open space and recreation areas and facilities shall be clearly specified in a legally binding document which leases or conveys title, including beneficial ownership to a home association, or other legal entity. The terms of such lease or other instrument of conveyance must include provisions suitable to the City for guaranteeing the continued use of such land and facilities for its intended purpose; continuity of property maintenance; and, when appropriate, the availability of funds required for such maintenance and adequate insurance protection.

FINDING: The applicant submitted development plans delineating dedicated common open space/recreational areas. These are both physically situated on the site and readily accessible to future residents.

The applicant shall be required to establish and ensure the long-term ownership, maintenance, and protection of common open space and recreational facilities. To meet the above criteria, the following condition applies:

Condition B.17: Prior to Final Site Plan Approval, the applicant shall provide a legally binding document that conveys rights and responsibilities for common open space and recreational facilities to a homeowners' association or other legal entity. The document shall include provisions ensuring continued use for the intended purpose, adequate and ongoing maintenance, availability of maintenance funds, and appropriate insurance coverage.

As presented, the above criterion is met.

16.140.060 - Street Trees

A. Installation of Street Trees on New or Redeveloped Property.

Trees are required to be planted to the following specifications along public streets abutting or within any new development or re-development. Planting of such trees shall be a condition of development approval. The City shall be subject to the same standards for any developments involving City-owned property, or when constructing or reconstructing City streets. After installing street trees, the property owner shall be responsible for maintaining the street trees on the owner's property or within the right-of-way adjacent to the owner's property.

1. **Location:** Trees shall be planted within the planter strip along a newly created or improved streets. In the event that a planter strip is not required or available, the trees shall be planted on private property within the front yard setback area or within public street right-of-way between front property lines and street curb lines or as required by the City.
2. **Size:** Trees shall have a minimum trunk diameter of two (2) caliper inches, which is measured six inches above the soil line, and a minimum height of six (6) feet when planted.
3. **Types:** Developments shall include a variety of street trees. The trees planted shall be chosen from those listed in 16.140.080 of this Code.
4. **Required Street Trees and Spacing:**
 - a. The minimum spacing is based on the maximum canopy spread identified in the recommended street tree list in section 16.140.080 with the intent of providing a continuous canopy without openings between the trees. For example, if a tree has

a canopy of forty (40) feet, the spacing between trees is forty (40) feet. If the tree is not on the list, the mature canopy width must be provided to the planning department by a certified arborist.

- b. All new developments shall provide adequate tree planting along all public streets. The number and spacing of trees shall be determined based on the type of tree and the spacing standards described in a. above and considering driveways, street light locations and utility connections. Unless exempt per c. below, trees shall not be spaced more than forty (40) feet apart in any development.
- c. A new development may exceed the forty-foot spacing requirement under section b. above, under the following circumstances:
 - 1) Installing the tree would interfere with existing utility lines and no substitute tree is appropriate for the site; or
 - 2) There is not adequate space in which to plant a street tree due to driveway or street light locations, vision clearance or utility connections, provided the driveways, streetlight or utilities could not be reasonably located elsewhere so as to accommodate adequate room for street trees; and
 - 3) The street trees are spaced as close as possible given the site limitations in (1) and (2) above.
 - 4) The location of street trees in an ODOT or Washington County right-of-way may require approval, respectively, by ODOT or Washington County and are subject to the relevant state or county standards.
 - 5) For arterial and collector streets, the City may require planted medians in lieu of paved twelve-foot wide center turning lanes, planted with trees to the specifications of this subsection.

FINDING: The development site has frontage on three public streets: SW Columbia Street, SW Pine Street, and SW Willamette Street. Previously, SW Columbia Street was developed to meet the above standards, while the applicant will be required to provide adequate street trees, or pay the appropriate fee-in-lieu, for both portions of the property abutting SW Pine Street and SW Willamette Street. As no details have been provided regarding the above criteria, the following conditions apply:

Condition B.18: Prior to Final Site Plan Approval, the applicant shall provide a final street tree planting plan for SW Willamette Street and SW Pine Street in conformance with Section 16.142.060, or provide documentation of an approved fee-in-lieu payment.

Condition G.7: Prior to Occupancy, street trees along SW Willamette Street and SW Pine Street shall be installed in conformance with Section 16.142.060, or the applicant shall provide documentation of an approved fee-in-lieu payment.

As conditioned, the above criteria is met.

16.140.070 - Trees on Property Subject to Certain Land Use Applications

A. Generally

The purpose of this Section is to establish processes and standards which will minimize cutting or destruction of trees and woodlands within the City. This Section is intended to help protect the scenic beauty of the City; to retain a livable environment through the beneficial effect of trees on air pollution, heat and glare, sound, water quality, and surface water and erosion control; to encourage the retention and planting of tree species native to the Willamette Valley and Western Oregon; to provide an attractive visual contrast to the urban environment, and to sustain a wide variety and distribution of viable trees and woodlands in the community over time.

B. Applicability

All applications including a Type II - IV land use review, shall be required to preserve trees or woodlands, as defined by this Section to the maximum extent feasible within the context of the proposed land use plan and relative to other codes, policies, and standards of the City Comprehensive Plan.

C. Inventory

1. To assist the City in making its determinations on the retention of trees and woodlands, land use applications including Type II - IV development shall include a tree and woodland inventory and report. The report shall be prepared by a qualified professional and must contain the following information:
 - a. Tree size (in DBH and canopy area)
 - b. Tree species
 - c. The condition of the tree with notes as applicable explaining the assessment
 - d. The location of the tree on the site
 - e. The location of the tree relative to the planned improvements
 - f. Assessment of whether the tree must be removed to accommodate the development
 - g. Recommendations on measures that must be taken to preserve trees during the construction that are not proposed to be removed.
2. In addition to the general requirements of this Section, the tree and woodland inventory's mapping and report shall also include, but is not limited to, the specific information outlined in the appropriate land use application materials packet.

3. **Definitions for the inventory purposes of this Section**
- a. A tree is a living woody plant having a trunk diameter as specified below at Diameter at Breast Height (DBH). Trees planted for commercial agricultural purposes, and/or those subject to farm forest deferral, such as nut and fruit orchards and Christmas tree farms, are excluded from this definition and from regulation under this Section, as are any living woody plants under six (6) inches at DBH. All trees six (6) inches or greater shall be inventoried.
 - b. A woodland is a biological community dominated by trees covering a land area of 20,000 square feet or greater at a density of at least fifty (50) trees per every 20,000 square feet with at least fifty percent (50%) of those trees of any species having a six (6) inches or greater at DBH. Woodlands planted for commercial agricultural purposes and/or subject to farm forest deferral, such as nut and fruit orchards and Christmas tree farms, are excluded from this definition, and from regulation under this Section.
 - c. A large stature tree is over 20 feet tall and wide with a minimum trunk diameter of 30 inches at DBH.

FINDING: The applicant submitted a narrative stating the following:

"The applicant proposes to remove all on-site vegetation outside of the retention of two mature Douglas Fir trees which were previously identified as significant by the City of Sherwood. It is not feasible to maintain any significant on-site vegetation as the area is overgrown with non-native and invasive species. An efficient land clearing process is necessary to remove the overgrowth and prepare for development and this may result in the loss of the remaining native vegetation. The applicant has proposed landscaping which shall include primarily native plants as demonstrated by the attached preliminary landscaping plan."

The applicant did not provide a tree and woodland inventory and report prepared by a qualified professional, detailing the required information under Section 16.140.070, therefore staff were unable to determine if the preservation of trees were achieved to the maximum extent feasible. To comply with the above criteria, the following condition applies:

Condition B.19: Prior to Final Site Plan Approval, the applicant shall provide a tree and woodland inventory and report, prepared by a qualified professional, in accordance with Section 16.140.070. The report shall include recommendations on measures to preserve trees that are not proposed for removal during construction.

As conditioned, the above criteria is met.

D. Retention requirements

1. Trees may be considered for removal to accommodate the development including buildings, parking, walkways, grading etc., provided the development satisfies of D.2 or D.3, below.

3. **Required Tree Canopy - Non-Residential and Multi-Family Dwelling Developments**

- a. Each net development site shall provide a variety of trees to achieve a minimum total tree canopy of 30 percent. The canopy percentage is based on the expected mature canopy of each tree by using the equation πr^2 to calculate the expected square footage of each tree. The expected mature canopy is counted for each tree even if there is an overlap of multiple tree canopies.
- b. The canopy requirement can be achieved by retaining existing trees or planting new trees. Required landscaping trees can be used toward the total on site canopy required to meet this standard. The expected mature canopy spread of the new trees will be counted toward the required canopy cover. A certified arborist or other qualified professional shall provide an estimated tree canopy for all proposed trees to the planning department for review as a part of the land use review process.

E. Tree Preservation Incentive

Retention of existing native trees on site which are in good health can be used to achieve the required mature canopy requirement of the development. The expected mature canopy can be calculated twice for existing trees. For example, if one existing tree with an expected mature canopy of 10 feet (78.5 square feet) is retained it will count as twice the existing canopy (157 square feet).

FINDING: As delineated within the provided table under section 16.92.030.B.5, only a total of 16.36% total tree canopy for the subject parcel is provided, below the minimum requirements. The two (2) *Pseudotsuga menziesii* (Douglas Firs) proposed for preservation cannot be credited toward the canopy calculation because a certified arborist or other qualified professional did not provide an estimated mature canopy spread, nor verified the trees' health and vitality for long-term retention; in the event this information is verified, the applicant will be allowed to utilize the provisions outlined under section 16.140.070.E - Tree Preservation Incentive. To ensure compliance with the above criteria, the following conditions apply:

Condition B.20: Prior to Final Site Plan Approval, the applicant shall submit a revised landscaping plan, prepared by a qualified professional, that demonstrates compliance with Section 16.140.070.D.3 by achieving a minimum total tree canopy coverage of thirty percent (30%) of the net development site. The revised plan shall calculate canopy coverage using the expected mature canopy spread of each proposed tree species.

Condition B.21: Prior to Final Site Plan Approval, the applicant shall provide a certified arborist's (or other qualified professional) report that evaluates all trees proposed for preservation, and provides an estimated mature canopy spread and confirmation of the trees' long-term retention viability. Any tree proposed for preservation that is found by the certified arborist to be in poor health, unsafe, or non-viable for retention shall not be credited toward canopy coverage.

As conditioned, the above criteria is met.

G. Tree Protection During Development

The applicant shall prepare and submit a final Tree and Woodland Plan prior to issuance of any construction permits, illustrating how identified trees and woodlands will be retained, removed or protected as per the Notice of Decision. Such plan shall specify how trees and woodlands will be protected from damage or destruction by construction activities, including protective fencing, selective pruning and root treatments, excavation techniques, temporary drainage systems, and like methods. At a minimum, trees to be protected shall have the area within the drip line of the tree protected from grading, stockpiling, and all other construction related activity unless specifically reviewed and recommended by a certified arborist or other qualified professional. Any work within the dripline of the tree shall be supervised by the project arborist or other qualified professional onsite during construction.

H. Penalties

Violations of this Section shall be subject to the penalties defined by Section 16.02.040, provided that each designated tree or woodland unlawfully removed or cut shall be deemed a separate offense.

FINDING: As described above, tree protection during development shall be established and maintained, including penalties for unlawful removal or damage. While the applicant has not submitted a Final Tree and Woodland Plan at this stage, compliance with these standards will be ensured through the following conditions of approval:

Condition B.22: Prior to Final Site Plan Approval, the applicant shall prepare and submit a Final Tree and Woodland Plan, prepared by a certified arborist or other

qualified professional, for review and approval by the City. The plan shall illustrate how all identified trees and woodlands will be retained, removed, or protected.

Condition A.23: The Final Tree and Woodland Plan shall specify tree protection measures, including but not limited to: protective fencing, selective pruning and root treatments, excavation techniques, and temporary drainage systems. At a minimum, the area within the dripline of each tree designated for protection shall be fenced and protected from grading, stockpiling, and other construction-related activity, unless specifically reviewed and recommended by a certified arborist or other qualified professional.

Condition A.24: Any work occurring within the dripline of a protected tree shall be supervised onsite by the project arborist or other qualified professional during construction activities. Documentation of arborists' oversight shall be submitted to the City upon request.

Condition A.25: The applicant shall be advised that violations of the approved Tree and Woodland Plan, including the unlawful removal or cutting of designated trees or woodlands, shall be subject to enforcement under Section 16.02.040 of the Sherwood Zoning and Community Development Code. Each designated tree or woodland unlawfully removed, or cut shall be considered a separate offense.

As presented, the above criteria is met.

Chapter 16.142 - WETLAND, HABITAT AND NATURAL AREAS

16.142.010 - Generally

Unless otherwise permitted, residential, commercial, industrial, and institutional uses in the City shall comply with the following wetland, habitat and natural area standards if applicable to the site as identified on the City's Wetland Inventory, the Comprehensive Plan Natural Resource Inventory, the Regionally Significant Fish and Wildlife Habitat Area map adopted by Metro, and by reference into this Code and the Comprehensive Plan. Where the applicability of a standard overlaps, the more stringent regulation shall apply.

16.142.020 - Standards

- A. The applicant shall identify and describe the significance and functional value of wetlands on the site and protect those wetlands from adverse effects of the development. A facility complies with this standard if it complies with the criteria of subsections A.1.a and A.1.b, below:**
 - 1. The facility will not reduce the area of wetlands on the site, and development will be separated from such wetlands by an area determined by the Clean Water Services Design and Construction Standards R&O 00-7 or its replacement provided Section 16.138.090 does not require more than the requested setback.**

- a. A natural condition such as topography, soil, vegetation or other feature isolates the area of development from the wetland.
 - b. Impact mitigation measures will be designed, implemented, and monitored to provide effective protection against harm to the wetland from sedimentation, erosion, loss of surface or ground water supply, or physical trespass.
 - c. A lesser setback complies with federal and state permits, or standards that will apply to state and federal permits, if required.
 2. If existing wetlands are proposed to be eliminated by the facility, the applicant shall demonstrate that the project can, and will develop or enhance an area of wetland on the site or in the same drainage basin that is at least equal to the area and functional value of wetlands eliminated.
- B. The applicant shall provide appropriate plans and text that identify and describe the significance and functional value of natural features on the site (if identified in the Community Development Plan, Part 2) and protect those features from impacts of the development or mitigate adverse effects that will occur. A facility complies with this standard if:**
1. The site does not contain an endangered or threatened plant or animal species or a critical habitat for such species identified by Federal or State government (and does not contain significant natural features identified in the Community Development Plan, Part 2, Natural Resources and Recreation Plan).
 2. The facility will comply with applicable requirements of the zone.
 3. The applicant will excavate and store topsoil separate from subsurface soil, and shall replace the topsoil over disturbed areas of the site not covered by buildings or pavement or provide other appropriate medium for re-vegetation of those areas, such as yard debris compost.
 4. The applicant will retain significant vegetation in areas that will not be covered by buildings or pavement or disturbed by excavation for the facility; will replant areas disturbed by the development and not covered by buildings or pavement with native species vegetation unless other vegetation is needed to buffer the facility; will protect disturbed areas and adjoining habitat from potential erosion until replanted vegetation is established; and will provide a plan or plans identifying each area and its proposed use.
 5. Development associated with the facility will be set back from the edge of a significant natural area by an area determined by the Clean Water Services Design and Construction standards R&O 00-7 or its replacement, provided Section 16.138.090A does not require more than the requested setback. Lack of adverse effect can be

demonstrated by showing the same sort of evidence as in subsection A.1 above.

FINDING: A 0.48-acre seasonal wetland is located at the low point of the subject parcel. The applicant is proposing to fill the wetland to accommodate the new residential development.

The size and extent of the wetland has been confirmed by the Department of State Lands (DSL) through the issuance of a delineation approval letter (Attachment A, Appendix H). The application was approved and paid associated fees for a DSL Removal Fill Permit (Reference Number: APP0063626) on or before March 11, 2025, with the following statement included in the submittal materials:

The permit application is approved because the Department of State Lands (DSL or the Department) has determined that, when carried out in compliance with all terms and conditions outlined in the permit, the proposed removal-fill activity is consistent with the protection, conservation, and best use of the water resources of this state and will not unreasonably interfere with the paramount policy of this state to preserve the use of its waters for navigation, fishing, and recreation. See ORS 196.825.

Based on the above information, staff concur with the state's findings and determination, and that the information captures the site's existing conditions, in relation to the above code criteria.

When filling a wetland within the City, the standard above requires the applicant to develop or enhance an equal area of wetland on the site or in the same drainage basin. The applicant purchased a 0.48-acre wetland mitigation bank credit at the Butler Wetland Mitigation Bank near Beaverton, OR approximately 5 miles northwest of the development site; an invoice of the mitigation credits are included under Attachment A, Appendix I. The proposed mitigation area is within the Tualatin River Basin, meeting the location standard above.

To ensure compliance with state and local requirements, the following conditions apply:

Condition C.1: Prior to issuance of a Grading Permit, issuance of a NPDES 1200CN permit for the subject development is required.

Condition C.2: Prior to Issuance of a Grading Permit and Tree Removal, the proposed development shall obtain a US Army Corps of Engineers/Oregon Department of State Lands joint permit for the filling of the wetlands.

As presented, the above criteria is met.

Chapter 16.154 - ENERGY CONSERVATION

16.154.010 - Purpose

This Chapter and applicable portions of the Comprehensive Plan provide for natural heating and cooling opportunities in new development. The requirements of this Chapter shall not result in development exceeding allowable densities or lot coverage, or the destruction of existing trees.

16.154.020 - Applicability

The standards in this Chapter shall apply to any new uses or changes to existing uses in multi-dwelling, commercial, industrial and institutional zones. The standards in this Chapter do not apply to accessory dwelling unit or single detached, or middle housing development in residential zones.

16.154.030 – Standards

- A. Building Orientation** - The maximum number of buildings feasible shall receive sunlight sufficient for using solar energy systems for space, water or industrial process heating or cooling. Buildings and vegetation shall be sited with respect to each other and the topography of the site so that unobstructed sunlight reaches the south wall of the greatest possible number of buildings between the hours of 9:00 AM and 3:00 PM, Pacific Standard Time on December 21st.
- B. Wind** - The cooling effects of prevailing summer breezes and shading vegetation shall be accounted for in site design. The extent solar access to adjacent sites is not impaired vegetation shall be used to moderate prevailing winter wind on the site.

FINDING: The applicant submitted materials indicating that the building is oriented along SW Columbia, resulting in several building walls facing south or southeast. These walls are positioned to receive unobstructed sunlight throughout the year. While some site constraints limit optimal solar orientation, the proposed design maximizes feasible solar access given block orientation and lot configuration. The proposed site layout provides adequate opportunity for vegetation to be placed to provide both shading and wind mitigation without obstructing solar access to south-facing walls. As presented, this criterion is met.

Chapter 16.162 - OLD TOWN (OT) OVERLAY DISTRICT

16.162.010 – Purpose

The Old Town (OT) Overlay District is intended to establish objectives and define a set of development standards to guide physical development in the historic downtown of the City consistent with the Community Development Plan and this Code.

The OT zoning district is an overlay district generally applied to property identified on the Old Town Overlay District Map, and applied to the Sherwood Plan and Zone Map in the Smockville Subdivision and surrounding residential and commercial properties, generally known as Old Town. The OT overlay zone

recognizes the unique and significant characteristics of Old Town, and is intended to provide development flexibility with respect to uses, site size, setbacks, heights, and site design elements, in order to preserve and enhance the area's commercial viability and historic character. The OT overlay zone is designated a historic district as per Chapters 16.166 and 16.168. Furthermore, the OT District is divided into two distinct areas, the "Smockville" and the "Old Cannery Area," which have specific criteria or standards related to architectural design, height, and off-street parking.

16.162.020 - Objectives

Land use applications within the Old Town Overlay District must demonstrate substantial conformance with the standards and criteria below:

- A. Encourage development that is compatible with the existing natural and man-made environment, existing community activity patterns, and community identity.
- B. Minimize or eliminate adverse visual, aesthetic or environmental effects caused by the design and location of new development, including but not limited to effects from:
 - 1. The scale, mass, height, areas, appearances and architectural design of buildings and other development structures and features.
 - 2. Vehicular and pedestrian ways and parking areas.
 - 3. Existing or proposed alteration of natural topographic features, vegetation and waterways.

16.162.030 - Permitted Uses

The following uses are permitted outright, provided such uses meet the applicable environmental performance standards contained in Division VIII:

- A. Uses permitted outright in the RC zone, Section 16.28.020; the HDR zone, Section 16.20.020; and the MDRL zone, Section 16.16.020; provided that uses permitted outright on any given property are limited to those permitted in the underlying zoning district, unless otherwise specified by this Section and Section 16.162.040.
- B. In addition to the home occupations permitted under Section 16.42.020, antique and curio shops, cabinet making, arts and crafts galleries, artists cooperatives, and bookshops, are permitted subject to the standards of Chapter 16.42 and this Chapter, in either the underlying RC or MDRL zones.
- C. Boarding and rooming houses, bed and breakfast inns, and similar accommodations, containing not more than five (5) guest rooms, in the underlying RC, HDR and MDRL zones.
- D. Motels and hotels, in the underlying RC zone only.
- E. Residential apartments when located on upper or basement floors, to the rear of, or otherwise clearly secondary to commercial buildings, in the underlying RC zone only.

- F. Other similar commercial uses or similar home occupations, subject to Chapter 16.88.**
- G. Offices or architects, artists, attorneys, dentists, engineers, physicians, accountants, consultants and similar professional services.**
- H. Uses permitted outright in the RC zone are allowed within the HDR zone when limited to the first floor, adjacent to and within 100 feet of, Columbia Street within the Old Town Overlay District.**

FINDING: The property's underlying zoning designation is High Density Residential (HDR). Pursuant to Chapter §16.12 – Residential Land Use District, the proposed multi-family use is permitted outright within the HDR zone district. The current proposal does not include any of the unique uses allowed within the Old Town Overlay but does not overtly preclude the site from pursuing these uses in the future, subject to the standards adopted at the time of approval.

As presented, the above criteria is met.

16.162.060 - Dimensional Standards

In the OT overlay zone, the dimensional standards of the underlying RC, HDR and MDRL zones shall apply, with the following exceptions:

- C. Height - The purpose of this standard is to encourage 2 to 4 story mixed-use buildings in the Old Town area consistent with a traditional building type of ground floor active uses with housing or office uses above.**

16.162.070 - Community Design

Standards relating to off-street parking and loading, environmental resources, landscaping, historic resources, access and egress, signs, parks and open space, on-site storage, and site design as per Divisions V, VIII and this Division shall apply, in addition to the Old Town design standards below:

- A. Generally**

In reviewing site plans, as required by Chapter 16.90, the City shall utilize the design standards of Section 16.162.080 for the "Old Cannery Area" and the "Smockville Design Standards" for all proposals in that portion of the Old Town District.

- B. Landscaping for Residential Structures**

2. Landscaped strips, as per Sections 16.92.030 and 16.142.030.A, may be a minimum of five (5) feet in width, except when adjoining alleys, where landscaped strips are not required.
3. Fencing and interior landscaping, as per Section 16.92.030, are not required.

C. Off-Street Parking

For all property and uses within the "Smockville Area" of the Old Town Overlay District off-street parking is not required. For all property and uses within the "Old Cannery Area" of the Old Town Overlay District, requirements for off-street automobile parking shall be no more than sixty-five percent (65%) of that normally required by Section 16.94.020. Shared or joint use parking agreements may be approved, subject to the standards of Section 16.94.010.

G. Downtown Street Standards - All streets shall conform to the Downtown Street Standards in the City of Sherwood Transportation System Plan and Downtown Streetscape Master Plan, and as hereafter amended. Streetscape improvements shall conform to the Construction Standards and Specifications, and as hereafter amended.

H. Color - The color of all exterior materials shall be earth tone. A color palette shall be submitted and reviewed as part of the land use application review process and approved by the hearing authority.

FINDING: The applicant submitted materials indicating compliance with the above criteria. Under Sheet A200, elevations illustrate the development will be three stories', achieving similar scale, mass, height, appearances and architectural design of surrounding structures within the Old Canary Area; the proposal was reviewed for compliance with the multi-family design standards outlined under Chapter 16.90 as the proposed development is not classified as a commercial, institutional or mixed-Use Structure. As aforementioned under previous sections, the proposed landscaping strips will be at least five (5) feet in width.

The property is within the "Old Cannery Area" of the Old Town Overlay District, which traditionally would require off-street automobile parking be no more than sixty-five percent (65%) of that normally required by Section 16.94.020. Conversely, as described under Chapter 16.94, the subject parcel is located within Climate Friendly and Equitable Communities (CFEC) delineated area, which eliminates off-street parking minimums for lots or parcels located within 0.5 miles of "frequent transit" as defined by OAR 660-012-0440(3)(c). As subject parcel is located within 0.5 miles of Tri-Met Line 94 at the time of this review, no minimum off-street parking is required for this development.

Engineering and Planning staff have reviewed the application for compliance with the Downtown Street Standards in the City of Sherwood Transportation System Plan and find that the proposed development is either compliant or can be conditioned to meet the applicable standards, as outlined in relevant code sections.

The applicant submitted elevations indicating all exterior materials shall be earth tone, as conditioned below:

Condition A.26: All exterior materials shall be earth tone. The color palette shall match that shown in the approved plan set under LU 2025-007 SP/VAR 'Old Town Multi-Family (Rock Point).'

As presented, the above criteria is met.

IV. STAFF RECOMMENDATION AND CONDITIONS OF APPROVAL

Based upon review of the applicant's submittal information, review of the code, agency comments and consideration of the applicant's submittal, staff finds that the proposed site plan does not fully comply with the standards but can be conditioned to comply.
Therefore, staff recommends approval of the application LU 2025-007 SP/VAR "Old Town Multi-Family" – Site Plan Review & Variances, subject to the following conditions of approval:

A. General Conditions

1. The applicant shall comply with all requirements and conditions set forth in the Clean Water Services (CWS) memorandum dated September 11, 2025, as applicable.
2. The applicant shall comply with all requirements and conditions set forth in the Clean Water Services (CWS) Service Provider Letter File No. 25-002127.
3. Clear Vision Areas shall be maintained at each private driveway intersection, pursuant to 16.58.010.
4. The applicant shall preserve the two existing mature Douglas Fir trees, as identified within the approved plan set.
5. The property owner(s) shall be responsible for ensuring the overall maintenance and health of the approved landscaping materials. Only hardy and drought-resistant landscaping shall be permitted on the parcel. Violation of this condition will be subject to Code Enforcement.
6. The applicant shall protect and maintain existing vegetative areas posed for preservation, as presented within the approved plans, during the entire

LU 2025-007 SP/VAR 'Old Town Multi-Family (Rock Point)'

construction phase of development. Destruction or removal of existing vegetation not originally approved for removal shall be mitigated via the replanting of similar materials to what was approved under this decision (LU 2025-007 SP/VAR).

7. Ground cover plants shall envelop any remainder of the proposed landscaping area within three (3) years of planting, pursuant to 16.92.030.B.5.c.
8. The property owner(s) shall be responsible for maintaining all required screening of all Mechanical Equipment, Outdoor Storage, Service and Delivery Areas from public streets and any adjacent residential zone or public street, pursuant to 16.92.030.C.
9. All landscaped areas shall be maintained in accordance with the approved landscaping plan. Existing non-invasive native vegetation on portions of the site not subject to development shall be retained and maintained. Any required landscaping trees that are removed shall be replaced consistent with the approved landscaping plan and in compliance with Chapter 16.142 – Parks, Trees, and Open Space.
10. The property owner(s) shall be responsible for ensuring all required parking, loading, and maneuvering areas are not used for long-term storage or sale of vehicles or other materials, or rented, leased, or assigned to any person or organization not using or occupying the building or use served, pursuant to 16.94.010.D. All future violations are subject to Code Compliance.
11. The property owner(s) shall be responsible for the maintenance and repair of the parking and loading areas, including associated infrastructure, pursuant to Chapter 16.94.010.H.
12. All designated bicycle parking areas must be clearly marked and reserved exclusively for bicycle use, using appropriate signage, pavement markings, or other visible indicators to ensure clear identification and prevent unauthorized use.
13. The property owner(s) shall be responsible for the maintenance and repair of the on-site pedestrian circulation area, including associated infrastructure, pursuant to section 16.96.010.B.
14. Any change that alters or modifies the approved ingress, egress, or circulation for vehicles, without written approval, will result in Code Enforcement action, pursuant to 16.96.040.A.
15. The property owner(s) shall be responsible for the maintenance and repair of all on-site vehicle circulation areas located on the subject parcel, pursuant to Chapter 16.96.040.D.

- 16.** Construction of public improvements shall not begin, or after a discontinuance, be restarted until the City is notified in writing.
- 17.** A complete set of reproducible plans and an electronic copy of the base files in "AutoCad" and PDF format showing the public improvements as built shall be filed with the City upon completion of the improvements.
- 18.** Hydrants located along private, accessways shall either have curbs painted yellow, or otherwise marked, prohibiting parking for a distance of at least fifteen (15) feet in either direction. When curbs do not exist, markings shall be painted on the pavement, or signs erected, or both, given notice that parking is prohibited for at least fifteen (15) feet in either direction.
- 19.** All on-site fire protection facilities, shall be maintained in good working order. Compliance with the standards defined by Tualatin Valley Fire & Rescue (TVF&R), or their successor, shall be the responsibility of the property owner(s).
- 20.** On-site fire protection facilities may be altered or repaired with the consent of the Tualatin Valley Fire & Rescue (TVF&R), or their successor, provided that such alteration or repairs shall be carried out in conformity with the provisions of Chapter 16.116 – Fire Protection.
- 21.** Per City of Sherwood standards, all new utilities shall be placed underground.
- 22.** The Final Tree and Woodland Plan shall specify tree protection measures, including but not limited to: protective fencing, selective pruning and root treatments, excavation techniques, and temporary drainage systems. At a minimum, the area within the dripline of each tree designated for protection shall be fenced and protected from grading, stockpiling, and other construction-related activity, unless specifically reviewed and recommended by a certified arborist or other qualified professional.
- 23.** Any work occurring within the dripline of a protected tree shall be supervised onsite by the project arborist or other qualified professional during construction activities. Documentation of arborists' oversight shall be submitted to the City upon request.
- 24.** The applicant shall be advised that violations of the approved Tree and Woodland Plan, including the unlawful removal or cutting of designated trees or woodlands, shall be subject to enforcement under Section 16.02.040 of the Sherwood Zoning and Community Development Code. Each designated tree or woodland unlawfully removed, or cut shall be considered a separate offense

25. All exterior materials shall be earth tone. The color palette shall match that shown in the approved plan set under LU 2025-007 SP/VAR 'Old Town Multi-Family (Rock Point).'
26. The site and building design shall be constructed based on the approved plan set authorized by the Hearing Authority and confirmed during Final Site Plan Review based on the applicable conditions of approval. Any departure from approved plans, including the window and architectural details of the front façade facing Columbia Street, as approved by the Hearing Authority shall be cause for revocation of applicable building and occupancy permits. Furthermore, if, in the City's determination, a condition of approval are not or cannot be satisfied, the land use approval, or building and occupancy permits, shall be revoked.
27. Compliance with the Conditions of Approval is the responsibility of the developer or its successor in interest.
28. The property shall comply with the applicable requirements of the Sherwood Zoning and Community Development Code, Engineering Design Standards, and Municipal Code.
29. This approval does not negate the need to obtain permits, as appropriate, from other local, state, or federal agencies even if not specifically required by this decision.

B. Prior to Final Site Plan Approval

1. Prior to Final Site Plan Approval, the applicant shall resubmit development plans that delineates each Clear Vision Area in compliance with the requirements of Chapter 16.58 – Vision Clearance and Fence Standards.
2. Prior to Final Site Plan Approval, the applicant shall submit plans detailing the exact location of each proposed conduit for future electrical service capacity, serving at least forty (40) percent of the proposed off-street parking stalls. The plans shall detail how the proposed conduits will connect to the overall power distribution system.
3. Prior to Final Site Plan Approval, applicant is encouraged, but not required, to work with the City to provide a more direct connection between the front entrance and SW Columbia Street over the city's property (Tax Lot 2S132BD08900). An agreement is required to be reached between the City and applicant for use of this property.
4. Prior to Final Site Plan Approval, the applicant shall resubmit landscaping plans to indicate all ground cover plants, excluding grasses, will be installed at a minimum four-inch pot size.

5. Prior to Final Site Plan Approval, the applicant shall submit landscaping plans indicating adequate preparation of the topsoil and subsoil will occur during the establishment of the proposed vegetation, pursuant to 16.92.020.B.2.
6. Prior to Final Site Plan Approval, the applicant shall revise the landscaping plan to demonstrate that a minimum of five percent (5%) of the required parking area landscaping trees are evergreen species.
7. Prior to Final Site Plan Approval, the applicant shall resubmit development plans demonstrating how all required landscaped islands meet the distribution requirements for residential uses and with each landscaped island evenly spaced throughout the parking area in conformance with applicable standards.
8. Prior to Final Site Plan Approval, the applicant shall resubmit development plans indicating all proposed pedestrian crossings within a dedicated parking area, driveway or street will be constructed with either contrasting paving materials or a raised crosswalk (hump), consistent with ADA standards.
9. Prior to Final Site Plan Approval, the applicant shall resubmit development plans displaying curbing along all required private pedestrian pathways/sidewalks.
10. Prior to Final Site Plan approval, the applicant shall resubmit a development plan demonstrating the proposed Solid Waste and Recycling Storage area(s) will meet the minimal trash enclosure standards, as required by Sherwood Zoning and Development Code and PRIDE disposal.
11. Prior to Final Site Plan Approval, the applicant shall resubmit development plans displaying the installation of bollards at the driveway entrance on SW Pine Street to prevent non-emergency vehicular access. The bollards shall be designed and installed in a manner acceptable to Tualatin Valley Fire and Rescue (TVF&R) & City of Sherwood Engineering. If bollards are not permissible by either TVF&R or Pride Disposal, an alternative method of access restriction, such as a gate, may be used.
12. Prior to Final Site Plan Approval, the applicant shall revise the plans to demonstrate that a minimum of 4,965 square feet of active recreational space is provided. Compliance shall be achieved through enlargement of existing facilities, addition of new active recreational amenities, or clear infrastructure improvements that support active recreation. (i.e. Benches, shade structures, or water fountains).
13. Prior to Final Site Plan Approval, the applicant shall provide a legally binding document that conveys rights and responsibilities for common open space and

recreational facilities to a homeowners' association or other legal entity. The document shall include provisions ensuring continued use for the intended purpose, adequate and ongoing maintenance, availability of maintenance funds, and appropriate insurance coverage.

- 14.** Prior to Final Site Plan Approval, the applicant shall provide a final street tree planting plan for SW Willamette Street and SW Pine Street in conformance with Section 16.142.060, or provide documentation of an approved fee-in-lieu payment.
- 15.** Prior to Final Site Plan Approval, the applicant shall provide a tree and woodland inventory and report, prepared by a qualified professional, in accordance with Section 16.140.070. The report shall include recommendations on measures to preserve trees that are not proposed for removal during construction.
- 16.** Prior to Final Site Plan Approval, the applicant shall submit a revised landscaping plan, prepared by a qualified professional, that demonstrates compliance with Section 16.140.070.D.3 by achieving a minimum total tree canopy coverage of thirty percent (30%) of the net development site. The revised plan shall calculate canopy coverage using the expected mature canopy spread of each proposed tree species.
- 17.** Prior to Final Site Plan Approval, the applicant shall provide a certified arborist's (or other qualified professional) report that evaluates all trees proposed for preservation, and provides an estimated mature canopy spread and confirmation of the trees' long-term retention viability. Any tree proposed for preservation that is found by the certified arborist to be in poor health, unsafe, or non-viable for retention shall not be credited toward canopy coverage.
- 18.** Prior to Final Site Plan Approval, the applicant shall prepare and submit a Final Tree and Woodland Plan, prepared by a certified arborist or other qualified professional, for review and approval by the City. The plan shall illustrate how all identified trees and woodlands will be retained, removed, or protected.
- 19.** Prior to Final Site Plan approval, the applicant shall revise the plans to account for the required 12 ft. wide right-of-way dedication along SW Willamette Street. No permanent improvements are permitted in the right-of-way.

C. Prior to Issuance of a Grading Permit

- 1.** Prior to issuance of a Grading Permit, issuance of a NPDES 1200CN permit for the subject development is required.

2. Prior to Issuance of a Grading Permit and Tree Removal, the proposed development shall obtain a US Army Corps of Engineers/Oregon Department of State Lands joint permit for the filling of the wetlands.
3. Prior to Issuance of a Grading Permit, the applicant shall receive Final Site Plan Approval.

D. Prior to Approval of the Engineering Public Improvement Plans / Engineering Plan Approval

1. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall make a payment-in-lieu of installing street improvements along the subject property frontage of SW Pine Street. Said payment-in-lieu will be based upon 125% of the engineer's estimate meeting the approval of the City of Sherwood Engineering Department which will include the following:
 1. Concrete sidewalk (77.39'x6')
 2. Streetlight relocation.
 3. Two street trees.
2. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for driveway access and associated street frontage restoration along SW Columbia Street (including EV charging station relocation) meeting the approval of the City of Sherwood Engineering Department.
3. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for emergency access (unless otherwise deemed unnecessary by TVF&R) and associated street frontage restoration along SW Pine Street meeting the approval of the City of Sherwood Engineering Department.
4. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for either removable bollard at the emergency access to SW Pine Street meeting the approval of TVF&R and the City of Sherwood Engineering Department. If bollards are not permissible by either TVF&R or Pride Disposal, an alternative method of access restriction, such as a gate, may be used.
5. Prior to Issuance of Engineering Public Improvement Plans, the developer shall execute an engineering compliance agreement with the Sherwood Engineering Department.
6. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a sanitary sewer service lateral for the

subject development meeting the approval of the City of Sherwood Engineering Department.

7. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a domestic water service with backflow prevention for the subject development meeting the approval of the Sherwood Engineering Department.
8. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for fire water service, as needed, with backflow prevention for the subject development meeting the approval of the Sherwood Engineering Department.
9. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a storm sewer service lateral for the subject development. The connection to the public storm mainline shall be in conformance with City engineering standards.
10. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for on-site water quality treatment in compliance with Clean Water Services standards or make a payment-in-lieu thereof for impervious area not being treated by the development or a combination thereof if approved by the City of Sherwood and Clean Water Services.
11. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for on-site hydro-modification in compliance with Clean Water Services standards.
12. Prior to Approval of Engineering Public Improvement Plans, a stormwater connection permit shall be obtained from Clean Water Services.
13. Prior to Approval of Engineering Public Improvement Plans, the developer shall design to bring Sherwood Broadband facilities to the proposed building.

E. Prior to Issuance of Building Permits

1. Prior to Building Permit Issuance, the developer shall execute an Engineering Compliance Agreement for the public improvements related to the project.

F. Prior to Acceptance of the Public Improvements

1. Prior to Acceptance of Public Improvements, the proposed development shall dedicate half-street right-of-way to a width of 32 feet along the subject property

frontage of SW Willamette Street meeting the approval of the City of Sherwood Engineering Department.

2. Prior to Acceptance of Public Improvements, the proposed development shall dedicate a public water line easement for any public water facilities within private property meeting the approval of the City of Sherwood Engineering Department.
3. Prior to Acceptance of Public Improvements, the proposed development shall dedicate a perpetual restrictive easement to the city of Sherwood over the portion of the subject property that is within 100 feet of the city well meeting the approval of the City of Sherwood Engineering Department.
4. Prior to Acceptance of Public Improvements, all public improvements and private on-site storm water runoff water quality treatment and hydro-modification facilities shall be installed meeting the approval of the Sherwood Engineering Department.
5. Prior to Acceptance of Public Improvements, a Private Stormwater Facility Access and Maintenance Covenant meeting City of Sherwood standards shall be recorded at Washington County for any on-site water quality/hydro-modification facilities.
6. Prior to Acceptance of Public Improvements, an O&M Plan meeting City of Sherwood standards shall be provided to the city.

G. Prior to Occupancy

1. Prior to Occupancy, the applicant shall install or otherwise provide irrigation consistent with one of the following options:
 1. a permanent built-in irrigation system with an automatic controller;
 2. an irrigation system designed and certified by a licensed landscape architect or other qualified professional that ensures adequate watering during the establishment period; or
 3. a written commitment and actionable plan to irrigation by hand, in which case a City inspection shall occur one (1) year after final inspection to verify plant establishment.
2. Prior to Occupancy, the applicant shall place all required landscaping in-ground, including installation of an approved irrigation system, pursuant to the 16.92.040. standards.
3. Prior to Occupancy, final acceptance of the constructed public improvements shall be obtained from the Sherwood Engineering Department.

4. Prior to Occupancy, any private sanitary sewer piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.
5. Prior to Occupancy, any private water piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.
6. Prior to Occupancy, any private stormwater piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.
7. Prior to Occupancy, street trees along SW Willamette Street and SW Pine Street shall be installed in conformance with Section 16.142.060, or the applicant shall provide documentation of an approved fee-in-lieu payment.

V. ATTACHMENTS

- A. Applicant Submittal and Narrative*
 - Appendix A – Project Narrative
 - Appendix B – Stormwater Calculations
 - Appendix C – Sherwood Land Use Application
 - Appendix D – Deed & Title
 - Appendix E– Tax Map / Vicinity Map
 - Appendix F – Existing Conditions & Topography Survey
 - Appendix G – Wetland Delineation Map
 - Appendix H – Sherwood Wetland Permit
 - Appendix I– Mitigation Bank Invoice (April 2023)
 - Appendix J – Phase 1 Environmental Site Assessment
 - Appendix K – Preliminary Site Plan/Architectural Plan/ Floor Plan/ Landscaping Plan
 - Appendix L – Preliminary Civil Drawings
 - Appendix M – Tualatin Valley Fire & Rescue (TVFR) approved plan set.
 - Appendix N – Neighborhood Meeting Documentation
 - Appendix O– Corporation Business Entity Filing Records
 - Appendix P– Oregon Department of State Lands (DSL) Removal Fill Permits Invoice.
 - Appendix Q– Clean Water Services (CWS) Service Provider Letter (SPL), dated September 23, 2025.
- B. Revised City of Sherwood Engineering Memorandum dated October 24, 2025
- C. Clean Water Services (CWS) Memorandum dated September 11, 2025
- D. Correspondence with PRIDE Disposal & Recycling Company, dated September 9, 2025

- E.** Correspondence with the Oregon Department of Transportation (ODOT) Commerce and Compliance Division, dated August 27, 2025
- F.** Correspondance with the Oregon Department of Transportation (ODOT) Outdoor Advertising Sign Program, dated August 28, 2025
- G.** Public Notice/Request for Agency Comments
- H.** Pre-Application Conference (PAC) Memorandum dated January 16, 2025
- I.** Senate Bill (SB) 1537 (2024)
- J.** Department of Land Conservation and Development (DLCD) Senate Bill 1537 Guidance (Updated August 25, 2025)
- K.** Applicant email dated September 2, 2025
- L.** Applicant letter dated September 9, 2025
- M.** Applicant memo dated October 9, 2025
- N.** Applicant letter dated October 14, 2025
- O.** Public Testimony dated October 18, 2025

Engineering Land Use Application Comments



Home of the Tualatin River National Wildlife Refuge

To: Hugo Hamlin-Agosto, Associate Planner
From: Craig Christensen P.E., Civil Engineer, Engineering Department
Project: Rock Point Apartments (LU 2025-007)
Date: August 29, 2025, revised October 24, 2025

Engineering staff has reviewed the information provided for the above referenced private development project. Final construction plans will need to meet the standards established by the City of Sherwood Engineering Department and Public Works Department, Clean Water Services (CWS) and Tualatin Valley Fire & Rescue (TVF&R), in addition to requirements established by other jurisdictional agencies providing land use comments. City of Sherwood Engineering Department comments are as follows:

Transportation

The subject property fronts SW Pine Street (southwest side), SW Willamette Street (southeast side) and a SW Columbia Street (northwest side). Per the City of Sherwood Transportation System Plan (TSP), SW Pine Street is classified as a collector street, SW Willamette Street is classified as a neighborhood street and SW Columbia Street is classified as a local street.

The applicant has submitted a letter from their legal counsel dated October 14, 2025 (Attachment K) objecting to a number of staff-recommended conditions of approval relating to road right-of-way dedication and frontage improvements, arguing that they lack a necessary nexus and rough proportionality based on the Takings Clause of the US Constitution. In summary, these conditions include:

D.1 – SW Pine Street – Pay a fee-in-lieu of improvements for the 77-feet of property frontage

D.2 – SW Willamette Street – Pay a fee-in-lieu of improvements for the 120-feet of property frontage

F.1 – SW Willamette Street – Dedicate 12 feet of right-of-way along the property frontage

The applicant's letter indicates the only road-related improvement conditions the applicant is willing to accept is paying the fee-in-lieu for a more limited selection of the identified improvements along SW Pine Street if proportionality findings were made by the City. For the reasons explained in greater detail below, the staff requested conditions are made necessary as a result of the additional pedestrian, bicycle and vehicle load placed on public streets by this development. These conditions satisfy all constitutional obligations as detailed in the findings that follow.

While the applicant's letter states that proportionality standards must be clear and objective, a recent decision by the Oregon Court of Appeals clarified that this interpretation is incorrect. The Court held that the clear and objective standard does not "apply to public road development" (*Roberts v. City of Cannon Beach*, 334 Or App 762, 776 (2024)). The applicant's statement that

public road improvements related to the regulation of housing development must be clear and objective is incorrect.

Finally, the applicant's letter states that by requiring right-of-way dedication and frontage improvements for SW Willamette Street, the applicant would be required to re-draw their plans which would result in unreasonable cost and delay. Staff notes that the applicant has numerous other conditions of approval that will require additional work and plan revisions in order to meet basic code standards such as landscaping requirements. In part, this is because the applicant requested to be deemed complete despite not having all of the information required to schedule a land use hearing. Since that time, staff has worked with the applicant to continue to revise the staff report and findings as material has come in, saving the applicant time and money. These additional plan revisions are comparably minor and unlikely to add any significant cost or delay to the effort.

Prior to final site plan approval, the plans will need to be revised to account for the 12 ft. right-of-way dedication. Landscaping is allowed within the right-of-way on a temporary basis until the street improvements are made. However, no permanent improvements such as fences are allowed.

SW Pine Street

SW Pine Street has an existing 60-foot right-of-way consisting of a non-centered, underdeveloped, 2-lane street with curb and a curb-tight asphalt sidewalk along the subject property frontage. The 30-foot-wide half right-of-way width complies with the downtown pedestrian street standards. Since the project frontage along SW Pine Street is within the Old Town Overlay District, extension of the concrete pedestrian street section that is northwest of the subject property may be desired (two 11-foot wide travel lanes and two 7-foot wide parking lanes with a 3.5-foot wide exposed aggregate separation strip and an 8-foot wide sidewalk within a 30-foot wide half street right-of-way). However, due to the significant curvature of the existing street putting it significantly off centered within the existing right-of-way and the 75-foot of separation with the existing concrete downtown streetscape improvements, it would be impractical to construct street widening improvements along the subject property's 77.39 feet of frontage as it would not be consistent with the street sections of the surrounding parcels.

Given these significant special limitations which will complicate road realignment, staff has modified the recommended condition of approval asking that applicant pay a fee-in-lieu of construction for an extremely small amount of frontage – 77.39 ft. – for a concrete sidewalk, streetlight relocation, and two street trees to local street standards. These are only the pedestrian-related improvements. Importantly, the fee-in-lieu of construction does not require payment to a collector street standard, which SW Pine Street is classified as.

The applicant is proposing full development of the site with 32 family-sized units, above the density allowed by the underlying zone, and is proposing pedestrian and emergency vehicle access to SW Pine Street. The addition of 32 family-sized dwelling units will generate a measurable increase in pedestrian and bicycle traffic along SW Pine Street, as SW Pine Street is the primary commercial corridor within the Old Town District. The street connects directly to the Sherwood City Hall and Library and the site is across the street from the Sherwood Center for the Performing Arts. It is likely that families residing in this development will directly benefit from these on-site pedestrian improvements.

SW Willamette Street

SW Willamette Street has an existing 20-foot wide half street right-of-way consisting of a 13-foot improved travel and parking lane with curb and a 5-foot wide curb-tight sidewalk along the subject property frontage. TSP requirements for a neighborhood route street are an 18-foot wide half street section (11-foot wide travel lane with 7-foot wide parking lane), curb and gutter, 5-foot wide landscape strip, 8-foot wide sidewalk and 1-foot wide buffer strip within a 32-foot wide half street right-of-way section.

Since the existing street does not meet minimum TSP standards, it would typically be required to construct half street widening improvements along with an asphalt grind and inlay to centerline. SDC credits are typically available when improvements are made above and beyond a local street standard. While street improvements are desired, constructing street widening improvements along this mid-block section of SW Willamette Street (120.85 feet of street frontage) would make this short section of street inconsistent with the street sections of the surrounding properties. As such, it would be best to leave the existing street section as is and forego frontage improvements until a capital improvement project led by the City of Sherwood can redevelop the entire street between SW Pine Street and SW Orcutt Place.

However, since the existing right-of-way width is less than the width required for a neighborhood route street, right-of-way will need to be dedicated to create a 32-foot wide half street right-of-way width along the subject property frontage of SW Willamette Street to accommodate the future improvements. This right-of-way dedication is found to be roughly proportional to the development based on the findings below.

The applicant proposes full development of the site with 32 family-sized dwelling units, above the density allowed by the base zone, including construction of a basketball court and play area along SW Willamette Street. The development also proposes a direct pedestrian access onto SW Willamette Street, where existing pedestrian improvements do not meet the City's minimum standards. Further, residents and visitors are expected to access and park along SW Willamette Street, based on limited parking availability on other streets such as SW Pine Street. In addition, the subject site is approximately 1,000 feet away from Snyder Park, a heavily used community park to the southwest of the site. In order to access this park, the most direct pedestrian route would be along SW Willamette Street to SW Pine Street.

The right-of-way dedication can also be evaluated in terms of actual dollar value. The Washington County Tax Assessor values the 1.17-acre property at \$617,610. This equates to approximately \$12.12 per square foot. The required right-of-way dedication is 1,450 SF (12 ft. wide x 120.85 long). Therefore, the value of the right-of-way dedication is estimated to be \$17,574. This amount is deemed to be proportional to constructing 32 market-rate multi-family dwelling units in a highly desirable location within the City of Sherwood and within the Portland metro. This cost will be further off-set by the property value increase the development will experience when the City completes full frontage improvements along the SW Willamette to current street standards.

Based on the foregoing, City staff concludes that requiring the dedication of an additional 12-feet of right-of-way along SW Willamette Street, necessary to meet the City's minimum 32-foot wide half street section has a nexus and will be directly proportional to the impacts from this development. The list of conditions has been modified to reflect the limited list of fee-in-lieu

improvements for SW Pine Street and to delete the fee-in-lieu improvements for SW Willamette Street.

SW Columbia Street

SW Columbia Street currently has a fully developed street section (Sherwood Cannery Square Public Improvements) along the subject property frontage that is in good condition. However, since site access to the subject property is to come from SW Columbia Street it will be necessary to remove some of the existing street widening improvements in order to create an driveway access point for the subject property. It will be necessary for the subject development to restore the SW Columbia Street frontage in a manner meeting the approval of the City of Sherwood Engineering Department. An EV charging station exists at the proposed driveway location onto SW Columbia Street. Relocation of the EV charging station will be the responsibility of the developer.

Vehicle Access to Public Streets

The subject property will have legal access from SW Columbia Street, a designated Local Street, located approximately 261-feet from the nearest intersection. The proposed access point will comply with the minimum right-of-way radius, driveway spacing, and sight distance requirements for a Local Street as outlined in the City's Engineering Design Manual.

The development is proposing to have a driveway access onto SW Pine Street. Per Sherwood municipal code section 16.106.040.M.2.c, there are no allowances for residential property to obtain access to a Collector status street. Also, section 210.8 of the Sherwood engineering design manual, a driveway can't be within 150 feet of an intersection on a collector street. This proposed driveway is only approximately 60 feet from SW Ode Gribble Lane and approximately 135 feet from SW Willamette Street. With the proposed site plan layout submitted, the driveway connection appears to be necessary for emergency vehicle access. As such the driveway access to SW Pine Street shall be allowed for emergency vehicle and pedestrian use only. Removable bollards meeting the approval of TVF&R and Pride Disposal shall be installed. If bollards do not meet TVF&R and Pride Disposal standards, a gate shall be installed to their specifications.

Since the subject property is within the Old Town Overlay District, no PUE is required.

Condition: Prior to Final Site Plan Approval, the applicant shall resubmit development plans displaying the installation of bollards at the driveway entrance on SW Pine Street to prevent non-emergency vehicular access. The bollards shall be designed and installed in a manner acceptable to Tualatin Valley Fire and Rescue (TVF&R), Pride Disposal & City of Sherwood Engineering. If bollards are not permissible by either TVF&R or Pride Disposal, an alternative method of access restriction, such as a gate, may be used.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall make a payment-in-lieu of installing street improvements along the subject property frontage of SW Pine Street. Said payment-in-lieu will be based upon 125% of the engineer's estimate meeting the approval of the City of Sherwood Engineering Department which will include the following:

7. Concrete sidewalk (77.39'x6')
9. Streetlight relocation.

10. Two street trees.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for driveway access and associated street frontage restoration along SW Columbia Street (including EV charging station relocation) meeting the approval of the City of Sherwood Engineering Department.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for emergency access (unless otherwise deemed unnecessary by TVF&R) and associated street frontage restoration along SW Pine Street meeting the approval of the City of Sherwood Engineering Department.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design for either removable bollard at the emergency access to SW Pine Street meeting the approval of TVF&R and the City of Sherwood Engineering Department. If bollards are not permissible by either TVF&R or Pride Disposal, an alternative method of access restriction, such as a gate, may be used.

Condition: Prior to Acceptance of Public Improvements, the proposed development shall dedicate half-street right-of-way to a width of 32 feet along the subject property frontage of SW Willamette Street meeting the approval of the City of Sherwood Engineering Department.

Condition: Prior to Final Site Plan approval, the applicant shall revise the plans to account for the required 12 ft. wide right-of-way dedication along SW Willamette Street. No permanent improvements are permitted in the right-of-way.

Sanitary Sewer

There is an existing 12-inch diameter public sanitary sewer within SW Willamette Street and an existing 8-inch diameter public sanitary sewer within both SW Pine Street and SW Columbia Street. There appears to be no sanitary sewer laterals currently available for connection by the subject property. The developer will need to install a sanitary sewer lateral to provide sanitary sewer for the development.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a sanitary sewer service lateral for the subject development meeting the approval of the City of Sherwood Engineering Department.

Condition: Prior to Grant of Occupancy, any private sanitary sewer piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.

Storm Sewer

There is an existing 27-inch diameter public storm sewer within SW Pine Street and SW Willamette Street and an existing 15-inch diameter public storm sewer within SW Columbia Street. There appears to be no storm sewer laterals currently available for connection by the subject property. The developer will need to install a storm sewer lateral to provide service to the subject property.

Storm water runoff water quality treatment in compliance with Clean Water Services standards is required for the subject development. Private onsite storm water runoff water quality treatment is proposed to be provided for the development via a storm filter manhole.

Storm water runoff hydro-modification in compliance with Clean Water Services standards is required for the subject development. Private onsite storm water hydro-modification is proposed to be provided for the development via a subsurface detention facility.

Any on-site water quality/hydro-modification facilities will require a recorded Private Stormwater Facility Access and Maintenance Covenant and an O&M plan.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a storm sewer service lateral for the subject development. The connection to the public storm mainline shall be in conformance with City engineering standards.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for on-site water quality treatment in compliance with Clean Water Services standards or make a payment-in-lieu thereof for impervious area not being treated by the development or a combination thereof if approved by the City of Sherwood and Clean Water Services.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for on-site hydro-modification in compliance with Clean Water Services standards.

Condition: Prior to Acceptance of Public Improvements, a Private Stormwater Facility Access and Maintenance Covenant meeting City of Sherwood standards shall be recorded at Washington County for any on-site water quality/hydro-modification facilities.

Condition: Prior to Acceptance of Public Improvements, an O&M Plan meeting City of Sherwood standards shall be provided to the city.

Condition: Prior to Grant of Occupancy, any private stormwater piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.

Water

There is an existing 12-inch diameter water main within SW Pine Street and SW Willamette Street and an existing 8-inch diameter water main within SW Columbia Street. There appears to be no water services currently available for connection by the subject property. The subject development will need to install a domestic water service and fire service (if necessary/desired).

The subject property is within 100 feet of a community well owned and operated by the city of Sherwood. As such, per OAR 333-061-0050, a perpetual restrictive easement shall be dedicated to the city of Sherwood over the area of the subject property that is within 100 feet of the city well.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide a domestic water service with backflow prevention for the subject development meeting the approval of the Sherwood Engineering Department.

Condition: Prior to Approval of Engineering Public Improvement Plans, the proposed development shall design to provide for fire water service, as needed, with backflow prevention for the subject development meeting the approval of the Sherwood Engineering Department.

Condition: Prior to Acceptance of Public Improvements, the proposed development shall dedicate a public water line easement for any public water facilities within private property meeting the approval of the City of Sherwood Engineering Department.

Condition: Prior to Acceptance of Public Improvements, the proposed development shall dedicate a perpetual restrictive easement to the city of Sherwood over the portion of the subject property that is within 100 feet of the city well meeting the approval of the City of Sherwood Engineering Department.

Condition: Prior to Grant of Occupancy, any private water piping shall be installed in conformance with the current Oregon Plumbing Specialty Code.

Grading, Erosion Control and Environmental

The subject property is approximately 1.14 acre in size and therefore a NPDES 1200CN permit is required.

The subject development is proposing to fill an existing wetland. Wetland fill requires a joint permit to be issued by the US Army Corps of Engineers/Oregon Department of State Lands.

Condition: Prior to issuance of a Grading Permit from the Building Department, issuance of a NPDES 1200CN permit for the subject development is required.

Condition: Prior to engineering plan approval, the proposed development shall obtain a US Army Corps of Engineers/Oregon Department of State Lands joint permit for the filling of the wetlands.

Other Engineering Issues

A Clean Water Services Service Provider Letter needs to be obtained by the developer.

Sherwood Broadband service exists in the area and providing service for all properties in the vicinity of the subject development. Therefore Sherwood Broadband vaults or conduits are not required except as necessary to provide service to the new development.

Condition: Prior to Approval of Engineering Public Improvement Plans, the developer shall design to bring Sherwood Broadband facilities to the proposed building.

Condition: Prior to Approval of Engineering Public Improvement Plans, the developer shall obtain and adhere to the conditions of the Clean Water Services Service Provider Letter.

Condition: Prior to Approval of Engineering Public Improvement Plans, a stormwater connection permit shall be obtained from Clean Water Services.

Condition: Prior to Approval of the Engineering Public Improvement Plans, the developer shall execute an Engineering Compliance Agreement with the Sherwood Engineering Department.

Condition: Prior to Issuance of any Building Permits, the developer shall execute an Engineering Compliance Agreement for the public improvements related to the project.

Condition: Prior to Acceptance of Public Improvements, all public improvements and private on-site storm water runoff water quality treatment and hydro-modification facilities shall be installed meeting the approval of the Sherwood Engineering Department.

Condition: Prior to Grant of Occupancy, final acceptance of the constructed public improvements shall be obtained from the Engineering Department.

Condition: Per City of Sherwood standards, all new utilities shall be placed underground.

Hugo Hamblin-Agosto

From: Adrian <adrian@teamrockpoint.com>
Sent: Tuesday, September 2, 2025 11:15 AM
To: Hugo Hamblin-Agosto; Sean Conrad
Cc: Matthew Rusnac
Subject: Payment of Variance Fees – LU-2025-007 SP (Sherwood 32 Apartments)

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you are expecting this email and/or know the content is safe.

Hugo, Sean

We are submitting payment for the variance fees requested in connection with LU-2025-007 SP (Sherwood 32 Apartments). This payment is being made **under protest**, and should not be construed as an acknowledgment that such variances are required under applicable law.

As outlined in **SB 1537 (2024)** and codified in ORS 197.195, projects meeting clear and objective standards are intended to be processed without discretionary requirements or unnecessary procedural delays. We believe that several of the conditions for which variances are being required fall under the protections provided by SB 1537.

That said, our company is committed to working in good faith with the City of Sherwood to advance this project without delay. We are therefore remitting these fees at this time solely to allow the project review process to move forward, while reserving all rights to seek clarification, reimbursement, or other remedies at a later date should the State or Department of Justice determine that these fees are not consistent with SB 1537.

We respectfully request that this letter be entered into the project record to document our position.

Thank you

Adrian Oltean
Rock Point Construction, LLC
DBM Properties, LLC
503-969-2518
Teamdbm.com



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September 9, 2025

BY EMAIL

Hugo Agosto

City of Sherwood

Community Development Department

22560 SW Pine Street

Sherwood, OR 97140

RE: Goal Post Rule and SB 1537 Adjustment Application for File No. LU 2025-007 SP

Dear Mr. Agosto,

This office represents Rock Point Construction LLC ("Applicant" or "Rock Point"), which submitted an application for 32 apartments in the above-referenced file on July 3, 2025. The application requested certain adjustments to housing regulations pursuant to Senate Bill 1537 (2024) ("SB 1537"). The City of Sherwood ("City") is impermissibly requiring the Applicant to undertake the variance process to obtain these SB 1537 mandatory adjustments. The purpose of this letter is to request that the City correctly apply a ministerial review to the requested adjustments consistent with SB 1537, and refund any improperly charged fees for variance(s). Please include this letter in the record for the above-referenced file.

This application is subject to the Goal Post statute, ORS 227.178. Under ORS 227.178(3),

"(3)(a) If the application was complete when first submitted or the applicant submits the requested additional information within 180 days of the date the application was first submitted and the city has a comprehensive plan and land use regulations acknowledged under ORS 197.251, approval or denial of the application shall be based upon the standards and criteria that were applicable at the time the application was first submitted."

The Applicant submitted the application on July 3, 2025 and the Applicant requested the City deem the application complete on August 26, 2025, within the 180 day response period. Therefore, the application is only subject to the standards and criteria as of July 3, 2025.

SB 1537 went into effect 91 days after the 2024 legislative session was adjourned, well before Applicant submitted its application in the summer of 2025. The Housing Land Use Adjustments portion of SB 1537, inclusive of §§ 37-39, are housing laws as the bill amends ORS Ch. 197A. SB 1537, §§ 1(5), and 37.

TOMASI BRAGAR DUBAY

September 9, 2025

Page 2

SB 1537, §38 provides for up to ten adjustments to local existing land use regulations in applications such as Rock Point's multifamily land use application. These adjustments are part of the standards and criteria that are set by the Goal Post statute. Rock Point's application included requests for adjustments pursuant SB 1537, §38. The correct method to process Rock Point's application for SB 1537 adjustments is through a ministerial review. SB 1537, §38(3).

Under SB 1537, §45(6),

"(6) A city shall apply the procedures in this section, and only the procedures in this section, to a limited land use decision, even if the city has not incorporated limited land use decisions into land use regulations, as required by ORS 197.646 (3), *except that a limited land use decision that is made under land use standards that do not require interpretation or the exercise of policy or legal judgment may be made by city staff using a ministerial process.*" (Emphasis added).

Under SB 1537, §38(4), a local government "shall" grant an adjustment to specific development standards. The Applicant's two requested adjustments (i) a 10% adjustment to minimum lot size under SB 1537, §38(4)(d); and (ii) the increase in maximum density from 24 units per acre to 28.1 units per acre is the minimum increase necessary to account for the minimum lot size adjustment under SB 1537, §38(4)(g)(C) do not require the exercise of policy or legal judgment as they are spelled out in the bill. Thus, a ministerial process may be used by City staff to review Applicant's requested adjustments.

The City does not have a limited land use decision process, but does have a Type I review for adjustments under Sherwood Zoning and Community Development Code ("SC" or "Code") 16.72.010(A)(2)(k). The Type I process is set forth under SC 16.72.010 (B)(1)(b),

"b.The Type I Hearing Authority is the Community Development Director and the Appeal Authority is the Planning Commission.

(1)The Community Development Director 's decision shall be made without public notice or public hearing. Notice of the decision shall be provided to the applicant.

(2)The applicant may appeal the Community Development Director's decision."

The City's Type I process is a ministerial process. While the adjustments allowed under SB 1537, §38 are not the same as Type I adjustments under the City's Code, the Type I process meets the requirements under SB 1537, §45(6). Since SB 1537, §45(6) is a land use process that is subject to the Goal Post rules for adjustments under SB 1537, it would be acceptable to the Applicant to have the City use the Type I process for review of Rock Point's Adjustment requests.

While SB 1537, §39(5) does provide a path for cities to use their local process to review adjustments, that provision only applies once the City submits its exemption application to the Department of Land and Conservation Development ("DLCD"). Since the City did not submit its exemption application to DLCD until July 24, 2025, this review standard does not apply to Rock Point's application under the Goal Post statute.

TOMASI BRAGAR DUBAY

September 9, 2025

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For the foregoing reasons, the City should refund the amounts charged the Applicant for variance applications and issue Type I staff level review of the adjustments consistent with SB 1537. After the Type I decision issues on the adjustments, the Planning Commission and public can be apprised of those decisions in the staff report for the remaining site plan review scheduled for hearing on October 14, 2025.

Thank you for your prompt attention to this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jennifer M. Bragar", is written over a light blue circular stamp.

Jennifer M. Bragar

cc: (by email)
client
Craig Sheldon



Agenda

Discussion of Conditions Requiring Clarification

Project: Sherwood Old Town Apartments, LU 2025-007 SP/VAR

Prepared By: Matthew Rusnac, Project Architect

Attendees: City Staff and Design Team

Purpose: To review and clarify select conditions of approval that rely on ambiguous or conflicting code interpretations prior to Planning Commission Hearing and Final Site Plan submittal.

1. Opening Discussion

Purpose: Confirm mutual understanding of key design-related conditions before revised plan submittal.

Goals:

- Identify where conditions rely on discretionary interpretation or conflict with other standards.
- Establish clear, measurable compliance expectations to streamline Final Site Plan review.

Outcome: Agreement on clarifications, condition edits (if appropriate), and documentation of all City interpretations.

2. Condition B.1 – Setback and Projection Conflict

- **Issue:** Condition prohibits all projections into the front setback, including eaves and canopies, which are simultaneously required under §16.90.020.D.7 for façade articulation and weather protection.
- **Clarification Needed:** Confirm that architectural features consistent with §16.50.050 are permitted to project into required setbacks to meet design standards.
- **Goal:** Align dimensional and design requirements to avoid mutually exclusive conditions.
- **Note:** See memorandum for detailed discussion of code conflicts and proposed clarifying language.

3. Condition B.4 – Entrance Articulation

- **Issue:** The standard for “significant articulation and treatment” under §16.90.020.D.7.a uses undefined and qualitative terminology (e.g., “significant,” “articulation,” “portico”) that lacks measurable criteria.
- **Clarification Needed:** Confirm objective design parameters for primary entrances (e.g., recess depth, canopy projection, façade width) to ensure measurable compliance.
- **Goal:** Establish clear criteria for demonstrating compliance at the plan-review stage.
- **Note:** See memorandum for detailed analysis of terminology and objectivity concerns.

4. Condition B.6 – Building Location (“Flush to Street”)

- **Issue:** The condition references §16.90.020.D.7.b, requiring buildings to be “adjacent to and flush to the street.”
 - Adjacent is defined as “a relative term meaning nearby; may or may not be in actual contact...” The building satisfies this definition by being near and oriented to the street. Staff’s interpretation—that the façade must align continuously with the setback line—extends beyond the code definition.
 - Flush is undefined in the code. Staff cite Webster’s Dictionary (“squarely” or “without interruption”), but this definition does not logically apply to the relationship between a vertical building façade and a horizontal street surface. To apply the term, staff appear to assume an imaginary vertical plane at the setback or street edge, a concept not established in the code.



- **Clarification Needed:** Confirm the City's intended meaning of "flush" and "adjacent," and clarify what building element (wall plane, eave, canopy, or footprint) establishes compliance.
- **Goal:** Ensure the condition reflects a measurable, code-based interpretation rather than one dependent on inferred geometry or staff discretion.
- **Note:** See memorandum for full discussion of definitional context and geometric interpretation.

5. Condition B.7 – Weather-Protection Conflict

- **Issue:** Requires 3-foot canopy projections along the frontage, which contradicts B.1's prohibition on projections within the setback.
- **Clarification Needed:** Confirm that weather-protection elements may project into required setbacks consistent with §16.90.020.D.7(c).
- **Goal:** Harmonize canopy and setback requirements to allow code-compliant weather protection.
- **Note:** See memorandum for further discussion of internal conflict and code reconciliation.

6. Condition B.10 – Parking Area Landscaping (Definition Conflict)

- **Issue:** §16.92.030.B.1 defines the purpose of parking area landscaping as landscaping "within and around the parking lot and loading areas," but §16.92.030.B.3.a defines it more broadly as "any landscaped area on the site that is not required as perimeter landscaping." These provisions conflict, creating ambiguity in how "parking area landscaping" is to be applied.
- **Clarification Needed:** Confirm whether the broader definition (§16.92.030.B.3.a) governs. If so, landscaped areas elsewhere on the site that are not required as perimeter landscaping—including the two trees in question—should qualify as parking area landscaping for compliance purposes.
- **Goal:** Clarify which provision controls (purpose statement vs. definition) to ensure consistent and objective application of the parking area landscaping standard.

7. Condition B.15 / D.5 – SW Pine Access

- **Issue:** Condition describes the Pine access as "emergency-only," inconsistent with the intended normal access function.
- **Clarification Needed:** Confirm correct functional designation for SW Pine access to reflect intended circulation design.

8. Condition B.16 – Active Recreational Space

- **Issue:** Interpretation of "active recreation" under §16.140.020.A.2 may exclude usable lawn areas.
- **Clarification Needed:** Confirm that the contiguous lawn area surrounding and connecting the play structure and basketball court counts toward required active recreation space (totaling 11,571 sq ft).
- **Goal:** Ensure open lawn areas designed for resident use are recognized as qualifying active recreation space.

9. Condition B.17 – HOA / Property-Management Agreement

- **Issue:** The condition requires submission of a "draft HOA or property-management agreement covering maintenance of common-area amenities." It is unclear why this is required for a single ownership, professionally managed multi-family development where ongoing maintenance responsibilities will remain with the property owner or management company.
- **Clarification Needed:**



- Confirm the purpose and applicability of this condition to a rental project without a homeowners' association.
- Clarify what form of documentation the City expects (narrative statement of maintenance responsibility, draft management plan, or formal legal agreement).
- Confirm the timing—whether this is needed prior to Final Site Plan approval or can be provided at building-permit or occupancy stage.
- **Goal:** Understand the intent behind the condition and ensure that the required submittal is appropriate for the project's ownership structure and timing.

10. Condition B.18 / D.2 – Off-Site Improvements (Willamette Street)

- **Issue:** Conditions reference improvements along Willamette Street, though the project frontage is limited to Columbia and Pine.
- **Clarification Needed:** Confirm why off-site improvements along Willamette are included in the project scope.

11. Condition B.20 – Tree Canopy Coverage

- **Issue:** The code references πr^2 for canopy calculation but provides no defined method.
- **Clarification Needed:**
 - Confirm acceptable methodology for calculating mature canopy coverage (use of published canopy diameters, full overlap counting, etc.).
 - Confirm whether the landscape plan must be prepared or stamped by a licensed landscape architect or if "qualified professional" may include other design professionals.
- **Goal:** Document a consistent, objective calculation method and clarify professional qualifications for submittal.

12. Coordination and Documentation

- Confirm how the City will document clarifications (e.g., follow-up email or addendum to staff report).
- Identify any items that require written confirmation before Planning Commission Hearing or Final Site Plan submittal.

13. Schedule / Submittal Coordination

Verify any additional unclear procedural steps (staff review, hearing continuance, etc.).

14. Next Steps

- Summarize agreed clarifications and confirm any condition text revisions.
- Update project documents accordingly prior to Final Site Plan submittal.
- Distribute meeting summary and confirmation of City positions for record.

*Memorandum***Clarification of Conditions of Approval**

Project: Sherwood Old Town Apartments, LU 2025-007 SP/VAR

Prepared By: Matthew Rusnac, Project Architect

Purpose of Memorandum

This memorandum identifies conditions of approval that, as currently written, rely on undefined or discretionary language and therefore may not comply with Oregon's clear and objective housing standard.

Under ORS 197A.400 (formerly ORS 197.307(4)), local governments must adopt and apply only clear and objective standards, conditions, and procedures regulating the development of housing. A standard fails this requirement if compliance depends on subjective or discretionary judgment or if the means of compliance are not clearly identified.

The project team seeks clarification or revision of these conditions to ensure that compliance can be demonstrated through measurable, objective criteria rather than interpretive or aesthetic judgment.

Analysis – Condition B.1 (Setback and Projection Conflict)**1. Condition Language**

"Prior to Final Site Plan Approval, the applicant shall revise the plans so that no portion of the building, including architectural features as defined in Section 16.50.050, extends into the 14-foot front setback, in compliance with Section 16.12.030.C. Alternatively, the applicant may apply for and obtain approval of a variance to allow the proposed architectural features to encroach into the setback, subject to the provisions of Chapter 16.84 – Variances."

2. Applicable Code Sections

Table 16.12.030.C and Footnote 5 prohibit architectural projections into required front setbacks in the HDR zone.

§16.90.020.D.7.c requires façade articulation and weather protection along the street frontage, which presumes elements such as canopies and eaves.

3. Analysis

Condition B.1 effectively prohibits the same architectural features the design standards require. Under §16.90.020.D.7, façades must incorporate weather-protection elements—eaves, canopies, and other projections—yet Table 16.12.030.C, Footnote 5 prohibits those projections within the front setback. This creates a direct conflict between the dimensional and design standards. Compliance with one necessarily violates the other.

4. Conclusion

Condition B.1 cannot be applied as written without reconciling these conflicting code provisions. The City should clarify that architectural features required for weather protection and articulation are permitted to project into setbacks consistent with §16.50.050 or establish a consistent setback rule for HDR zones.

Subject: Memo: Clarification of Conditions of Approval



Analysis – Condition B.4 (Primary Entrance Design and Articulation)

1. Condition Language

Condition B.4 states:

"Prior to Final Site Plan Approval, the applicant shall revise the main lobby entrance design to provide significant articulation and architectural treatment consistent with Section 16.90.020.D.7.a - Multi-Family Urban Design Standards to clearly emphasize the building's primary entrance."

2. Applicable Code Section

SDC 16.90.020.D.7.a states:

"Primary, front entrances are located and oriented to the street, and have significant articulation and treatment, via facades, porticos, arcades, porches, portal, forecourt, or stoop to identify the entrance for pedestrians. Additional entrance/exit points for buildings, such as a postern, are allowed from secondary streets or parking areas."

3. Analysis of Objectivity

- **Undefined Terms:**

The code provides no definitions for articulation, portico, arcade, portal, forecourt, or stoop. Only porch is defined. Each term describes an architectural concept but lacks measurable or dimensional criteria, leaving interpretation to staff discretion.

- **Subjective Language:**

The phrase "significant articulation and treatment" is qualitative. "Significant" has no quantifiable threshold, and "treatment" is a stylistic descriptor, not a measurable requirement.

- **Absence of Quantifiable Metrics:**

The code does not identify objective parameters—such as minimum recess depth, projection, façade width, or glazing percentage—that could be measured to determine compliance. Determining whether an entrance is "significant" or "articulated" relies entirely on aesthetic judgment.

- **Internal Inconsistency:**

The code references elements such as porticos and arcades, which by nature project into setback areas. These projections are restricted by Table 16.12.030.C, Footnote 5, creating a conflict that forces discretionary interpretation to reconcile.

4. Conclusion

Condition B.4 relies on undefined terminology and subjective evaluation rather than measurable design criteria. It therefore cannot function as a clear and objective development standard. To achieve objectivity, the City should replace qualitative phrasing with quantifiable requirements, such as specifying a minimum canopy projection, recess depth, or façade width devoted to the primary entry.

Analysis – Condition B.6 (Building Located Adjacent to and Flush to the Street)

1. Condition Language

Condition B.6 states:

"Prior to Final Site Plan Approval, the applicant shall revise the plans to achieve a 14 ft. setback along the entire length of the building along SW Columbia Street. The setback may not exceed 14 ft. feet based on the applicable setback standard of the zone."



2. Applicable Code Section

SDC 16.90.020.D.7.b states:

"Buildings are located adjacent to and flush to the street, subject to landscape corridor and setback standards of the underlying zone."

3. Analysis of Objectivity

- **Undefined and Misapplied Terms:**

"Adjacent" is defined in the code as "A relative term meaning nearby; may or may not be in actual contact with each other, but are not separated by things of the same kind. For example, a lot is adjacent to a lot across the street because the lots are separated by a street, not an intervening lot."

The proposed building meets this definition by being near and oriented toward the street. Staff's interpretation—that adjacent means the building façade must align exactly along the setback line—extends beyond the plain language of the definition and imposes a stricter standard not supported by the code.

The term flush is neither defined in the development code nor used in a manner consistent with architectural or planning terminology. Staff rely on Webster's Dictionary, which defines flush as "squarely" or "without interruption." However, this definition does not meaningfully apply to the relationship between a vertical building façade and a horizontal street surface, as these planes are perpendicular rather than parallel. In architecture, flush describes two surfaces lying in the same plane (e.g., a door flush with a wall), not the positional relationship of a building to a right-of-way. For the term to have any geometric meaning in this context, staff appear to be assuming the existence of an imaginary vertical plane extending upward from the setback or street edge to serve as the "reference plane" with which the building must be aligned. The code establishes no such plane or reference point. Constructing this implied geometry introduces subjectivity, because the location and extent of that "street plane" are undefined and open to interpretation. As a result, the term flush cannot be objectively applied to building placement without importing a new, non-codified design concept.

- **Ambiguity in Measurement:**

The condition does not specify which element establishes compliance—the primary wall plane, balconies, or eaves. Different reviewers could measure from different reference points, resulting in inconsistent enforcement.

- **Conflict with Other Standards:**

Chapter 16.90 also requires façade articulation, recesses, and balconies to avoid monotonous street walls. A requirement that the entire building be "flush" with the setback contradicts these design objectives, creating a conflict that must be resolved through subjective judgment.

- **Lack of Quantifiable Criteria:**

The condition provides no measurable tolerance (e.g., percent of façade alignment or allowable offset). Compliance therefore depends entirely on staff discretion.

4. Conclusion

Although framed as a dimensional rule, Condition B.6 depends on undefined terms, ambiguous measurement, and reconciliation with conflicting design mandates. It cannot be applied objectively. To make it clear and enforceable, the City should revise it to specify measurable criteria—for example:

"At least 80 percent of the front façade shall be located within ± 1 foot of the required 14-foot setback line."



Analysis – Condition B.7 (Weather-Protection Conflict)

1. Condition Language

"Prior to Final Site Plan Approval, the property owner(s) shall provide details of the proposed awnings, located at each primary or secondary entrance, excluding any private stoop entrances. These awnings shall provide a minimum of three (3) feet of horizontal weather protection.."

2. Applicable Code Section

§16.90.020.D.7.c – "The architecture of buildings are oriented to the pedestrian and designed for the long term and be adaptable to other uses. Aluminum, vinyl, and T-111 siding are prohibited. Street facing elevations have windows, transparent fenestration, and divisions to break up the mass of any window. Roll up and sliding doors are acceptable. Awnings that provide a minimum 3 feet of shelter from rain are required unless other architectural elements are provided for similar protection, such as an arcade."

3. Analysis

While Condition B.7 correctly cites §16.90.020.D.7.c, it directly conflicts with B.1 and Table 16.12.030.C, Footnote 5, which prohibit projections into the front setback. A canopy projecting three feet cannot be installed if all building elements must remain behind the 14-foot setback line. The two conditions create a mutually exclusive requirement. Staff must therefore exercise discretion to decide which condition controls—an inherently subjective process that undermines consistency and objectivity.

4. Conclusion

To reconcile the code and ensure practical compliance, Condition B.7 should be revised to explicitly allow canopies and awnings to project into the required setback to the extent necessary to meet the design intent of §16.90.020.D.7.c.

Summary Conclusion

Conditions B.1, B.4, B.6, and B.7 collectively illustrate a pattern of ambiguity and internal inconsistency within the City's application of the Sherwood Development Code. Each condition relies on undefined or qualitative terminology, conflicting interpretations, or the simultaneous enforcement of dimensional and design standards that cannot be satisfied together.

As written, these conditions require discretionary interpretation by staff to determine compliance—precisely what the "clear and objective" housing framework under ORS 197A.400 (formerly ORS 197.307(4)) was intended to avoid. This interpretive approach places both applicants and staff in a position of uncertainty, creating inefficiency and risk during subsequent design and permitting phases.

The project team respectfully requests that the City:

1. Clarify or reconcile the conflicting dimensional and design requirements (Conditions B.1 and B.7);
2. Revise or withdraw conditions that rely on subjective or undefined terms (Conditions B.4 and B.6); and
3. Confirm that final compliance can be demonstrated through measurable and objective criteria reflected in the final site plan and architectural drawings.

These revisions will ensure consistency with the Development Code's stated intent and with Oregon's statutory requirement that housing be reviewed under clear, objective, and predictable standards.



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October 14, 2025

BY HAND DELIVERY AND COPY BY EMAIL (HamblinAgostoh@sherwoodoregon.gov,
rutledge@sherwoodoregon.gov, and conrads@sherwoodoregon.gov)

Sherwood Planning Commission
c/o Hugo Agosto, Eric Rutledge, and Sean Conrad
22560 SW Pine Street
Sherwood, OR 97140

Re: Applicant's Comments on Proposed Conditions D.1, D.2, and F.1 - Sherwood Old
Town Multi-Family Apartments Development at 15665 SW Willamette Street;
Application LU 2025-007 SP/VAR

Dear Chair and Planning Commissioners,

As you know, this office represents Rock Point Construction, LLC ("Applicant") in relation to the above-referenced application for site plan review and related approvals to develop a 32-unit multi-family development. This letter is submitted to request modification or removal of certain proposed transportation-related conditions of approval that constitute unconstitutional exactions and/or unconstitutional takings, and violate Oregon's needed housing statute. Please include these comments in the record.

The proposed development qualifies as needed housing. The Sherwood Housing Needs Analysis ("HNA") shows that this property is among the limited number of buildable acres zoned for High Density Residential ("HDR") use. Attachment 1, pp. 16, 64. The Buildable Lands Inventory identified 175 net acres of vacant and partially vacant land, with 96 acres within Sherwood's city limits and 79 acres in unincorporated areas within the Metro UGB. Attachment 1, p. 66. Of these 175 buildable acres only 17 acres are in the HDR zone, with only 14 of these acres falling within city limits. Attachment 1, pp. 66, 68-70. The HNA also determined that these HDR zoned acres account for 145 of the 608 deficit dwelling units. Attachment 1, p. 71.

Sherwood has an identified deficit of moderate and high-density land in its current planning area; the limited HDR zoned acres present an important opportunity to decrease the housing deficit by nearly 24%, while accounting for less than 10% of total buildable acres. Thus, any multi-family development in the HDR zone represents a rare opportunity to remedy an outsized portion of the City's total housing shortages. The City's primary obligations under the HNA are to "(1) designate land in a way that 50% of new housing could be either multifamily or single-family attached housing (e.g., townhouses) and (2) achieve an average density of six dwelling units per net acre." Attachment 1, p. 73. Putting up unnecessary roadblocks to completing the proposed 32-unit

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development—which alone would address 22% of the identified housing deficit in the HDR zone—is antithetical to those goals. Further, according to the 2024 Oregon Housing Needs Analysis, over the 20-year planning horizon, the City of Sherwood needs to build 271 units at 61-80% Area Median Income ("AMI"), 441 units at 81-120% AMI, and 828 units at >120% AMI. Attachment 3, p. 59. This represents the same AMI needs this development intends to fulfill through the construction of new market-rate housing units.

By and through this letter, Applicant retains its right to accept the recommendation to approve the application and also accept the conditions, while retaining its right to seek relief under ORS 197.796. This letter is intended to provide the City with an understanding of the legal challenges the Applicant will raise if the City moves forward with these unconstitutional exactions of private property without just compensation, and unduly delay and impose unreasonable costs that have the effect of discouraging needed housing.

1. Background

The Applicant seeks to develop needed housing on a parcel zoned for High Density Residential use. In the Staff Report issued on October 7, 2025 (the "Staff Report"), planning staff recommend imposing a condition of approval (Condition D.1) that would require Applicant to make a payment-in-lieu of installing street improvements along the subject property frontage of SW Pine Street.¹ The Applicant proposes access onto SW Pine Street—a designated "collector" under the City's Transportation System Plan ("TSP") classification—which will be limited to emergency use only. Required segments of pedestrian walkway will be located along each driveway connection onto SW Pine Street as well.² Accordingly, the Applicant agreed to pay a fee-in-lieu for some improvements, but disagrees with the lengthy, unquantified list of improvements in Condition D.1. For example, Applicant may be willing to contribute a fee-in-lieu for portions of the concrete sidewalk, streetlight relocation, and two street trees, if the City establishes a nexus and rough proportionality of those improvements to the proposed development.

The Staff Report also recommends imposing Condition D.2, requiring Applicant to make a payment-in-lieu of installing street improvements along the subject property frontage of SW Willamette Street. This condition appears to rely solely on the TSP classification of SW Willamette as a "neighborhood street," to require payment of fees that are asserted to be commensurate with the cost that the City would impose if the street were widened to the neighborhood street width in the TSP. Neither the condition language nor the explanation for its imposition in the Staff Report or the Engineering Land Use Application Comments (the "Engineering Memo") provide any clearly identified impacts of the project to Willamette Street that would trigger this condition.³ Rather, taken as a whole, the City staff appear to conclude that merely by virtue of constructing housing there is going to be some unquantified impact to Willamette Street.

¹ Staff Report, pp. 68, 101, and *see generally* the rough proportionality findings at pp. 65-69.

² Staff Report, p. 54.

³ The Engineering Memo is Attachment B to the Staff Report. The Engineering Memo is dated August 29, 2025, but was not provided to the Applicant until the Staff Report issued on October 7, 2025.

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In contrast to SW Pine Street, Applicant is not proposing new vehicular access along Willamette Street, and the expected traffic generated onto Willamette Street from the development has not been demonstrated to be significant. Further, existing housing on the street, and its proximity to the right-of-way, make other improvements, including widening of the street, highly impracticable. See Attachment 2. This proposed exaction lacks a clear planning nexus and the record does not support the exaction as roughly proportional to the impact of the proposed development on Willamette Street.

Additionally, the Staff Report recommends imposing Condition F.1, requiring Applicant to dedicate a half-street right-of-way to a width of 32 feet along the subject property frontage of SW Willamette Street, despite engineering staff's explanation that "constructing street widening improvements along this section of SW Willamette Street (120.85 feet of street frontage) would make this short section of street inconsistent with the street sections of the surrounding properties," and therefore "it would be best to leave the existing street section as is..." By City staff's own assessment, this section of Willamette Street should not be widened. As such, Condition F.1 would exact a dedication from Applicant for street improvements that will not actually occur. The City has not and cannot demonstrate that it has a legitimate governmental interest in making merely theoretical future improvements to Willamette Street, in violation of the Constitution.

These exactions would force Applicant to pay steep unplanned costs in order to finish the project, and may even involve redesigns to accommodate the required dedication. Therefore, these proposed exactions will delay project completion, and certainly put the project over budget, potentially requiring rents to be raised in order for the project to remain financially feasible, thus negatively impacting the ability of the project to provide needed market-rate housing, as intended.

2. The City's proposed conditions violate the U.S. Constitution.

a. Legal standards for evaluating a Constitutionally-suspect condition.

The constitutional restrictions on impermissible property exactions are outlined in a series of U.S. Supreme Court cases: *Nollan v. California Coastal Commission*, 483 US 825, 107 S Ct 3141 (1987); *Dolan v. City of Tigard*, 512 US 374, 114 S Ct 2309 (1994); and *Koontz v. St. Johns River Water Management Dist.*, 570 US 595 (2013). *Nollan* and *Dolan* require that any exaction be roughly proportional to the impact of the proposal and have a nexus to a legitimate government interest. *Koontz*, 570 US at 612, 619, further extended these principles to circumstances where the government demands money, or where the government denies a permit for an applicant's failure to accede to an imposed condition such as an exaction. *Koontz* stated in unqualified terms that a local government may choose whether and how a permit applicant is required to mitigate the impacts of a proposed development, but it may not leverage an interest in mitigation to pursue governmental ends that lack an essential nexus and rough proportionality to those impacts. *Id.* at 606.

The Oregon Court of Appeals has held against a city for failing to carry its constitutional burden under this standard when attempting to exact private property. In *Hill v. City of Portland*, 293 Or.App. 283 (2018), the court determined that the City of Portland unconstitutionally imposed

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a dedication of land to accommodate a public road improvement as a condition in a local approval that facilitated additional development. The court first determined the City of Portland erred when it determined it could deny a permit request based solely on an abutting transportation facility's non-compliance with design standards, and a permit applicant's unwillingness to accede to a requirement of improvement of the facility to those standards. The court found that support in a local code for a particular transportation facility design alone, does not inform the necessary showing under *Nollan* and *Dolan*. The court explained that an uncompensated taking is only allowable if it is in pursuit of a legitimate governmental interest, and the project impacts alone or in combination with other construction "would substantially impede" that legitimate interest. The court explained with great clarity that a city cannot avoid *Nollan*'s required showing of a substantial impediment simply by defining approval criteria that do not take into account a proposal's actual impacts.

- b. The dedication and payment-in-lieu required under the proposed conditions violate the U.S. Constitution, as the development proposal does not substantially impede a legitimate government interest, and the conditions do not bear the required relationship to the projected impact of Applicant's proposed development.

As explained below, Conditions D.1, D.2 and F.1 as proposed in the Staff Report—a required fee-in-lieu relating to SW Pine Street, and a required dedication and payment-in-lieu relating to SW Willamette Street—violate the U.S. Constitution. The staff's findings do not demonstrate that the City would fulfil the constitutional requirements for such exactions under the analysis required by *Nollan* and *Dolan*. This is especially true in light of the Staff Report's complete lack of findings that the transportation impacts of the project are significant, or in need of mitigation. See *Hill v. City of Portland*, 293 Or.App. at 286. The record simply does not demonstrate that the anticipated impacts of the proposed development are sufficient to justify the proposed conditions.

The first component of the *Nollan/Dolan* framework—the "nexus" element—requires the City to demonstrate "(1) what interests would allow the city to deny plaintiff's partition, and (2) how the exaction would serve those interests." *Brown v. City of Medford*, 251 Or.App. 42, 56 (2012). Under *Nollan*, a governmental interest is one that would permit the denial of a permit when it is a legitimate interest—such as managing traffic congestion—and the project's impacts standing alone, or in combination with the impacts of other construction, "would substantially impede" that legitimate interest. *Hill v. City of Portland*, 293 Or.App. at 290 (citing *Nollan*, 483 US at 835-836). Therefore, to determine whether a government has established an interest that would allow permit denial, the government must demonstrate how the proposed project's impacts, either alone or in combination with other construction, are ones that "substantially impede" the identified government interest. *Id.* This means a city cannot evade *Nollan*'s requirement that the city demonstrate that a development proposal's impacts "substantially impede" a legitimate governmental interest, simply by defining approval criteria that do not take into account a proposal's impacts. *Id.*

In *Hill v. City of Portland*, 293 Or.App. at 290-291, the Oregon Court of Appeals held that a city has not made the showing required by *Nollan* simply by demonstrating that its approval

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criteria allow it to deny a permit on the ground that an existing right-of-way does not meet design standards, without any consideration of whether and how petitioner's proposal will impede the particular governmental interest(s) advanced by those design standards. The proposed conditions of approval at issue here, fail to meet the requirements of the *Nollan/Dolan* framework for the same reasons. The record contains no evidence that the City's interest in SW Pine Street would require the Applicant to pay for Condition D.1, sub-items 1-6, and 8. In fact, the Engineering Memo states that the street's abnormal topography will not require construction of such improvements.⁴ Thus, no nexus is shown for this portion of Condition D.1, and the conditions should be restricted. Assuming the City can establish a nexus for certain sidewalk/pedestrian improvements, the Applicant may be willing to accept a condition to impose a limited fee-in-lieu for these improvements as set forth in the Conclusion section below.

Further, the record contains no evidence to suggest that Applicant's proposed project will impede the particular governmental interests that are advanced by the design standards described under SZCDC Chapter 16.106 or the TSP, in regard to SW Willamette Street. Applicant is not proposing any new vehicular access along Willamette Street. Additionally, Applicant is not required to conduct a Traffic Impact Analysis, as staff determined the vehicle traffic from the project is not anticipated to generate more than 400 average daily trips, nor does it involve changes that would create safety hazards or require access modifications.⁵ Expected pedestrian traffic generated onto Willamette Street is likewise insignificant. Altogether, the Staff Report fails to demonstrate that the project's projected impacts require mitigation, *i.e.* "substantially impede" an identified government interest, or how the proposed conditions resolve such concerns. Instead, the Staff Report cites to the Engineering Memo, claiming that City engineering staff determined the proposed conditions were roughly proportional to the transportation impacts of a 32-unit development, consistent with the Sherwood Zoning and Community Development Code (the "SZCDC" or "Code").⁶ SZCDC 16.106.090 states,

"A proportionality analysis will be conducted by the City Engineer for any proposed development that triggers transportation facility improvements pursuant to this chapter. The City Engineer will take into consideration any benefits that are estimated to accrue to the development property as a result of any required transportation facility improvements.

Mitigation of impacts due to increased demand for transportation facilities associated with the proposed development shall be provided in rough proportion to the transportation impacts of the proposed development. When applicable, anticipated impacts will be determined by the TIA in accordance with Section 16.106.080. When no TIA is required, anticipated impacts will be determined by the City Engineer.

The following shall be considered when determining proportional improvements:

⁴ See Engineering Memo, pp. 1-2.

⁵ Staff Report, pp. 23, 63-65.

⁶ Staff Report, p. 67.

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1. Condition and capacity of existing facilities within the impact area in relation to City standards. The impact area is generally defined as the area within a one-half-mile radius of the proposed development. If a TIA is required, the impact area is the TIA study area.
2. Existing vehicle, bicycle, pedestrian, and transit use within the impact area.
3. The effect of increased demand on transportation facilities and other approved, but not yet constructed, development projects within the impact area that is associated with the proposed development.
4. Applicable TSP goals, policies, and plans.
5. Whether any route affected by increased transportation demand within the impact area is listed in any City program including school trip safety; neighborhood traffic management; capital improvement; system development improvement, or others.
6. Accident history within the impact area.
7. Potential increased safety risks to transportation facility users, including pedestrians and cyclists.
8. Potential benefit the development property will receive as a result of the construction of any required transportation facility improvements.
9. Other considerations as may be identified in the review process pursuant to Chapter 16.72.

However, the Engineering Memo contains no such proportionality analysis or any discussion of anticipated impacts of the development. The recommended improvements and corresponding conditions instead appear to rely solely on Willamette Street's functional TSP designation as a "neighborhood street," and the specifications for this street type as defined in the TSP, City Code, and the Sherwood engineering design manual.⁷ This analysis fails to meet the procedure described in SZCDC 16.106.090, and likewise fails to meet the standard, under SZCDC 16.106.020.D.1, that applicants "may be required to dedicate land for required public improvements only when the exaction is directly related to and roughly proportional to the impact of the development, pursuant to Section 16.106.090." The City cannot evade its own Code requirements, let alone *Nollan's* requirement that the City demonstrate the development proposal's impacts "substantially impede" a legitimate governmental interest.

The second component of the *Nollan/Dolan* framework—the "rough proportionality" element—requires the City to determine whether the degree of the land use exaction demanded by a permit condition "bears the required relationship to the projected impact of [the landowner's] proposed development." *Dolan*, 512 US at 388. The proper inquiry under this standard is whether there is a "rough proportionality," both in nature and magnitude, between the required dedication and payment-in-lieu, and the projected public impacts of the proposed development on Willamette

⁷ Staff Report, p. 66.

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Street. *See id.* at 391. However, the Staff Report's analysis also fails to demonstrate that proposed Conditions D.1, D.2 and F.1 have rough proportionality to the development's impact on the transportation facilities of Willamette Street, and that the required exactions do not require the Applicant to both give up and pay more than is necessary to mitigate the anticipated harm resulting from the new development. *Sheetz v. County of El Dorado*, 601 US 267, 275-276 (2024); *see Dolan* at 388–396; *Koontz*, 570 US at 612-615, 619.

Any nexus and rough proportionality analysis must overcome the fact that the development is already going to be subject to system development charges ("SDC") for transportation. As shown on Attachment 4, the development is already going to be subject to \$260,320 in Transportation Development Taxes.⁸ Thus, the Applicant is already facing the legitimate exaction for its transportation impacts and the City has no further basis to demand fees-in-lieu as claimed under conditions D.1, D.2, and F.1.

At bottom, proposed Conditions D.2 and F.1 do not meet the requirements under the *Nollan/Dolan* test. The record does not demonstrate that the anticipated impacts of the proposed development are sufficient to justify the proposed conditions. As such, the proposed exactions violate the U.S. Constitution, and the Planning Commission should remove these conditions of approval.

Condition D.1 may, in part, have a nexus to the proposed development, but the rough proportionality has not been justified on the current record. In the conclusion, the Applicant proposes a revision to this condition if the City can establish rough proportionality.

3. The recommended conditions of approval violate the Needed Housing Statutes.

ORS Ch. 197A contains Oregon's Needed Housing Statutes. Under ORS 197A.400,

"(1)(a) Except as provided in subsection (3) of this section, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating:

(A) The development of housing;

(b) The standards, conditions and procedures:

(B) May not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay."

While ORS 197A.400(2)(b) generally makes ORS 197A.400(1) inapplicable to historic areas, such as the property in question, the Applicant contends that this applies only to the site and design standards that regulate aesthetics onsite, not to standards related to offsite improvement having no connection to the historic character of the neighborhood. These conditions are sourced from the

⁸ Attachment 4 is comprised of the City's webpage showing SDCs and pages 2-3 show the rate schedule that opens when a user presses the TDT Information link at the bottom of page 1.

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TSP and the City Code governing streets, which generally describes all streets throughout the City limits, making no distinction between historic districts or otherwise.

If correct, Applicant then contends that Conditions D.1, D.2, and F.1 violate the clear and objective criteria, and impose unreasonable costs and delays on the project. ORS 197A.400(1) plainly states that the "clear and objective" requirement applies broadly to local governments' application of standards, conditions, and procedures "regulating the development of housing" generally, including needed housing. In fact the recent legislative updates have broadened this standards to apply to all types of housing development, demonstrating the legislature's heightened concerns about addressing growing housing shortages throughout the state. The housing shortage has reached critical proportions and the City is doing a disservice to the public and developers, like the Applicant, that aim to provide additional market rate housing at high densities, by adding to the cost of development through improper exactions.

a. The proposed conditions are based on subjective City Code standards.

The Staff Report claims that the City has authority to require a dedication and fees-in-lieu in regard to Pine Street and Willamette Street under SZCDC 16.106.020. However, in describing the extent of required improvements this section states that "Applicant may be required to dedicate land for required public improvements only when the exaction is directly related to and roughly proportional to the impact of the development, pursuant to Section 16.106.090," which is where the proportionality analysis quoted in the prior section is found. The rough proportionality requirements of SZCDC 16.106.090 are not clear and objective when an Applicant can still be saddled with unexpected fees-in-lieu and required dedications—for a street with no vehicle access points, and where TSP goals cannot physically be met—with no explanations from City staff as to the impacts and SZCDC 16.106.090 criteria considered in reaching that conclusion.

But, even if all the criteria listed under this Code Section were applied (and considered individually clear and objection), the SZCDC 16.106.090 language is so vague as to how to balance each factor that the City engineering staff is essentially granted broad discretion weigh the factors however they want. Therefore, this standard does not qualify as clear and objective and fails to alert a needed housing applicant of what is required to meet the criteria and how an exaction might be determined based on the exercise of this unfettered discretion. The lack of clear and objective criteria results in steep unexpected costs to the Applicant, which is the exact result that ORS 197A.400 aims to avoid.

Further, the delays and additional costs imposed by the proposed conditions will clearly discourage needed housing from being completed at the project site. All additional costs, plus any redesign fees, and unknown future permitting fees will be added to the rent roll and unnecessarily drive up the cost of housing. Likewise, forcing the Applicant to otherwise appeal an approval to City Council and possibly LUBA, to avoid these unreasonable exactions, is an unreasonable cost and delay.

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Conclusion

Based on the foregoing, the Applicant requests that the City provide rough proportionality calculations to justify revision of Condition D.1 to account for a limited fee-in-lieu as follows,

"1. Prior to Approval of Engineering Public Improvement Plans, the proposed development shall make a payment-in-lieu of installing street improvements along the subject property frontage of SW Pine Street. Said payment-in-lieu will be based upon 125% of the engineer's estimate meeting the approval of the City of Sherwood Engineering Department which will include the following:

1. Concrete sidewalk (77.39'x6')
2. Streetlight relocation.
3. Two street trees."

Further, the Applicant requests that the City approve the application without conditions D.2 or F.1 that would otherwise require Applicant to dedicate land along SW Willamette Street and to pay a fee-in-lieu for the street's theoretical improvement that have no nexus to the proposed development or rough proportionality. Last, maintaining these conditions will violate Oregon's Needed Housing Statute by applying subjective standards that result in increased cost and delay to the Applicant.

Sincerely,



Jennifer M. Bragar

Enclosures:

Attachment 1: Sherwood 2019-2039 Housing Needs Analysis (March 2019)

Attachment 2: Google Street view images, project site and surrounding properties along SW Willamette Street (captured 10/13/2025)

Attachment 3: Oregon Housing Needs Analysis Methodology Report (December 2024)

Attachment 4: Transportation SDCs

cc:

Planning Commissioners (with only excerpts of the attachments and by hand delivery)
Client



ORDINANCE 2020-010

ADOPTING THE SHERWOOD 2019-2039 HOUSING NEEDS ANALYSIS AS A SUB-ELEMENT OF THE COMPREHENSIVE PLAN

WHEREAS, Oregon law requires that state, regional and local governments plan for the housing needs of the people of the state; and

WHEREAS, Sherwood has not adopted an updated housing needs analysis since updating and adopting the existing Comprehensive Plan (Part 2) in 1992 by Ordinance 91-922; and

WHEREAS, Sherwood has experienced significant growth since then; and

WHEREAS, the City contracted with ECONorthwest to conduct a Housing Needs Analysis (HNA) that will inform and provide context for the planning of Sherwood's future growth; and

WHEREAS, the adoption of this updated HNA (HNA 2019-2039) will inform updated goals and policies in the Sherwood 2040 Comprehensive plan, and satisfies Statewide Planning Goal 10 – Housing; and

WHEREAS, the Sherwood Planning Commission conducted a work session to review HNA 2019-2039 on August 11, 2020; and

WHEREAS, the Planning Commission, after Public Hearing Notice was provided to a list of partner agencies, posted in locations in the City and on the City website, and advertised in The Times, a newspaper of general circulation in the City, held a public hearing on October 27, 2020 to review HNA 2019-2039 and to gather additional testimony and evidence regarding the proposed amendment; and

WHEREAS, the Planning Commission duly considered the subject, including the staff recommendation and public testimony, and recommended that the City Council adopted HNA 2019-2039 as a sub-element of the Sherwood Comprehensive Plan; and

WHEREAS, after Public Hearing Notice was provided to a list of partner agencies, posted in locations in the City and on the City website, and advertised in The Times, a newspaper of general circulation in the City, the City Council held public hearings on HNA 2019-2039 on November 17, 2020 and December 1, 2020; and

WHEREAS, the City Council has considered the Planning Commission's recommendation, the staff reports, and testimony in this matter and has evaluated HNA 2019-2039 against the Statewide Planning Goals and regional requirements.

NOW, THEREFORE, THE CITY OF SHERWOOD ORDAINS AS FOLLOWS:

Section 1. Findings. The City Council hereby adopts as findings in this matter the Planning Commission staff report (Case File 2020-018-PA), attached hereto as Exhibit 1 and incorporated by reference.

Section 2. Amendments. The City Council hereby adopts the Sherwood Housing Needs Analysis 2019-2039, attached hereto as Exhibit 2 and incorporated by reference, as an amendment to and sub-element of the Comprehensive Plan, and which shall replace and supersede all prior Housing Needs Analyses adopted by ordinance, resolution, or motion.

Section 3. Staff Directive. To reflect the adoption of the Sherwood Housing Needs Analysis 2019-2039, staff is directed to make conforming changes to the Comprehensive Plan necessary to incorporate the amendments adopted herein.

Section 4. Effective Date. This Ordinance shall become effective 30 days from its adoption.

Duly passed by the City Council this 1st of December 2020.


Keith Mays, Mayor

12/1/2020
Date

Attest:


Sylvia Murphy, MMC, City Recorder

	<u>AYE</u>	<u>NAY</u>
Scott	☒	☐
Griffin	☒	☐
Brouse	☒	☐
Young	☒	☐
Garland	☒	☐
Rosener	☒	☐
Mays	☒	☐

CITY OF SHERWOOD

Staff Report

LU 2020-018 PA Recommendation to Adopt Housing Need Analysis 2019-2039

Recommendation of the Planning Commission:

The Planning Commission held a public hearing on October 27, 2020, to take testimony and consider the application (LU 2020-018 PA). After receiving no public testimony, the Commission voted to close the public hearing to consider the Housing Needs Analysis (HNA) 2019-2039 and the findings in the staff report. The Planning Commission voted to recommend the HNA's approval with the following changes to the document to the Sherwood City Council. The Planning Commission recommendation is based on the facts and findings in this staff report.

Final recommended changes to the HNA 2019-2039

- Page iii (Executive Summary): Calls out the 30% HUD cost metric for cost burdened households in the footnote
- Page VII (Executive Summary): Adds two additional bullets.
 - 1) To look at future impacts from COVID-19; and
 - 2) Add future assumptions regarding HB 2001 when this analysis is refreshed.
- Page 25: Calls out the general HUD 30% cost metric for cost burdened housing in the subheading and within the footnote
- Page 37: Reformat Table 6
- Page 42: The heading now reads, Conclusions and Recommended Options
- Page 43: Include MDRL in the bullet that speaks to a limited supply of land for moderate and higher-density residential
- Page 43: Last sub-bullet to include the following wording: Sherwood's development code does not provide opportunities for a wider range of housing types and development of housing at moderate multifamily densities of 11.1 to 16.7 dwelling units per acre, the gap in densities between MDRH and HDR. As part of a Comprehensive Plan update, the City may choose to evaluate the need for a zone that allows development in this density, which might include townhouses and moderate-sized apartment or condominium buildings.
- Table B-1: Multi-Family Housing totals 100%.

From:



Erika Palmer, Planning Manager

Proposal: The Planning Commission to review, consider, and recommend adopting the Sherwood Housing Needs Analysis (HNA) for the 2019 to 2039 planning period as a sub-element to the Comprehensive Plan.

I. OVERVIEW

- A. Applicant: The City of Sherwood
- B. Location: The HNA is a technical long-range planning document to be adopted as a sub-element of the Comprehensive Plan; therefore, it applies citywide.
- C. Review Type: The proposal requires a Type V review, which involves public hearings before the Planning Commission and City Council. The Planning Commission will make a recommendation to the City Council, who will make the final decision. Any appeal of the City Council decision would go directly to the Oregon Land Use Board of Appeals.
- D. Public Notice and Hearing: The project is a legislative amendment. Notice of the first evidentiary hearing was provided to the Department of Land Conservation and Development (DLCD) and Metro on December 24, 2019. Notice of the October 27, 2020, Planning Commission hearing was published in The Times, a newspaper of general circulation, on October 8th and 22nd, 2020. Notice was also posted in public locations around town, and a project page was created on the city's website on October 5, 2020.
- E. Review Criteria:
The required findings for the Plan Amendment are identified in Section 16.80.030 of the Sherwood Zoning and Community Development Code (SZCDC). In addition, the amendment must be consistent with Goals 1, 2, and 10 of the Statewide Planning Goals and Metro's Functional Plan.
- F. Background:
This HNA was initially drafted to inform the Sherwood West Preliminary Concept Plan in 2015; however, it was not adopted at that time. The HNA was revised in the Fall of 2017 due to the requirement for an adopted and acknowledged HNA to be submitted with an urban growth boundary (UGB) expansion 'Ask' application to Metro. The Planning Commission and City Council held public hearings on the HNA as part of this process. In the Spring of 2017, Council decided not to pursue the UGB Ask application. Council remanded the HNA to the Planning Commission for further refinement as the Commission had significant concerns about the document. In September 2018, the HNA was revised by city staff to address some of the Planning Commission's concerns, and a joint work session with the Sherwood Vision 2040 Community Advisory Committee (CAC) was held with the consultant to review the findings of the document, receive information on the regulatory context and to ask and answer questions. The Planning Commission held a follow-up work session on December 11, 2018, where they provided staff direction on changes they wanted made to the HNA.

The Planning Commission requested a revised HNA with a change in the mix of forecasted housing types. The Commission also asked the housing mix adjusted to 50% single-family detached, 25% single-family attached, and 25% multi-family.

Staff requested the consultant to revise the HNA per the request of the Planning Commission. The HNA in this packet reflects these changes.

The HNA 2019-2039 describes the current housing market, historical and recent housing trends, and Sherwood's current and future demographic characteristics. It forecasts future housing needs based on these considerations and the Metro 2016 Urban Growth Report forecasted growth rate. The HNA contains a Buildable Lands Inventory and addresses residential land sufficiency inside the UGB to meet Sherwood's housing needs for the 20-year planning horizon. The HNA is a technical policy document that will guide future discussions on residential development – Where should the growth occur? What housing types are needed in Sherwood, and where should they be located? What other programs or regulatory tools should the city review and consider promoting needed housing?

The proposed amendment to the Comprehensive Plan for the inclusion of the HNA 2019-2039 does not contain updates to Sherwood's Comprehensive Plan goals and policies, updates to the Plan and Zoning Map, or any updates to the Zoning and Development Code.

The HNA is a technical background supporting document to the City's Comprehensive Plan. The document prepares for the update and revision to the City's Comprehensive Plan's housing element. A complete update of Sherwood's Comprehensive Plan is happening now; the housing goals and policies will be updated based upon information from the 2019-2039 HNA.

II. PUBLIC COMMENTS

Notice was posted in The Times, a general newspaper of local circulation, in town and online, as stated above.

III. AGENCY/DEPARTMENTAL COMMENTS

The City requested comments from affected departments and agencies on October 7, 2020. As of the date of this report, no comments have been received.

IV. APPLICABLE DEVELOPMENT CODE CRITERIA

Sherwood Zoning and Community Development Code Chapter 16.80 Plan Amendments

16.80.030 – Review Criteria

A. Text Amendment

An amendment to the text of the Comprehensive Plan shall be based upon a need for such an amendment as identified by the Council or the Commission. Such an amendment shall be consistent with the intent of the adopted Sherwood Comprehensive Plan, and with all other provisions of the Plan, the Transportation System Plan, and this Code, and with any applicable State or City statutes and regulations, including this Section.

The last complete HNA update for Sherwood occurred in 1990. The 2015 HNA update became a priority when Metro awarded the city a CET grant for the concept planning of Sherwood's Urban Reserve Area 5B. The 2015 HNA update provided background-housing data for the Sherwood West Preliminary Concept Plan. This new update to the HNA, funded by the City, reflects the 2019-2039 planning period. This HNA will support an update to the City's housing goals and policies to meet State Land Use Goal 10, Housing statutory requirements.

This HNA was developed to comply with requirements of statewide planning policies that govern planning for housing and residential development, Goal 10, its implementing Metropolitan Housing Rule (OAR 660-007), and Metro's 2040 Functional Plan.

FINDING: The proposed Comprehensive Plan Part II amendment to include the HNA 2019-2039 as Exhibit A, is needed to update housing goals and policies to the City's Comprehensive Plan, *Sherwood 2040*, which is expected to be adopted in spring 2021. The updated goals and policies in the Sherwood 2040 plan will be reconciled with the information in this HNA to be consistent. This HNA was developed to understand the city's housing needs, ensuring compliance with Goal 10. The findings of the HNA is that the city is generally in compliance with Goal 10.

B. Map Amendment

An amendment to the City Zoning Map may be granted, provided that the proposal satisfies all applicable requirements of the adopted Sherwood Comprehensive Plan, the Transportation System Plan and this Code, and that:

- 1. The proposed amendment is consistent with the goals and policies of the Comprehensive Plan and the Transportation System Plan.**
- 2. There is an existing and demonstrable need for the particular uses and zoning proposed, taking into account the importance of such uses to the economy of the City, the existing market demand for any goods or services which such uses will provide, the presence or absence and location of other such uses or similar uses in the area, and the general public good.**
- 3. The proposed amendment is timely, considering the pattern of development in the area, surrounding land uses, any changes which may have occurred in the neighborhood or community to warrant the proposed amendment, and the availability of utilities and services to serve all potential uses in the proposed zoning district.**
- 4. Other lands in the City already zoned for the proposed uses are either unavailable or unsuitable for immediate development due to location, size or other factors.**

The proposed amendment to the Sherwood Comprehensive Plan does not include a map amendment(s).

FINDING: Provisions of B1-4 above are not applicable to this request.

C. Transportation Planning Rule Consistency

1. Review of plan and text amendment applications for effect on transportation facilities. Proposals shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with OAR 660-12-0060 (the TPR). Review is required when a development application includes a proposed amendment to the Comprehensive Plan or changes to land use regulations.

The proposed adoption of the HNA 2019-2039 and text amendment to the Comprehensive Plan provides background data and analysis on housing needs. The update provides factual basis for

future planning efforts related to growth and housing and prepares for a Comprehensive Plan update. No housing goals, policies or land use regulations are being proposed or amended as part of this plan amendment.

FINDING: The adoption of the updated HNA provides the city with the technical and factual background relating to current and future housing needs. No changes to comprehensive plan policies or land use regulations are proposed at this time, but the updated goals and policies in the *Sherwood 2040 Plan* will be reconciled with the HNA 2019-2039 to remain consistent. The amendment will have no effect on transportation facilities.

APPLICABLE COMPREHENSIVE PLAN POLICIES

Chapter 4 - Residential Land Use

Policy 1 Residential areas will be developed in a manner which will insure that the integrity of the community is preserved and strengthened.

Strategy:

- Higher density residential development will be located so as to take advantage of arterial and major collector streets; nearby shopping, parks, mass transit and other major public facilities and services.
- All residential development will be located so as to minimize the impact of nonresidential uses and traffic.
- New housing will be located so as to be compatible with existing housing. Infill and redevelopment projects will not adversely affect established neighborhoods, and additional public notice will be required for infill projects, as depicted on the "Infill Notification Area" map, Map IV-1.
- Buffering techniques shall be used to prevent the adverse effects of one use upon another. These techniques may include varying densities and types of residential use, design features and special construction standards.
- The City will encourage the use of the Planned Unit Development (PUD) on parcels of five acres or more in all residential land use categories in order to allow flexibility and innovation in site development and land use compatibility.

Policy 2 The City will insure that an adequate distribution of housing styles and tenures are available.

Strategy:

- New developments will be encouraged to provide an adequate distribution of owner occupied and renter occupied units of all types and densities.
- The City will allocate land to residential densities and housing types in accordance with a periodic assessment of housing needs.
- The City will maintain a minimum overall density of six (6) dwelling units an acre.

Policy 3 The City will insure the availability of affordable housing and locational choice for all income groups.

Strategy:

- The City will participate in the regional "fair share" housing program to provide housing opportunities for the low and moderate income, elderly, large family and handicapped household.
- The City will reduce housing costs by allocating land for smaller lot single family and manufactured housing uses, providing multi-family housing opportunities,

expediting the development review process, and assuring that an adequate supply of buildable land is available for all residential categories of use.

- Housing shall be of a design and quality compatible with the neighborhood in which it is located.

Policy 4 The City shall provide housing and special care opportunities for the elderly, disadvantaged and children.

Strategy:

- Residential homes for physically or mentally handicapped persons shall be a permitted use in single family zones.
- Residential care facilities for mentally handicapped persons shall be permitted as a conditional use in the City's medium and high density zones.
- Family Day Care Providers which accommodate fewer than 13 children or less in the provider's home, shall be permitted in residential and commercial zones.
- For elderly family members, accessory units, elder cottages, homesharing or share-living residences may be a conditional use in some residential zones.

Policy 5 The City shall encourage government assisted housing for low to moderate income families.

Policy 6 The City will create, designate and administer five residential zones specifying the purpose and standards of each consistent with the need for a balance in housing densities, styles, prices and tenures.

c. RESIDENTIAL ZONES OBJECTIVES

The following subsection defines the five residential land use classifications to be used in the land use element giving the purpose and standards of each. All density ranges are for minimum lot sizes and shall not restrict larger lots within that residential designation. For each residential designation on the Plan/Zone Map, maximum density has been indicated. The maximum density represents the upper limit which may be allowed - it is not a commitment that all land in that area can or should develop to that density. The implementing ordinances contained in the City Zoning Code define the circumstances under which the maximum density is permissible. Density transfers are applied in instances where appropriate to achieve the purposes of the Plan such as the encouragement of quality planned unit developments, flood plain protection, greenway and park acquisition, and the use of efficient energy systems. Unless these circumstances pertain, the maximum density allowable will be specific in the zoning standards for each designation.

1) Very Low Density Residential (VLDR)

Minimum Site Standards:

1 DU/Acre, 1 acre minimum lot size

This designation is intended to provide for single family homes on larger lots and in PUD's in the following general areas:

- Where natural features such as topography, soil conditions or natural hazards make development to higher densities undesirable. This zone is appropriate for the Tonquin Scabland Natural Area.
- Along the fringe of expanding urban development where the transition from rural to urban densities is occurring.
- Where a full range of urban services may not be available but where a minimum of urban sewer and water service is available or can be

- provided in conjunction with urban development.
- 2) **Low Density Residential (LDR)**
Minimum Site Standards:
 5 DU/Acre, 7000 sf lot minimum
 This designation is intended to provide for the most common urban single family detached home. The designation is applicable in the following general areas:
- Where single family development on individual lots will be compatible with existing natural features and surrounding uses.
 - Where a full range of urban facilities and services are provided or can be provided in conjunction with development.
 - Where major streets serving development are adequate or can be provided in conjunction with development.
- 3) **Medium Density Residential Low (MDRL)**
Minimum Site Standards:
 8 DU/Acre, 5,000 sq. ft. lot minimum
 This designation is intended to provide for dwellings on smaller lots, duplexes, manufactured homes on individual lots, and manufactured home parks. The designation is applicable in the following general areas:
- Where there is easy access to shopping.
 - Where a full range of urban facilities and services are provided in conjunction with development.
 - Where major streets are adequate or can be provided in conjunction with development.
- 4) **Medium Density Residential High (MDRH)**
Minimum Site Standards:
 11 DU/Acre, 3,200-5,000 sf lot minimum.
 This designation is intended to provide for a variety of medium density housing styles, designs, and amenities in keeping with sound site planning. Included in this designation are, low density apartments and condominiums, manufactured homes on individual lots, and row housing. This designation is applicable in the following general areas:
- Where related institutional, public and commercial uses may be appropriately mixed or are in close proximity to compatible medium density residential uses.
 - Where a full range of urban facilities and services are provided in conjunction with development.
 - Where medium urban densities can be maintained and supported without significant adverse impacts on neighborhood character or environmental quality.
- 5) **High Density Residential (HDR)**
Minimum Site Standards:
 16 DU/Acre, 2,000-5,000 sf lot minimum
 This designation is intended to provide for high density multi-family urban housing with a diversity in style, design and amenities in keeping with sound site planning principles in the following general areas:
- Where related public, institutional and commercial uses may be mixed with or are in close proximity to compatible high density

residential uses.

- Where a full range of urban facilities and services are available at adequate levels to support high density residential development.
- Where direct access to major fully improved streets is available.
- Where higher density development will not exceed land, air or water carrying capacities.

Policy 7 In addition to and consistent with the General Land Use policies, the City will encourage appropriate residential densities in the Town Center Overlay District, consistent with the vision, policies, and strategies in the Sherwood Town Center Plan.

The policies above are the residential land use policies from Sherwood's current Comprehensive Plan, Part II. No additions, changes, or modifications, to the policies in the Comprehensive Plan are part of this text amendment. No amendments to the Zoning and Development Code are proposed as part of this Comprehensive Plan amendment. The policies listed above will remain the governing housing policies in Sherwood's Comprehensive Plan until the updated plan, *Sherwood 2040* is adopted in the spring of 2021. The updated housing policies in the *Sherwood 2040 Plan* will be reconciled with this HNA to remain consistent.

The HNA 2019-2039 amends the factual background information and data on which future planning efforts related to housing will be based. The HNA prepares the city for an upcoming Comprehensive Plan update, which will update the residential land use policies to reflect the conclusions on housing needs in the HNA and reflect the community's vision. A completely revised and up to date housing element chapter of the Comprehensive Plan will be included as part of the Comprehensive Plan update.

The Comprehensive Plan's current residential land use policies and the Zoning and Development Code are consistent with Statewide Planning Goal 10, Metropolitan Housing Rule (OAR 660-007), and Metro's 2040 Functional Plan. No changes to the city's current housing goals and policies and to the city's Zoning and Development Code are required as part of the adoption of the HNA 2019-2039 and proposed amendment.

FINDING: The existing housing policies in the current adopted Comprehensive Plan, Part II, will remain and will continue to be the guiding housing policies for the City until the adoption of the Comprehensive Plan update, *Sherwood 2040*. The proposed Comprehensive Plan, Part II: Exhibit A text amendment is not substantive in nature, as it does not amend the Sherwood Comprehensive Plan goals and policies, the Sherwood Plan and Zoning Map, or the Sherwood Zoning and Development Code. The proposed adoption of Sherwood's HNA 2019-2039 and text amendment will provide for factual background information only and will not substantively change current Comprehensive Plan goals and policies or land use regulations.

APPLICABLE STATEWIDE PLANNING GOALS

Goal 1 (Citizen Involvement)

Objective: To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

FINDING: Staff utilized the public notice requirements of the Sherwood Zoning and Community Development Code, Chapter 16.72, to notify the public of the proposed plan amendment. The City's public notice requirements comply with Goal 1. In addition, the Community Advisory Committee for the city's Visioning process reviewed this document prior to recommended changes from the

Planning Commission in 2018. A Planning Commission work session was held on August 11, 2020, for review and discussion of the document.

The Planning Commission and City Council will hold public hearings on this request prior to adopting the HNA and amendment to the Comprehensive Plan. Public comments received will be addressed and included as part of the record to this plan amendment.

The adoption of the HNA provides technical and factual information and contains no updates or revisions to Comprehensive Plan goals and policies or land use regulations. A complete and robust public involvement program, consistent with Goal 1, is being implemented as part of the Comprehensive Plan update, *Sherwood 2040*, which will address housing goals and policies.

Goal 2 (Land Use Planning)

Objective: To establish a land use planning process and policy framework as a basis for all decision and actions related to the use of land and to assure an adequate factual basis for such decisions and actions.

FINDING: The proposed amendment does not alter any goals and policies in the Comprehensive Plan, or changes to Sherwood Plan and Zoning Map and Zoning and Development Code that are already consistent with Goal 2. The HNA will provide a factual basis for future planning decisions and actions as the City's Comprehensive Plan is updated.

Notice was provided to DLCD 35 days prior to the first schedule public hearing as required. The HNA was developed in coordination with Metro, DLCD, to be consistent with applicable regulations.

Goal 3 (Agricultural Lands)

Goal 4 (Forest Lands)

FINDING: Goals 3-4 not applicable to Sherwood.

Goal 5 (Natural Resources, Scenic and Historic Areas and Open Spaces)

Goal 6 (Air, Water and Land Resources Quality)

Goal 7 (Areas Subject to Natural Hazards)

Goal 8 (Recreational Needs)

FINDING: The Statewide Planning Goals 5-8 do not specifically apply to the proposed plan amendment. The information from the HNA, such as the household forecast, residential land sufficiency and buildable lands inventory provide a factual basis of information for the Comprehensive Plan update, *Sherwood 2040*. There is no evidence to suggest that the proposed text amendment is in conflict with these goals. The proposed text amendment does not make any substantive changes to the Sherwood Comprehensive Plan or implementing ordinances that affect compliance with Goals 5-8.

Goal 9 (Economic Development)

Objective: To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare and prosperity of Oregon's citizens.

FINDING: Information in the HNA, such as the household forecast, residential land sufficiency and buildable lands inventory, provides the factual basis of information for the Comprehensive Plan update which will include updating and City's goals and policies related to Goals 9 and the Economic

Opportunities Analysis. The proposed text amendment does not make any substantive changes to the Sherwood Comprehensive Plan or implementing ordinances that affect compliance with Goal 9.

Goal 10 (Housing)

Objective: To provide for the housing needs of citizens of the state.

Buildable land for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

Response:

The City's primary obligations under Goal 10 and its implementing Metropolitan Housing Rule (OAR 660-007) are to (1) provide and plan for enough residential land to accommodate forecasted housing needs for the next 20-years; (2) designate land in a way that provides the opportunity for 50% new housing to be either multi-family or single family attached housing; and (3) achieve an average density of six dwelling units per net acre.

Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. Goal 10 defines needed housing types as "all housing [types] on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at [particular] price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by the United States Department of Housing and Urban Development" ORS 197.303 defines needed housing types:

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

In summary, Sherwood must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. The goals and policies in the city's current Comprehensive Plan meet Goal 10. It is expected that the updated goals and policies in the *Sherwood 2040* comprehensive plan will also meet Goal 10.

FINDING: The Housing Needs Analysis 2019-2039 provides information about the factors that could affect housing development including: historical and recent development trends; projections of new housing units needed in the next 20 years; demographic and socioeconomic factors affecting housing choice, and regional and local trends in housing cost and affordability. The HNA provides a forecast of housing by type and density of housing. The HNA demonstrates how the existing city zones provides for the needed housing types outline in ORS 197.303. The forecasted growth rate in the HNA 2019-2039 is 1.1% based on Metro's forecast. The HNA includes a Buildable Lands Inventory (BLI) for housing within Urban Growth Boundary. The BLI demonstrates that current land use designation provide an adequate short- and long-term land supply for housing development for meeting existing needs and 65% projected growth over the next 20-years. However, Sherwood has

a deficit of land for 608 dwelling units. Annexations will need to continue in Brookman to provide an adequate land supply.

The HNA analyzes existing development patterns and intensity, existing land use designations and zoning, and building constraints to determine where there is vacant land and/or land that is likely to be redeveloped, and compares the exiting supply of land to emerging development trends and projection of needed housing units.

The HNA 2019-2039, which includes the buildable lands inventory (BLI), provides a factual basis that will inform the update to the housing element of the *Sherwood 2040* Comprehensive Plan, as well as updates to its City's implementing ordinances. No changes to the housing goals and policies of the Comprehensive Plan are proposed at this time. No changes to the implementing ordinances of the Comprehensive Plan, Sherwood's Plan and Zoning Map and Sherwood's Zoning the Development Code, are proposed with the adoption of the HNA 2019-2039.

The HNA 2019-2039 makes the following conclusions regarding compliance with Goal 10:

Sherwood will need to plan for enough residential land to accommodate forecasted housing needs for the next 20-years:

- Sherwood is forecast to add 1,728 new households between 2019 and 2039. Of these 700 new households are inside existing city limits; 1,029 new households are outside current city limits.
- Sherwood's land base can accommodate most of the forecast for growth. Vacant and partially vacant land in the Sherwood Planning Area has the capacity to accommodate about 65% of the forecast for new housing on areas within the city limits and the Sherwood Planning Area.
- Sherwood has a deficit of land for housing. The deficit of land is for 608 dwelling units. The largest deficits are in Medium Density Residential-Low (154 dwelling units); Medium Density Residential-High (252); and High Density Residential (145 dwelling units).
- To provide adequate land supply Sherwood will need to continue to annex the Brookman Area which is primary designated residential in the Sherwood Planning Area. Without Brookman area developing, the City has a projected deficit of 1,155 dwelling units.

Comparison of capacity of existing residential land with demand for new dwelling units, dwelling units, Sherwood planning area, 2019-2039

Zone	Capacity (Needed Densities)	Housing Demand	Comparison Capacity minus Demand (dwelling units)
Very Low Density Residential	76	95	-19
Low Density Residential	144	182	-38
Medium Density Residential-Low	382	536	-154
Medium Density Residential-High	266	518	-252
High Density Residential	253	398	-145
Total	1,121	1,729	-608

Page 40, Sherwood HNA 2019-2039
Source: ECONorthwest

The implications for Sherwood's housing policies as the City moves forward with the Comprehensive Plan update:

- Sherwood will need Sherwood West to accommodate future growth beyond the existing city limits and Sherwood Planning Area (Brookman) inside the UGB. There is deficit of 608 dwelling units over the next 20-years in Sherwood city limits and Brookman Area. The growth rate of Metro's forecast for household growth (1.1% average annual growth) is considerably lower than the City's historical population growth rate over the last 2 decades (8% average annual growth). At the historic growth rate, Sherwood will be out of buildable lands for residential development within 4-10 years. To comply with Goal 10, the City will need to either change its policies to allow for more development on the inventory of vacant land, request a UGB expansion from Metro, or both.
- Sherwood has a relatively limited supply of land for moderate and higher density housing. The limited supply of land in these zones is a barrier to development of townhouses and multi-family housing, which is needed to meet the housing demand for growth of people over 65, young families, and moderate-income households. Sherwood will need to plan for a greater variety of housing types.
- Sherwood will have an ongoing need for providing affordable housing to lower-income households. About 31% of households in Sherwood have incomes below 80% of the MFI. These household will need a range of housing types, such as lower-cost single family housing, townhouses, or multi-family housing. Sherwood currently has a limited supply of land available in its planning area for moderate and high-density housing.

METROPOLITAN HOUSING RULE

OAR 660-007 (the Metropolitan Housing rule) is designed to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary."

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro Urban Growth Boundary (UGB):

"Provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances" (OAR 660-007-0030 (1).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Sherwood average density target is six dwelling units per net buildable acre.

FINDING:

The HNA forecast of needed housing unit by mix, Sherwood Planning Area, 2019-2039

Housing Type	New Dwelling	
	Units (DU)	Percent
Single-family detached	865	50%
Single-family attached	432	25%
Multifamily	432	25%
Total	1,729	

Page 27, Sherwood HNA 2019-2039
Source: ECONorthwest

The assumed housing mix meets the requirements of OAR 6660-007-0030 to "designate sufficient buildable land the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing." Sherwood's Zoning and Development Code allows for the opportunity for attached and/or multi-family housing in the MDRL, MDRH, HDR zones. Approximately 126 of the 175 buildable acres in Sherwood City Limits and Planning Area are in these zones (see Table 8, page 39, Sherwood HNA 2019-2039).

The HNA demonstrates that development in Sherwood occurred at considerably higher densities than the minimum allowable densities in each zone. The overall development in Sherwood average from 2000-2014 averaged 8.2 dwelling units per net acre (See Table B-3, Appendix page B-9) The needed density in Sherwood is consistent with the densities achieved in residential zones Sherwood over the 2000-2014 period. These densities are (See Table B-4, Appendix page B-10):

Zone	Dwelling units per net acre
Very Low Density Residential	2.9
Medium Density Residential	6.5
Medium Density Residential High	7.7
High Density Residential	19.1

These densities, when applied to Sherwood's supply of buildable land in the capacity analysis results in an overall density of 7.3 dwelling units per net acre (See page 28, Sherwood HNA 2019-2039). This housing density meets the requirements of OAR 660-007-0035 to "provide for an overall density of six or more dwelling units per net buildable acre." The future density (7.3) is lower than the historical density (8.2) due to the deficit of available HDR and MDRH land. The deficit of HDR and MDRH land as well as the range of densities within the city's medium and high-density zones will be addressed in the upcoming comprehensive plan update.

The HNA concludes that both the maximum density (and minimum lot size) and the historical development density estimates exceed the State requirement (OAR 660-007-0035(2)) to "provide for an overall density of six or more dwelling units per net buildable acre." The estimate results in an average density of between 7.3 to 8.6 dwelling units per net acre.

Range of capacity estimates, Sherwood vacant and partially vacant land, gross acres and gross densities, 2015

		Capacity based on Zoning: Minimum Densities		Capacity based on Zoning: Maximum Densities and Minium Lot Sizes		Capacity based on Historical Development Densities		Difference in Capacity between Maximum Densities and Historical Densities	
		Dwelling units	Derived Density	Dwelling units	Derived Density	Density Assumption	Dwelling units	Difference in Dwelling Units	Difference in Density
Zone	Buildable Acres								
Land within City Limits									
VLDR	24	19	0.8	94	3.9	2.9	69	25	1.0
VLDR_PUD	1	+	+	4	3.8	2.9	3	1	0.9
LDR	22	71	3.2	113	5.1	6.5	144	(31)	(1.4)
MDRL	14	75	5.2	112	7.8	6.1	88	24	1.7
MDRH	21	111	5.3	223	10.7	7.7	161	62	3.0
HDR	14	224	16.0	303	21.7	19.1	266	37	2.6
Subtotal	96	500	5.2	849	8.8		731	118	8.8
Brookman and Other Unincorporated Areas									
VLDR	1	2	1.6	4	3.2	2.9	3	1	0.3
MDRL	52	275	5.3	401	7.7	6.1	317	84	1.6
MDRH	8	36	4.7	62	8.1	7.7	58	4	0.4
MDRL/H*	15	78	5.3	109	7.5	7.5	109	-	-
HDR	3	49	15.4	70	22.1	19.1	60	10	3.0
Subtotal	79	440	5.6	661	8.4		547	114	8.4
Total	175	940	5.4	1,510	8.6	7.3	1,278	232	1.3

Page 37, Sherwood HNA 2019-2039

The conclusion of the housing needed analysis is that Sherwood's historical densities meet Sherwood's future housing needs. However, the upcoming update the Sherwood's Comprehensive Plan will address revisions to Sherwood's housing policies and implementation ordinances to address the barriers identified in the HNA to developing the forecasted needed housing types, specifically townhouses and multi-family housing, which is needed to meet the housing demand for growth of people over 65, young families, and moderate-income households. Sherwood has a deficit of moderate and high-density land in its current planning area.

Goal 11 (Public Facilities and Services)

Objective: To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

FINDING: The information from the HNA, such as the household forecast, residential land sufficiency and buildable lands inventory will provide a factual basis of information for the Comprehensive Plan update with includes updating and City's goals and policies related to Goal 11 Public Facilities and Services as well as provide a data for on-going updates to public facility master plans and capital improvement plans. The proposed text amendment does not make any substantive changes to the Sherwood Comprehensive Plan or implementing ordinances that affect compliance with Goals 11.

Goal 12 (Transportation)

Objective: To provide and encourage a safe, convenient and economic transportation system.

FINDING: The information from the HNA, such as the household forecast, residential land sufficiency and buildable lands inventory will provide a factual basis of information for the Comprehensive Plan update with includes updating and City's goals and policies related to Goals 11 Transportation. The HNA and accompanying text amendment do not propose any changes to the Comprehensive Plan transportation goals and policies, Sherwood Plan and Zoning Map, or the Zoning and Development Code. This application does not involve rezoning any lands, which would trigger the need for the Transportation Planning Rule analysis. The proposed text amendment does not conflict or make substantive changes to compliance with Goal 12.

Goal 13 (Energy Conservation)

Objective: To conserve energy.

FINDING: The proposed plan amendment proposes no changes to comprehensive plan goals and policies or the City's Zoning and Development Code that would trigger the implementation of Goal 13. The proposed text amendment does not conflict or make substantive changes to compliance with Goal 13.

Goal 14 (Urbanization)**Objective: To provide the orderly and efficient transition from rural to urban land uses.**

FINDING: The information from the HNA, such as the household forecast, residential land sufficiency and buildable lands inventory will provide a factual basis of information for the Comprehensive Plan update which includes updating and City's goals and policies related to Goals 14. The HNA 2019-2039 concluded Sherwood has a deficit of approximately 608 homes in its 20-year supply. The conclusion is based off the Metro forecast of 1.1% growth which is significantly lower than Sherwood's historic growth rate over the past two decades of 8%. In order for the City to have sufficient lands to support the 20-year housing need, an expansion to Sherwood's UGB would be needed unless the City significantly increased densities in existing zones throughout the city. The HNA provides the factual information and background data for future decisions regarding the expansion of Sherwood's urban growth boundary and the efficient transition from rural to urban land uses.

The HNA does not propose any changes to the Comprehensive Plan transportation goals and policies, Sherwood Plan and Zoning Map, or the Zoning and Development Code. This application does not involve rezoning any lands. The proposed amendment does not conflict or make substantive changes to compliance with Goal 14 but provides a factual basis for future regional and local urbanization decisions.

Goal 15 (Willamette River Greenway)**Goal 16 (Estuarine Resources)****Goal 17 (Coastal Shorelands)****Goal 18 (Beaches and Dunes)****Goal 19 (Ocean Resources)**

FINDING: Goals 15-19 not applicable to Sherwood.

METRO FUNCTIONAL PLAN REQUIREMENTS**Title 1: Housing Capacity**

3.07.110 Purpose and Intent The Regional Framework Plan calls for a compact urban form and a "fair-share" approach to meeting regional housing needs. It is the purpose of Title 1 to accomplish these policies by requiring each city and county to maintain or increase its housing capacity except as provided in section 3.07.120

FINDING: The HNA demonstrates that Sherwood is meeting regional goals while implementing locally adopted plans. Metro's 2016 *Compliance Report* concludes that Sherwood is in compliance for the City's Title 1 responsibilities.

Title 7: Housing Choice

3.07.710 Intent The Regional Framework Plan calls for establishment of voluntary affordable housing production goals to be adopted by local governments and assistance from local governments on reports on progress towards increasing the supply of affordable housing. It is the intent of Title 7 to implement these policies of the Regional Framework Plan.

Finding: Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to adopt an affordable housing production goal voluntarily.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types,
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries, and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730)

Metro's *2016 Compliance Report* concludes that Sherwood is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

- (1) A mix and intensity of uses that make efficient use of public systems and facilities,
- (2) A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city, and
- (3) Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Metro's *2016 Compliance Report* concludes that Sherwood is in compliance for the City's Title 11 responsibilities.

V. RECOMMENDATION

The Sherwood Housing Needs Analysis 2019-2039 complies with applicable Statewide Planning Goals, Metro regulations, the Metropolitan Housing Rule (OAR, Division 7), and the City's Development Code's applicable provisions. This HNA will be used to update the housing element in the City's Comprehensive Plan, *Sherwood 2040*.

Based on a review of the applicable code provisions, agency comments, and staff review, staff finds that the Plan Amendment is consistent with the applicable criteria. Therefore, staff **recommends that the Planning Commission forward a recommendation of APPROVAL** of the Housing Needs Analysis 2019-2039 to the Sherwood City Council.

VI. EXHIBITS

A. Sherwood Housing Needs Analysis 2019-2039

Sherwood Housing Needs Analysis 2019 to 2039

Prepared for:

City of Sherwood

March 2019

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning, and financial analysis.

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Executive Summary

This is an executive summary of the findings of the Sherwood Housing Needs Analysis for the 2019 to 2039 period. The housing needs analysis provides Sherwood with a factual basis to support future planning efforts related to housing, including Concept Planning for Sherwood West, and prepares to update and revise the City's Comprehensive Plan policies.

The housing needs analysis is intended to comply with requirements of statewide planning policies that govern planning for housing and residential development, Goal 10, it's implementing Metropolitan Housing Rule (OAR 660-007), and Metro's 2040 Functional Growth Management Plan. Taken together, the City's primary obligations from Goal 10 are to (1) designate land in a way that provides the opportunity for 50% of new housing to be either multifamily or single-family attached housing (e.g., townhouses); (2) achieve an average density of six dwelling units per net acre; and (3) provide enough land to accommodate forecasted housing needs for the next 20 years. Sherwood is already in compliance with these requirements and can accommodate most of the new housing forecast, as described in this summary.

HOW HAS SHERWOOD'S POPULATION CHANGED IN RECENT YEARS?

The basis for the housing needs analysis is an understanding of the demographic characteristics of Sherwood's residents.¹

- **Sherwood's population grew relatively fast in recent years.** Sherwood's population increased from 3,000 people in 1990 to nearly 18,600 people in 2013, averaging 8% annual growth. Sherwood's fastest period of growth was during the 1990s, consistent with statewide trends. Between 2000-2013, Sherwood grew by 6,600 people, at an average rate of nearly 3.5% per year. For comparison, Washington County grew at 2.5% annually between 1990-2013 and the Portland Region grew at 1.6% per year.
- **Sherwood's population is aging.** People aged 45 years and older were the fastest growing age group in Sherwood between 2000 and 2010, consistent with state and national trends. By 2035, people 60 years and older will account for 24% of the population in Washington County (up

¹ The majority of data quoted in this analysis is from the U.S. Census American Community survey, with population data from the Population Research Center at Portland State University and development data from the City's Building Permit database.

from 18% in 2015) and 25% in the Portland Region (up from 19% in 2015). It is reasonable to assume that the share of people 60 years and older will grow relatively quickly in Sherwood as well.

- **Sherwood is attracting younger people and more households with children.** In 2010, the median age in Sherwood was 34.3 years old, compared to Washington County's median age of 35.3 years and the State median of 38.4. Sherwood has a larger share of households with children (47% of households), compared with Washington County (33%) or the Portland Region (29%). The Millennial generation—people born roughly between 1980 to 2000—are the largest age group in Oregon and will account for the majority of household growth in Sherwood over the next 20 years.
- **Sherwood's population is becoming more ethnically diverse.** About 6% of Sherwood's population is Latino, an increase from 4.7% in 2000. In comparison to Washington County and the Portland Region, Sherwood is less ethnically diverse. In the 2009-2013 period, 16% of Washington County residents, and 12% Portland Region residents, were Latino.

WHAT FACTORS MAY AFFECT FUTURE GROWTH IN SHERWOOD?

If these trends continue, population will result in changes in the types of housing demanded or "needed" in Sherwood in the future.

- **The aging of the population is likely to result in increased demand for smaller single-family housing, multifamily housing, and housing for seniors.** People over 65 years old will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes) as they continue to age.
- **The growth of younger and diversified households is likely to result in increased demand for a wider variety of affordable housing appropriate for families with children, such as small single-family housing, townhouses, duplexes, and multifamily housing.** If Sherwood continues to attract young residents, then it will continue to have demand for housing for families, especially housing affordable to younger families with moderate incomes. Growth in this population will result in growth

in demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.²

- **Changes in commuting patterns could affect future growth in Sherwood.** Sherwood is part of a complex, interconnected regional economy. Demand for housing by workers at businesses in Sherwood may change with significant fluctuations in fuel and commuting costs, as well as substantial decreases in the capacity of highways to accommodate commuting.
- **Sherwood households have relatively high income, which affects the type of housing that is affordable.** Income is a key determinant of housing choice. Sherwood's median household income (\$78,400) is more than 20% higher than Washington County's median household income (\$64,200). In addition, Sherwood has a smaller share of population below the federal poverty line (7.6%) than the averages of Washington County (11.4%) and the Portland Region (13.9%).

WHAT ARE THE CHARACTERISTICS OF SHERWOOD'S HOUSING MARKET?

The existing housing stock in Sherwood, homeownership patterns, and existing housing costs will shape changes in Sherwood's housing market in the future.

- **Sherwood's housing stock is predominantly single-family detached.** About 75% of Sherwood's housing stock is single-family detached, 8% is single-family attached (such as townhomes), and 18% is multifamily (such as duplexes or apartments). Sixty-nine percent of new housing permitted in Sherwood between 2000 and 2014 was single-family detached housing.
- **Almost three quarters of Sherwood's residents own their homes.** Homeownership rates in Sherwood are above Washington County (54%), the Portland Region (60%), and Oregon (62%) averages.

² The housing needs analysis assumes that housing is affordable if housing costs are less than 30% of a household's gross income. The 30% metric is a general guideline from the U.S. Department of Housing and Urban Development (HUD). For a household earning \$6,500 (the median household income in Sherwood), monthly housing costs of less than \$1,960 are considered affordable.

- **Homeownership costs increased in Sherwood, consistent with national trends.** Median sales prices for homes in Sherwood increased by about 30% between 2004 and 2014, from about \$245,000 to \$316,500. The median home value in Sherwood is 3.8 times the median household income, up from 2.9 times the median household income in 2000.
- **Housing sales prices are higher in Sherwood than the regional averages.** As of January 2015, median sales price in Sherwood was \$316,500, which is higher than the Washington County (\$281,700), the Portland MSA (\$269,900), and Oregon (\$237,300) median sales prices. Median sales prices were higher in Sherwood than in other Portland westside communities such as Tigard, Tualatin, and Beaverton, but lower than Wilsonville or West Linn.
- **Rental costs are higher overall in Sherwood than the regional averages, with a slightly lower-rental cost on a cost per square foot basis.** The median rent in Sherwood was \$1,064, compared to Washington County's average of \$852. Average rent in the Tigard/Tualatin/Sherwood area submarket was \$1.13 per square foot in Fall 2014, lower than the regional average of \$1.22 per square foot. Between Spring 2010 and Spring 2013, average rent in Tigard/Tualatin/Sherwood area increased by 38%, consistent with the regional increase of 36%.
- **More than one-third of Sherwood's households are cost-burdened.** Thirty-eight percent of Sherwood's households were cost-burdened (i.e., paid more than 30% of their income on rent or homeownership costs). Renters were more likely to be cost-burdened (40% of renters were cost-burdened), compared to homeowners (35% were cost-burdened) in Sherwood. These levels of cost burden are consistent with regional averages. In Washington County in the 2009-2013 period, 38% of households were cost burdened, compared to 41% in the Portland Region.

Future housing affordability will depend on the relationship between income and housing price. The key question is whether housing prices will continue to outpace income growth. Answering this question is difficult because of the complexity of the factors that affect both income growth and housing prices. Sherwood will need to provide the opportunity for development of a wider variety of housing, including housing affordable to low- and moderate-income households.

HOW MUCH HOUSING GROWTH IS FORECAST, AND CAN THAT GROWTH BE ACCOMMODATED WITHIN SHERWOOD?

The housing needs analysis in this report is based on Metro's coordinated forecast of household growth in Sherwood. The forecast includes growth in both areas within the city limits, as well as areas currently outside the city limits that the City expects to annex for residential uses (most notably the Brookman area).

- **Sherwood is forecast to add 1,728 new households between 2019 and 2039.** Of these, 700 new households are inside the existing city limits; 1,029 new households are outside the current city limits in the Brookman Area.
- **Sherwood's land base can accommodate most of the forecast for growth.** Vacant and partially vacant land in the Sherwood Planning Area has capacity to accommodate 1,121 new dwelling units. Sherwood can accommodate about 65% of the forecast for new housing on areas within the city limits and Brookman Area.
- **Sherwood has a deficit of land for housing.** Sherwood has a deficit of land for 608 dwelling units. The largest deficits are in Medium Density Residential-Low (154 dwelling units), Medium Density Residential-High (252 dwelling units), and High Density Residential (145 dwelling units).
- **To provide adequate land supply, Sherwood will need to continue to annex the Brookman area.** Without the Brookman area developing, the City has a projected deficit of about 1,155 dwelling units. Sherwood will need to continue to annex the Brookman area in order to accommodate the City's forecast of residential growth. The City recently annexed about 98 acres in the Brookman Area. The annexed land is in the center of the Brookman Area and has relatively few owners (about 8 property owners). Annexing and developing other areas, with a larger number of owners, may be more challenging, to the extent that the property owners have to come to agreement about development.

WHAT IF SHERWOOD GROWS FASTER?

- **The forecast for growth in Sherwood is considerably below historical growth rates.** Metro's forecast for new housing in Sherwood shows that households will grow at an average annual growth rate of 1.1% per year. In comparison, Sherwood's population grew at 3.4% per year between 2000 and 2013 and 8% per year between 1990 and 2013. If Sherwood grows faster than Metro's forecast during the 2019 to 2039 period, then

Sherwood will have a larger deficit of land needed to accommodate growth.

- **At faster growth rates, Sherwood's land base has enough capacity for several years of growth.** At growth rates between 2% to 4% of growth annually, land inside the Sherwood city limits can accommodate two to five years of growth. With capacity in the Brookman Area, Sherwood can accommodate four to ten years of growth at these growth rates.
- **Additional housing growth in Sherwood depends the availability of development-ready land.** The amount of growth likely to happen in Sherwood over the next few years is largely dependent on when the Brookman Area is annexed, when the Sherwood West area is brought into the urban growth boundary and annexed, and when urban services (such as roads, water, and sanitary sewer) are developed in each area. The City recently annexed about 98 acres in the Brookman Area.

WHAT ARE THE IMPLICATIONS FOR SHERWOOD'S HOUSING POLICIES?

- **Sherwood will need Sherwood West to accommodate future growth beyond the existing city limits and Brookman area.** The growth rate of Metro's forecast for household growth (1.1% average annual growth) is considerably lower than the City's historical population growth rate over the last two decades (8% average annual growth). Metro's forecast includes growth that can be generally accommodated within the Sherwood city limits and Brookman. Given the limited supply of buildable land within Sherwood, it is likely that the City's residential growth will slow until Sherwood West is made development-ready.
- **Sherwood has a relatively limited supply of land for moderate- and higher-density multifamily housing.** The limited supply of land in these zones is a barrier to development of townhouses and multifamily housing, which are needed to meet housing demand resulting from growth of people over 65, young families, and moderate-income households.
- **The results of the Housing Needs Analysis highlight questions for the update of the City's Comprehensive Plan and the Concept Planning of Sherwood West.**
 - Providing housing opportunities for first time home buyers and community elders (who prefer to age in place or downsize their housing) will require a wider range of housing types. Examples of

these housing types include: single family homes on smaller lots, clustered housing, cottages or townhomes, duplexes, tri-plexes, four-plexes, garden apartments, or mid-rise apartments. Where should Sherwood consider providing a wider range of housing types? What types of housing should Sherwood plan for?

- Changes in demographics and income for Sherwood and regional residents will require accommodating a wider range of housing types. How many of Sherwood's needed units should the city plan to accommodate within the city limits? How much of Sherwood's needed units should be accommodated in the Brookman Area and in Sherwood West?
- What design features and greenspaces would be important to consider for new housing?
- What other design standards would be needed to "keep Sherwood Sherwood"?
- What is the appropriate mix of residential land and employment land in the city to balance the city's tax base?
- What is the mix of residential zones that reflect Sherwood's character?
- COVID-19 has changed how people live and work. What are some of the long-term impacts of the pandemic on residential housing trends and needs?
- The next update to the Housing Needs Analysis will need to consider recent state legislation of House Bill 2001, to review and analyze density expectations assumed to result from the provision of middle housing that meet regulatory requirements.

1 Introduction

This report presents the Sherwood Housing Needs Analysis 2019 to 2039. The housing needs analysis provides Sherwood with a factual basis to support future planning efforts related to housing, including Concept Planning for Sherwood West, and prepares to update and revise the City's Comprehensive Plan policies. This report was based on the draft Sherwood Housing Needs Analysis 2015 to 2035 report, from June 2015.

It is intended to comply with statewide planning policies that govern planning for housing and residential development, Goal 10, OAR 660-007, and Metro's Functional Growth Management Plan. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

This report provides Sherwood with a factual basis to support future planning efforts related to housing and options for addressing unmet housing needs. It provides specific analysis that is required for a jurisdiction in Oregon to comply with state policies.

BACKGROUND

Sherwood is located at the southwestern edge of the Portland metropolitan urban growth boundary (UGB). Over the 2000 to 2014 period, Sherwood had a substantial amount of residential growth. Residential development included all of the different housing types with single family detached housing concentrated in the 2000 to 2005 period. In part due to this growth and limited land supply for new homes, Sherwood is embarking on a Concept Plan for the Sherwood West urban reserve. Concurrently, the City is updating its factual basis for an eventual update of its Comprehensive Plan.

This housing needs analysis provides a factual basis to inform both an update of the residential Comprehensive Plan policies and the Concept Plan for Sherwood West. This analysis provides:

- Information about the characteristics of Sherwood's housing market, in the context of Washington County, the Portland metropolitan region, and Oregon,
- Information about the types and density of housing developed since 2000, changes in homeownership patterns,
- Changes in housing cost and affordability, and other housing market characteristics; and
- A forecast of residential growth in Sherwood for the 2019 to 2039 period.

As required by OAR 660-024, this forecast is based on Metro's household forecast and demographics and economic trends that will affect housing demand over the next 20 years.

ORGANIZATION OF THE REPORT

The main body of this report presents a summary of key data and analysis used in the housing needs analysis. The appendices present detailed tables and charts for the housing needs analysis. This document is organized as follows:

- **Chapter 2. Historical and Recent Development Trends** presents a high-level summary of residential development in Sherwood.
- **Chapter 3. Housing Demand and Need** presents a housing needs analysis consistent with requirements in the Planning for Residential Growth Workbook. Detailed tables and charts supporting the demographic and other information discussed in Chapter 4 is presented in Appendix B.
- **Chapter 4. Residential Land Sufficiency** estimates the residential land sufficiency in Sherwood needed to accommodate expected growth over the planning period.
- **Appendix A. Residential Buildable Land Inventory Report**
- **Appendix B. Trends Affecting Housing Need in Sherwood**

FRAMEWORK FOR A HOUSING NEEDS ANALYSIS

People view homes and communities in a wide range of ways. Economists view housing as a bundle of services for which people are willing to pay. Shelter is one service, but housing typically also includes:

- Proximity to other attractions (job, shopping, recreation),
- Amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and
- Access to public services (quality of schools).

Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What individuals can purchase for their money is influenced by individuals' life circumstances as well as economic forces and government policy. Among households and income levels, preferences vary. Attributes homebuyers and renters seek are a function of many factors that may include income, age of household head, number of people and children in the household, number of workers and job locations, educational opportunities, number of automobiles, neighborhood amenities and so on.

Thus, the housing choices of individual households are influenced in complex ways by dozens of factors; and the housing market in the Portland Region, Washington County, and Sherwood is the result of the individual decisions of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Sherwood between 2019 and 2039.

The complex nature of the housing market was demonstrated by the unprecedented boom and bust during the past decade. This complexity does not eliminate the need for some type of forecast of future housing demand and need and the resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need.

Thus, we begin our housing analysis with a framework for thinking about housing and residential markets, and how public policy affects those markets.

OREGON HOUSING POLICY

Statewide planning Goal 10

Sherwood's primarily obligations under Goal 10 are to:

- Designate land in a way that 50% of new housing could be either multifamily or single-family attached housing (e.g., townhouses)
- Provide opportunities to achieve an average density of six dwelling units per net acre
- Provide opportunities for development of needed housing types: single-family detached, single-family attached, and multifamily housing.

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

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).³ Jurisdictions located in the Metro UGB are also required to comply with Metropolitan Housing in OAR 660-007 and Title 7 of Metro's Urban Growth Management Functional Plan in the Metro Code (3.07 Title 7).

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

Goal 10 defines needed housing types as "housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels." ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;⁴
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

³ ORS 197.296 only applies to cities with populations over 25,000.

⁴ Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

In summary, Sherwood must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed.

The Metropolitan Housing Rule

OAR 660-007 (the Metropolitan Housing rule) is designed to “assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary.” OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

"Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

The Metropolitan Housing Rule also requires cities to develop residential plan designations:

(1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro Urban Growth Boundary (UGB):

“Provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances” (OAR 660-007-0030 (1)).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Sherwood average density target is six dwelling units per net buildable acre.⁵

⁵ OAR 660-024-0010(6) defines Net Buildable Acres as follows: “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.

Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan.

Title 1: Housing Capacity

Metro's 2016 Compliance Report concludes that Sherwood is in compliance for the City's Title 1 responsibilities.

Title 1 of Metro's Urban Growth Management Functional Plan is intended to promote efficient land use within the Metro UGB by increasing the capacity to accommodate housing capacity. Each city is required to determine its housing capacity based on the minimum number of dwelling units allowed in each zoning district that allows residential development, and maintain this capacity.

Title 1 requires that a city adopt minimum residential development density standards by March 2011. If the jurisdiction did not adopt a minimum density by March 2011, the jurisdiction must adopt a minimum density that is at least 80% of the maximum density.

Title 1 provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Metro's 2016 Compliance Report concludes that Sherwood is in compliance for the City's Title 1 responsibilities.

Title 7: Housing Choice

Metro's 2016 Compliance Report concludes that Sherwood is in compliance for the City's Title 7 responsibilities.

Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types,
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries, and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730)

Metro's 2016 Compliance Report concludes that Sherwood is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

- (1) A mix and intensity of uses that make efficient use of public systems and facilities,
- (2) A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city, and
- (3) Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Metro's 2016 *Compliance Report* concludes that Sherwood is in compliance for the City's Title 11 responsibilities.

In addition, the City needs to comply with the Fair Housing Act, administered by the U.S. Department of Housing and Urban Service (HUD). Complying with this Act requires meeting the Affirmatively Furthering Fair Housing (AFFH) goal of the Fair Housing Act. The City must comply with these regulations to qualify for federal grant funds for housing.

2 Historical and Recent Development Trends

Analysis of historical development trends in Sherwood provides insights into how the local housing market functions. The intent of the analysis is to understand how local market dynamics may affect future housing—particularly the mix and density of housing by type. The housing mix and density by type are also key variables in forecasting future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands* Workbook:

1. Determine the time period for which the data must be gathered.
2. Identify types of housing to address (at a minimum, all needed housing types identified in ORS 197.303).
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

The period used in the analysis of housing density and mix is 2000 to 2014, which includes both times of high housing production and times of low housing production. The reasons for choosing this period were:

- (1) The 2000 to 2014 period includes more than one economic cycle, with extreme highs and extreme lows in the housing market and
- (2) Data prior to 2005 was less easily available and obtaining and compiling data for 2000 to 2004 was difficult to acquire.

The housing needs analysis presents information about residential development by housing types. For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are:

- **Single-family detached:** single-family detached units and manufactured homes on lots and in mobile home parks.
- **Single-family attached:** all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily:** all attached structures other than single-family detached units, manufactured units, or single-family attached units. Multifamily units include duplexes, tri-plexes, quad-plexes, and structures with more than five units (such as apartments).

The reason for choosing these categories of housing type for the analysis is that they meet the requirements definition of needed housing types in ORS 197.303.⁶

In general, this report uses data from the 2009-2013 American Community Survey (ACS) for Sherwood, as described in Appendix B. Where information is available, we report information from the 2010 Decennial Census. This section summarizes historical and recent development trends, described in detail in Appendix B.

The primary geographies used throughout this report are:

- **Sherwood.** This generally refers to the Sherwood city limits. Census data for Sherwood uses this geography.
- **Sherwood Planning Area.** This is the Sherwood city limits and land that is within the Metro urban growth boundary but outside of the Sherwood city limits, primarily the Brookman Area.
- **Sherwood West.** The urban reserve to the west of Sherwood that may be brought into the Metro urban growth boundary when needed regionally and determined beneficial locally.

While this report presents the forecast for housing growth in Sherwood for the 2019-2039 period, it is based on analysis completed for the 2015 HNA.

Residential development trends⁷

Single-family detached housing makes up the largest share of Sherwood's housing stock (Figure B- 1). Currently:

- Single-family detached housing accounts for about 75% of Sherwood's housing stock.
- Single-family attached housing accounts for about 7% of Sherwood's housing stock.
- Multifamily housing accounts for about 18% of Sherwood's housing stock.

Three-quarters of Sherwood's housing is single-family detached housing.

⁶ The analysis of development in Sherwood attempts to separate single-family detached and single-family attached housing. However, the City's building permit system does not distinguish between these two types of housing. City staff manually identified single-family attached housing where there was a concentration of it developed (i.e., a development of townhouses). City staff were unable to identify small-scale single-family attached development that was scattered throughout the city.

⁷ Except where otherwise noted, data in this section is from the U.S. Decennial Census (for 2010 data) or the U.S. Census's American Community Survey for 2009-2013.

Over the 2000-2014 period, 69% of new housing permitted by Sherwood was single-family detached housing.

The majority of housing developed in Sherwood between 2000 and 2014 was single-family detached housing (Table B- 1 and Figure B- 2).⁸

- Over the 2000 to 2014 period, Sherwood issued permits for nearly 2,225 dwellings, with about 148 units permitted each year.
- Sixty-nine percent of new housing permitted in Sherwood between 2000 and 2014 was single-family. Roughly 1,721 single-family dwelling units were permitted over the 15-year period.
- Nine percent of the building permits issued in Sherwood over 2000 to 2014 were single-family attached (i.e., townhouses) and 23% were for multifamily housing.
- The majority of new housing in Sherwood was built between 2000 and 2006, before development decreased with the national housing crisis.
- The majority of new multifamily housing in Sherwood was permitted in 2006, 2009, and 2014. The majority of new single-family attached housing was permitted in 2004 and 2005.
- Between 2015 and 2018, Sherwood permitted about 160 new single-family detached units.

Almost three quarters of Sherwood's residents own their homes (Figure B- 3, Figure B- 4, and Figure B- 5). Homeownership rates in Sherwood are above Washington County and Oregon's averages.

- Homeownership rates declined slightly over the last decade. Roughly 79% of housing in Sherwood was owner-occupied in 2000 compared to about 75% in 2010.
- Most owner-occupied housing is single-family detached, about 89%.
- Renter-occupied housing is a mixture of multifamily (57%), single-family detached (35%), and single-family attached (9%).

Sherwood's vacancy rate is lower than Multnomah, Washington, and Clackamas counties, and lower than the State average (Table B- 2 and Figure B- 6).

- In 2010, Sherwood's vacancy rate (3.9%) was below that of Multnomah (6.2%), Washington (5.4%), and Clackamas (7.1%) counties, and lower than Oregon's (9.3%).
- The vacancy rates for apartments in the Tigard/Tualatin/Sherwood area varied from a high of 5.8% in Spring 2010 to a low of 2.6% in Fall 2013

⁸ Building permit data is from the City of Sherwood Building Permit Database.

and were within 1% of the vacancy rate for the Portland/Vancouver metro area.⁹

Sherwood's residential development between 2000 and 2014 averaged 8.2 dwelling units per net acre, above the State's requirement in OAR 660-007 for six dwelling units per net acre (Table B- 3 Table B-4).¹⁰

- Average density in Sherwood was 8.2 dwelling units per net acre over the 2000 to 2014 period.
- Density was lowest in the Very Low Density Residential Zone (2.9 dwelling units per net acre) and Medium Density Residential Low Zone (6.1 dwelling units per net acre).
- Density was highest in Office Commercial (24.4 dwelling units per net acre) and High Density Residential (19.1 dwelling units per net acre).

⁹ Multifamily NW Apartment Reports, Spring 2010 – Fall 2014.

¹⁰ City of Sherwood Building Permit Database.

3 Housing Need in Sherwood

This chapter presents the analysis of housing needs in Sherwood over the 2019 to 2039 period. Estimates of needed units by structure type and by density range follows.

Chapter 1 described the framework for conducting a housing "needs" analysis. The specific steps in conducting a housing needs analysis are:

1. Project number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Estimate the number of additional needed units by structure type.
6. Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

This chapter presents information for these steps for Sherwood's housing needs analysis.

PROJECTION OF NEW HOUSING UNITS NEEDED IN THE NEXT 20 YEARS

The housing needs analysis in this report is based on the MetroScope forecast of household growth in Sherwood over the next 25 years.

As required by OAR 660-024, the housing needs analysis in this report is based on a coordinated forecast from Metro (the Metro 2040 TAZ Forecast by Households, January 2016), which is a necessary prerequisite to estimate housing needs. The projection of household growth includes areas currently within the city limits, as well as areas currently outside the city limits that the City expects will be annexed for residential uses (most notably the Brookman area). In 2017, a portion of the Brookman area annexed into the city limits. We call these areas combined the “Sherwood planning area.”

While the housing needs analysis presents information for Sherwood West, this area is currently outside of the regional UGB. Housing need in Sherwood West is not considered part of Sherwood’s overall housing need for the purposes of this study. The information in this report, however, can inform the ongoing Concept Planning for Sherwood West.

Table B-6 in Appendix B presents Metro’s forecast for housing in Sherwood for the 2010 to 2040 period. Table 1 presents ECONorthwest’s extrapolation of Metro’s forecast for Sherwood to the 2019 to 2039 period. Table 1 shows that **the Sherwood planning area is expected to add 1,729 new households between 2019 and 2039. Regional models and informed projections suggest 700 new households will be accommodated inside the existing city limits. Approximately 1,029 new households are expected to be accommodated outside the current city limits in the Brookman Area.**

The housing needs analysis focuses on housing growth in Sherwood over the 2019 to 2039 period.

The forecast shows that Sherwood will add 1,729 new households over the 20-year period.

The forecast shows growth of 4,337 new dwelling units in Sherwood West. While Metro’s forecast assumes that growth will take place over the next 20-years, it may occur over a 50-year period.

Table 1. Extrapolated Metro forecast for household growth, Sherwood planning area, 2019 to 2039

Year	Households			Sherwood West (50-Year Forecast)
	Sherwood City Limits	Brookman Area	Sherwood Planning Area	
2019	6,916	304	7,220	293
2039	7,616	1,333	8,949	4,630
Change 2019 to 2039				
Households	700	1,029	1,729	4,337
Percent	10%	338%	24%	1480%
AAGR	0.5%	7.7%	1.1%	14.8%

Source: Metro 2040 TAZ Forecast by Households, January 2016
Extrapolation from the 2015 forecast (the base year in the Metro forecast) to 2019 (not shown in Metro’s forecast) by ECONorthwest

DEMOGRAPHIC AND SOCIOECONOMIC FACTORS AFFECTING HOUSING CHOICE

Demographic trends are important to a thorough understanding of the dynamics of the Sherwood housing market. Sherwood exists in a regional economy; trends in the region impact the local housing market. This section documents national, state, and regional demographic, socioeconomic, and other trends relevant to Sherwood.

The Factors that Affect Housing Choice

The factors that have the largest impact on a household's housing choice are: age of the householder, household size and composition, and income.

Analysts typically describe housing demand as the preferences for different types of housing (i.e., single-family detached or apartment), and the ability to pay for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing—in other words, income or wealth).

Metro, the agency responsible for regional planning within the Portland metropolitan UGB, uses a decision support tool called Metroscope to model changes in measures of economic, demographic, land use, and transportation activity. Metroscope includes a residential location model, which projects the locations of future households based on factors such as land availability and capacity, cost of development, changes in demographics, changes in employment, and changes in transportation and transit infrastructure. The housing needs analysis in this report is based on the Metroscope forecast of household growth in Sherwood over the next 25 years.

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.¹¹

¹¹ The research in this chapter is based on numerous articles and sources of information about housing, including:

The Case for Multi-family Housing. Urban Land Institute. 2003

E. Zietz. *Multi-family Housing: A Review of Theory and Evidence.* Journal of Real Estate Research, Volume 25, Number 2. 2003.

C. Rombouts. *Changing Demographics of Homebuyers and Renters.* Multi-family Trends. Winter 2004.

J. McIlwain. *Housing in America: The New Decade.* Urban Land Institute. 2010.

D. Myers and S. Ryu. *Aging Baby Boomers and the Generational Housing Bubble.* Journal of the American Planning Association. Winter 2008.

M. Riche. *The Implications of Changing U.S. Demographics for Housing Choice and Location in Cities.* The Brookings Institution Center on Urban and Metropolitan Policy. March 2001.

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life.
- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multiple person households (often with children).
- **Income** is the household income. Income is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own).

This section focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Sherwood over the next 20 years.

National housing trends

Appendix B presents a full review of national housing trends. This brief summary builds on previous work by ECONorthwest, Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2014* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

“With promising increases in home construction, sales, and prices, the housing market gained steam in early 2013. But when interest rates notched up at mid-year, momentum slowed. This moderation is likely to persist until job growth manages to lift household incomes. Even amid a broader recovery, though, many hard-hit communities still struggle and millions of households continue to pay excessive shares of income for housing.”

Several challenges to a strong domestic housing market remain. Demand for housing is closely tied to jobs and incomes, which are taking longer to recover than in previous cycles. While trending downward, the number of underwater homeowners, delinquent loans, and vacancies remains high. *The State of the Nation's Housing* report projects that it will take several years for market conditions to return to normal and, until then, the housing recovery will likely unfold at a moderate pace.

L. Lachman and D. Brett. *Generation Y: America's New Housing Wave*. Urban Land Institute. 2010.

National housing market trends include:¹²

- **Post-recession recovery slows down.** Despite strong growth in the housing market in 2012 and the first half of 2013, by the first quarter of 2014, housing starts and existing home sales were both down by 3% from the same time a year before, while existing home sales were down 7% from the year before. Increases in mortgage interest rates and meager job growth contributed to the stall in the housing market.
- **Continued declines in homeownership.** After 13 successive years of increases, the national homeownership rate declined each year from 2005 to 2013, and is currently at about 65%. The Urban Land Institute projects that homeownership will continue to decline to somewhere in the low 60% range.
- **Housing affordability.** In 2012, more than one-third of American households spent more than 30% of income on housing. Low-income households face an especially dire hurdle to afford housing. Among those earning less than \$15,000, more than 80% paid over 30% of their income and almost 70% of households paid more than half of their income. For households earning \$15,000 to \$29,000, more than 60% were cost burdened, with about 30% paying more than half of their income on housing.
- **Changes in housing characteristics.** National trends show that the size of single-family and multifamily units, and the number of household amenities (e.g., fireplace or two or more bathrooms) has increased since the early 1990s. Between 1990 and 2013 the median size of new single-family dwellings increased 25% nationally from 1,905 square feet to 2,384 square feet and 18% in the western region from 1,985 square feet to 2,359 square feet. Moreover, the percentage of units smaller than 1,400 square feet nationally decreased from 15% in 1999 to 8% in 2013. The percentage of units greater than 3,000 square feet increased from 17% in 1999 to 29% of new one-family homes completed in 2013. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 2009 and 2013, the percentage of lots less than 7,000 square feet increased from 26% of lots to 30% of lots. Similarly, in the western region, the share of lots less than 7,000 square feet increased from 43% to 48% of lots.

In 2012, more than one-third of households across the US had housing affordability problems, with the lowest income households having the most difficulty finding affordable housing.

Since 1990, the average size of new dwelling units increased both for single-family and multifamily housing. At the same time, the average lot size for new housing decreased.

¹² These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2013," (2) Urban Land Institute, "2011 Emerging Trends in Real Estate," and (3) the U.S. Census.

Future housing preferences will be affected by demographic changes, such as the aging of the Baby Boomers, growing housing demand from Millennials, and growth of foreign-born immigrants.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies forecasts that demand for new homes could total as many as 13.2 million units nationally between 2015 and 2025. Much of the demand will come from Baby Boomers, Millennials,¹³ and immigrants.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of the Baby Boomers, housing demand from the Millennials, and growth of foreign-born immigrants. Baby Boomers' housing choices will affect housing preference and homeownership, with some boomers likely to stay in their home as long as they are able and some preferring other housing products, such as multifamily housing or age-restricted housing developments.

In the near-term, Millennials and new immigrants may increase demand for rental units. The long-term housing preference of Millennials and new immigrants is uncertain. They may have different housing preferences as a result of the current housing market turmoil and may prefer smaller, owner-occupied units or rental units. On the other hand, their housing preferences may be similar to the Baby Boomers, with a preference for larger units with more amenities. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.¹⁴

¹³ Millennials are, broadly speaking, the children of Baby Boomers, born from the early 1980's through the early 2000's.

¹⁴ The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014. "Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders Show, accessed January, 2015, <http://www.buildersshow.com/Search/isesProgram.aspx?id=17889&fromGSA=1>. "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America, accessed January 2015, http://t4america.org/wp-content/uploads/2014/04/Press-Release_Millennials-Survey-Results-FINAL-with-embargo.pdf.

State Trends

Oregon's 2011-2015 *Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.¹⁵ The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is:

- Facing housing cost increases due to higher unemployment and lower wages, as compared to the nation.
- Since 2005, is experiencing higher foreclosure rates compared with the previous two decades.
- Losing federal subsidies on about 8% of federally-subsidized Section 8 housing units.
- Losing housing value throughout the State.
- Losing manufactured housing parks, with a 25% decrease in the number of manufactured home parks between 2003 and 2010.
- Increasingly older, more diverse, and has less affluent households.¹⁶

Regional and Local Demographic Trends

Sherwood has a growing population (Table B- 5). Sherwood's growing population will drive future demand for Sherwood over the planning period.

- Sherwood grew by more than 15,000 people, a 501% increase in population, at an average annual rate of 8.1% over the 1990 to 2013 period.¹⁷
- Sherwood grew at a faster rate than the nation as a whole (1.0% per year), Oregon (1.4% per year), and the Portland Region (1.6%) over this period.
- Metro forecasts that the number of households in the Sherwood Planning Area will grow by about 1,729 households over the 2019-2039 period, at an average annual growth rate of 1.1%.
- Metro forecasts that Sherwood West, an area that is adjacent to Sherwood but currently outside of the Metro Urban Growth Boundary, will grow by 4,337 households. Growth in Sherwood West will not begin until the area is included in the Metro UGB and annexed into Sherwood. While Metro's forecast assumes that Sherwood West may be fully

¹⁵ http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

¹⁶ State of Oregon *Consolidated Plan 2011 to 2015*.

http://www.oregon.gov/ohcs/hd/hrs/consplan/2011_2015_consolidated_plan.pdf

¹⁷ 2013 Population Estimates in Oregon come from Portland State University's Population Research Center.

developed by 2040, it may take longer, perhaps until 2065, for Sherwood West to fully develop.

- Metro's forecast of household growth considers residential capacity within Sherwood's city limits to accommodate growth. Much of Sherwood's future growth depends on bringing new land into the city limits, including the Brookman Area and Sherwood West.

Sherwood's population is younger than the state, on average (Table B- 7, Table B- 8, and Figure B- 8). Sherwood has a larger share of people younger than 30 years of age, and a relatively small share of people over 50 years. If Sherwood continues to attract young residents, then it will continue to have demand for housing for families, especially housing affordable to younger families with moderate incomes. Recent studies suggest that growth in younger residents (e.g., Millennials) will result in increased demand for both affordable single-family detached housing, as well as increased demand for affordable townhouses and multifamily housing. Growth in this population will result in growth in demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.

- In 2010, the median age in Sherwood was 34.3 years old, compared to the State median of 38.4.
- A higher percentage of Sherwood's population is younger than 30 years (44%) compared to the state as a whole (39%). Furthermore, a smaller share of Sherwood's population is younger than 50 years (21%), compared to the state as a whole (34%).

Sherwood's population is growing older (Figure B- 9). Although Sherwood has a smaller share of people over 50 years old than the State average, Sherwood's population is growing older, consistent with State and national trends. Demand for housing for retirees will grow over the planning period, as the Baby Boomers continue to age and retire. However, Sherwood's demand for housing for seniors may grow at a slower rate than across the State.

Growth of seniors will have the biggest impacts on demand for new housing through demand for housing types specific to seniors, such as assisted living facilities or age-restricted developments. These households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, or moving into group housing (such as assisted living facilities or nursing homes), as their health fails.

- The fastest-growing age group over the 2000 to 2010 period in Sherwood was people aged 45 years and older, with the most growth in the number of people aged 45 to 64.
- In Sherwood, people aged 45 to 64 grew by 102%, from 1,936 to 3,917 people between 2000 and 2010.

The growth of younger and diversified households will result in increased demand for a wider variety of affordable housing appropriate for families with children, such as small single-family housing, townhouses, duplexes, and multifamily housing.

The aging of the population will result in increased demand for smaller single-family housing, multifamily housing, and housing for seniors.

- By 2035, people 60 years and older will account for 24% of the population in Washington County (up from 18% in 2015). The percent of total population in each age group younger than 60 years old will decrease. The age distribution in the Portland Region will change in a similar pattern.¹⁸
- Given the growth of people 45 years and older in Sherwood and the forecast for growth of people 60 years and older between 2019-2039 in Washington County and the Portland Region, it is reasonable to expect that Sherwood will have growth in the senior population.

Sherwood is becoming more ethnically diverse (Figure B- 10). Growth in Hispanic and Latino population will affect Sherwood's housing needs in a variety of ways. Growth in first and, to a lesser extent, second and third-generation Hispanic and Latino immigrants tend to increase demand for larger dwelling units to accommodate the on average larger household sizes for these households. Households for Hispanic and Latino immigrants are more likely to include multiple generations, requiring more space than smaller household sizes. As Hispanic and Latino households integrate over generations, household size typically decreases and housing needs become similar to housing needs for all households.

Growth in Hispanic and Latino households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable.

- Sherwood's Hispanic and Latino population grew by 99% from 2000 to the 2009-2013 period, from 557 to 1,107 people, increasing its share of the population from 4.7% to 6.0%.
- Nonetheless, Sherwood's percentage of Hispanic or Latino population remains below that of the state as a whole. In the 2009-2013 period, Hispanic and Latino population accounted for 12% of the state's population, compared to Sherwood's average of 6.0%.

Sherwood's household size is larger than State averages (Table B- 9). The larger household size is indicative of a larger share of households with children or multigenerational households.

- Sherwood's average household size was 2.89 persons per household, compared with the regional average of 2.54 persons per household, and the state average of 2.49 persons per household.
- The size of households in Sherwood grew from 2000 to the 2009-2013 period (2.77 to 2.89). Over the same period, the average household size

¹⁸ Demographic forecast for Washington County by the Oregon Office of Economic Analysis.

in the Portland Region rose slightly from 2.53 to 2.54, while the State's average fell from 2.51 to 2.49.

Sherwood has a relatively high share of households with children (Figure B-11). Households with children are more likely to prefer single-family detached housing, if it is relatively affordable.

- Sherwood has a larger share of households with children (47%) than the State average (27%), the Portland Region (29%), or Washington County (33%).
- In the 2009-2013 period, Sherwood had a smaller share of single-person households (19%) than the regional average (29%).
- In the 2009-2013 period, Sherwood had a smaller share of non-family households (23%) than the regional average (38%).

Sherwood is part of a complex, interconnected regional economy (Figure B- 12, Table B- 11, and Table B- 12). Most people working at businesses in Sherwood do not live in Sherwood. Demand for housing by workers at businesses in Sherwood may change with fluctuations in fuel and commuting costs, as well as the capacity of highways to accommodate commuting.¹⁹

- Commuting is typical throughout the region: 91% of Sherwood's working residents commuted outside the city, and about 85% of those who work in the city live outside the city itself.

Summary of the Implications of Demographic and Socioeconomic Trends on Housing Choice

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice, and in doing so, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult and prone to inaccuracies.

There is no question that age affects housing type and tenure. Mobility is substantially higher for people aged 20 to 34. People in that age group will also have, on average, less income than people who are older. They are less likely to have children. All of these factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrate what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; income affects the ability of a household to afford a

¹⁹ US Census Bureau, LED on the Map, <http://lehdm3.did.census.gov/themap3/>.

preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never marrieds," the "dinks" (dual-income, no kids), the "empty nesters."²⁰ Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

Thus, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing Sherwood over the next 20 years:

- **Growth in housing will be driven by growth in population.** Between 2000 and the 2009-2013 period, the number of housing units in Sherwood increased by 47% from about 4,500 to 6,600 (Figure B- 4), while its population grew by roughly 55% from 11,963 to 18,575 from 2000 to 2013 (Table B- 5).²¹
- **On average, future housing will look a lot like past housing.** That is the assumption that underlies any trend forecast, and one that allows some quantification of the composition of demand for new housing. As a first approximation, the next three to five years of residential growth will look a lot like the last three to five years.
- **If the future differs from the past, it is likely to move in the direction (on average) of smaller units and more diverse housing types.** Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for single-family housing. Key demographic trends that will affect Sherwood's future housing needs are: (1) the aging of the Baby Boomers, (2) aging of the Millennials, (3) growth of family households, and (4) continued growth in Hispanic and Latino population.
 - *The Baby Boomer's population is continuing to age.* By 2035, people 60 years and older will account for 24% of the population in Washington County (up from 18% in 2015). The changes that affect Sherwood's housing demand as the population ages are that household sizes decrease and homeownership rates decrease.
 - *Millennials will continue to age.* By 2035, Millennials will be roughly between about 35 years old to 55 years old. As they age, generally speaking, their household sizes will increase and homeownership rates will peak by about age 55. Between 2019 and 2039,

²⁰ See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

²¹ 2013 Population Estimates come from the Portland State University Population Research Center's Annual Population Estimates.

Millennials will be a key driver in demand for housing for families with children.

- *Growth of households with children.* Sherwood has an unusually high percentage of households with children, compared to the regional averages. If Sherwood continues to attract families with children, demand for housing for families, such as affordable single-family detached or townhouses, will increase.
- *Hispanic and Latino population will continue to grow.* The U.S. Census projects that by about 2040, Hispanic and Latino population will account for more than one-quarter of the nation's population. The share of Hispanic and Latino population in the western U.S. is likely to be higher. Growth in Hispanic and Latino population will drive demand for housing for families with children. Given the lower income for Hispanic and Latino households,²² growth in this group will also drive demand for affordable housing, both for ownership and renters.

In summary, an aging population, increasing housing costs, housing affordability concerns for Millennials and the Hispanic and Latino populations, and other variables are factors that support the conclusion of smaller and less expensive units and a broader array of housing choices.

Millennials and immigrants will drive demand for affordable housing types, including demand for small, affordable single-family units (many of which may be ownership units) and for affordable multifamily units (many of which may be rental units).

- **No amount of analysis is likely to make the distant future any more certain: the purpose of the housing forecasting in this study is to get an approximate idea about the future so policy choices can be made today.** Economic forecasters regard any economic forecast more than three (or at most five) years out as highly speculative. At one year, one is protected from being disastrously wrong by the shear inertia of the economic machine. But a variety of factors or events could cause growth forecasts to be substantially different.

²² The following article describes household income trends for Hispanic and Latino families, including differences in income levels for first, second, and third generation households. In short, Hispanic and Latino households have lower median income than the national averages. First and second generation Hispanic and Latino households have median incomes below the average for all Hispanic and Latino households.

Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2012

REGIONAL AND LOCAL TRENDS IN HOUSING COSTS AND AFFORDABILITY

Sherwood's income is higher than state averages (Figure B- 19). Income is a key determinant of housing affordability. Since 2000, Sherwood's income has decreased (in inflation-adjusted dollars), consistent with state trends.

- Sherwood's median household income (\$78,400) was about 55% higher than the state median (\$50,229) in the 2009-2013 period.
- Inflation-adjusted income for households in Sherwood decreased by about 10% from about \$87,500 in 2000 to \$78,400 (in 2013 dollars) from 2000 to the 2009-2013 period. This is consistent with state and regional trends.
- Poverty rates increased in Sherwood from 2.7% of the population below poverty in 2000 to 7.6% in 2010. The increase is consistent with state and regional trends.
- Sherwood had a smaller share of population below the federal poverty line in the 2009-2013 period (7.6%) than the state average (16.2 %).

Homeownership costs have increased in Sherwood (Figure B- 13, Figure B- 14, Figure B- 15 and Figure B- 16). Sales prices for single-family housing increased over the period from 2004 to 2014, consistent with national trends. While housing prices peaked in 2007, before falling during the recession, sales prices grew by about 30% from 2004 to 2014. Sales prices have continue to increase through 2017 and may be above the 2007 peak.

The increases in housing costs have made Sherwood less affordable than most other communities on the southwest side of Portland.

- Median sales prices for homes in Sherwood increased by about 30% between 2004 and 2014, from about \$245,000 to \$318,000.²³
- As of January 2015, median sales prices in Sherwood were about \$316,500, higher than in Washington County (\$281,700), the Portland MSA (\$269,900), and Oregon (\$237,300). Median sales prices were higher in Sherwood than in other Portland westside communities such as Tigard, Tualatin, and Beaverton but lower than Wilsonville or West Linn.
- Prices per square foot rose in Sherwood from \$130 per square foot in October 2004 about \$170 dollars in October 2014, comparable to the price in Washington County and the Portland Region (both about \$170). The cost of housing per square foot was comparable in Sherwood to other

Housing costs in Sherwood increased by 30% since 2000.

Sales prices in Sherwood are higher than the regional averages.

²³ Recent median home sale price, including price per square foot, comes from Zillow Real Estate Research.

cities on the southwest side of Portland, such as Tigard, Tualatin, Beaverton, and Wilsonville.

- The sales price data suggest that, overall, owner-occupied housing being produced in Sherwood was more expensive because it is larger than housing built in other cities in the southwestern Portland area.
- The ratio of home value to income increased by 32% from 2000 to 2009-2013. In 2000, the median home value was 2.9 times the median household income. By 2009-2013, the median home value was 3.8 times the median household income. In comparison, in 2009-2013, the typical value of an owner-occupied house in Washington County was 4.4 times the median income and the state average was 4.74 times the median income.

Rental costs are about 25% higher than the regional average.

Rental costs are higher in Sherwood than the average in Washington County, with a slightly lower rental cost on a cost per square foot basis (Table B- 14, and Figure B- 17 and Figure B- 18).

- The median contract rent in Sherwood in the 2009-2013 period was \$1,064, compared to Washington County's average of \$852.
- Average rent in the Tigard/Tualatin/Sherwood area submarket was \$1.13 per square foot in Fall 2014, lower than the regional average of \$1.22 per square foot. Between Spring 2010 and Spring 2013, average rent in Tigard/Tualatin/Sherwood area increased by 38%, consistent with the regional increase of 36%.

More than one-third of Sherwood's households have housing affordability problems, similar to regional averages.

More than one-third of Sherwood's households have housing affordability problems, based on the common 30% metric from HUD (Figure B- 20 and Figure B- 21).

- Thirty-eight percent of Sherwood's households were cost burdened (i.e., paid more than 30% of their income on rent or homeownership costs) in the 2009-2013 period.²⁴ This is consistent with the state averages.
- Roughly 40% of Sherwood's renter households were cost burdened in the 2009-2013 period. About one-fifth of renters were severely cost burdened (i.e., pay more than 50% of their income on rent).
- About 35% of Sherwood's homeowners were cost burdened in the 2009-2013 period. Only about 1% of homeowners were severely cost

²⁴A household is considered cost burdened if they pay more than 30% of their gross income on housing costs. For renters, housing costs include the following: monthly rent, utilities (electricity, gas, and water and sewer), and fuels (wood, oil, etc.). The 30% metric is a general guideline from the U.S. Department of Housing and Urban Development (HUD). For homeowners, housing costs include the following: mortgage payments, real estate taxes, insurance, mobile home costs, condominium fees, utilities, and fuels.

burdened (i.e., paid more than 50% of their income on homeownership costs).

- When considering housing and transportation costs combined, the average household in Sherwood spends 54% of its income on housing costs and transportation costs. Metro considered a household that spends 45% or more of its income on transportation and housing as paying more they can afford. For context, the average households in Tualatin, Wilsonville, and Tigard pay 50% to 52% of their income for housing and transportation costs.

Future housing affordability will depend on the relationship between income and housing price. Households in Sherwood generally have higher than average incomes and housing prices are higher than average. In addition, Sherwood is at the edge of the Metro UGB, making transportation costs higher for households in Sherwood, compared to households who live in more central parts of the region. Determining whether housing in Sherwood will be more or less affordable is difficult to answer when based on historical data. The key questions are whether housing prices will continue to outpace income growth and whether transportation costs will continue to grow in the future.

FORECAST OF HOUSING BY TYPE AND DENSITY OF HOUSING

Table 2 shows the forecast of needed housing units in Sherwood based on the total estimate of housing need shown in Table 1. The forecast in Table 2 assumes: that the forecast for new housing will be: 50% single-family detached, 25% single-family attached, and 25% multifamily. This forecast is consistent with the requirements of OAR 660-007-0035.

The forecast shows increased demand for lower-cost housing types such as single-family attached and multifamily units, which meets the needs resulting in the changing demographics in Sherwood and the Portland region. The changes in demographics are the aging of the Baby Boomers, growth in Millennial households, and increases in ethnic diversity. The previous section described these trends and the implications for housing need in Sherwood.

The forecast assumes an equal share of single-family attached and multifamily housing based on the existing types of housing in Sherwood, which are predominantly single-family detached. Both single-family attached and multifamily housing provide opportunities for housing costing less than single-family detached housing, both for owners and renters.

Table 2. Forecast of needed housing units by mix, Sherwood planning area, 2019-2039

Housing Type	New Dwelling	
	Units (DU)	Percent
Single-family detached	865	50%
Single-family attached	432	25%
Multifamily	432	25%
Total	1,729	

Source: ECONorthwest

The assumed housing mix meets the requirement of OAR 660-007-0030 to “designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing.”

The needed density in Sherwood is consistent with the densities achieved in residential zones Sherwood over the 2000-2014 period (Table B-4). These densities are:

- Very Low Density Residential (VLDR): 2.9 dwelling units per net acre

- Low Density Residential (LDR): 6.5 dwelling units per net acre²⁵
- Medium Density Residential – Low (MDRL): 6.1 dwelling units per net acre
- Medium Density Residential – High (MDRH): 7.7 dwelling units per net acre
- High Density Residential (HDR): 19.1 dwelling units per net acre

These densities, when applied to Sherwood's supply of buildable land in the capacity analysis (Table 6) results in an overall density of 7.3 dwelling units per net acre. This housing density meets the requirements of OAR 660-007-0035 to "provide for an overall density of six or more dwelling units per net buildable acre."

Table 3 allocates the needed housing units to Sherwood's zones. The allocation is based on allowed uses in Sherwood's zoning code, historical development trends, and Sherwood's inventory of vacant buildable residential land.

Table 3. Allocation of needed housing units to zones, Sherwood planning area, 2019-2039

	Zone					Total
	Very Low Density Residential	Low Density Residential	Medium Density Residential- Low	Medium Density Residential- High	High Density Residential	
Dwelling Units						
Single-family detached	95	182	450	121	17	865
Single-family attached	-	-	-	259	173	432
Multifamily	-	-	86	138	208	432
Total	95	182	536	518	398	1,729
Percent of Units						
Single-family detached	5%	11%	26%	7%	1%	50%
Single-family attached	0%	0%	0%	15%	10%	25%
Multifamily	0%	0%	5%	8%	12%	25%
Total	5%	11%	31%	30%	23%	100%

Source: ECONorthwest

Needed housing by income level

Step four of the housing needs analysis is to develop an estimate of need for housing by income and housing type. This requires an estimate of the income distribution of current and future households in the community. The estimates

²⁵ The historical density achieved in LDR, 6.5 dwelling units per acre, is higher than the maximum allowable density in LDR, 5 dwelling units per net acre. This fact can be explained in large part by the fact that 60% of new development in LDR was part of a Planned Unit Development (PUD), which averaged 7.6 dwelling units per acre.

presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis in Table 4 based on American Community Survey data about income levels in Sherwood, using income information shown in Table B- 17. Income is categorized into market segments consistent with HUD income level categories, using the Portland Region's 2014 Median Family Income (MFI) of \$69,400. Table 4 is based on current household income distribution, assuming approximately that the same percentage of households will be in each market segment in the future.

Based on Sherwood's current household income distribution, Table 4 shows that about 31% of households in Sherwood have incomes below 80% of the MFI. These households will need a range of housing, such as lower-cost single-family detached housing, townhouses, manufactured homes, or multifamily housing. These households will predominantly be renters. Sixty-nine percent of households have incomes above 80% of MFI. These households will be a mix of owners and renters. Their housing needs will include single-family detached, townhouses, and multifamily housing.

Growth in lower-income demographic groups, such as the Millennials, or in Baby Boomers who want to downsize their homes, may increase demand for smaller single-family detached houses, townhouses, and multifamily housing.

Table 4. Estimate of needed new dwelling units by income level, Sherwood, 2019-2039

Commonly Financially Attainable Housing Products					
Market Segment by Income Portland MSA MFI: \$69,400	Income Range	Number of New Households in Sherwood	Percent of Households in Sherwood (currently)	Owner-occupied	Renter- occupied
High (120% or more of MFI)	\$83,280 or more	725	42%	All housing types; higher	All housing types; higher
Upper Middle (80%- 120% of MFI)	\$55,520 to \$83,280	467	27%	All housing types; lower	All housing types; lower
Lower Middle (50%-80% of MFI)	\$34,700 to \$55,520	232	13%	Single-family attached;	Single-family attached;
Lower (30%-50% of less of MFI)	\$20,820 to \$34,700	117	7%	Manufactured in parks	Apartments; manufactured
Very Low (Less than 30% of MFI)	Less than \$20,820	188	11%	None	Apartments; new and used

Source: ECONorthwest
MFI is Median Family Income

↑
Primarily New
Housing
↓
Primarily Used
Housing

Need for government assisted and manufactured housing

ORS 197.303 requires cities to plan for government-assisted housing, manufactured housing on lots, and manufactured housing in parks.

- **Government-assisted housing.** Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.) Sherwood allows development of government-assisted housing in all Residential zones, with the same development standards for market-rate housing. This analysis assumes that Sherwood will continue to allow government-assisted housing in all its Residential zones. Because government-assisted housing is similar in character to other housing (with the exception of the subsidies), it is not necessary to develop separate forecasts for government-assisted housing.
- **Manufactured housing on lots.** Sherwood allows manufactured housing in all residential zones as a permitted use. As manufactured homes are allowed as a permitted use in all zones, it is not necessary to develop separate forecasts for manufactured housing on lots.
- **Manufactured housing in parks** (Table B- 13). OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial or high-density residential development. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,²⁶ Sherwood has three manufactured dwelling parks:
 - Carriage Park Estates with 58 spaces, all occupied
 - Orland Villa with 24 spaces, all occupied
 - Smith Farm Estates with 90 spaces, all occupied

ORS 197.480(2) requires Sherwood to project need for mobile home or manufactured dwelling parks based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential.

- Table 1 shows that the Sherwood planning area will grow by 1,729 dwelling units over the 2019 to 2039 period.
- Analysis of housing affordability (in Table 4) shows that about 18% of Sherwood's new households will be low income, earning 50% or less

²⁶ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>

of the County's median family income. One type of housing affordable to these households is manufactured housing.

- Manufactured housing in parks accounts for about 2.4% (258 dwelling units) of Sherwood's current housing stock, according to 2009-2013 Census data.
- National, state, and regional trends during the 2000 to 2010 period showed that manufactured housing parks were closing, rather than being created. For example, between 2003 and 2010, Oregon had a statewide decrease of 25% in the number of manufactured home parks. The trend of closing of manufactured housing parks slowed during the housing recession but is likely to increase as housing prices and land prices increase.
- The longer-term trend for closing manufactured home parks is the result of manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks. Manufactured home parks contribute to the supply of lower-cost affordable housing options, especially for affordable home ownership. The trend in closure of manufactured home parks increases the shortage of manufactured home park spaces. Without some form of public investment to encourage continued operation of existing manufactured home parks and construction of new manufactured home parks, this shortage will continue.

Table 4 shows that the households most likely to live in manufactured homes in parks are those with incomes between \$20,820 and \$34,700 (30 to 50% of median family income). Assuming that about 1.5% to 2.5% of Sherwood's new households (1,729 new dwellings) choose to live in manufactured housing parks, the City may need 26 to 43 new manufactured home spaces. At an average of 8 dwelling units per net acre, this results in demand for 3.3 to 5.4 acres of land.

The City allows development of manufactured housing parks in MDRL zones, where the City has 66 vacant suitable buildable acres of land. Development of a new manufactured home park in Sherwood over the planning period seems unlikely. The land needed for development of a manufactured housing park is part of the forecast in Table 2.

4 Residential Land Sufficiency

This chapter presents an evaluation of the sufficiency of vacant residential land in Sherwood to accommodate expected residential growth over the 2019 to 2039 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Sherwood's ability to accommodate needed new housing units for the 2019 to 2039 period. The chapter also includes conclusions and recommendations based on the results of the housing needs analysis.

RESIDENTIAL BUILDABLE LAND

Table 5 presents the City's inventory of buildable land. The buildable lands inventory is based on City of Sherwood and Metro GIS data. Appendix A presents a complete description of the methodology used to develop the buildable lands inventory. The key assumptions in the inventory are:

- **Vacant land** was defined as land that is fully vacant (as determined by Metro's Regional Land Information System (RLIS) GIS data and local data), or tax lots that are at least 95% vacant, or tax lots that have less than 2,000 square feet developed, with development covering less than 10% of the entire lot.
- **Unbuildable land** was removed from the inventory, including land with: public tax exemptions (i.e., land owned by the city or state), schools, churches, and other tax-exempt social organizations, private streets, rail properties, parks, and tax lots that do not meet the City's requirements for infill development.
- **Environmental resources and constraints** were deducted from the inventory of vacant land, including floodways and slopes over 25%.
- **Future rights-of-way** were accounted for based on lot sizes, with tax lots larger than one acre assumed to have 18.5% of land set aside for future rights-of-way.

Table 5 shows that Sherwood has 175 net acres of suitable buildable residential land. Fifty-five percent of Sherwood's vacant land (96 acres) is within the city limits and 45% (79 acres) is within the Brookman Area or other unincorporated areas within the current Urban Growth Boundary.

Table 5. Inventory of suitable buildable residential land, net acres, Sherwood city limits and areas within the UGB, 2014

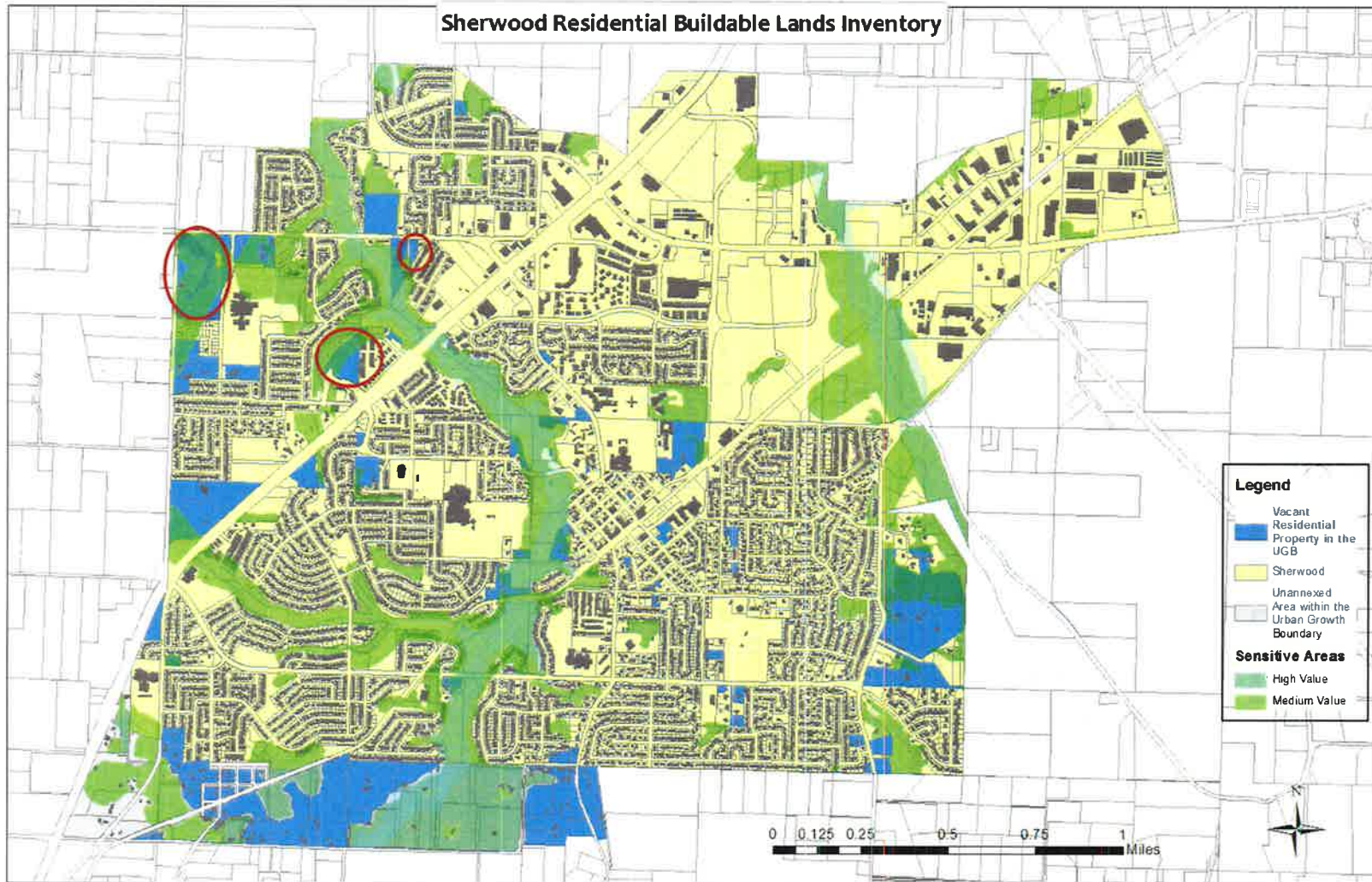
Zone	Gross Acres	Percent of Total
Land within City Limits		
Very Low Density Residential (VLDR)	24	14%
Very Low Density Residential Planned Unit Development (VLDR-PUD)	1	1%
Low Density Residential (LDR)	22	13%
Medium Density Residential-Low (MDRL)	14	8%
Medium Density Residential-High (MDRH)	21	12%
High Density Residential (HDR)	14	8%
Subtotal	96	55%
Brookman and Other Unincorporated Areas		
Very Low Density Residential (VLDR)	1	1%
Medium Density Residential-Low (MDRL)	52	30%
Medium Density Residential-High (MDRH)	8	4%
Medium Density Residential- Low/High* (MDRL/H)	15	8%
High Density Residential (HDR)	3	2%
Subtotal	79	45%
Total	175	100%

Source: City of Sherwood

*Note: There is one lot split between MDRL and MDRH.

Map 1 shows the inventory of vacant and partially vacant land in Sherwood. Notable areas where development has occurred since 2014 are circled in red on Map 1. In total, 160 new single-family detached units were permitted between January 1, 2015 and December 31, 2018.

Map 1. Inventory of suitable buildable residential land, net acres, Sherwood city limits and areas within the UGB, 2014



Source: City of Sherwood

RESIDENTIAL DEVELOPMENT CAPACITY

This section presents a summary of the analysis used to estimate Sherwood's residential development capacity.

The capacity analysis estimates the number of new dwelling units that can be accommodated on Sherwood's residential land supply.²⁷ The capacity analysis evaluates ways that vacant suitable residential land may build out by applying different assumptions.

In short, land capacity is a function of buildable land, housing mix (as determined by plan designation or zoning), and density. The basic form of any method to estimate capacity requires (1) an estimate of *buildable* land, and (2) assumptions about density. The arithmetic is straightforward:

$$\text{Buildable Land (ac)} * \text{Density (du/ac)} = \text{Capacity (in dwelling units)}$$

For example:

$$100 \text{ acres} * 8 \text{ du/ac} = 800 \text{ dwelling units of capacity}$$

The example is a simplification of the method, which skips some of the nuances that can be incorporated into a detailed capacity analysis such as variations in densities and housing mix among different Comprehensive Plan Designations.

Capacity analysis results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing based a range of density assumptions by zoning designation. Table 6 shows the capacity of Sherwood's residential land based on the buildable vacant and partially vacant land in Sherwood and a range of potential density assumptions.

The analysis of capacity in Table 6 is meant to illustrate the potential capacity of Sherwood's land based on current development policies and on historical development densities. Table 6 shows development capacity using: (1) the minimum allowable densities and (2) the maximum allowable densities (ensuring that lots meet the minimum lot size requirements. Table 6 also shows capacity based on historical densities.

- **Buildable Acres.** The Buildable Lands Inventory identified 175 net acres of vacant and partially vacant land, with 96 acres within Sherwood's city limits and 79 acres in the Brookman and other unincorporated areas within the Metro UGB.

²⁷ In this report, the term "capacity analysis" is used as shorthand for estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate.

- **Capacity based on Zoning: Minimum Densities.** The analysis considered the capacity of Sherwood's land based on minimum densities in Sherwood's zoning code. This analysis shows that Sherwood has capacity of 940 new dwelling units at 5.4 dwelling units per net acre based on minimum zoning in all districts.
- **Capacity based on Zoning: Maximum Densities and Minimum Lot Sizes.** The analysis considered the capacity of Sherwood's land based on maximum densities in Sherwood's zoning code and the minimum lot size. This analysis was developed based on parcel-specific data. The amount of buildable land was identified in each parcel and the potential capacity was evaluated based on development standards in Sherwood's zoning code.

The maximum capacity estimate estimates the capacity of Sherwood's land based on the maximum density allowed by zone by parcel, assuming that each parcel of buildable land meets the minimum lot size of the zone it is in.

Table 6 shows that Sherwood's buildable land has capacity to accommodate 1,510 new dwelling units under these assumptions. This estimate results in an overall average of 8.6 dwelling units per net acre. About 44% of Sherwood's development capacity is in the Brookman area and other unincorporated areas within the Metro UGB.

- **Historical Development Densities.** The analysis considered the capacity of Sherwood's land based on historical development density by zone. In this analysis, we applied the historical density to the total vacant land in each zone to estimate the number of dwelling units that could be accommodated.

Table 6 shows that Sherwood's buildable land has capacity to accommodate 1,286 new dwelling units based on historical development densities. This estimate results in an overall average of 7.3 dwelling units per net acre. About 44% of Sherwood's development capacity is in the Brookman area and other unincorporated areas within the Metro UGB.

Table 6. Range of capacity estimates, Sherwood vacant and partially vacant land, gross acres and gross densities, 2015

Zone	Buildable Acres	Capacity based on Zoning: Minimum Densities		Capacity based on Zoning: Maximum Densities and		Capacity based on Historical Development Densities		Difference in Capacity between Maximum Densities and Historical Densities	
		Dwelling units	Derived Density	Dwelling Units	Derived Density	Dwelling Units	Density Assumption	Difference in Dwelling Units	Difference in Density
Land within City Limits									
VLDR	24	19	0.8	94	3.9	69	2.9	25	1
VLDR_PUD	1	-	-	4	3.8	3	2.9	1	0.9
LDR	22	71	3.2	113	5.1	144	6.5	(31)	(1.4)
MDRL	14	75	5.2	112	7.8	88	6.1	24	1.7
MDRH	21	111	5.3	223	10.7	161	7.7	62	3
HDR	14	224	16	303	21.7	266	19.1	37	2.6
Subtotal	96	500	5.2	849	8.8	731		118	8.8
Brookman and Other Incorporated Areas									
VLDR	1	2	1.6	4	3.2	3	2.9	1	0.3
MDRL	52	275	5.3	401	7.7	317	6.1	84	1.6
MDRH	8	36	4.7	62	8.1	58	7.7	4	0.4
MDRL/H*	15	78	5.3	109	7.5	109	7.5	-	-
HDR	3	49	15.4	70	22.1	60	19.1	10	3
Subtotal	79	440	5.6	661	8.4	547		114	8.4
Total	175	940	5.4	1,510	8.6	1,278	7.3	232	1.3

Source: Sherwood buildable lands inventory; Sherwood zoning code; Analysis of historical development densities; and Analysis by ECONorthwest

*Note: There is one lot in the Brookman Area that is split zoned MDRL/MDRH. Of this 15 acre lot, 13 acres is assumed MDRH and two acres is assumed MDRL. The density assumptions for that lot are consistent with the density assumptions shown in Table 6.

Table 6 compares the difference in the capacity estimates for the “maximum density (and minimum lot size) capacity” estimate and the “historical development density” estimate. Table 6 shows that the capacity estimate based on historical development densities results in 232 fewer dwelling units than the capacity based on maximum densities. The average density using the historical development densities is 1.3 dwelling units per acre lower than the maximum density analysis.

This difference shows that development in Sherwood is generally occurring at lower than the maximum allowed densities, showing underbuild in Sherwood. Further analysis shows that residential development between 2000 and 2014 occurred at between 70% to 80% of the maximum allowable densities. The exception is Low Density Residential, where development occurred at higher than allowable densities approximately 60% of LDR development between 2000 and 2014 was in Planned Unit Developments – neighborhoods that were approved to provide a more compact development option.

Underbuild is expected as a result of development constraints that lower development capacity, such as slopes. In addition, parcel configuration contributes to underbuild, with parcels that are oddly shaped or have more land than the minimum requirement but not enough for additional housing.

Table 6 demonstrates that development in Sherwood occurred at considerably higher densities than the minimum allowable densities in each zone.

Based on the analysis in Table 6, we conclude that **both the maximum density (and minimum lot size) and the historical development density estimates exceed the State requirement** (OAR 660-007-0035(2)) to “provide for an overall density of six or more dwelling units per net buildable acre.” The estimate results in an average density of between 7.3 to 8.6 dwelling units per net acre.

The conclusion of the housing needed analysis is that Sherwood's historical densities by housing type (shown in Table B- 3) meet Sherwood's future housing needs. Table B-3 shows Sherwood's historical densities as 6.5 dwelling units per acre for single-family detached, 17.9 dwelling units per acre for single-family attached, and 20.5 dwelling units per acre for multifamily. If future residential development continues to occur at approximately these densities and with the mix of housing shown in Table 2, then Sherwood will be meeting its Goal 10 requirements.

In addition to the capacity shown in Table 6, Sherwood could have additional residential development capacity resulting in development of housing in commercial zones and from redevelopment of residential properties with existing development (where redevelopment results in a net increase in the number of dwelling units on the property).

About 9% of Sherwood's residential development over the 2000 to 2014 period occurred in commercial zones. It is reasonable to assume that some residential development over the next 20 years would occur in commercial zones, as long as housing is considered a secondary use to the commercial use, as required by Sherwood's development code.

Sherwood has limited opportunities for redevelopment because much of Sherwood's housing stock was developed over the last two decades. In addition, residential land in Sherwood is parcelized and meeting existing density requirements in areas with existing development would be difficult.

Table 7 presents a revision of the capacity shown in Table 6 for capacity based on historical densities. Between January 1, 2015 and December 31, 2018, Sherwood issued 160 permits for housing, all in the MDRL, MDRH, and HDR zones. Table 7 reduces the capacity estimate by 160 units, resulting in a capacity of 571 units on land within the city limits.

Table 7. Revised capacity based on historical development densities accounting for building permits issued in 2015 to 2018, dwelling units, 2018

Zone	Capacity based on		Revised Capacity
	Historical Development Densities	Building Permits Issued 2015 to 2018	
Land within City Limits			
VLDR	69		69
VLDR_PUD	3		3
LDR	144		144
MDRL	88	34	54
MDRH	161	52	109
HDR	266	74	192
Subtotal	731	160	571

Source: Sherwood buildable lands inventory; Sherwood zoning code; Analysis of historical development densities; and Analysis by ECONorthwest

Table 8 summarizes Sherwood's development capacity based on the analysis in Table 6 (using the Historical Densities analysis) and reduction in capacity for development between 2015 and 2018 in Table 7.

Table 8. Summary of development capacity based on changes from 2015 to 2018, dwelling units, Sherwood city limits and Brookman and other Unincorporated areas, 2017

	Buildable Acres	Density Assumption	Dwelling units
Very Low Density Residential	26	2.9	76
Low Density Residential	22	6.5	144
Medium Density Residential-Low	68	6.1	382
Medium Density Residential-High	41	7.7	266
High Density Residential	17	19.1	253
Total	175	6.4	1,121

Source: Sherwood buildable lands inventory; Sherwood zoning code; Analysis of historical development densities; and Analysis by ECONorthwest

RESIDENTIAL LAND SUFFICIENCY

The last step in the analysis of the sufficiency of residential land within Sherwood is to compare the demand for land by zone (Table 3) with the capacity of land by zone based on historical development densities (Table 6 and Table 7). Table 9 shows that Sherwood has a deficit of capacity in each zone, for a total deficit of about 608 dwelling units. The largest deficits are in Medium Density Residential-Low (154 dwelling units), Medium Density Residential-High (252 dwelling units), and High Density Residential (145 dwelling units).

The conclusion from Table 9 is that the current inventory of buildable residential land is **not** sufficient to accommodate Sherwood's expected growth. To comply with Goal 10, the City will need to either change its policies to allow for more development on the inventory of vacant land, request a UGB expansion from Metro, or both. The types of land with the largest deficit are Medium Density Residential-Low, Medium Density Residential-high, and High Density Residential.

Table 9. Comparison of capacity of existing residential land with demand for new dwelling units, dwelling units, Sherwood planning area, 2019-2039

Zone	Capacity (Needed Densities)	Housing Demand	Comparison Capacity minus Demand (dwelling units)
Very Low Density Residential	76	95	-19
Low Density Residential	144	182	-38
Medium Density Residential-Low	382	536	-154
Medium Density Residential-High	266	518	-252
High Density Residential	253	398	-145
Total	1,121	1,729	-608

Source: ECONorthwest
Note: DU is dwelling unit.

POTENTIAL GROWTH IN SHERWOOD WEST

Development capacity in Sherwood West will vary from 3,300 to 6,500 dwelling units. The Concept Plan will begin to identify housing types and development scenarios that fit with the community's vision for Sherwood West and that are possible, given likely development and infrastructure costs

The Concept Planning work for Sherwood West is ongoing. The results of the Concept Planning work and later concept and master planning phases will determine more precisely the type and amount of housing in Sherwood West. Table 10 presents estimates of capacity in Sherwood West based on a range of density assumptions, from an average of 6.0 to 12.0 dwelling units per acre. The purpose of the information in Table 10 is to provide some idea of potential development capacity in Sherwood West.

The timing of development in Sherwood West is being discussed through the Concept Planning process. A number of factors will affect the timing of development in Sherwood West, such as when the area is brought into the Metro UGB, provisions of services, and future concept planning for the area. Sherwood West may not be fully built out until 2065. The areas expected to develop first in Sherwood West are Areas A, B, and a portion of C in the Concept Plan, which are located in the southeast part of Sherwood West, adjacent to the Brookman Area. The Sherwood School District has plans to develop a high school in Area A in the next few years.

Table 10. Potential residential development capacity, Sherwood West

	Dwelling Units	Notes
Estimate of Buildable Land		
Gross Acres	670	
Net Acres	546	We assumed an average net-to-gross factor of 18.5% for rights-of-way, regardless of parcel size.
Potential Capacity based on Density Assumptions		
Required average from OAR 660-007 - 6 DU/net acre	3,276	Under this assumption, Sherwood West would be primarily built-out with single-family detached housing. Given Sherwood's historical development densities and the City's requirement to provide opportunity that half of new development is single-family attached and multifamily, this density seems too low for Sherwood West. Issues related to costs of services and development density will be discussed in the pre-concept planning process (and again in the concept planning process) may indicate that this density assumption is too low to support development costs for Sherwood West.
Historical Development Density* - 7.8 DU/net acre	4,259	Issues related to costs of services and development density will be discussed in the pre-concept planning process (and again in the concept planning process) may indicate that this density assumption is too low to support development costs for Sherwood West.
10 DU/net acre	5,460	Metro's forecast for capacity in Sherwood West (4,844) would be accommodated at an average of 10 dwelling units per acre, with some additional capacity for other development.
12 DU/net acre	6,552	

Source: Buildable Lands Estimate from OTAK and analysis by ECONorthwest

*Note: Historical Development Density includes only development in residential zones over the 2000-2014 period.

CONCLUSIONS AND RECOMMENDED OPTIONS

The key findings and recommendations from the housing needs analysis are as follows:

Sherwood is able to accommodate 65% of the forecast for growth within the Sherwood Planning Area.

- **Sherwood is able to meet state requirements for housing mix and density.** The City's primary obligations are to (1) designate land in a way that 50% of new housing could be either multifamily or single-family attached housing (e.g., townhouses) and (2) achieve an average density of six dwelling units per net acre. Put another way, the City is required to plan that 50% of their new housing will have the opportunity to be multifamily or single-family attached housing (e.g., townhouses), with all housing at an average density of 6 dwelling units per net acre. Sherwood is able to meet these requirements.
- **Sherwood is meeting its obligation to plan for needed housing types for households at all income levels.** Sherwood's residential development policies include those that allow for development of a range of housing types (e.g., duplexes, manufactured housing, and apartments) and that allow government-subsidized housing. This conclusion is supported by the fact that Metro's 2016 *Compliance Report* concluded that Sherwood was in compliance with Metro Functional Plan and Title 7 (Housing Choice). Sherwood will have an ongoing need for providing affordable housing to households with all income levels.
- **Sherwood has a deficit of land for housing.** Sherwood can accommodate about 65% of the forecast for new housing on areas within the city limits and Brookman Area. However, Sherwood has a deficit of land for 608 dwelling units. The largest deficits are in Medium Density Residential-Low (154 dwelling units), Medium Density Residential-High (252 dwelling units), and High Density Residential (145 dwelling units).
- **To provide adequate supply, Sherwood will need to continue to annex the Brookman area.** Sherwood will need to continue to annex the Brookman area in order to accommodate the City's forecast of residential growth. The City recently annexed about 98 acres in the Brookman Area. The annexed land is in the center of the Brookman Area and has relatively few owners (about 8 property owners). Annexing and developing other parts of the Brookman area, with a larger number of owners, may be more challenging, to the extent that the property owners have to come to agreement about development.
- **Sherwood will need Sherwood West to accommodate future growth beyond the existing city limits and Brookman Area.** The growth rate of Metro's forecast for household growth (1.1% average annual growth) is considerably lower than the City's historical population growth rate over the last two decades (8% average annual growth). Metro's forecast only includes growth that can be accommodated with the Sherwood Planning area, which does not include Sherwood West.

Sherwood's fast growth during the last two decades was driven by historically fast in-migration in to the Portland region, a trend that Metro's forecast shows slowing, and the availability of vacant buildable residential land in Sherwood.

Sherwood will need Sherwood West to accommodate future growth beyond the existing city limits and Brookman Area.

Sherwood's development code does not provide opportunities for development of housing at moderate multifamily densities between 11 to 16 dwelling units per acre.

Providing opportunities for housing in these densities may address and provide opportunities for development of a wider range of affordable housing types.

Given the limited supply of buildable land within Sherwood, it is likely that the City's residential growth will slow, especially if portions of Sherwood West are not brought into the Metro UGB in the earlier part of the 20-year planning period. It is likely that Sherwood's future growth over the 2019-2039 period would be considerably slower than its historical growth rate, if for no other fact than it is mathematically more difficult to maintain a high growth rate with a larger population. In addition, Sherwood's fast growth during the last two decades was driven by historically fast in-migration in to the Portland region, a trend that Metro's forecast shows slowing, and the availability of vacant buildable residential land in Sherwood.

• **Sherwood has a relatively limited supply of land for moderate- and higher-density multifamily housing.** Sherwood has 68 vacant acres of MDRH land. Sherwood has 41 vacant acres of MDRH land and 17 acres of HDR land. If the City wants more multifamily housing growth in core areas of Sherwood, the City could evaluate whether to make policy changes that either increase the capacity of MDRH and HDR land or designate more land for these uses. Some specific considerations:

- MDRH allows up to 11 dwelling units per acre. However the lot development requirements²⁸ for multifamily make it difficult to achieve the maximum development density. The City may choose to evaluate the implications of changing MDRH development standards to allow densities of at least 11 dwelling units per acre or a moderate increase in the maximum allowable densities in MDRH.
- The City's supply of HDR land is very limited, with 17 vacant acres of HDR. As part of the Comprehensive Plan update, the City may choose to evaluate opportunities to upzone land to HDR, to allow more multifamily land in areas such as centers or along transportation corridors.
- Sherwood's development code does not provide opportunities for a wider range of housing types and development of housing at moderate multifamily densities of 11.1 to 16.7 dwelling units per acre, the gap in densities between MDRH and HDR. As part of the Comprehensive Plan update, the City may choose to evaluate the need for a zone that allows development in this density, which might include townhouses and moderate-sized apartment or condominium buildings.
- About 9% of Sherwood's residential development over the 2000 to 2014 period occurred in commercial zones., Sherwood may be able to accommodate additional multifamily residential development in these zones.

²⁸ Sherwood has an 8,000 square foot minimum lot size for the first two multifamily units, with a requirement for 3,200 additional square feet for each multifamily unit beyond the first two units.

The City may choose to evaluate and identify opportunities for additional multifamily development in commercial zones, as part of the Comprehensive Plan update.

- **Sherwood should monitor residential development.** The city may wish to develop a monitoring program that will allow Sherwood to understand how fast land is developing. The monitoring program will inform Metro's UGB planning process by providing more detailed information about housing growth and development capacity in Sherwood. This information can help City staff and decision-makers make the case to Metro staff and decision-makers about the need for residential expansion areas. We recommend using the following metrics to monitor residential growth:
 - **Population.** The City already routinely monitors population growth by using the annual population estimates prepared by the Center for Population Research at Portland State University.
 - **Building permits.** The Housing Needs Analysis included a review of building permits by dwelling type, plan designation, zone, and net density. Because the City collects most of the data used in the analysis of historical development density, we recommend that city staff update this analysis on an annual basis.
 - **Subdivision and partition activity.** This metric is intended to measure the rate and density of land divisions in Sherwood. Specific data to include with subdivision and partition activity are the area of the parent lot, the area in child lots, the number of child lots, the average size or density of lots, and the area in dedicated right-of-way.
 - **Land consumption.** This metric relates closely to the building permit data. The building permit data should include tax lot identifiers for each permit. The City should match each permit to data in the buildable lands inventory and report how much land is being used by plan designation, zone, and land classification (e.g., vacant, redevelopable, infill, etc.). Additionally, we recommend the City map the location of development on an annual basis.

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Appendix A. Appendix A. Residential Buildable Lands Inventory

This appendix presents the methodology used to develop the buildable lands inventory and the results of the buildable lands inventory. The information in this appendix was developed by City of Sherwood staff.²⁹

METHODOLOGY

Definitions used in the inventory

Vacant land

- Any tax lot that is fully vacant as determined by RLIS GIS Data³⁰, aerial photography, field checks and local records.
- Tax lots that are at least 95% vacant are considered vacant land.
- Tax lots that are less than 2,000 sq. feet developed AND developed part is under 10% of entire lot

Developed land

- Part vacant/part developed tax lots are considered developed and will be treated in the redevelopment filter

Steps in developing the buildable land inventory

Step 1: Inventory and map fully vacant residential lands

a. Sort City tax lot data by zoning designation within the City boundary.

The residential zones including any planned unit development overlay utilized within this study include:

- Very Low Density Residential (VLDR)
- Low Density Residential (LDR)
- Medium Density Residential Low (MDRL)
- Medium Density Residential High (MDRH)
- High Density Residential (HDR)

b. Identify parcels that are fully vacant.

²⁹ Michelle Miller, AICP, Senior Planner at the City of Sherwood developed the buildable lands inventory.

³⁰ Metro's Data Resource Center collaborates with local partners to develop and deliver the Regional Land Information System (RLIS) – more than 100 layers of spatial data that supports strategic decision-making for governments, businesses and organizations across the region.

1. Remove developed parcels using most recent Metro's RLIS GIS data.
2. Planning staff review based on current aerial photography, field checks, and local records

Step 2: Subtract unbuildable acres

a. Remove tax lots that d/n have potential to provide residential growth.

1. Tax exempt with property codes for City, State, Federal and Native American designations
2. Schools
3. Churches and social organizations-based solely on tax exempt codes
4. Private streets
5. Rail properties
6. Tax lots under the minimum lot size of the zone or 4,250 sq. ft. for residential land due to infill standards
7. Parks

b. Calculate deductions for environmental resources³¹.

1. Remove Floodways-100% removed
2. Recognize environmental constraints such as slopes over 25 % and constrained areas as defined by Cities and Counties under Metro Functional Plan Title 13-Riparian Corridors (Class I and II) and Upland Wildlife Habitat (Class A and B) -100%
3. By assumption, allow one dwelling unit per residentially zoned tax lot if environmental encumbrances would limit development such that by internal calculations no dwelling units would otherwise be permitted.

c. Calculate for future streets.³²

This methodology sets aside a portion of the vacant land supply (not redevelopment supply) in order to accommodate future streets and sidewalks. This assumption is calculated on a per tax lot basis.

1. Tax lots less than 3/8 acre assume 0% set aside future streets.³³
2. Tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets
3. Tax lots greater than an acre assume an 18.5% set aside for future streets

³¹ Environmental resources are considered to include Title 3, Title 13 FEMA floodway and slopes over 25 %.

³² The BLI accounts for future streets on a tax lot by tax lot basis. The buildable area of each tax lot is reduced based on individual tax lot size.

³³ The basis for these net street deduction ratios derive from previous research completed by the Data Resource Center and local jurisdictions for the 2002 UGR.

4. Industrial zoning assumes a 10% set aside regardless of size.

Step 3: Inventory and map re-developable lands

a. Definition:

Re-developable: applies to lots that are classified as developed that are now likely to redevelop or during the 20-year planning period.

b. Query performed that identifies previously developed lots that have potential to redevelop over time due to the relationship between the size of the lot and the value of improvements.

1. Sites between .26-.54 acres with improvements less than \$ 50 K
2. Sites over .55 acres with improvement between \$50,001-100 K
3. Sites over 1 acre with improvement values between \$ 100,001-150 K
4. Results of this query include land that is wholly re-developable, meaning existing improvements would be replaced, and land that is partially vacant, meaning the lot could be divided to allow for additional development.

Step 4: Planning staff review of draft map-(Investigative step)

- a. Remove under construction or pending construction as of October 1, 2014
- b. Added back and redefined areas of special concern (Areas like Brookman for example)³⁴
- c. Review and add City owned properties that are developable and not held for public purpose
- d. For parcels zoned MDRH and HDR determine densities based on location and likelihood that parcel will develop with multifamily or single-family dwelling units and base densities on minimum lot size for single-family and maximum density for multifamily.
- e. Re-developable or partially vacant sites that include:
 - Properties currently for sale
 - Lots that are more than twice the minimum lot size required to support the number of existing dwelling units including tax lots that have land division potential
 - Sites that should have been identified as partially vacant but not caught earlier
 - Lands with single-family development zoned for multifamily development
- f. Remove from Map and defined the following as Not Likely to Redevelop
 - Sites occupied by active religious institutions
 - Sites with known deed restrictions
 - Sites currently under development

³⁴ Assume Brookman Concept Plan Zoning

- Sites occupied by utility infrastructure
- Commercially zoned land greater than ½ mile from either residential or town center lots-most likely won't be mixed use with residential

g. Redevelop Strike Price Analysis

- Perform on all tax lots planned for residential and commercial development, to identify Multifamily and Commercial sites with a market redevelopment strike price of less than \$10 per square foot.³⁵

$$\text{Strike Price} = \frac{(\text{Improvement value} + \text{land value})}{\text{Total Sq. Ft of lot}}$$

h. Identify possible rezone properties that would either be added or subtracted from the inventory over time.

³⁵ This formula is part of the draft proposed Metro methodology for identifying sites zoned for Multifamily and Mixed Use Development that are likely to redevelop. \$10/sq.ft. is the estimated threshold for the market supporting redevelopment of suburban sites that are zoned for multifamily development.

RESULTS OF THE BUILDABLE LANDS INVENTORY

Table A- 1 presents the City's inventory of buildable land. The buildable lands inventory is based on City of Sherwood and Metro GIS data. Table A- 1 shows that Sherwood has 175 net acres of suitable buildable residential land. Fifty-five percent of Sherwood's vacant land (96 acres) is within the city limits and 45% (79 acres) is within the Brookman Area or other unincorporated areas within the current Urban Growth Boundary.

Table A- 1. Inventory of suitable buildable residential land, net acres, Sherwood city limits and areas within the UGB, 2014

Zone	Gross Acres	Percent of Total
Land within City Limits		
Very Low Density Residential (VLDR)	24	14%
Very Low Density Residential Planned Unit Development (VLDR-PUD)	1	1%
Low Density Residential (LDR)	22	13%
Medium Density Residential-Low (MDRL)	14	8%
Medium Density Residential-High (MDRH)	21	12%
High Density Residential (HDR)	14	8%
Subtotal	96	55%
Brookman and Other Unincorporated Areas		
Very Low Density Residential (VLDR)	1	1%
Medium Density Residential-Low (MDRL)	52	30%
Medium Density Residential-High (MDRH)	8	4%
Medium Density Residential- Low/High* (MDRL/H)	15	8%
High Density Residential (HDR)	3	2%
Subtotal	79	45%
Total	175	100%

Source: City of Sherwood

*Note: There is one lot split between MDRL and MDRH.

Table A- 2 presents a revision of the capacity shown in Table A- 1 for capacity based on historical densities. Between January 1, 2015 and December 31, 2018, Sherwood issued 160 permits for housing, all in the MDRL, MDRH, and HDR zones. Table A- 2 reduces the capacity estimate by 160 units, resulting in a capacity of 571 units on land within the city limits.

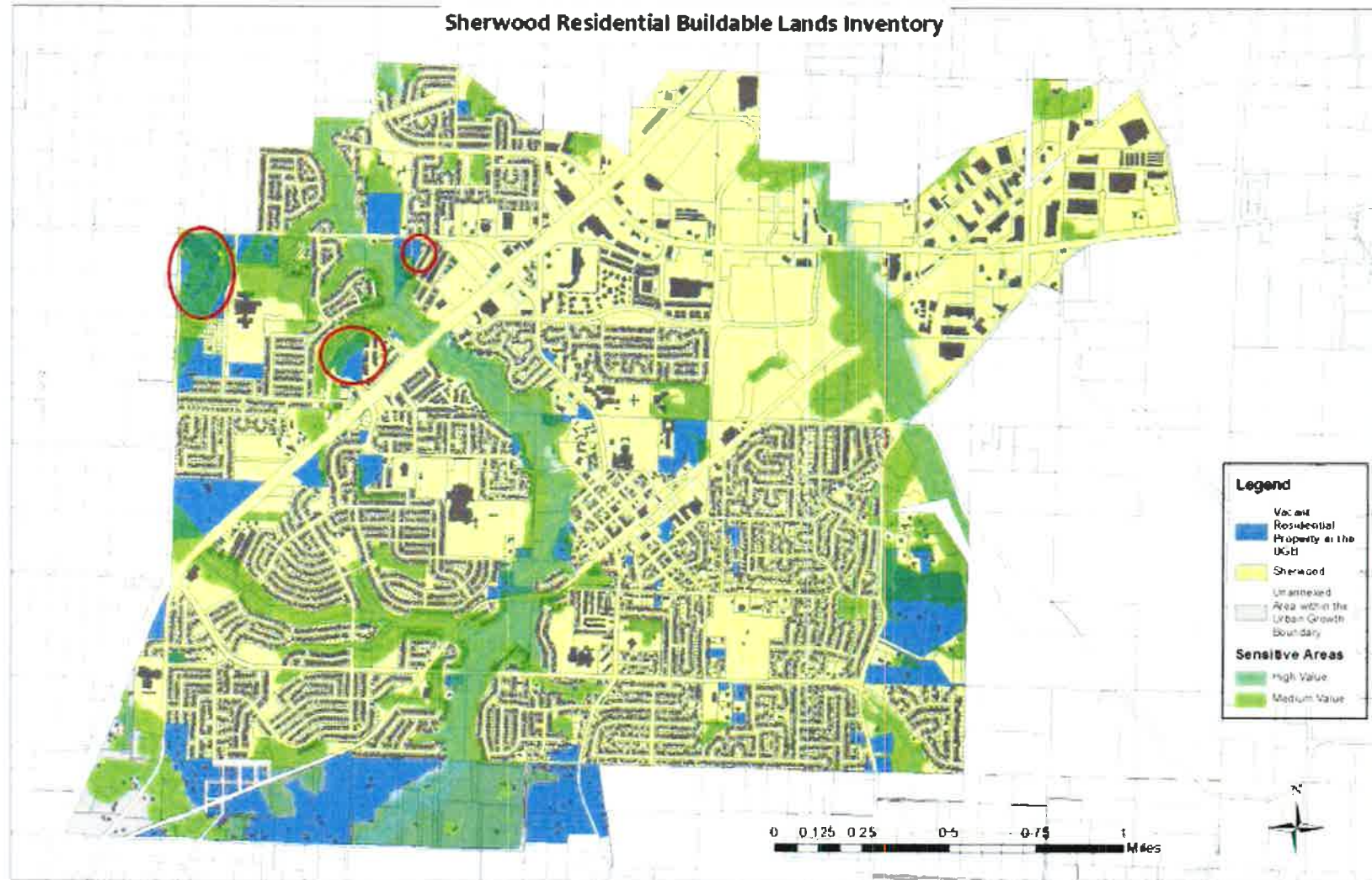
Table A- 2.. Revised capacity based on historical development densities accounting for building permits issued in 2015 to 2018, dwelling units, 2018

Zone	Capacity based on		Revised Capacity
	Historical Development Densities	Building Permits Issued 2015 to 2018	
Land within City Limits			
VLDR	69		69
VLDR_PUD	3		3
LDR	144		144
MDRL	88	34	54
MDRH	161	52	109
HDR	266	74	192
Subtotal	731	160	571

Source: Sherwood buildable lands inventory; Sherwood zoning code; Analysis of historical development densities; and Analysis by ECONorthwest

Map A-1 shows vacant and partially vacant land in Sherwood. Notable areas where development has occurred since 2015 are circled in red on Map 1. In total, 160 new single-family detached units were permitted between January 1, 2015 and December 31, 2018.

Map A-1. Inventory of suitable buildable residential land, net acres, Sherwood city limits and areas within the UGB, 2014



Source: City of Sherwood

Appendix B. Trends Affecting Housing Need in Sherwood

HISTORICAL AND RECENT DEVELOPMENT TRENDS

Analysis of historical development trends in Sherwood provides insights into how the local housing market functions. The intent of the analysis is to understand how local market dynamics may affect future housing—particularly the mix and density of housing by type. The housing mix and density by type are also key variables in forecasting future land need. The specific steps are described in Task 2 of the *DLCD Planning for Residential Lands Workbook*:

- Determine the time period for which the data must be gathered.
- Identify types of housing to address (at a minimum, all needed housing types identified in ORS 197.303).
- Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

The period used in the analysis of housing density and mix is 2000 to 2014, which includes both times of high housing production and times of low housing production. This reasons for choosing this period were: (1) the 2000 to 2014 period includes more than one economic cycle, with extreme highs and extreme lows in the housing market and (2) data prior to 2005 was less easily available and obtaining data for 2000 to 2004 required a considerable amount of work by City staff to compile the data.

The housing needs analysis presents information about residential development by housing types. For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are:

- **Single-family detached:** single-family detached units and manufactured homes on lots and in mobile home parks.
- **Single-family attached:** all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Multifamily:** all attached structures other than single-family detached units, manufactured units, or single-family attached units.

These categories of housing type were chosen for the analysis because they meet the requirements of needed housing types in ORS 197.303.³⁶

Data used in this analysis

Throughout this analysis, we use data from multiple well-recognized and reliable data sources. One of the key sources for data about housing and household data is the U.S. Census. This report primarily uses data from two Census sources:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition); household characteristics (e.g., household size and composition); and housing occupancy characteristics. As of the 2010 Decennial Census, it does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 1990, 2000, and 2010.
- The **American Community Survey (ACS)**, which is completed every year and is a sample of households in the U.S. The 2009-2013 ACS sampled about 16.2 million households, or about 2.8% of the households in the nation. The ACS collects detailed information about households, such as demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment); household characteristics (e.g., household size and composition); housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms); housing costs (e.g., rent, mortgage, utility, and insurance); housing value; income; and other characteristics.

In general, this report uses data from the 2009-2013 ACS for Sherwood. Where information is available, we report information from the 2010 Decennial Census.

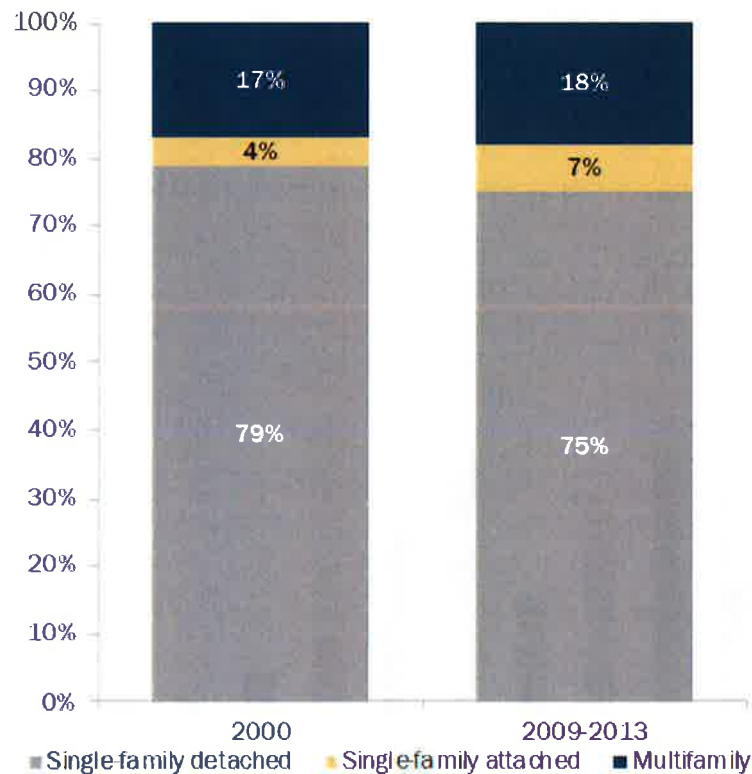
Trends in housing mix in Sherwood

According to the American Community Survey, Sherwood had more than 6,500 housing units in the 2009-2013 period. Figure B- 1 shows that Sherwood's housing stock is predominantly single-family detached housing. In 2000, 79% of

³⁶ The analysis of development in Sherwood attempts to separate single-family detached and single-family attached housing. However, the City's building permit system does not distinguish between these two types of housing. City staff manually identified single-family attached housing that was developed with a concentration of single-family attached housing. City staff were unable to identify small-scale, single-family attached development scattered throughout the city.

Sherwood's housing stock was single-family detached and 77% was single-family detached in 2009-2013. The share of multifamily units increased from 17% of Sherwood's housing stock in 2000 to 18% in 2009-2013.

Figure B- 1. Mix of Housing Types, Sherwood, 2000 to 2009-2013



Source: U.S. Census 2000 SF3 Table H030, American Community Survey 2009-2013, Table B25024.

Table B- 1 and Figure B- 2 show that the mix of housing developed over the 2000 to 2014 period was predominantly single-family housing (including single-family detached, single-family attached, and manufactured housing), accompanied by intermittent growth in multifamily.

Over the entire 2000 to 2014 period, Sherwood issued permits for nearly 2,225 dwelling units, with about 148 permits issued per year. About 69% of dwellings permitted were single-family detached, 9% were single-family attached, and 23% were multifamily.

In addition, 160 units were permitted during the January 1, 2015 to December 31, 2018 period. All units permitted were single-family detached. These permits are not shown in Table B- 1 and Figure B- 2.

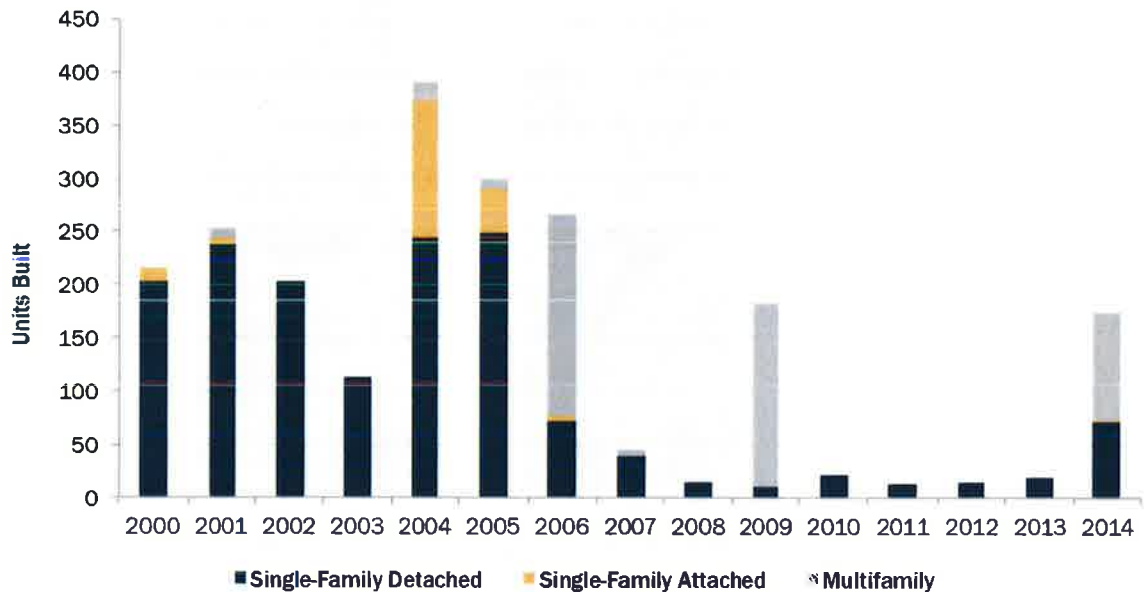
Table B- 1. Building permits by type of unit, Sherwood, 2000-2014

Housing Type	New Units Permitted	Average of New Units Permitted Annually	Mix of New Units
Single-Family Detached	1,525	102	69%
Single-Family Attached	196	13	9%
Multifamily	504	34	23%
Total	2,225	148	100%

Source: City of Sherwood Building Permit Database.

Notes: Single-Family Detached includes manufactured housing.

Figure B- 2. Building permits by type of unit, Sherwood, 2000 to 2014



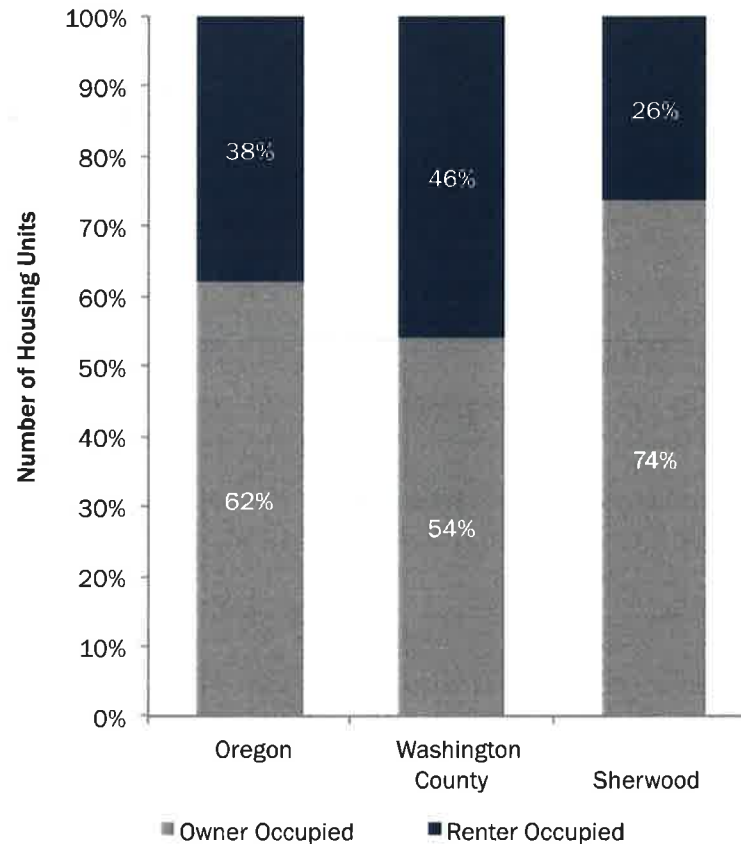
Source: City of Sherwood Building Permit Database.

Notes: Single-Family Detached includes manufactured housing.

Trends in Tenure

Figure B- 3 shows housing tenure in Oregon, Washington County, and Sherwood for the 2009-2013 period. Sherwood has a higher rate of ownership (74%) than the county (54%) and the state (62%).

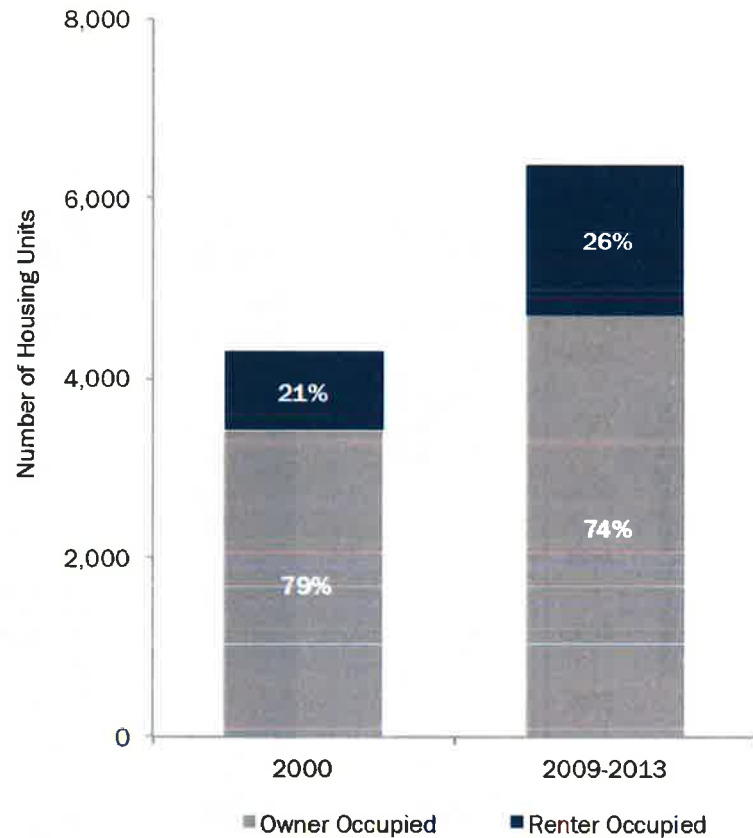
Figure B- 3. Housing Tenure, Oregon, Washington County, Sherwood, 2009-2013



Source: American Community Survey 2009-2013, Table B25003.

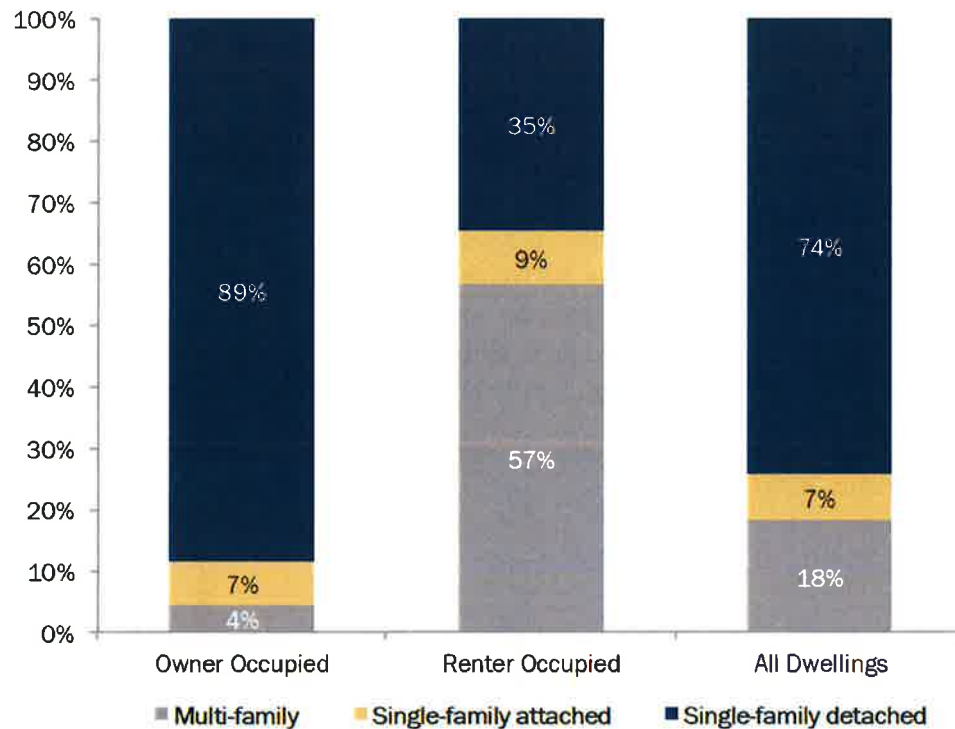
Figure B- 4 shows change in tenure (owner versus renter-occupied housing units) for the City of Sherwood over the 2000 to 2009-2013 period. The overall homeownership rate declined, from 79% to 74% between 2000 to 2009-2013, while renting increased by 5%. This change is consistent with national and statewide trends in homeownership.

Figure B- 4. Tenure, occupied units, Sherwood, 2000 to 2009-2013



Source: U.S. Census 2000 SF3 Table H032, American Community Survey 2009-2013 Table B25003.

Figure B- 5 shows the types of dwelling in Sherwood in 2009-2013 by tenure (owner/renter-occupied). The results indicate that in Sherwood, single-family housing types are most frequently owner-occupied (70% of all housing is single-family, owner-occupied housing) and multifamily housing is most frequently renter-occupied (15% of all housing is multifamily renter-occupied housing).

Figure B- 5. Housing units by type and tenure, Sherwood, 2009-2013

Source: American Community Survey 2009-2013 Table B25032.

Housing Vacancy Rates

Table B- 2 shows vacancy rates in Oregon, Multnomah, Washington, and Clackamas counties, and Sherwood between 2000 and 2009-2013. Vacancy rates increased in Oregon, and Clackamas counties, but fell in Multnomah and Washington counties, and in Sherwood. As the 2009-2013 period, Sherwood had a relatively low vacancy rate (2.7%) compared to the regional counties, whose rates ranged from 5.5% to 7.0%, and to Oregon (9.6%).

Table B- 2. Housing vacancy rate, Oregon, Multnomah, Washington and Clackamas Counties, and Sherwood, 2000 to 2009-2013

	Oregon	Multnomah County	Washington County	Clackamas County	Sherwood
2000	8.2%	6.4%	5.7%	5.5%	3.6%
2009 - 2013	9.6%	5.9%	5.5%	7.0%	2.7%
Change 2000 to 2009-2013	17.1%	-7.5%	-3.6%	28.3%	-24.7%

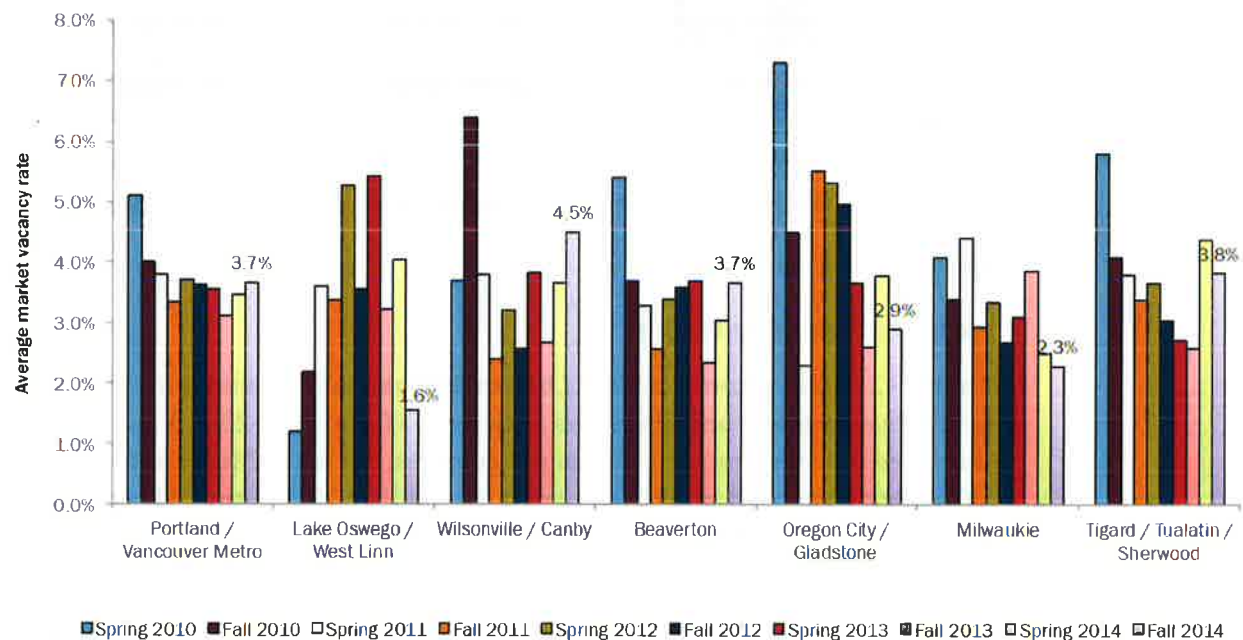
Source: U.S. Census 2000 SF1 Table H003, American Community Survey 2009-2013 Table B25002.

Multifamily NW tracks trends in the Portland area rental market and publishes a semi-annual report. Figure B- 6 shows average market vacancy rates for apartments for the Portland/Vancouver region and selected submarkets in the south-central Portland Region. The vacancy rates in the

Tigard/Tualatin/Sherwood area varied from a high of 5.8% in Spring 2010 to a low of 2.6% in Fall 2013. The vacancy rate in this area was within 1% (above or below) the vacancy rate for the Portland /Vancouver metro area. According to the Fall 2014 Apartment Report, the vacancy rate for apartments in the Tigard/Tualatin/Sherwood area was 3.8%, slightly higher than the regional average of 3.7%.

Multifamily vacancy rates vary, in part, as a result of building new multifamily developments. When a new multifamily development comes on the market, it may take months (or longer) for the new units to be absorbed into the housing market through rental of new units. During this absorption period, the vacancy rate will generally increase for multifamily housing.

Figure B- 6. Average market vacancy rates for apartments, Portland/Vancouver Metro area and selected submarkets, 2010-2014



Multifamily NW Apartment Reports, Spring 2010 – Fall 2014.

Density

Housing density is the density of housing by structure type, expressed in dwelling units per net or gross acre.³⁷ The U.S. Census does not track residential development density.

This study analyzes housing density based on new residential development within Sherwood between 2000 and 2014, similar to the analysis of achieved mix. The analysis of housing density uses data from the City of Sherwood's building permits database.

Table B- 3 shows that development that was permitted between 2000 and 2014 achieved overall average densities of 8.2 dwelling units per net acre. The majority of permitted housing was single-family detached housing, which averaged 6.5 dwelling units per net acre. Multifamily housing achieved an average of 20.5 and single-family attached achieved an average of 17.9 dwelling units per net acre.

Table B- 3. Estimated density by type of unit, net acres, Sherwood, 2000-2014

Housing Type	New and Existing Units	Acres	Density (dwelling unit per acre)
Single-Family Detached	1,641	251	6.5
Single-Family Attached	196	11	17.9
Multifamily	504	25	20.5
Total	2,341	286	8.2

Source: City of Sherwood Building Permit Database.

Note: Single-Family Detached includes manufactured housing

Note: The number of new single-family detached housing is higher in Table B- 3 than in Table B- 1 because Table B- 3 includes 116 existing manufactured dwellings in manufactured housing parks. These dwellings were included as part of the density calculation to correctly calculate the densities of manufactured housing in the manufactured housing parks with one or more newly permitted dwellings over the 2000 to 2014 period.

Table B-4 shows an analysis of residential development density (dwelling units per net acre) over the 15-year period for Sherwood by zoning designation. Table B-4 shows:

- Ninety-two percent of residential development was in residential zones, which had an overall density of 7.8 dwelling units per net acre.
- Density in residential zones varied from 2.9 dwelling units per net acre in the Very Low Density Residential zone to 19.1 dwelling units per net acre in the High Density Residential zone.

³⁷ OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" "...consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

- Density in the Low Density Residential zone averaged 6.5 dwelling units per net acre. Development in Planned Unit Developments (PUD) in this zone achieved an average of 7.6 dwelling units per net acre, which explains the relatively high density in this zone.
- Density in Commercial and Mixed-Use zones averaged 15.6 dwelling units per net acre.

Table B-4. Housing density by Zone, net acres, Sherwood, 2000 to 2014

Zone	New and Existing Units	Acres	Density (dwelling unit per acre)
Residential Zones			
Very Low Density Residential	53	18	2.9
Low Density Residential	807	124	6.5
PUD	487	64	7.6
Non-PUD	320	59	5.4
Medium Density Residential-High	301	39	7.7
Medium Density Residential-Low	368	60	6.1
High Density Residential	605	32	19.1
Residential subtotal	2,134	273	7.8
Commercial and Mixed Use Zones			
Office Commercial	150	6	24.4
Mixed-use Commercial and Condo	55	7	7.9
Retail Commercial	2	0	17.4
Commercial subtotal	207	13	15.6
Total	2,341	286	8.2

Source: City of Sherwood Building Permit Database

NATIONAL HOUSING TRENDS

The overview of national, state, and local housing trends builds from previous work by ECONorthwest, Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing*, 2014 report from the Joint Center for Housing Studies at Harvard University.³⁸ The Harvard report summarizes the national housing outlook as follows:

“With promising increases in home construction, sales, and prices, the housing market gained steam in early 2013. But when interest rates notched up at mid-year, momentum slowed. This moderation is likely to persist until job growth manages to lift household incomes. Even amid a broader recovery, though, many hard-hit communities still struggle and millions of households continue to pay excessive shares of income for housing.”

Several challenges to a strong domestic housing market remain. Demand for housing follows trends in jobs and incomes, which are taking longer to recover than in previous cycles. While trending downward, the numbers of underwater homeowners, delinquent loans, and vacancies remain high. *The State of the Nation's Housing* report projects that it will take several years for market conditions to return to normal and, until then, the housing recovery will likely unfold at a moderate pace.

Trends in housing development

The single-family housing market began strong in 2013, but by the arrival of 2014, housing starts were down 3% and new home sales had fallen 7% from the year before. The *State of the Nation's Housing Report* attributes most of the decline to increases in mortgage interest rates and meager improvements in employment and wages.

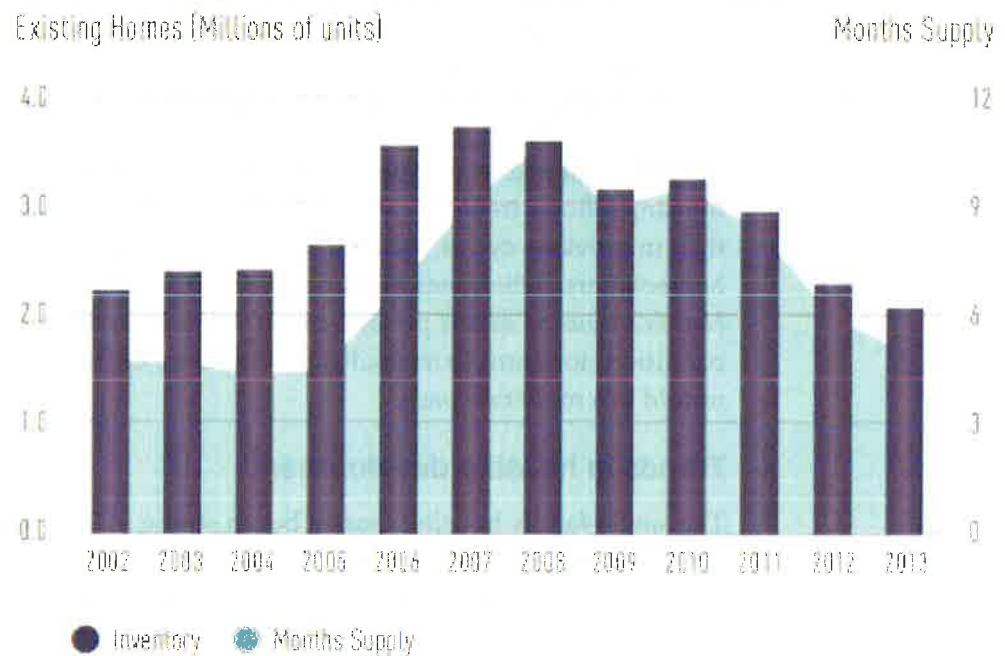
Thirty-year mortgage interest rose in 2014, bucking a downward trend. After falling to a low of around 3.4% in 2013, rates rose to around 5% in 2014. The rise of mortgage interest rates increased the cost of investment in a home and contributed to the fall in the rate of housing starts. In addition to the rise of mortgage interest rates, “steady but unspectacular job growth” presented a fundamental obstacle to the housing market’s progress, according to the report. Employment grew, but slowly, and incomes continued to fall. As long as job and wage growth remain slow, potential homebuyers will not create sufficient demand for robust growth in the housing market.

³⁸ The State of the Nation's Housing, Harvard University, 2014, accessed January 2014.
http://www.jchs.harvard.edu/research/state_nations_housing

Other recent trends in the housing market included: home inventories remained low (homes now spend less than six months on the market), investors purchased fewer distressed properties, the renter market grew, and a larger share of young people chose to live with their parents.

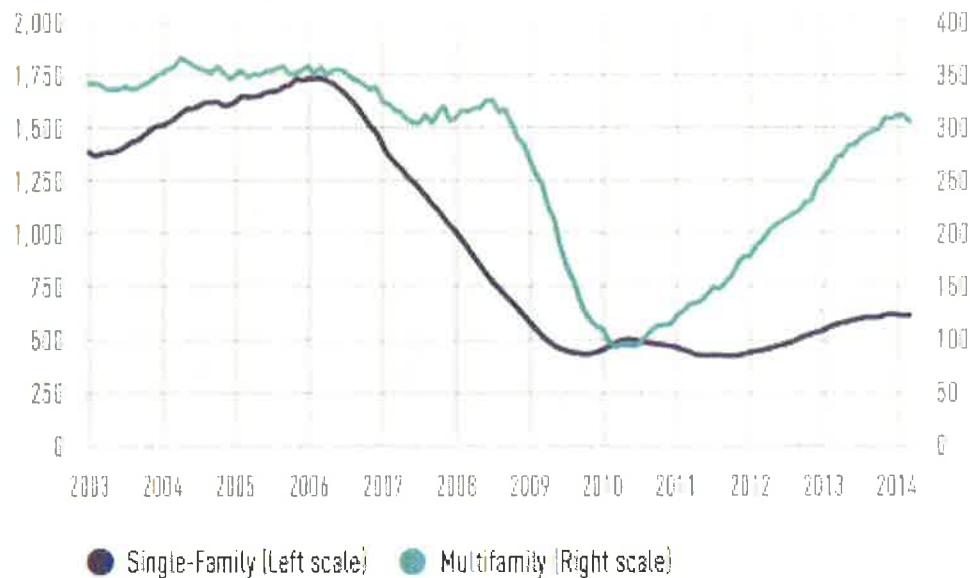
Supplies of existing homes for sale remained low in 2013, which may reflect the unwillingness or inability of owners to sell at current prices (Figure A- 1). As home prices return to levels that are more acceptable to sellers, more homes will go on the market.

Figure A- 1. Inventories of Homes for Sale Against Months Supply, 2002-2013



Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

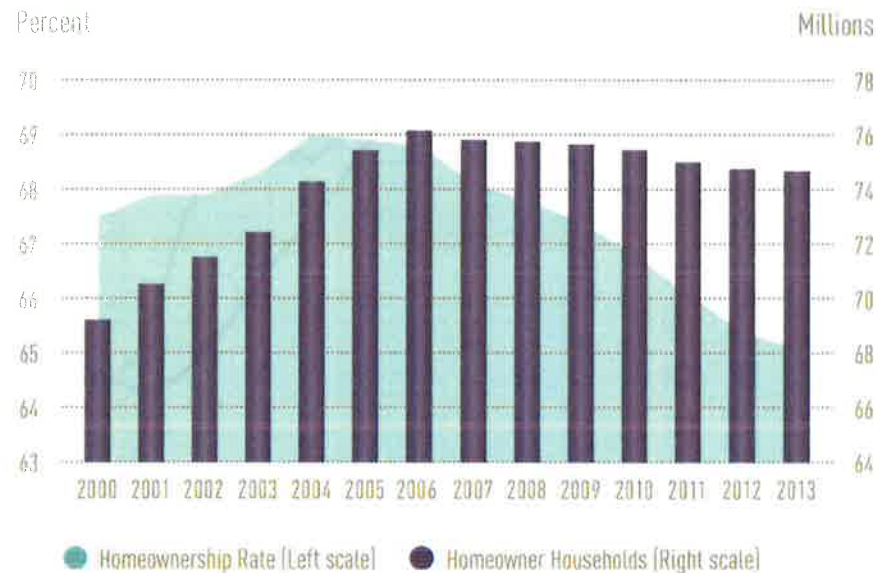
Multifamily home construction continued robust growth for a third consecutive year. Multifamily starts increased 25% to over 300,000 in 2013, approaching pre-recession levels of around 350,000. In contrast to strong multifamily housing growth, single-family home starts grew slowly, at only about 15%, well below pre-recession levels of production: less than 620,000 starts in 2013, compared to over 1.5 million in 2006. These growth trends are shown in Figure A- 2.

Figure A- 2. Housing Starts, 2003-2014
Starts (Thousands of units)

Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10.
<http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

Long run trends in home ownership and demand

The housing market downturn and foreclosure crisis had an immediate and potentially lasting impact on homeownership. After 13 successive years of increases, the national homeownership rate declined each year from 2005 to 2013, and is currently at approximately 65%. However, while the rate declined again in 2013, it was the smallest drop since 2008. As seen in Figure A- 3, the US homeownership rate fell only 0.3 percentage points.

Figure A- 3. Homeownership Rates and the Number of Homeowner Households, 2000-2013

Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

The long-term market outlook shows that homeownership is still the preferred tenure. While further homeownership gains are likely during the next decade, they are not assured. Additional increases depend, in part, on the effect of foreclosures on potential owner's ability to purchase homes in the future, as well as whether the conditions that have led to homeownership growth can be sustained.

The Joint Center for Housing Studies indicates that demand for new homes could total as many as 13 million units nationally between 2015 and 2025. The location of these homes may differ from recent trends, which favored lower-density development on the urban fringe and suburban areas. The Urban Land Institute identifies the markets that have the most growth potential as "global gateway, 24-hour markets," which are primary coastal cities with international airport hubs (e.g., Washington D.C., New York City, San Francisco, or Seattle). Development in these areas may be nearer city centers, with denser infill types of development.³⁹

The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the

³⁹ Urban Land Institute, "2011 Emerging Trends in Real Estate" and "2012 Emerging Trends in Real Estate"

Millennials into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.

Home rental trends

Nationally, the rental market continues to grow. In 2013, the number of households living in rental units increased by half a million, marking the ninth consecutive year of expansion. In addition to growth in rentals in 2013, the million-plus annual increases observed in 2011 and 2012 puts current growth rates on pace to easily surpass the record 5.1 million gain in the 2000s.

Rental markets across the country have been tightening, pushing up rents across the majority of markets. Rental vacancy rates also continued to drop in 2013, both nationwide and in most metros. The US rental vacancy rate stood at 8.3% in 2013 and, while this is the lowest level observed since 2001, this was still high relative to the 7.6% averaged in the 1990s.

Over the longer term, the Joint Center for Housing expects demand for rental housing to continue to grow. Minorities will be the largest driver of rental demand because they are on average younger and less likely to own homes than whites. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because the oldest Millennials reached their late-20s around 2010. Meanwhile, growth among those between the ages of 45 and 64 will lift demand for higher-end rentals.

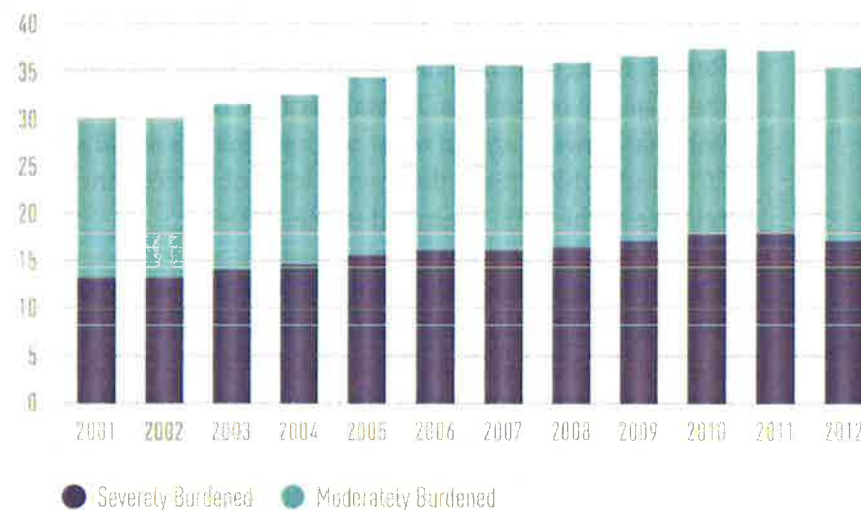
As the homeownership market recovers, the growth in renter households will likely slow. Since much of the increased demand for rental housing has been met through the conversion of single-family homes to rentals, future market adjustments may come from a return of these units to owner-occupancy. Additionally, the echo-boom generation should provide strong demand for rental units in the coming years.

Trends in housing affordability

Many homeowners pay a disproportionate share of their income on housing, with 35% of households in the U.S. who are cost burdened.⁴⁰ While the share of households that are cost burdened fell by about 4% in 2012, the share of households that were cost burdened increase between 2001 and 2011 (Figure A-4). More than 15% of U.S. households are severely cost burdened.

Figure A- 4. Share of Cost-burdened Households, 2001-2012

Share of Households (Percent)



Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10, <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

The Joint Center for Housing Studies points to widening income disparities, decreasing federal assistance, and depletion of inventory through conversion or demolition as three factors exacerbating the lack of affordable housing. While the Harvard report presents a relatively optimistic long-run outlook for housing markets and for homeownership, it points to the significant difficulties low- and moderate-income households face in finding affordable housing and preserving the affordable units that do exist.

According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude people who live in crowded or structurally inadequate housing units. They also exclude the growing number of households that move to

⁴⁰ Households are considered cost burdened if they spent 30% or more of their gross income on housing costs. Households who spent 50% or more of their gross income on housing costs are considered severely cost burdened.

locations distant from work where they can afford to pay for housing, but must spend more for transportation to work. Among households in the lowest expenditure quartile, those living in affordable housing, spent an average of \$100 more on transportation per month in 2010 than those who are severely housing cost-burdened. With total average monthly outlays of only \$1,000, these extra travel costs could amount to roughly 10 percent of the entire household budget.

Demographic trends in housing preference

Demographic changes likely to affect the housing market and homeownership are:

- The aging of the Baby Boomers, the oldest of whom were in their late-60's in 2012.
- Housing choices of younger Baby Boomers, who were in their early to mid-50's in 2010.
- The children of Baby Boomers, called the Millennials, who ranged from their late teens to late twenties in 2012.
- Immigrants and their descendants, who are a faster growing group than other households in the U.S.⁴¹

The aging of the Baby Boomers will affect housing demand over the next decades. People prefer to remain in their community as they age.⁴² The challenges that aging seniors face in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.⁴³ Not all of these issues can be addressed through housing or land use policies.

Communities can address some of these issues through adopting policies that:

- Diversify housing stock to allow development of smaller, comparatively easily-maintained houses in single-family zones, such as single-story townhouses, condominiums, and apartments.
- Allow commercial uses in residential zones, such as neighborhood markets.
- Allow a mixture of housing densities and structure types in single-family zones, such as single-family detached, single-family attached, condominiums, and apartments.

⁴¹ Urban Land Institute, "2011 Emerging Trends in Real Estate"

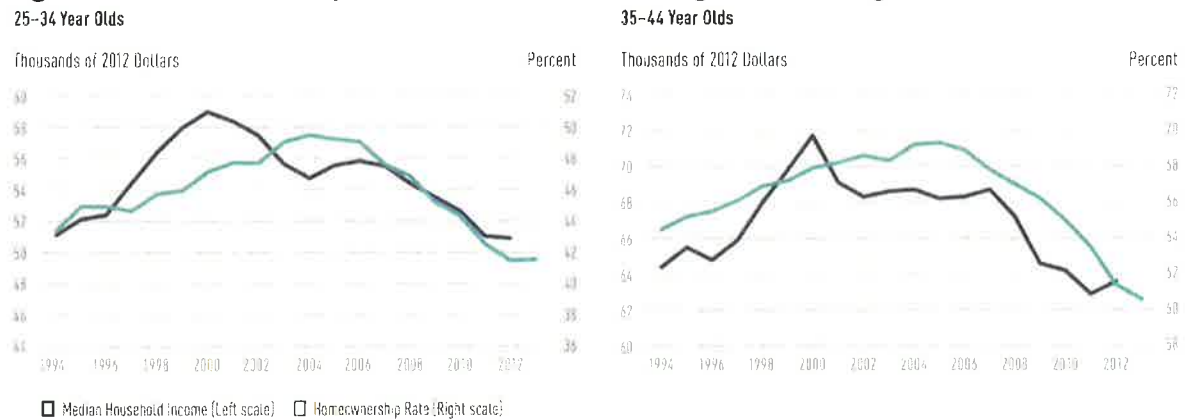
⁴² A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

⁴³ "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

- Promote the development of group housing for seniors that are unable or do not choose to continue living in a private house. These facilities could include retirement communities for active seniors, assisted living facilities, or nursing homes.
- Design public facilities so that they can be used by seniors with limited mobility. For example, design and maintain sidewalks so that they can be used by people in wheelchairs or using walkers.

Household formation fell to around 600,000 to 800,000 in the 2007-2013 period, well below the average rate of growth in previous decades. Despite sluggish growth recently, several demographic factors indicate increases in housing growth to come. The Millennial generation (those born after 1985) is the age group most likely to form the majority of new households. While low incomes have kept current homeownership rates among young adults below their potential, Millennials may represent pent-up demand that will release when the economy fully recovers. As Millennials age, they may increase the number of households in their 30s by 2.4 to 3.0 million over the through 2025.

While the population of young adults between 20 and 29 years grew in the 2003-2013 decade by more than 4 million from the previous decade, the rate at which members of this age group formed their own households fell. As a result, household growth has not kept pace with overall population growth. Even if today's low household formation rates were to persist, however, the aging of the Millennials into their 30s will likely raise household headship rates due to lifecycle effects. About 60% of all 35–44 year-olds head an independent household, compared with less than 42% of all 25–34 year-olds. Thus, the Millennial generation, more populous than the Baby Boomers, is expected to be the primary driver of new household formation over the next twenty years.

Figure A- 5. Homeownership Rates and Incomes for Young and Middle-Aged Adults, 1994-2012

Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10.
<http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

It is currently unclear what housing choices the Millennials will make. Some studies suggest that their parents' negative experience in the housing market, with housing values dropping so precipitously and so many foreclosures, will make Millennials less likely to become homeowners. In addition, high unemployment and underemployment may decrease Millennials' earning power and ability to save for a down payment. It is not clear, however, that Millennials' housing preferences will be significantly different from their parents over the long run.

Recent surveys suggest that as Millennials age and form families, they will increasingly prefer to live in single-family homes in suburban locations. A recent survey by the National Association of Homebuilders finds that roughly three-quarters of Millennials want to live in a single-family home and would prefer to live in a suburb, compared to just 10% that would prefer to live in a city center.

Other recent surveys suggest that Millennials prefer to live in walkable communities, where there are alternatives to driving. According to surveys from the American Planning Association and Transportation For America, at least three quarters of Millennials want their city to offer opportunities to live and work without relying on a car. While Millennials may choose housing that satisfies these preferences, the cost of living will place parameters on their housing choices. According to the APA survey, 71% percent of Millennials rated affordable housing as a high priority for metro areas.

In coming years Millennials will pursue homes that provide a combination of space, "walkability," and affordability. They will demonstrate these preferences in the market soon: according to the APA survey, more than half of Millennials

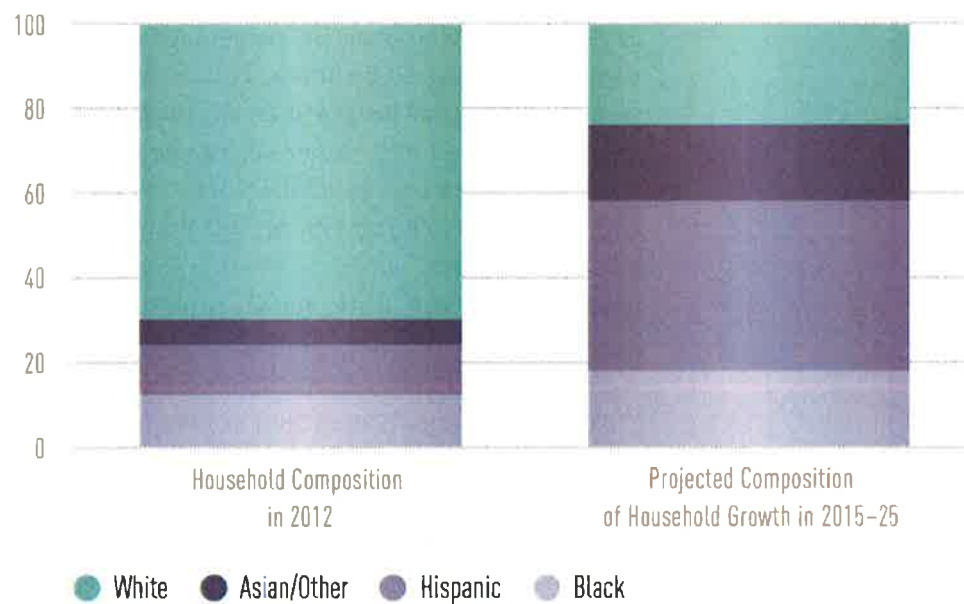
consider themselves at least somewhat likely to move within the next five years.⁴⁴

From 2004 to 2013, homeownership rates for 25-34 year olds and 35-44 year olds fell by around 8% and 9% respectively, with ownership rates for people 25 to 54 years old at the lowest point since recordkeeping started in 1976 (Figure A- 5). Nonetheless, the 25 and 34 year-old age group still makes up the majority of first-time homebuyers. Young adults in this cohort make up 54.3 percent of first-time homebuyers. Their majority among first-time homebuyers means that their ability to buy homes will play an important role in growth of the housing market in the near future.

The fall in homeownership among young adults results largely from the decline in income. Approximately 6 million more individuals between 20 and 29 years earned less than \$25,000 than in 2003, while the number of those earning between \$25,000 and \$50,000 fell by over a million. Furthermore, the share of households younger than 30 years with student loan debt increased by more than 7% since 2007, from 33.9% to 41.0%.

According to the Joint Center for Housing Studies, immigration and increased homeownership among minorities will also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and accounted for nearly 30 percent of overall household growth. Beginning in 2008, the influx of immigrants was staunch by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. Census Bureau estimates of net immigration in 2011–12 indicate an increase of 110,000 persons over the previous year, to a total of nearly 900,000. Furthermore, as shown in Figure A- 6, the Harvard report forecasts that minorities will make up about 76% of the household growth between 2015 and 2025. The greater diversity among young adults partly explains the increased share of growth that will belong to minorities. For example, about 45% of Millennials are minorities, compared to 28% of Baby Boomers.

⁴⁴ The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014. "Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders Show, accessed January, 2015, <http://www.buildersshow.com/Search/isesProgram.aspx?id=17889&fromGSA=1>. "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America, accessed January 2015, http://t4america.org/wp-content/uploads/2014/04/Press-Release_Millennials-Survey-Results-FINAL-with-embargo.pdf.

Figure A- 6. Share of Households by Racial/Ethnic Group, 2012 and 2015-25
Share of Households (Percent)

Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10.
<http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households, and constitute an important source of demand for both rental housing and small homes. This makes the growing gap in homeownership rates between whites and blacks and whites and Hispanics troubling. Since 2001, the difference in homeownership rates between whites and blacks rose from 25.9 to 29.5 in 2013. Similarly the gap between white and Hispanic homeownership rates increased since 2008, from below 26%, to over 27% in 2013. This growing gap between racial and ethnic groups will hamper the country's homeownership rate as minority households constitute a larger share of the housing market.

Trends in Housing Characteristics

The U.S Census Bureau's Characteristics of New Housing Report (2013) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:⁴⁵

⁴⁵ <https://www.census.gov/construction/chars/highlights.html>

- **Larger single-family units on smaller lots.** Between 1990 and 2013 the median size of new single-family dwellings increased 25% nationally from 1,905 sq. ft. to 2,384 sq. ft., and 19% in the western region from 1,985 sq. ft. to 2,359 sq. ft. Moreover, the percentage of units fewer than 1,400 sq. ft. nationally decreased by almost half, from 15% in 1999 to 8% in 2012. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 29% of new one-family homes completed in 2013. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1990 and 2013, the percentage of lots less than 7,000 sq. ft. increased from 27% of lots to 36% of lots.
- **Larger multifamily units.** Between 1999 and 2013, the median size of new multiple family dwelling units increased by 2% nationally and 3% in the western region. The percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 32% in 2013 nationally, and increased from 25% to 32% in the western region.
- **More household amenities.** Between 1990 and 2013, the percentage of single-family units built with amenities such as central air conditioning, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multifamily units.

During the recession, the trend towards larger units with more amenities faltered. Between 2007 and 2009, for example, the median size of new single-family units decreased by 6% throughout the nation, including in the West. In addition, the share of new units with amenities (e.g., central air conditioning, fireplaces, 2 or more car garages, or 2 or more bath) all decreased slightly during this time. With the recovery, however, housing sizes have been increasing annually; median housing sizes increased by 12% between 2009 and 2013 nationwide, and 10% in the western region. The short term, post-recession trends regarding amenities are mixed, but generally appear to be increasing (albeit more slowly than housing sizes).

It appears that the decreases in unit size and amenities were a short-term trend, resulting from the housing crisis. However, numerous articles and national studies suggest that these changes may indicate a long-term change in the housing market, resulting from a combination of increased demand for rental units because of demographic changes (e.g., the aging of the baby boomers, new immigrants, and the echo-boomers), as well as changes in personal finance and availability of mortgages.⁴⁶

These studies may be correct and the housing market may be in the process of a long-term change, with some fluctuations over time in unit size and amenities.

⁴⁶ These studies include "Hope for Housing?" by Greg Filsram in the October 2010 issue of Planning and "The Elusive Small-House Utopia" by Andrew Rice in the New York Times on October 15, 2010.

On the other hand, long-term demand for housing may not be substantially affected by the current housing market. The echo-boomers and new immigrants may choose single-family detached housing and mortgages may become easier to obtain.

Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice. This is more typically referred to as the linkage between lifecycle and housing choice and is documented in detail in several publications. Analysis of data from the Public Use Microsample (PUMS) in the 2000 Census helps to describe the relationship between selected demographic characteristics and housing choice. Key relationships identified through this data include:

- Homeownership rates increase as income increases;
- Homeownership rates increase as age increases;
- Choice of single-family detached housing types increases as income increases;
- Renters are much more likely to choose multiple family housing types than single-family; and
- Income is a stronger determinate of tenure and housing type choice for all age categories.

STATE DEMOGRAPHIC TRENDS

Oregon's 2011-2015 *Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.⁴⁷ The plan concludes that, "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is:

- Facing housing cost increases due to higher unemployment and lower wages, when compared to the nation.
- Experiencing higher foreclosure rates since 2005, compared with the previous two decades.
- Losing federal subsidies on about 8% of federally subsidized Section 8 housing units.
- Losing housing value throughout the State.
- Losing manufactured housing parks, with a 25% decrease in the number of manufactured home parks between 2003 and 2010.

⁴⁷ http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml

- Increasingly older, more diverse, and has less affluent households.⁴⁸

REGIONAL AND LOCAL DEMOGRAPHIC TRENDS

Regional demographic trends largely follow the statewide trends discussed above, but provide additional insight into how demographic trends might affect housing in Sherwood. Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are: (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity. This section describes those trends.

The following section presents data tables. In a few places, additional explanatory text is included. For the most part, the text describing the implications of the tables is in the main part of the document.

Growing population

Sherwood has a growing population. Table B- 5 shows population growth in the U.S., Oregon, the Portland Region, Washington County, and Sherwood, between 1990 and 2013.

Table B- 5. Population in U.S., Oregon, the Portland Region, Washington County, and Sherwood, 1990-2013

Area	Population			Change 1990 to 2013		
	1990	2000	2013	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	311,536,594	62,826,721	25%	1.0%
Oregon	2,842,321	3,421,399	3,919,020	1,076,699	38%	1.4%
Portland Region	1,174,291	1,444,219	1,693,600	519,309	44%	1.6%
Washington County	311,554	445,342	550,990	239,436	77%	2.5%
Sherwood	3,093	11,963	18,575	15,482	501%	8.1%

Source: US Census Bureau Decennial Census 1990 and 2000; Portland State University, Population Research Center
Note: AAGR is average annual growth rate.

The housing needs analysis in this report is based on a coordinated household forecast from Metro (the January 2016 2040 TAZ Forecast), which is a necessary prerequisite to estimate housing needs. The projection of household growth includes areas currently within the city limits, as well as areas currently outside the city limits that the City expects to annex for residential uses (most notably the Brookman area). We call these areas combined the “Sherwood planning area.”

Table B-6 presents Metro’s forecast for household growth and new housing development in the Sherwood planning area for the 2010 to 2040 period. The table shows Metro’s forecast for the Sherwood city limits, areas currently outside

⁴⁸ State of Oregon *Consolidated Plan 2011 to 2015*.

http://www.oregon.gov/ohcs/hd/hrs/consplan/2011_2015_consolidated_plan.pdf

the city limits that are expected to be annexed by 2040, which are together the Sherwood planning area. Table B-6 shows Metro's forecast for the number of households in each of the following years:

- **2010.** Metro's forecast uses an estimate of the number of households in 2010 as the starting point of the forecast.
- **2015.** Estimate of number of households in 2015.
- **2040.** Metro's forecast estimates household growth of 2,078 dwelling units or 30%, by 2040. Part of the forecasting process was providing jurisdictions an opportunity to review and comment on the forecast for growth through 2040.

Table B-6 also shows Metro's forecast for the Sherwood West area, which is forecast to grow by 4,337 dwelling units by 2040. While Metro forecasts that this development will occur over the 2015 to 2040 period, the discussion of timing of this development in the Concept Planning process suggests that Sherwood West may take 50 years (2015 to 2065) to develop the 4,337 dwelling units in Metro's forecast.

Table B-6. Metro forecast for housing growth, Sherwood planning area, 2010 to 2040

Year	Households			Sherwood West (50-Year Forecast)
	Sherwood City Limits	Brookman Area	Sherwood Planning Area	
2010	6,476	242	6,718	270
2015	6,784	226	7,010	293
2040	7,653	1,435	9,088	4,811
Change 2015 to 2040				
Households	869	1,209	2,078	4,518
Percent	13%	535%	30%	1542%
AAGR	0.5%	7.7%	1.0%	11.8%

Source: Metro 2040 TAZ Forecast by Households, January 2016

Note: The Sherwood City Limits are the following Metro Transportation Analysis Zones (TAZs): 989 to 997.

The Brookman area is predominantly in Transportation Analysis Zone 978, with a small area in 988.

Brookman is an area that the City expects to annex for residential growth over the planning period.

Sherwood West is parts of Transportation Analysis Zones 1428, 1429, and 1432.

Sherwood's housing needs analysis must be based on a 20-year period, but Metro's forecast describes growth over a 25-year period. Table B- 7 shows an extrapolation of Metro's forecast for the 2019 to 2039 period. ECONorthwest extrapolated Metro's forecast to 2018 based on the number of households in 2015 and the growth rate in the forecast between 2015 and 2040. We assumed that little to no growth happened in Sherwood West between 2015 and 2018, an

assumption that is supported by the relative lack of building permit activity in these areas.

Table B- 7 shows that the Sherwood planning area will add 1,729 new households between 2019 and 2039, with 700 new households inside the existing city limits and 1,029 new households in outside the current city limits in the Brookman Area.

Table B- 7. Extrapolated Metro forecast for housing growth, Sherwood planning area, 2019 to 2039

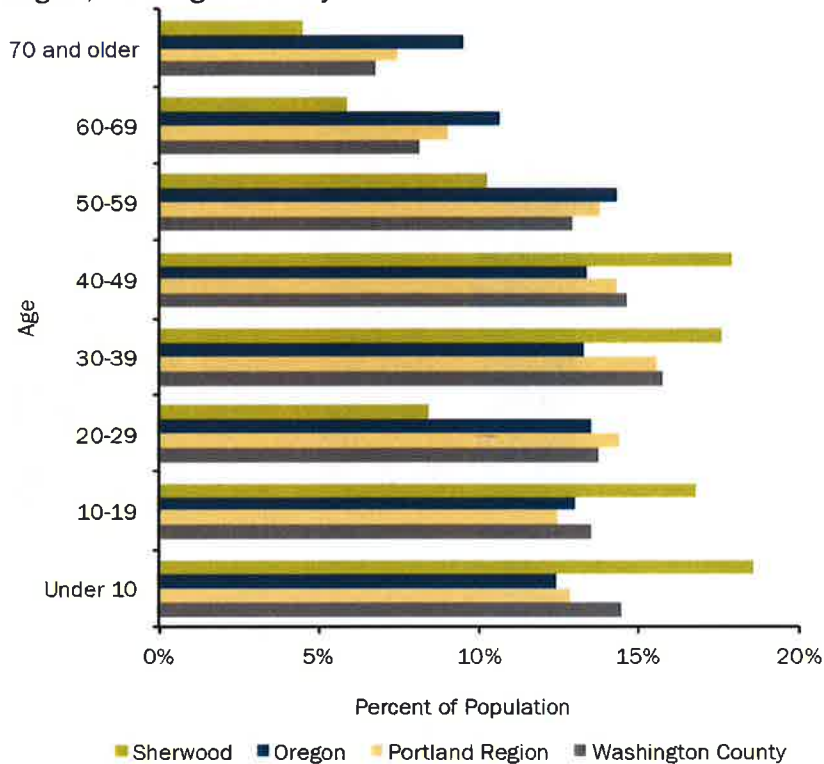
Year	Households			Sherwood West (50-Year Forecast)
	Sherwood City Limits	Brookman Area	Sherwood Planning Area	
2019	6,916	304	7,220	293
2039	7,616	1,333	8,949	4,630
Change 2019 to 2039				
Households	700	1,029	1,729	4,337
Percent	10%	338%	24%	1480%
AAGR	0.5%	7.7%	1.1%	14.8%

Source: Metro 2040 TAZ Forecast by Households, January 2016

Aging population

In 2010, the median age in Sherwood was 34.3 years old, compared to the median of 35.3 in Washington County, and the State median of 38.4. Figure B- 7 shows the populations of Oregon, the Portland Region, Washington County, and Sherwood by age in 2010.

Figure B- 7. Population Distribution by Age for Oregon, Sherwood, Oregon, Portland Region, Washington County



Source: U.S. Census 2010, Profile of General Population and Housing Characteristics

Table B- 8 shows population by age in Sherwood for 2000 and 2010. Over the 2000 to 2010 period, the population of people aged 45 to 64 years old grew the fastest, increasing from 1,936 to 3,917, or 102%.

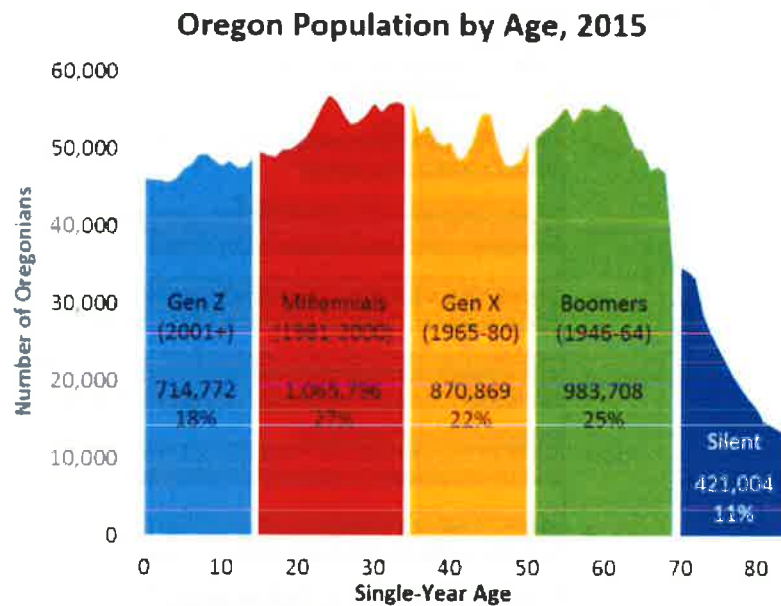
Table B- 8. Population by Age, Sherwood, 2000 and 2010

Age Group	2000		2010		Change 2000-2010		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	1,351	11%	1,518	8%	167	12%	-3%
5-17	2,383	20%	4,589	25%	2,206	93%	5%
18-24	644	5%	939	5%	295	46%	0%
25-44	4,854	41%	5,991	33%	1,137	23%	-8%
45-64	1,936	16%	3,917	22%	1,981	102%	5%
65 and over	623	5%	1,240	7%	617	99%	2%
Total	11,791	100%	18,194	100%	6,403	54%	0%

Source: U.S. Census 2000 Table P12, U.S. Census 2010 Table P12

Figure B- 8 shows the population distribution by generation and age in Oregon in 2015. The largest groups are the Millennials (27% of Oregon's population) and the Baby Boomers (25% of Oregon's population). By 2035, the end of the planning period for this analysis, Millennials will be between 35 and 54 years old. Baby Boomers will be 71 to 89 years old.

Figure B- 8. Population Distribution by Generation and Age, Oregon, 2015



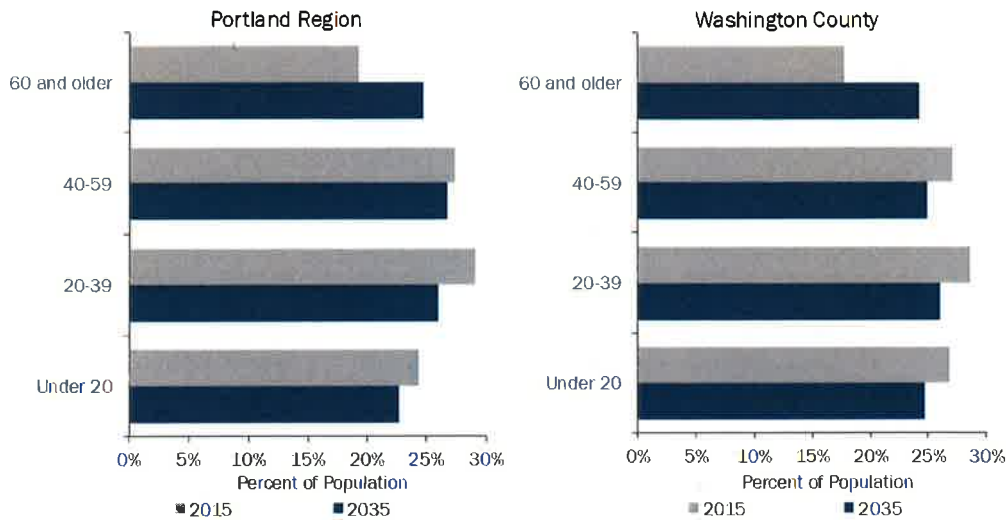
Source: Oregon Office of Economic Analysis

Source: Oregon Office of Economic Analysis, "Population, Demographics, and Generations" by Josh Jehner, February 5, 2015.

<http://oregoneconomicanalysis.com/2015/02/05/population-demographics-and-generations/>

Figure B- 9 shows the Office of Economic Analysis's (OEA) forecast of population change by age group, from 2015 to 2035, for the Portland Region. By 2035, people 60 years and older will account for 24% of the population in Washington County (up from 18% in 2015). The percent of total population in each age group younger than 60 years old will decrease. The age distribution in the Portland Region will change in a similar pattern.

Figure B- 9. Current and projected population by age, Portland Region and Washington County, 2015 and 2035



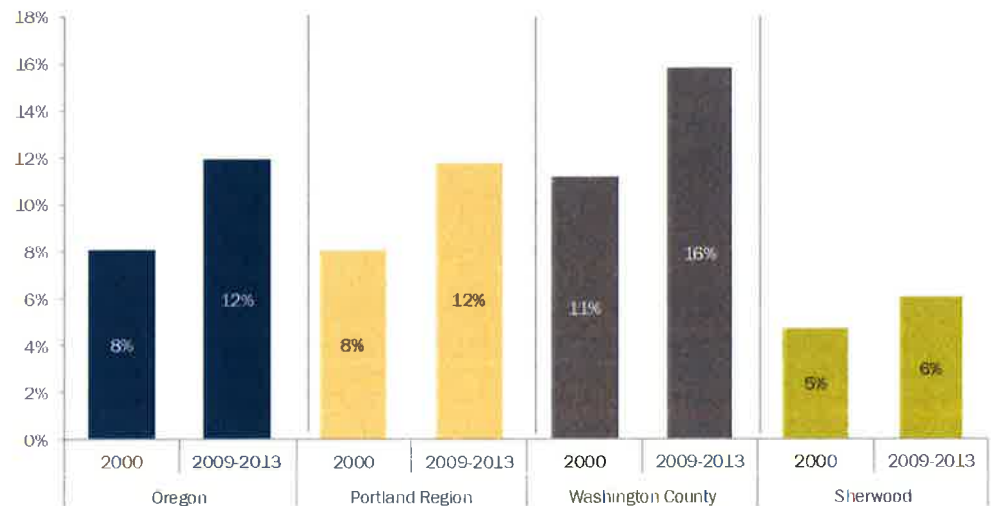
Source: Oregon Office of Economic Analysis.

http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls

Increased ethnic diversity

Figure B-10 shows the percentage of the total population that is of Hispanic or Latino origin for Oregon, the Portland Region, and Sherwood, in 2000 and 2009-2013. Between 2000 and 2009-2013, Hispanic or Latino population increased from 5% of the population to 6% of the population, adding 550 additional Hispanic or Latino residents. Sherwood has a smaller percentage of Hispanic or Latino population than the county or regional average.

Figure B- 10 Hispanic or Latino population by percentage, Oregon, the Portland Region, Washington County, Sherwood, in 2000 and 2009-2013



Source: U.S. Census 2000 SF1 Table P008, American Community Survey 2009-2013 Table B03003.

Household size and composition***Household size***

Table B- 9 shows average household sizes in Oregon, the Portland Region, Washington County, and Sherwood in 2000 and the 2009-2013 period.

Table B- 9. Average household size, Oregon, Portland Region, Washington County, and Sherwood, 2000 to 2009-2013.

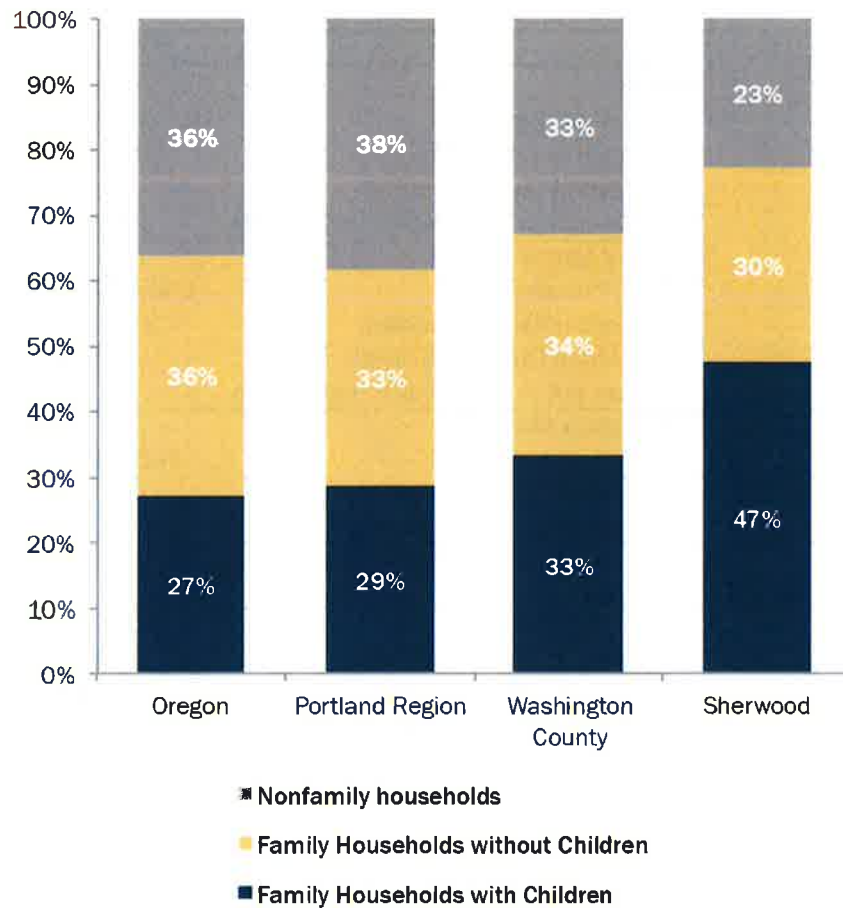
	Oregon	Portland Region	Washington County	Sherwood
2000				
Average household size	2.51	2.53	2.61	2.77
Owner-occupied units	2.59	2.67	2.75	2.85
Renter-occupied units	2.36	2.30	2.39	2.47
2009-2013				
Average household size	2.49	2.54	2.64	2.89
Owner-occupied units	2.55	2.64	2.72	3.00
Renter-occupied units	2.41	2.37	2.53	2.57
Change 2000 to 2009-2013				
Average household size	-0.02	0.00	0.03	0.12
Owner-occupied units	-0.04	-0.02	-0.03	0.15
Renter-occupied units	0.05	0.07	0.14	0.10

Source: U.S. Census 2000 SF1 H012, American Community Survey 2009-2013 Table B25010.

Household composition

Figure B- 11 shows household composition in Oregon, the Portland Region, Washington County, and Sherwood in 2009-2013. A larger share of Sherwood's housing composition is family household with children (47%) compared to that of Washington County (33%), the Portland Region (29%), and Oregon (27%).

Figure B- 11. Household composition, Oregon, Portland Region, Washington County, and Sherwood, 2009-2013.



Source: American Community Survey 2009-2013 Tables DP02.

Group Quarters

Table B- 10 shows the population living in group quarters in Oregon, the Portland Region, Washington County, and Sherwood in 2000 and 2010. Only seven out of 18,194 Sherwood residents lived in group quarters in 2010, less than 0.0%. In contrast, 2.3% of Oregon's population and 1.8% of the Portland region's population lives in group quarters.

Table B- 10. Persons in group quarters, Oregon, Portland Region, Washington County, and Sherwood, 2000 to 2010.

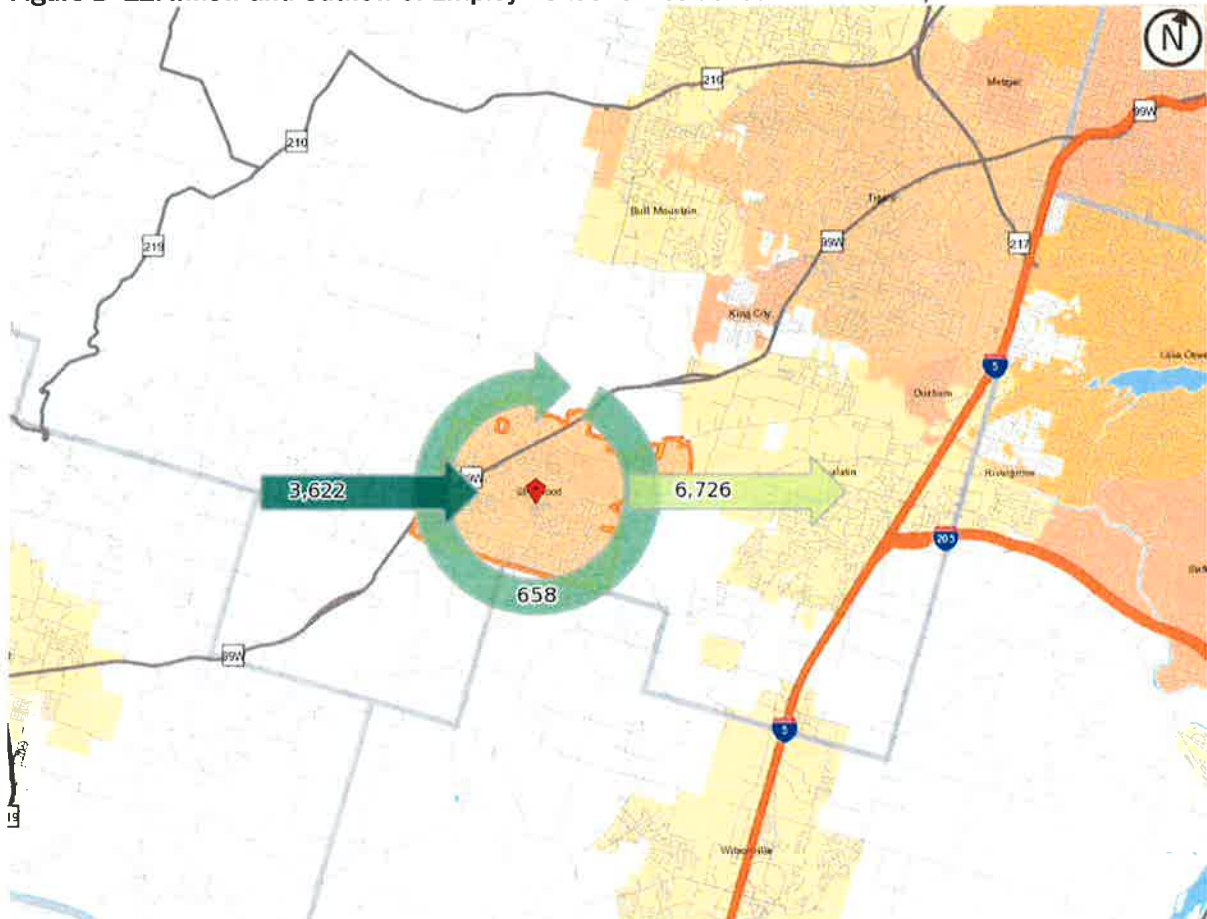
	2000	2010
Oregon		
Total Population	3,421,399	3,831,074
Persons in Group Quarters	77,491	86,642
Percent in Group Quarters	2.3%	2.3%
Percent in correctional institutions	0.6%	0.6%
Portland Region		
Total Population	1,444,219	1,641,036
Persons in Group Quarters	23,667	29,124
Percent in Group Quarters	1.6%	1.8%
Percent in correctional institutions	0.0%	0.0%
Washington County		
Total Population	445,342	529,710
Persons in Group Quarters	4,101	6,788
Percent in Group Quarters	0.9%	1.3%
Percent in correctional institutions	0.1%	0.4%
Sherwood		
Total Population	11,791	18,194
Persons in Group Quarters	19	7
Percent in Group Quarters	0.2%	0.0%
Percent in correctional institutions	0.0%	0.0%

Source: U.S. Census 2000 SF1 Tables P1 and P37, U.S. Census 2010 SF1 Tables P1 and P42

Commuting trends

Commuting within the Portland region is common, with small cities like Sherwood seeing the vast majority of workers commute out of the city for work and the majority of people working in the city commuting in from other parts of the region. Figure B- 12 shows this pattern in Sherwood, with the majority of people living in Sherwood commuting out for work and the majority of people working in Sherwood commuting into the city for work.

Figure B- 12. Inflow and Outflow of Employment and Residence in Sherwood, 2011



Source: U.S. Census Bureau: LED on the Map, <http://lehdmap3.did.census.gov/themap3/>

The U.S. Census bases this data on Unemployment Insurance earnings data and the Quarterly Census of Employment and Wages (QCEW) data, combined with administrative data, additional administrative data and data from censuses and surveys. From these data, the program creates statistics on employment, earnings, and job flows at detailed levels of geography and industry and for different demographic groups.

Table B- 11 shows the places where Sherwood residents were employed in 2011. More than 90% of Sherwood residents worked outside of the city.

Table B- 11. Places that residents of Sherwood were employed in, 2011.

Location	Number	Percent
Counties		
Washington	3,616	49%
Multnomah	1,803	24%
Clackamas	1,147	16%
Yamhill	338	5%
Maion	330	4%
Clark	71	1%
Polk	13	0%
Columbia	12	0%
All other counties	54	1%
Cities		
Portland	1,686	23%
Tigard	660	9%
Sherwood	658	9%
Beaverton	575	8%
Tualatin	575	8%
All other cities	3,230	44%
Total	7,384	100%

Source: U.S. Census Bureau: LED on the Map,
<http://lehdm33.did.census.gov/themap3/>.

Table B- 12 shows where employees of firms located Sherwood lived in 2011. More than 80% of people who worked in Sherwood commuted from outside the city.

Table B- 12. Places where workers in Sherwood lived in 2011

Location	Number	Percent
Counties		
Washington	2,013	47%
Clackamas	602	14%
Multnomah	467	11%
Yamhill	460	11%
Marion	224	5%
Clark	76	2%
Linn	52	1%
Lane	46	1%
Polk	44	1%
All other counties	296	7%
Cities		
Sherwood	658	15%
Portland	371	9%
Tigard	233	5%
Beaverton	224	5%
Newberg	207	5%
All other cities	2,587	60%
Total	4,280	100%

Source: U.S. Census Bureau: LED on the Map,
<http://lehdm33.did.census.gov/themap3/>.

MANUFACTURED HOMES

Manufactured homes are and will be an important source of affordable housing in Sherwood. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner rather than the manufactured homeowner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate a manufactured home to escape rent increases. Living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

Sherwood had 258 manufactured homes in 2000 and 155 manufactured homes in the 2009-2013 period, a decrease of 103 dwellings. According to Census data, roughly 83% of the manufactured homes in Sherwood were owner-occupied in the 2009-2013 period.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development. Table B- 13 presents the inventory of mobile and manufactured home parks within Sherwood in 2014. The results show that Sherwood had 3 manufactured home parks with 172 spaces..

Name	Location	Park Type	Total Spaces	Vacant Spaces
Carriagae Park Estates	23077 SW Main St.	Family	58	0
Orland Villa	22200 SW Orland Street	Family	24	0
Smith Farm Estates	17197-17180 SW Smith Ave.	Family	90	0
Total			172	0

Source: Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCR Parks/ParkDirQuery.jsp>.

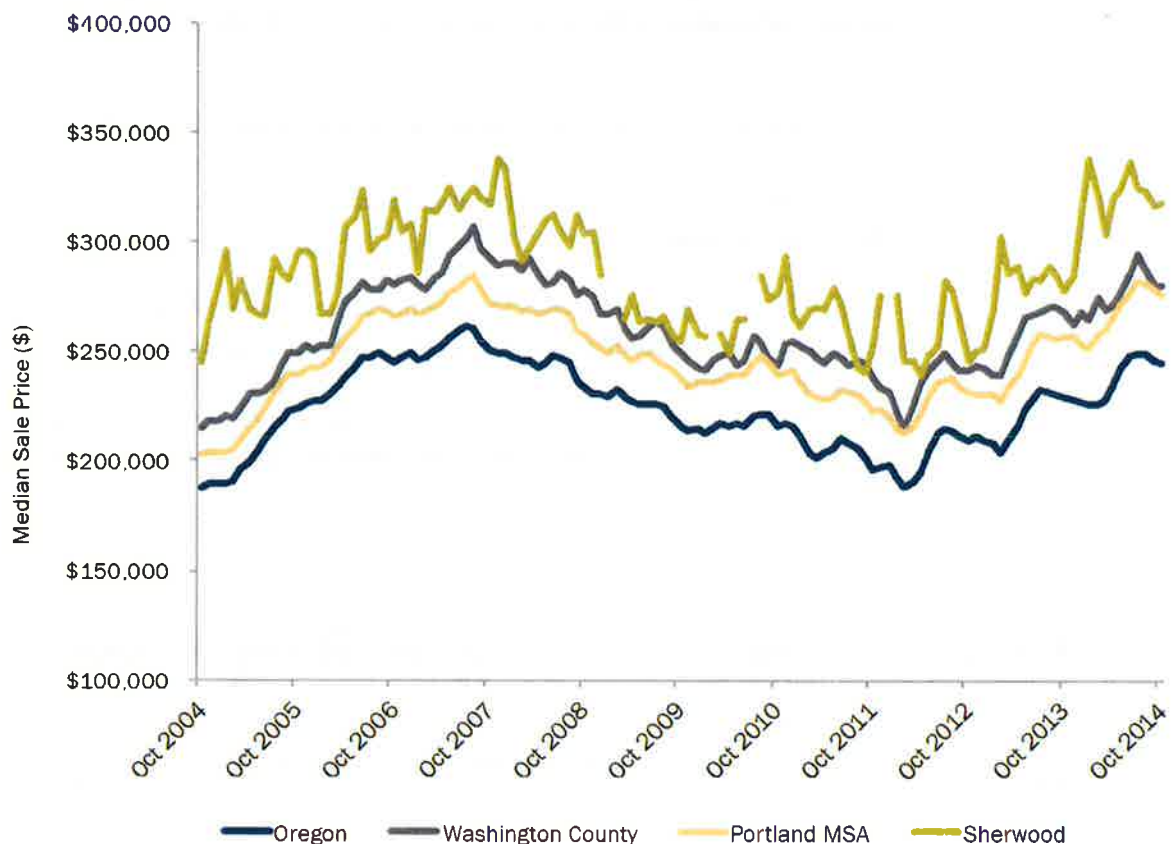
Changes in housing cost

According to Zillow, the median sales price of a home in Sherwood increased by about 30% between 2004 and 2014. Housing prices rose steeply prior to 2007, reaching a high of roughly \$338,000, before the housing bubble and recession led to a period of declining housing prices. Housing prices in Sherwood, while following the same general pattern, remain higher than those observed in other parts of the region and the State as a whole.

Housing values

Figure B- 13 shows the median sales price in Oregon, the Portland MSA, Washington County, and Sherwood between 2004-2014. As of January 2015, median sales prices in Sherwood were \$331,300, higher than in Washington County (\$281,700), the Portland MSA (\$269,900), and Oregon (\$241,400).

Figure B- 13. Median Sales Price, Oregon, Portland MSA, Washington County and Sherwood, 2004-2014

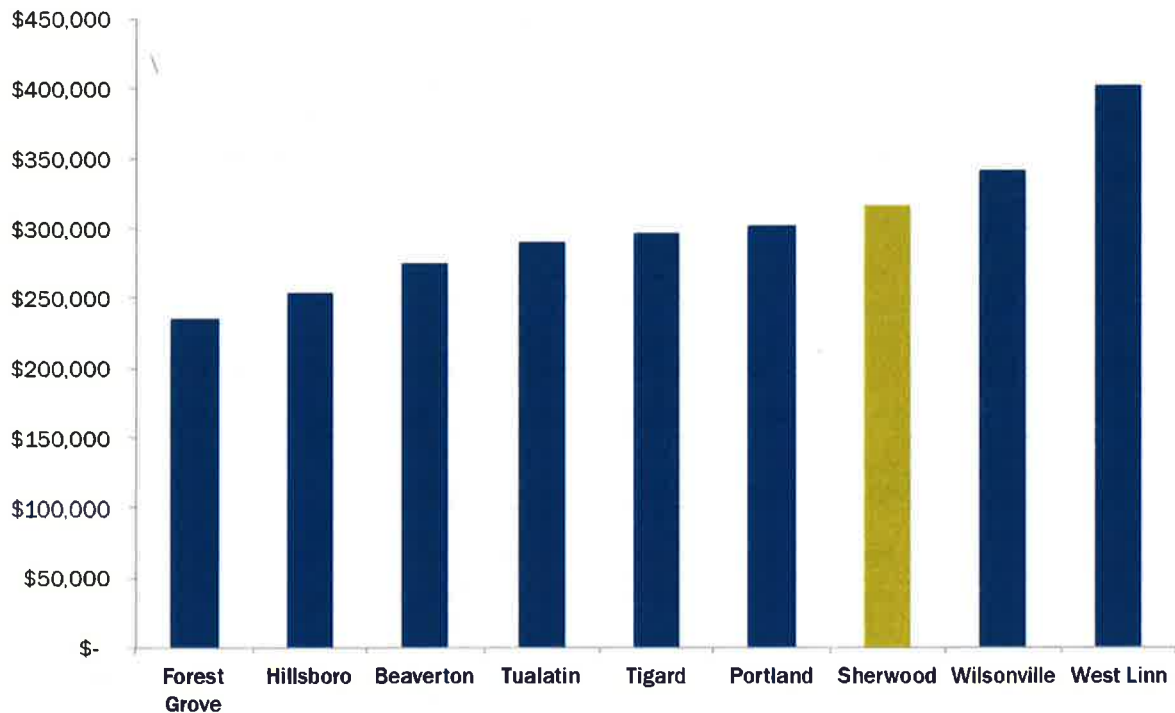


Source: Zillow Real Estate Research.

Note: Gaps in Sherwood's median sales price occur where data was not available.

Figure B- 14 shows median home sales prices for Sherwood and regional cities in January 2015. In that month, median home sale prices in Sherwood were about \$316,500, above sales prices in other Portland westside communities such as Tigard, Tualatin, and Beaverton. Median sales prices in Wilsonville and West Linn were higher than those in Sherwood.

Figure B- 14. Median Home Sales Price, Sherwood, Tualatin, Tigard, Beaverton, Hillsboro, Forest Grove, Portland, January 2015



Source: Zillow Real Estate Research.

Figure B- 15 shows median home sales price per square foot for Oregon, the Portland MSA, Washington County and Sherwood from 2004-2013. Prices per square foot rose in Sherwood from \$130 per square foot in October 2004 to \$192 in July 2007. Prices fell after 2007 and rose again starting in 2011. In October 2014, the median price per square foot in Sherwood was about \$170 dollars, comparable to the price in Washington County and the Portland Region (both about \$170) and above that of the state as a whole (\$157 per square foot).

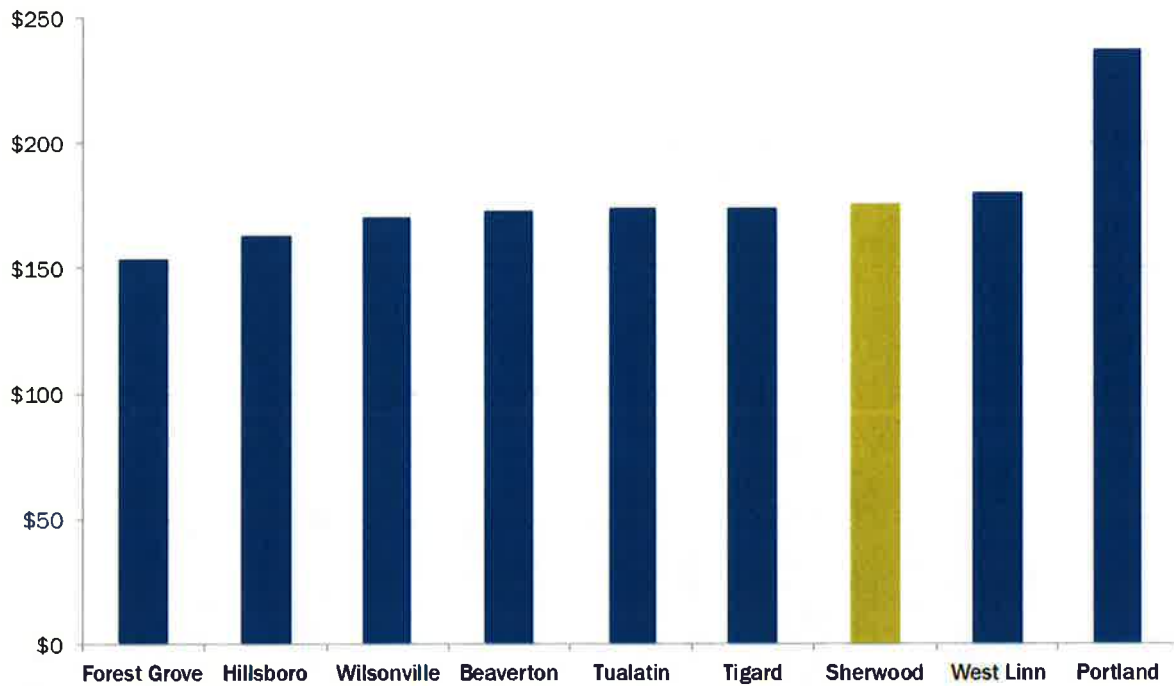
Figure B- 15. Median Sales Price per Square Foot, Oregon, Portland MSA, Washington County and Sherwood, 2004-2014



Source: Zillow Real Estate Research.

Note: Gaps in Sherwood's median sales price occur where data was not available.

Figure B- 16 shows median home sales price per square foot for Sherwood and regional cities in January 2015. Of the cities sampled, Sherwood had the third-highest price per square foot, at \$176 per square foot. Prices per square foot in West Linn and Portland were higher, at \$180 and \$237 respectively. While Sherwood's prices were the third highest, they compared very closely to other cities such as Tigard (\$174), Tualatin (\$174), Beaverton (\$173), and Wilsonville (\$171).

Figure B- 16. Median Sales Price Per Square Foot, Forest Grove, Hillsboro, Wilsonville, Beaverton, Tualatin, Tigard, Sherwood, West Linn, and Portland, January 2015.

Source: Zillow Real Estate Research.

Housing rental costs

Table B- 14 shows the median contract rent in Oregon, Multnomah, Washington, and Clackamas counties, and Sherwood, in 2000 and 2009-2013. The median contract in Sherwood in 2009-2013 was \$212 above the median in Washington County.

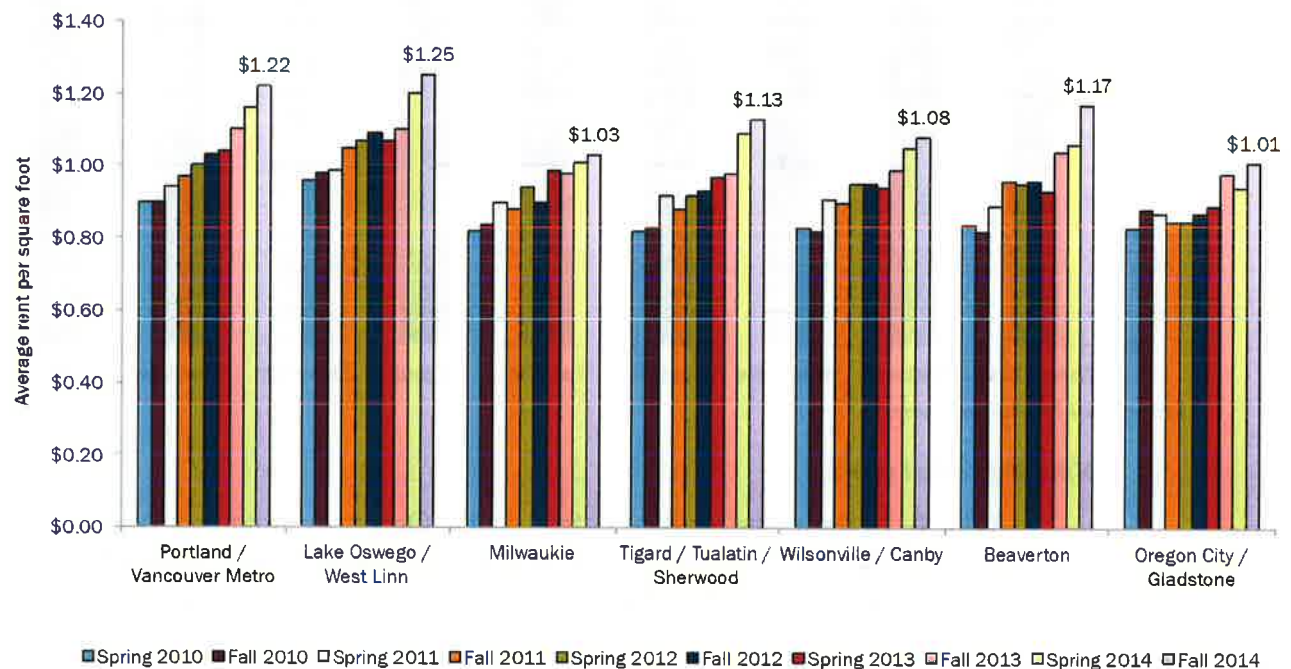
Table B- 13. Median contract rent, inflation-adjusted dollars, Oregon, Multnomah Washington, and Clackamas Counties, and Sherwood, 2000 to 2009-2013

Location	Rent		Change 2000 to 2009-2013	
	2000	2009-2013	Amount	Percent
Oregon	\$741	\$749	\$8	1%
Multnomah County	\$771	\$799	\$28	4%
Washington County	\$878	\$852	-\$26	-3%
Clackamas County	\$853	\$858	\$5	1%
Sherwood	\$880	\$1,064	\$184	21%

Source: U.S. Census 2000 SF3 Table H56, American Community Survey 2012 Table B25058
Note: All data reported in 2013 dollars; 2000 figures were updated using Consumer Price Index.

Figure B- 17 shows average rent per square foot for apartments in the Portland/Vancouver Metro region and selected submarkets, according to Multifamily NW data between 2010 and 2014. Average rent in the Tigard/Tualatin/Sherwood area submarket was \$1.13 per square foot in Fall 2014, lower than the regional average of \$1.22 per square foot. Between Spring 2010 and Spring 2013, average rent in Tigard/Tualatin/Sherwood area increased by 38%, consistent with the regional increase of 36%.

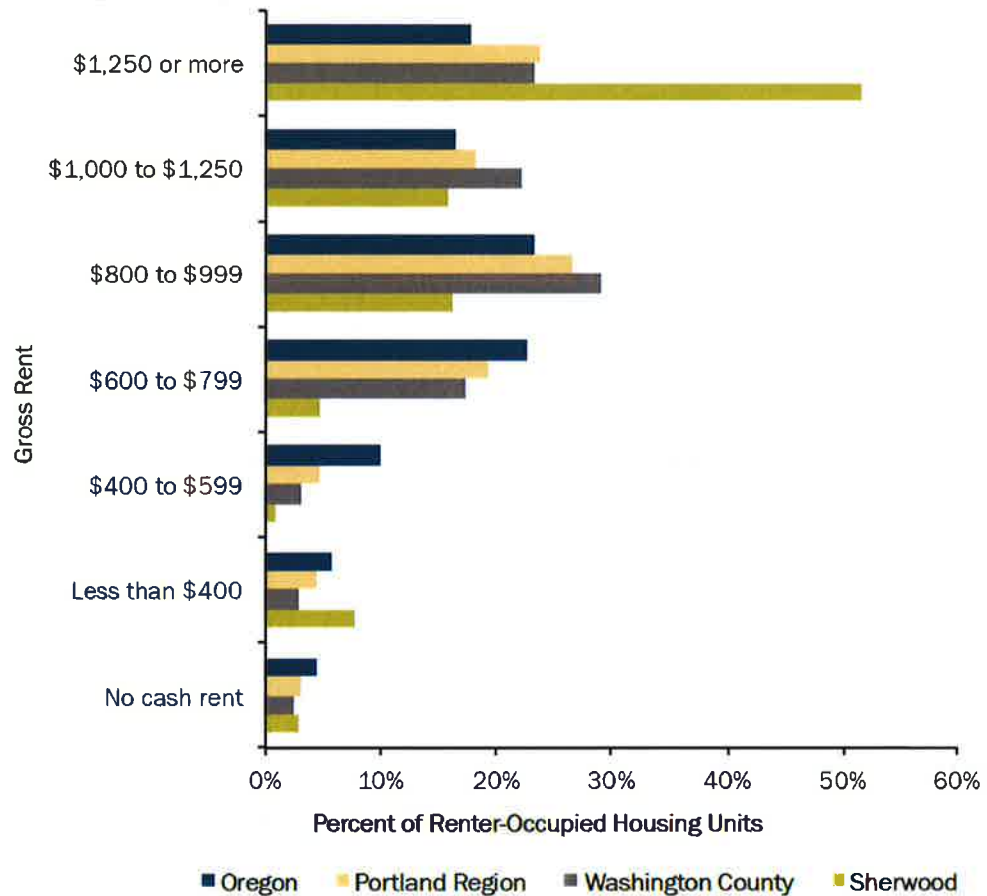
Figure B- 17. Average rent per square foot, Portland/Vancouver Metro and selected submarkets, 2010-2014



Source: Multifamily NW Apartment Reports, Spring 2010 through Fall 2014.
Note: The average rent price shown on the graph is for Fall 2014

Figure B- 18 shows a comparison of gross rent for renter-occupied housing units in Oregon, the Portland Region, Washington County, and Sherwood in 2009-2013.⁴⁹

Figure B- 18. Gross rent, renter occupied housing units, Oregon, Portland Region, Washington County, and Sherwood, 2009-2013.



Source: American Community Survey 2009-2013 Table B25063.

⁴⁹ The U.S. Census defines gross rent as: "the amount of 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 for by the renter (or paid for the renter by someone else)."

INCOME AND AFFORDABILITY OF HOUSING

This section summarizes regional and local income and housing cost trends. Income is a key determinant in housing choice and a households' ability to afford housing. A review of historical income and housing price trends provides insight into the local and regional housing markets.

The median household income in Sherwood was higher than in nearby counties and the state as a whole in the 2009-2013 period. Median household income in Sherwood was about \$78,400, compared to \$64,200 in Washington County, \$64,400 in Clackamas County, and \$52,500 in Multnomah County. Statewide, the median income was about \$50,300.

Figure B- 19 shows the distribution of household income in Oregon, the Portland Region, and Sherwood in the 2009-2013 period. Sherwood had the highest share of households earning over \$100,000 and the lowest share of households earning less than \$25,000.

Figure B- 19. Household Income, Oregon, Portland Region, Washington County, and Sherwood, 2009-2013.



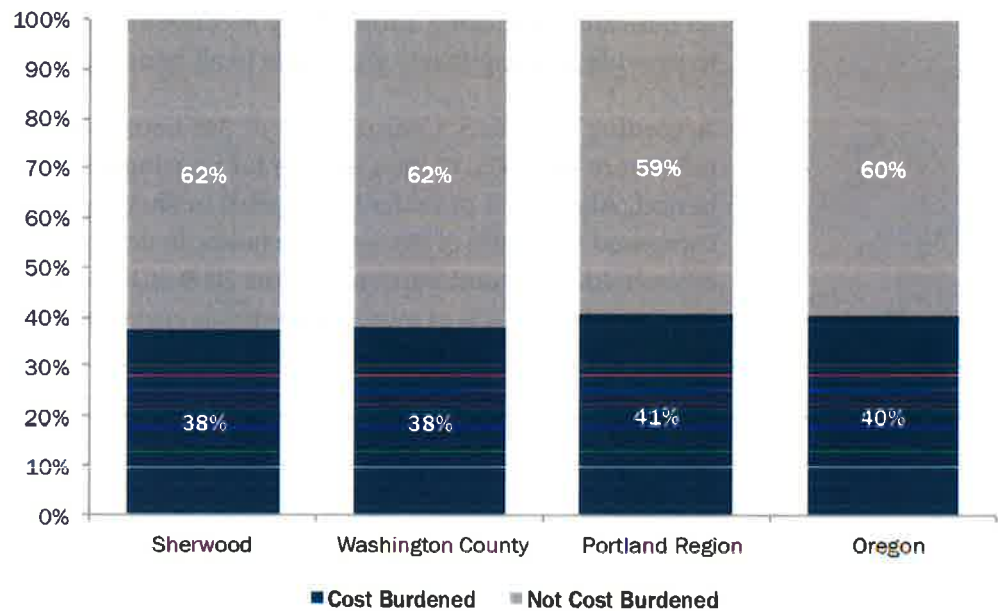
A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance.⁵⁰ HUD guidelines indicate that households paying more than 30% of their income on housing experience “cost burden,” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burden as an indicator of housing affordability is consistent with the Goal 10 requirement to provide housing that is affordable to all households in a community.

According to the U.S. Census, nearly 2,345 households in Sherwood—or 38%—paid more than 30% of their income for housing expenses in the 2009-2013 period. About 44% of renter households in Sherwood were cost burdened, compared with 35% of owner households. In comparison, 40% of Oregon’s households were cost burdened in the 2009-2013 period, with 54% of renter households and 32% of owner households cost burdened.

⁵⁰ Cost burden for renters accounts for the following housing costs: monthly rent, utilities (electricity, gas, and water and sewer), and fuels (wood, oil, etc.). Cost burden for homeowners accounts for the following housing costs: mortgage payments, real estate taxes, insurance, mobile home costs, condominium fees, utilities, and fuels.

Figure B- 20 shows the percentage of the population experiencing housing cost burdens in Oregon, the Portland Region, Washington County, and Sherwood in 2009-2013.

Figure B- 20. Housing cost burden, Oregon, Portland Region, Washington County and Sherwood, 2009-2013.

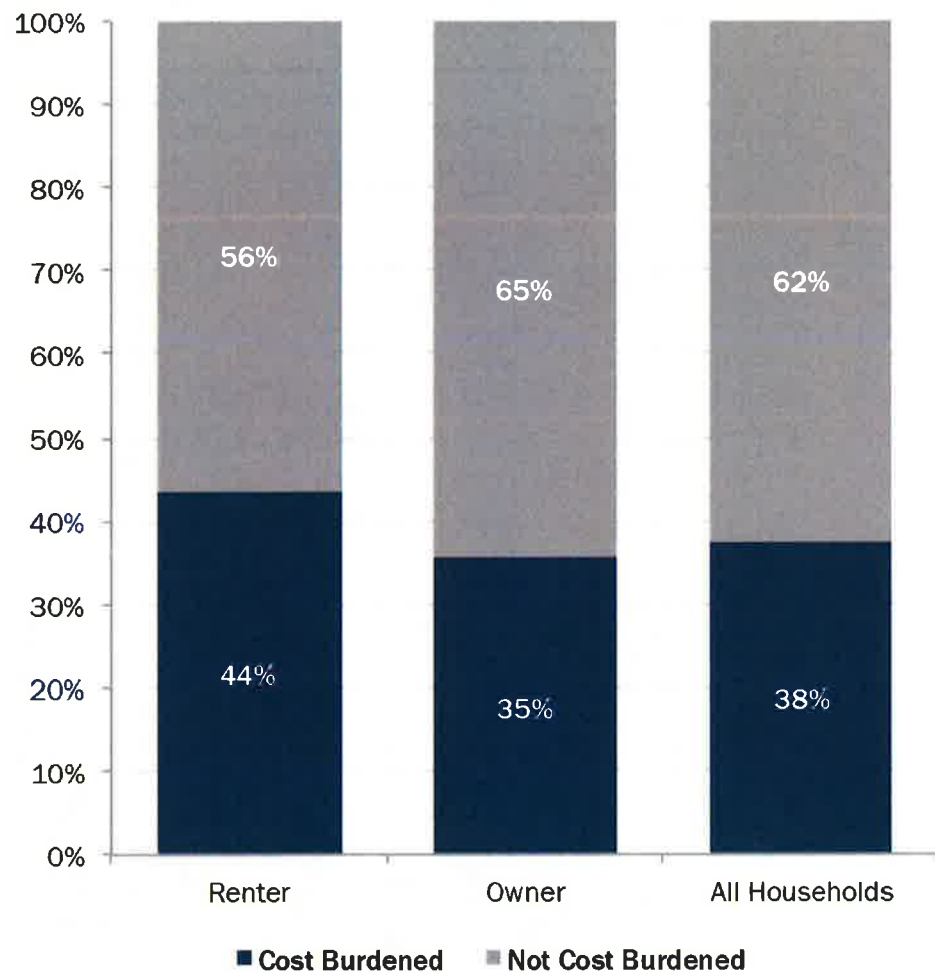


Source: American Community Survey 2009-2013 Tables B25070 and B25091.

Note: Households which the Census classifies as "Not computed" were excluded from the above calculations.

Figure B- 21 shows housing cost burden, by tenure, for Sherwood households in 2009-2013. Forty-four percent of Sherwood's renter households are cost burdened, compared to 49% of renter households in Washington County. Thirty-five percent of owner households are cost burdened, compared to 31% of owner households in Washington County.

Figure B- 21. Housing cost burden by tenure, Sherwood, 2009-2013.



Source: American Community Survey 2009-2013 Tables B25070 and B25091.

Another way to measure cost burden is to consider the costs of housing combined with the costs of transportation. In the *Draft 2014 Urban Growth Report*, Metro considered this perspective on cost burden. Metro considered a household that spends 45% or more of its income on transportation and housing as cost burdened.

According to data from the Location Affordability Portal, from HUD and the U.S. Department of Transportation, the average household in Sherwood spends 54% of its income on housing costs and transportation costs. Figure B- 22 and Figure

B- 23 show the percentage of income spent on housing and transportation costs in Sherwood and the southwestern part of the Portland region. In comparison to cities such as Tualatin, Wilsonville, and Tigard, households in Sherwood pay a slightly larger percentage of their income on housing and transportation costs. On average, households in these cities pay 50% to 52% of their income on housing and transportation costs.

Figure B- 22. Housing and transportation costs as a percentage of median family income, Sherwood, 2014

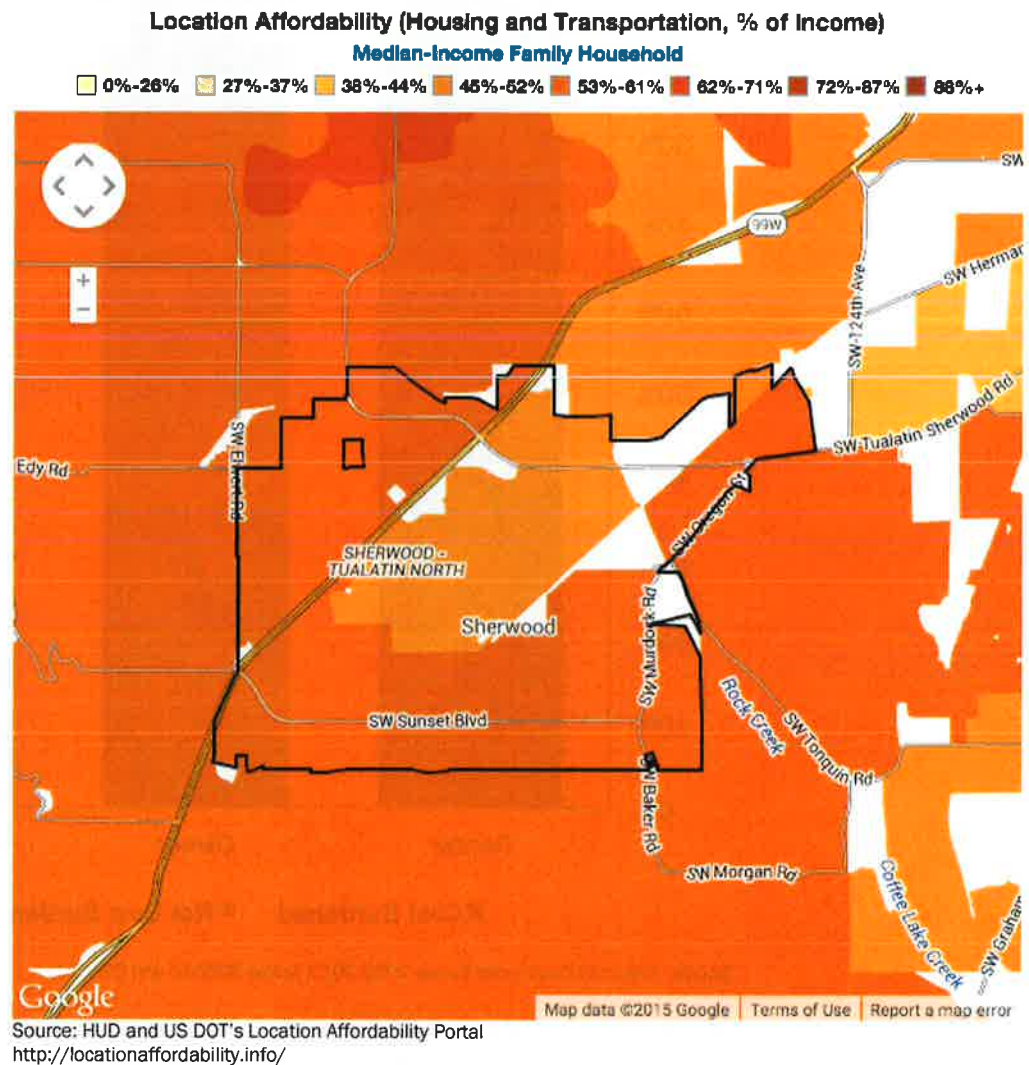
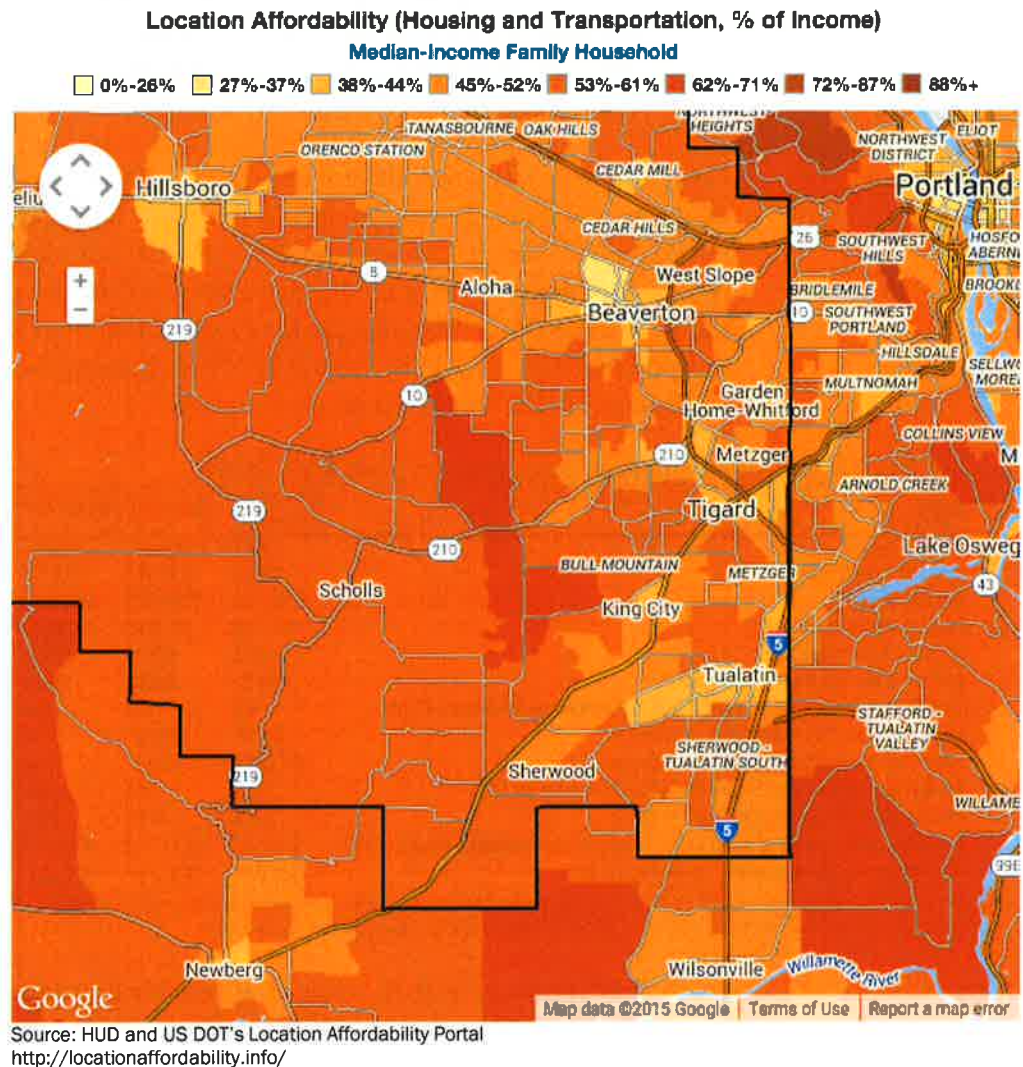


Figure B- 23. Housing and transportation costs as a percentage of median family income, southwestern Portland region, 2014



While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher income may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of accumulated

wealth on a household's ability to pay for housing. For example, a household with retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

Cost burden is only one indicator of housing affordability. Another way of exploring the issue of financial need is to review wage rates and housing affordability. Table B- 15 shows an illustration of affordable housing wage and rent gap for households in the Portland MSA at different percentages of median family income (MFI). The data are for a typical family of four. The results indicate that a household must earn \$17.73 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

Table B- 14. Affordable Housing Wage Gap, Portland MSA, 2014

Value	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2,080	2,080	2,080	2,080	2,080	2,080
Derived Hourly Wage	\$9.10	\$10.01	\$16.68	\$26.69	\$33.37	\$40.04
Annual Wage	\$18,928	\$20,820	\$34,700	\$55,520	\$69,400	\$83,280
Annual Affordable Rent	\$5,678	\$6,246	\$10,410	\$16,656	\$20,820	\$24,984
Monthly Affordable Rent	\$473	\$521	\$868	\$1,388	\$1,735	\$2,082
HUD Fair Market Rent (2 Bedroom)	\$922	\$922	\$922	\$922	\$922	\$922
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	Yes	Yes	No	No	No
Rent Paid Monthly OVER 30% of Income	\$449	\$402	na	na	na	na
Rent Paid Annually OVER 30% of Income	\$5,386	\$4,818	na	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	28%	23%	na	na	na	na
Percentage of Income Spent on Housing	58%	53%	32%	20%	16%	13%
For this area what would the "Affordable Housing Wage" be?	\$17.73	\$17.73	\$17.73	\$17.73	\$17.73	\$17.73
The Affordable Housing Wage Gap IS:	\$8.63	\$7.72	\$1.05	na	na	na

Source: FMR comes from HUD's FY 2014 Two-Bedroom FMR for Portland-Vancouver-Hillsboro MSA. Minimum wage from Oregon's Bureau of Labor and Industries. MFI from HUD's FY 2014 MFI for Portland- Vancouver -Hillsboro MSA.

Table B- 16 shows a rough estimate of affordable housing cost and units by income levels for Sherwood in 2014 based on Census data about household income, the value of owner-occupied housing in Sherwood, and rental costs in Sherwood. Several points should be kept in mind when interpreting this data:

- Affordable monthly housing costs and estimate of affordable purchase prices are based on HUD income standards and assume that a household will not spend more than 30% of household income on housing costs. Some households pay more than 30% of household income on housing costs, generally because they are unable to find more affordable housing or because wealthier households are able to pay a larger share of income for housing costs.
- HUD's affordability guidelines for Fair Market Rent are based on median family income and provide a rough estimate of financial need. These guidelines may mask other barriers to affordable housing such as move-in costs, competition for housing from higher-income households, and availability of suitable units. They also ignore other important

factors such as accumulated assets, purchasing housing as an investment, and the effect of down payments and interest rates on housing affordability.

- Households compete for housing in the marketplace. In other words, affordable housing units are not necessarily *available* to low-income households. For example, if an area has a total of 50 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table B- 16 indicate that in 2014:

- About 20% of households in Sherwood could not afford a two-bedroom apartment at HUD's fair market rent level of \$922.
- A household earning median family income (\$69,400) could afford a home valued up to about \$173,500.
- Sherwood has a deficit of about 660 dwellings to households earning less than \$35,000 (or 50% of the Portland metropolitan area's median family income).

Table B- 15. Rough estimates of housing affordability, Sherwood, 2009-2013

Income Level	Number of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Est. Number of Owner Units	Est. Number of Renter Units	Surplus (Deficit)	HUD Fair Market Rent (FMR) in 2014
Less than \$10,000	186	3%	\$0 to \$250	\$0 to \$25,000	44	60	(82)	
\$10,000 to \$14,999	280	4%	\$250 to \$375	\$25,000 to \$37,000	40	69	(171)	
\$15,000 to \$24,999	364	6%	\$375 to \$625	\$37,500 to \$62,500	35	36	(293)	
								Studio: \$666
\$25,000 to \$34,999	298	5%	\$625 to \$875	\$62,500 to \$87,500	71	111	(118)	1 bdrm: \$774
\$35,000 to \$49,999	618	10%	\$875 to \$1,250	\$87,500 to \$125,000	77	510	(31)	2 bdrm: \$922
								3 bdrm: \$1,359
\$50,000 to \$74,999	1,333	21%	\$1,250 to \$1,875	\$125,000 to \$187,500	360	678	(295)	4 bdrm: \$1,633
Portland MSA 2014 MFI: \$69,400			\$1,735	\$173,500				
\$75,000 to \$99,999	922	14%	\$1,875 to \$2,450	\$187,500 to \$245,000	748	172	(2)	
\$100,000 to \$149,999	1,543	24%	\$2,450 to \$3,750	\$245,000 to \$375,000	2,172	23	652	
\$150,000 or more	838	13%	More than \$3,750	More than \$375,000	1,151	23	338	
Total	6,380	100%			4,698	1,682	0	

Source: FMR comes from HUD's FY 2014 Two-Bedroom FMR for Portland-Vancouver-Hillsboro MSA. Minimum wage from Oregon's Bureau of Labor and Industries. MFI from HUD's FY 2014 MFI for Portland-Vancouver-Hillsboro MSA; Data about the share of owner and renter households and their income in Sherwood comes from the American Community Survey, 2009-2013 Tables B25075, B25063, B19001.

Table B- 17 shows that between 2000 and 2009-2013, both median household income and housing values increased substantially, with increases in home value outpacing growth in income. Median household income increased between 2000 and the 2009-2013 period.

Housing in Sherwood has become less affordable since 2000, consistent with county and statewide trends. In 2009-2013, the median home value was 3.8 times the median household income in Sherwood, up from 2.9 in 2000.

Housing in Sherwood is relatively affordable, compared to the county and state. In 2009-2013, the median home value was 4.4 times the median household income in Washington County, with a statewide average of 4.7.

Table B- 16. Household income to home value, 2013 dollars, Oregon, Washington County, and Sherwood, 2000 and 2009-2013.

	2000	2009-2013	Change 2000 to 2013	
			Number	Percent
Oregon				
Median HH Income	\$57,282	\$50,229	-\$7,053	-12%
Median Owner Value	\$204,120	\$238,000	\$33,880	17%
Ratio of Home Value to Income	3.56	4.74	1.17	33%
Washington County				
Median HH Income	\$72,971	\$64,180	-\$8,791	-12%
Median Owner Value	\$252,560	\$282,400	\$29,840	12%
Ratio of Home Value to Income	3.46	4.40	0.94	27%
Sherwood				
Median HH Income	\$87,525	\$78,355	-\$9,170	-10%
Median Owner Value	\$254,100	\$300,300	\$46,200	18%
Ratio of Home Value to Income	2.90	3.83	0.93	32%

Source: Census 2000 SF1 P53 P77 P82 P87, SF3 H7 H63 H76, American Community Survey 2009-2013 DP03, B25003, B25064, B25077.



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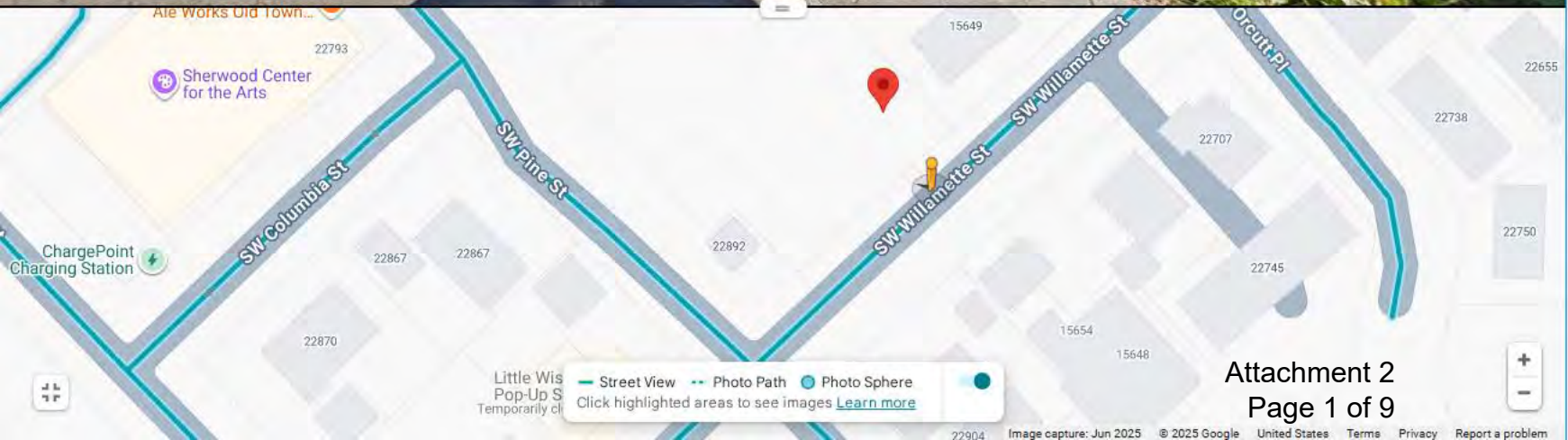


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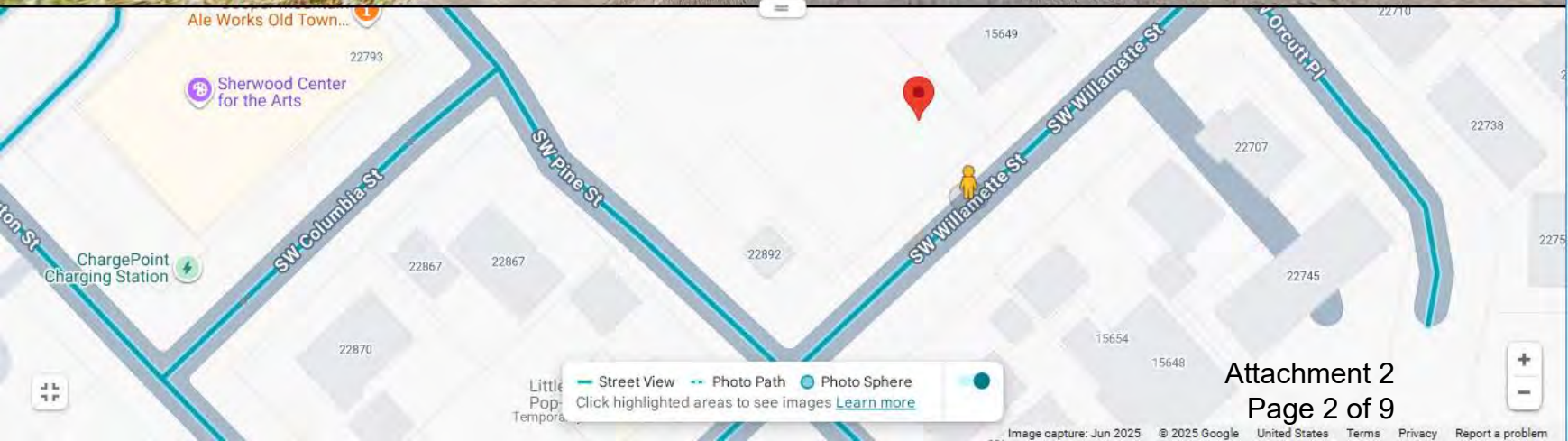


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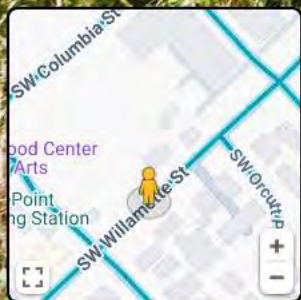


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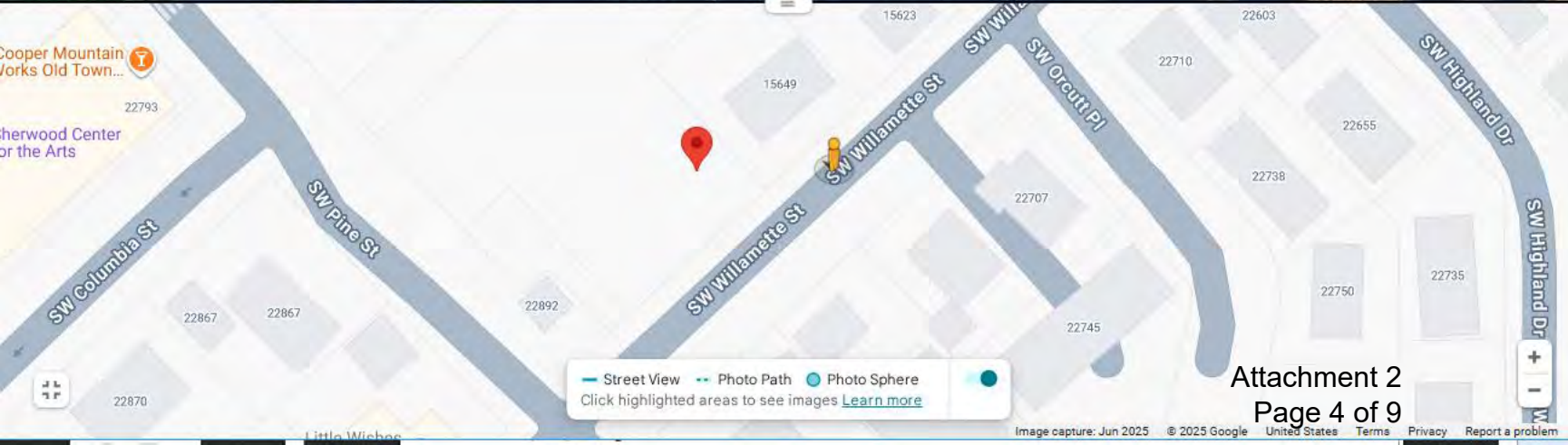
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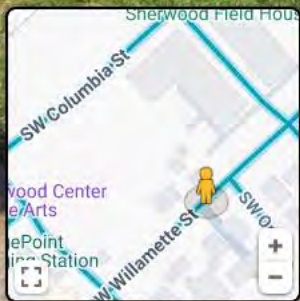
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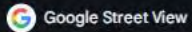
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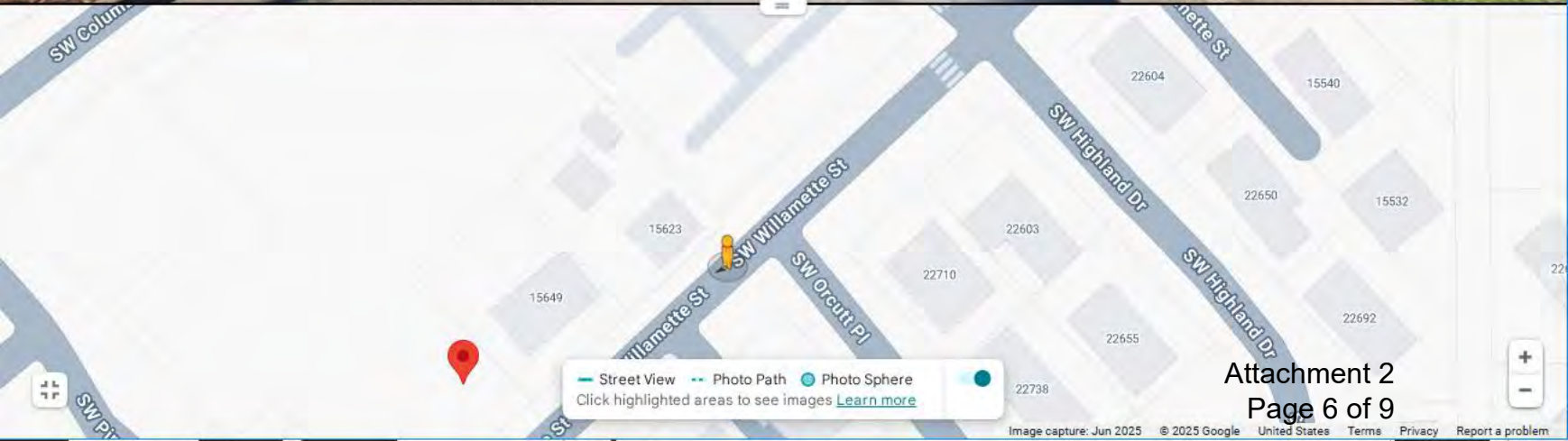
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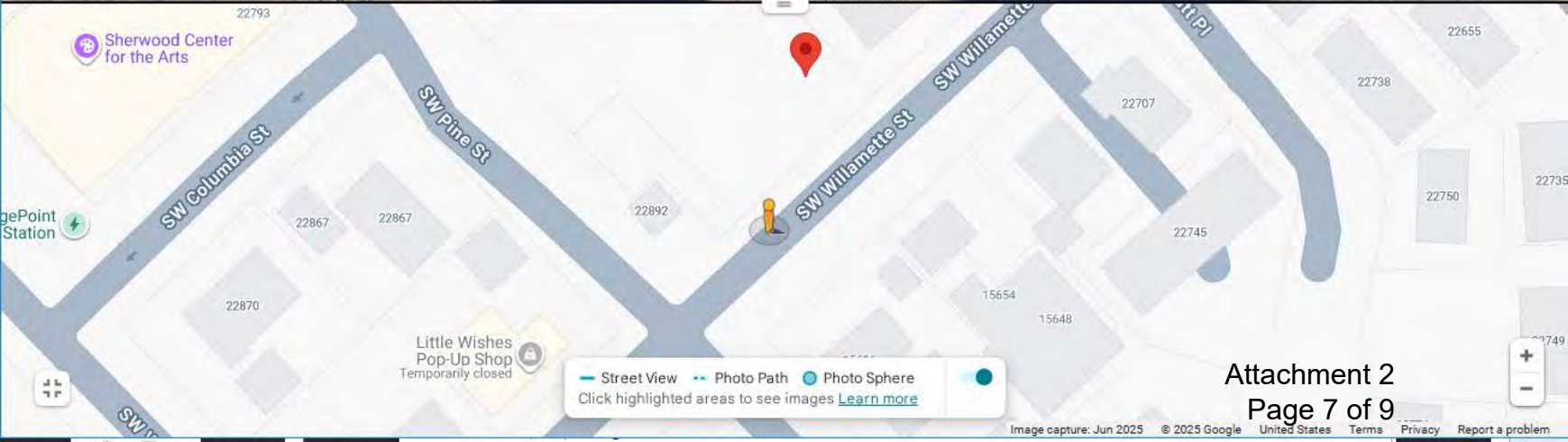


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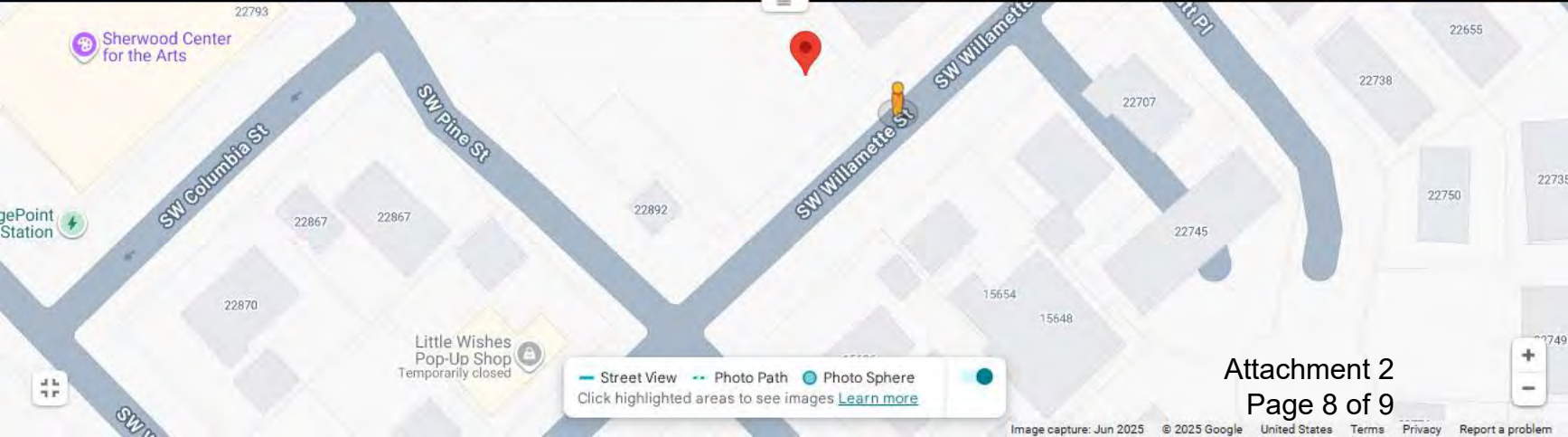


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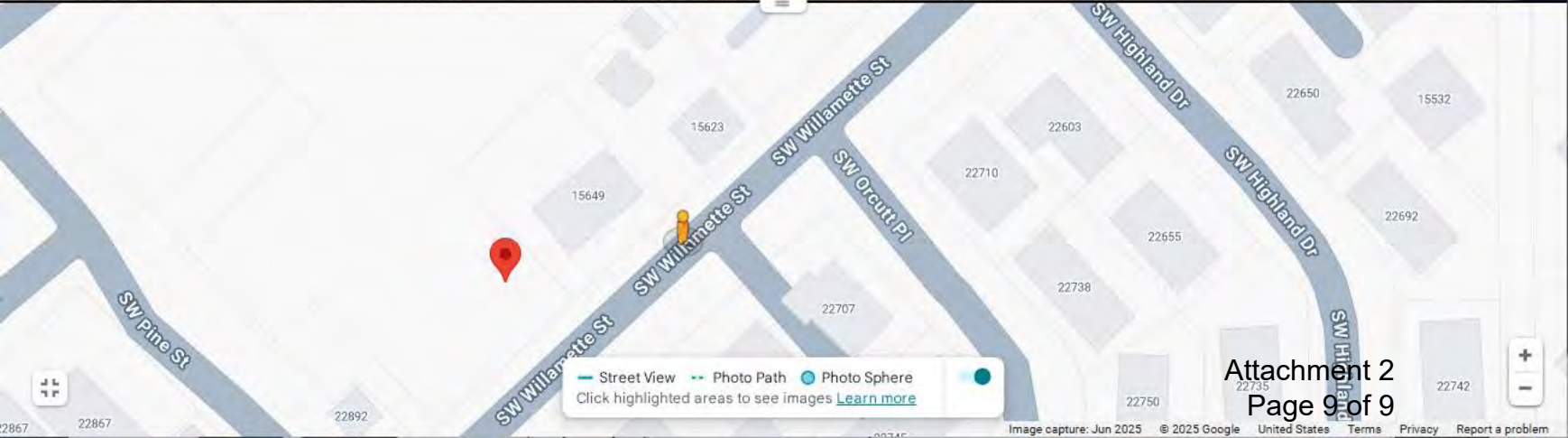


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Oregon Housing Needs Analysis Methodology

December 2024

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Common Terms & Acronyms

AMI: Area Median Income: Every year the U.S. Department of Housing and Urban Development (HUD) produces a median family income calculation/assessment to determine affordability thresholds for a given area (some geographies are HUD-specific). Affordable housing projects' income limits, rent limits, and other characteristics will be based on this income limit. This term is synonymous with Median Family Income or MFI.¹

City: This report uses the terms "City" and "city with a population of 10,000 or greater" as DLCD does, which includes, regardless of size: (a) Any city within Tillamook County and the communities of Barview/Twin Rocks/Watseco, Cloverdale, Hebo, Neahkahnie, Neskowin, Netarts, Oceanside and Pacific City/Woods; and (b) A county with respect to its jurisdiction over Metro urban unincorporated lands.

Cost Burdening / Severe Cost Burdening: The term "cost burdening" refers to households who pay more than 30% of their income on housing costs. The term "severe cost burdening" is used for households paying more than 50% of their income on housing. These terms come from HUD, and include mortgage payments and interest, or rent, utilities, and insurance.

DAS: Department of Administrative Services

DLCD: Department of Land Conservation and Development

Goal 10 (Housing): One of Oregon's 19 statewide land use planning requirements relating to planning for housing need. All local governments are required to plan for housing needs within an urban growth boundary (see term below) under Goal 10. Cities with populations larger than 10,000 people (as well as all cities and certain urban, unincorporated communities in Tillamook County) must regularly update local planning documents to comply with Goal 10.

Goal 14 (Urbanization): One of Oregon's 19 statewide land use planning requirements relating to planning for the orderly and efficient urbanization of land within an urban growth boundary (UGB - see term below). All cities and Metro are required to establish and amend urban growth boundaries to accommodate identified land needs in compliance with Goal 14.

HB: House Bill (year)

¹ A note on AMI vs MFI from HUD: "HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The metropolitan area definitions are the same ones HUD uses for Fair Market Rents (except where statute requires a different configuration). HUD calculates Income Limits as a function of the area's Median Family Income (MFI). The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. The term Area Median Income is the term used more generally in the industry. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD's MFI. However, if the term AMI is qualified in some way - generally percentages of AMI, or AMI adjusted for family size, then this is a reference to HUD's income limits, which are calculated as percentages of median incomes and include adjustments for families of different sizes." Source: HUD. 2018. "FY 2018 Income Limits Frequently Asked Questions."

<https://www.huduser.gov/portal/datasets/il/il18/FAQs-18r.pdf>

Housing Affordability: Housing is considered “affordable” to a household if it spends less than 30% of its gross (pre-tax) income on housing costs (see Cost Burdening).

HSC: Housing Stability Council: The advisory body overseeing Oregon Housing and Community Services.

HUD: U.S. Department of Housing and Urban Development

LCDC: Land Conservation and Development Commission: The governing body with policy and administrative oversight of the state land-use planning program. LCDC is supported by the Oregon Department of Land Conservation and Development.

Metro UGB: Metro Urban Growth Boundary: The Portland metropolitan area’s urban growth boundary (UGB), managed by Metro. Within the Metro UGB, cities and counties do not have individual UGBs. Since 1997, Oregon law also requires Metro to maintain a 20-year supply of land for future residential development inside the Metro UGB. See also: UGB.

OEA: Oregon Office of Economic Analysis

OHNA: Oregon Housing Needs Analysis

OHCS: Oregon Housing and Community Services

PRC: Population Research Center

PUMA: Public Use Microdata Area: A geographic area defined by the U.S. Census Bureau to have roughly 100,000 people and to (typically) align with County boundaries. PUMA sizes vary depending on the population density. Oregon has 31 PUMAs, with most PUMAs located in the more densely populated western part of the state.

PUMS: Public Use Microdata Sample: Data files produced by the U.S. Census Bureau that allow users to create custom analyses that are not available through pre-tabulated data tables. These data are produced for PUMA geographies.

Regulated Affordable Housing: Housing that is rent- or income-restricted to be affordable to households earning certain incomes. These units typically have public support (funding) in exchange for affordability requirements. Housing is considered “affordable” to a household if it spends less than 30% of its gross (pre-tax) income on housing costs (see Cost Burdening above). Regulations are set according to the types of funding used to develop the housing, such as the Low-Income Housing Tax Credit, or U.S. Housing and Urban Development (HUD) funding. Most regulated affordable housing is affordable for households earning under 60% AMI, but restrictions vary.

SB: Senate Bill (year)

UUL: Urban Unincorporated Lands: follows the definition in HB4063 (2024), which are lands within the Metro urban growth boundary that are identified by the county as: (a) Not within a

city; (b) Zoned for urban development; (c) Within the boundaries of a sanitary district or sanitary authority or a district formed for the purposes of sewage works; (d) Within the service boundaries of a water provider with a water system; and (e) Not zoned with a designation that maintains the land's potential for future urbanization.

UGB: Urban Growth Boundary: A boundary delineating urban and urbanizable land from rural land. This boundary contains urban development, is used to plan for orderly growth, and can be amended to accommodate an identified land need. Cities in Oregon are surrounded by urban growth boundaries (UGBs) which designate where they expect to grow over a 20-year period. The Portland metropolitan region has a single regional UGB, established and maintained by Metro. See also: Metro UGB.

Background and Policy Context

The Oregon Housing Needs Analysis and its Implementation

The Oregon Housing Needs Analysis (OHNA) is a new component to Oregon’s statewide land use planning system intended to facilitate housing production, affordability, and choice to meet housing needs for Oregonians statewide. The [OHNA articulates new responsibilities](#) for state agencies and local governments to reorient the implementation of statewide land use planning [goals 10 \(Housing\)](#) and [14 \(Urbanization\)](#) to produce more housing, advance equitable access to housing, and enable state and local government action to address need. It affects the way all communities plan for housing and urban lands, and cities with populations of 10,000 or greater are now specifically required to regularly plan and take action to address needs. Under House Bill 2001 and 2889 (2023 Session), the OHNA adds the following new components to Oregon’s Housing Planning Program:

Methodology	Dashboard	Program
• A methodology that estimates the total number of Needed Housing Units over a 20-year period for all of Oregon, divided into geographic regions, components of need, and income levels. • An allocation of need from each region to each local government in a region to use in their Housing Capacity Analyses. • This allocation at the local government level forms the basis for the development of Housing Production Targets for cities with over 10,000 people to use in their Housing Production Strategies. • The methodology will be run annually by the Oregon Office of Economic Analysis inside DAS.	• A publicly available Housing Production Dashboard to track progress toward housing production target goals by city. • A set of Housing Equity Indicators to monitor equitable housing outcomes by city. • The dashboard and equity indicators will be updated annually by OHCS.	• A Housing Acceleration Program that supports cities that are falling behind on their Housing Production Targets. • The Housing Acceleration Program requires action, partnership, and investment to identify barriers to production within the control of local governments. • The Housing Acceleration Program and OHNA integration into Oregon’s other Land Use Planning Goals will be managed by DLCD and aligned with cities’ Housing Capacity Analysis and Housing Production Strategy deadlines.

OHNA Implementation

1. **This report outlines the final OHNA Methodology.** DAS is responsible for finalizing the methodology with input from OHCS and DLCD and will run it annually.
2. **The OHNA Housing Production Dashboard and Housing Equity Indicators** will be published on OHCS's information dashboard website on January 1, 2025. OHCS is responsible for publishing and updating these items, with input from DAS and DLCD.
3. **DLCD is writing administrative rules for the OHNA Program** through January 1, 2026. To integrate the OHNA into the existing statewide land use planning system, the Land Conservation and Development Commission (LCDC) must adopt new and revised Oregon Administrative Rules surrounding three topics:
 - a. **Housing Needs and Production** rules go into effect January 1, 2025.
 - b. **Housing Acceleration** rules go into effect January 1, 2025.
 - c. **Housing Capacity and Urbanization** rules will be adopted by January 1, 2026.

More information on OHNA implementation can be found on [DLCD's Rulemaking Website](#).

This Report: The OHNA Methodology

This report describes the OHNA Methodology.² It describes the methodological steps, including how different components were calculated and the data sources used. It also provides state and regional results by housing need component and by income level and local (city) results by income level.

Public Input and Finalizing the OHNA Methodology

[The law \(Oregon Revised Statutes \(ORS\) 184.451\)](#) required DAS to finalize and run the OHNA methodology by January 1, 2025. OHCS and DLCD made recommendations to DAS in fall 2024 informed by public input. The OHNA Methodology process is outlined below, including opportunities that the public had for comment and testimony.

- May 2024: Statewide and Metro-specific webinars hosted by DAS, DLCD, and OHCS
- July 2024: DAS published Interim Methodology Report
- July-August 2024: Public comment period on Interim Methodology
- August 2024: Respond to public comments and revise methodology
- September 2024: DAS published Draft Methodology Report, LCDC meeting and public testimony on Draft Methodology
- October 2024: Housing Stability Council Presentation on Draft Methodology Report
- October-November 2024: Respond to public comments and revise methodology
- December 2024: DAS publishes Final Methodology

² A summary of changes from the Draft to the Final methodology can be found in Appendix B.

Legislative History

The OHNA has been under development for several years. Under [2019's House Bill 2003](#), OHCS completed a Pilot Methodology and published a [technical report](#) that describes a recommended methodology and the analytical choices that were ruled out. Many of the data limitations identified and discussed in the Pilot Methodology technical report are relevant in this Final Methodology and are not revisited herein.

In February 2021, OHCS produced a [companion report](#) that summarizes the Pilot Methodology and provides an overview of the policy choices. And in March 2021, DLCD conducted a review of the pilot methodology and [submitted an evaluation](#) of the methodology along with legislative recommendations.

Under subsequent direction from the Legislature (2021's [House Bill 5006](#)), OHCS and DLCD refined the methodology in 2022 to better account for specific functions and components and provided a [Recommendations Report](#) on how to implement the OHNA into Oregon's existing Land Use Planning System. For a detailed technical explanation of the OHNA methodology and changes recommended last year, see the [technical appendix](#) to the OHNA Recommendations Report.

In the 2023 Legislative Session, [House Bills 2001](#) and [2889](#) codified the OHNA into law advancing these recommendations and directing OHCS, DLCD, and DAS to begin implementation. In addition, Senate Bill (SB) 406 required certain communities and any city in Tillamook County to plan for needed housing. In summer 2023, DLCD began rulemaking and implementation which will continue through June 30, 2026.

In the 2024 Legislative Session, House Bill 4063 was adopted which requires Metro counties to plan for the housing needs of Metro urban unincorporated lands (UULs) and directs DAS to include an allocation for each Metro county as part of the OHNA. Also in early 2024, OHCS and DAS began implementing the OHNA into their programs and systems.

The OHNA Legislative History can be summarized as follows:

- 2018: HB4006 Housing production reporting required
- 2019: HB2001 legalizes middle housing; HB2003 requires local housing production strategies; Pilot OHNA method
- 2020: OHCS pilots OHNA methodology and DLCD completes Housing Production Strategy Rulemaking
- 2021: HB5006 directs DLCD to create recommendations to implement the OHNA statewide
- 2022: HB5202 directs DLCD to manage Housing Capacity Work Group
- 2023: HB2001 and 2889 make the OHNA law and direct DAS, DLCD, and OHCS to implement it into programs; SB 406 required certain communities and any city in Tillamook County to plan for needed housing
- 2024: HB4063 requires Metro counties to plan for the housing needs of Metro urban unincorporated lands

Oregon Housing Needs Analysis Methodology

The OHNA Methodology focuses on the affordability and geographic distribution of newly produced housing, not the characteristics of the existing housing stock across the state. This is a methodological choice that has implications for policymaking and tracking the overall affordability of the entire housing stock. The Final Methodology incorporates multiple considerations to reflect different types of demand on current and future housing need. The OHNA Methodology has six steps:

1. Determine Regions
2. Determine Income Categories
3. Determine Components of Housing Need
4. Allocate Needed Housing to Income Categories
5. Allocate Needed Housing to Cities and UGBs
6. Set Housing Production Targets

Step 1: Determine Regions

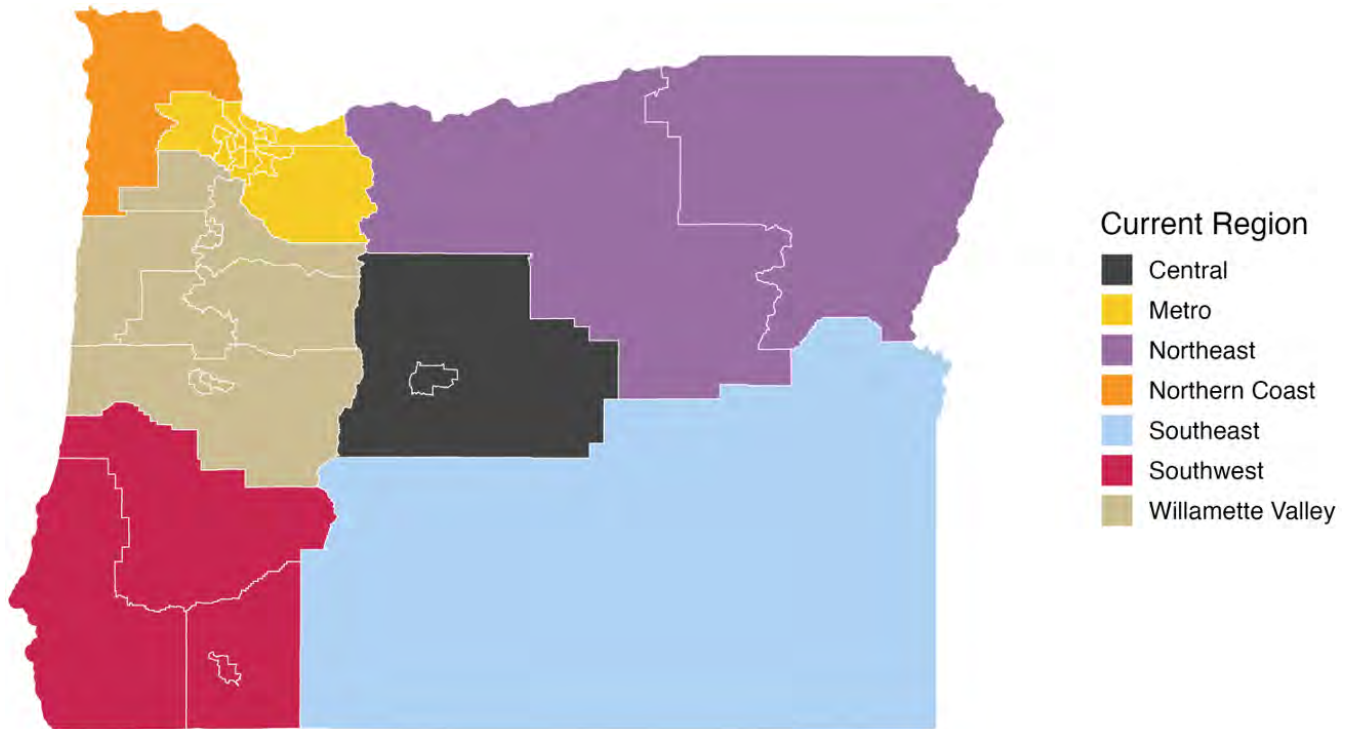
The first step in completing the OHNA is to define the regions for the analysis. The regions affect the entire analysis, from the ability to develop the analysis based on available data to the interpretation of the findings about regional housing needs for individual cities. Since each possible dataset that could be used to define regions has its own level of geographic specificity, choices about regions are integrally tied to choices about data.

Defining regions for this analysis required identifying the source of data that would be used throughout the analysis. The source of data needs to be consistently available statewide, available at an appropriate geographic level, updated annually, have acceptable margins of error for the variables of interest for the methodology, and be flexible enough to allow for comparisons necessary to deliver the analysis required by the statute. While the methodology is structured to account for limitations in available data, future iterations of the methodology could benefit from improvements in state access to data sources, such as a statewide parcel database of standardized assessor's data or a statewide rental registry that included information on costs and accessibility.

Regions

Figure 1 shows the regions in the OHNA Final Methodology. The OHNA regions are built from Census Public Use Microdata Areas (PUMA) regions using data from the 2022 vintage of data. PUMA regions shown in white outline, are aggregated up to the OHNA regions, shown in color. The U.S. Census Bureau updates PUMAs every 10 years following the Decennial Census; future changes to PUMA boundaries may affect the OHNA regions in the future.

Figure 1. OHNA Regions (PUMA boundaries denoted in white)



Step 2: Determine Income Categories

The second step is to define the income categories that are used to distribute needed housing across the income spectrum. The OHNA Methodology uses Area Median Income (AMI) limits that were stated in ORS 184.453(4):

- (a) Less than 30%
- (b) 30% or more and less than 60%
- (c) 60% or more and less than 80%
- (d) 80% or more and less than 120%
- (e) 120% or more

These income categories align with common funding sources, including OHCS's programs, for subsidized affordable housing. It's important to note that the distribution of households in each income category is not equal.

The methodology uses regional incomes to allocate housing need to individual jurisdictions. This is an important change from prior Goal 10 planning requirements in which jurisdictions used their own city-level incomes to estimate housing need by income level. The effect of this change is that local governments will be required to plan for a share of the region's estimated housing needs by income, rather than locally estimating and planning for housing needs by income only within the boundaries of the local government.

Income categories translate into housing affordability. Income categories are expressed as a percent of AMI, which is determined by the U.S. Department of Housing and Urban Development (HUD) and takes into account household size and the number of bedrooms. A housing unit is determined to be affordable to a household if it accounts for less than 30% of that household's gross income.

Across the Final Methodology, all income categories are adjusted to account for household size. HUD provides regional AMIs based on a four-person household and provides guidance to allow practitioners to adjust for household size and number of bedrooms in a unit,³ which is as follows:

Household Size Income Adjustment

- 1-person household: 70% of AMI
- 2-person household: 80% of AMI
- 3-person household: 90% of AMI
- 4-person household: 100% of AMI
- 5-person household: 108% of AMI

Apartment Unit Size Income Adjustment

- Studio unit: 70% of AMI
- 1-bedroom unit: 75% of AMI
- 2-bedroom unit: 90% of AMI
- 3-bedroom unit: 104% of AMI

Step 3: Determine Components of Need

The third step of the OHNA is to determine the different components of housing need. The OHNA is an estimate of total housing needed statewide over a 20-year horizon and includes housing units that are needed now to house the existing population (Current Need) as well as units needed in the future to accommodate household growth (Future Need).

- **Current Need** includes housing underproduction and housing units for people experiencing homelessness.
- **Future Need** includes units for expected population growth, expected housing units that will be lost to second and vacation homes, and units to accommodate expected demographic change.

By including an estimate of current housing need in planning requirements, the OHNA departs from historic Goal 10 planning requirements which only required jurisdictions to look forward at the 20-year population forecast. The Final Methodology recognizes that Oregon has been underbuilding housing for several decades and that a narrow focus solely on future population growth will not help communities relieve the pressures created in housing markets by low vacancy rates and high prices.

³ Portland Housing Bureau Median Income Percentages 2024. <https://www.portland.gov/phb/documents/2024-income-and-rent-limits-phb/download>

Current Need

The OHNA is an estimate of total housing needed statewide over a 20-year planning horizon, including an estimate of how many units the state, regions, and cities need currently to adequately house their existing populations. Current need takes into account housing underproduction and units needed for people experiencing homelessness.

Housing Underproduction

The Final Methodology adopts with some minor modifications of an approach used by Up for Growth, a housing policy research nonprofit in Washington, D.C., that has been vetted by housing industry experts.⁴ This approach calculates the target number of housing units a region's market should have (demand) and compares that against the actual number of units that market has available for year-round occupancy (supply). These steps are broken down below. Regions where the demand exceeds supply are experiencing housing underproduction.

Figure 2. Up for Growth Housing Underproduction Methodology



Target Number of Housing Units

The estimate of the target number of housing units starts with the Census Bureau's estimate of total households and then estimates the number of "missing households" that have not formed in a market compared to historical formation rates in 2000.

Household formation is influenced by the housing stock available—when a market does not build sufficient housing, prices rise and vacancy falls, affecting the likelihood of households to form (e.g., roommates splitting up, children moving out, etc.). This measure estimates the number of households that are expected to form in less constrained housing market conditions, and as such are a component of current demand.

The Final Methodology calculates "missing households" based on changes in the headship rate (the percentage of people who are heads of households, or householders) for different age cohorts between 18 and 64. The lack of housing availability and affordability is not the only reason that explains reduced household formation rates, therefore including all age cohorts would be an overcount of household formation primarily caused by housing market

⁴Up for Growth, Housing Underproduction in the U.S. 2024. <https://upforgrowth.org/apply-the-vision/housing-underproduction-reports/>

constraints. Age cohorts are therefore limited to head of households between 18 and 64 as the most likely ages where this occurs—effectively excluding head of households over 65 is one way to limit the impact of the overcount. Limiting the age cohorts helps compensate for the nature of the overcount—essentially that housing isn’t the only factor contributing to decreased household formation rates. The standard UFG approach limits age cohorts over the age of 44, the expansion of head of households to the age of 64 acknowledges circumstances unique to Oregon’s housing market, and the fact that working households of all ages are experiencing the impacts of a constrained, underproduced housing market.

The OHNA Methodology uses a baseline headship rate in the year 2000 for all cohorts. This year was chosen because 2000 Decennial Census data offers the most recent statistically reliable estimate of a housing market that was more in balance. Headship rates were also generally stable between 1980 and 2000, so going back further would not have a large impact on the baseline headship rate. The Final Methodology compares the most recent headship rate (based on 2023 PUMS data) against the 2000 baseline for each age cohort. If a cohort has a lower headship rate in the most recent year compared to the baseline, it indicates that fewer households formed. The total estimate of “missing households” is the sum of reduced household formation from cohorts aged 64 years and younger. Should there be negative missing households (more households formed compared to the baseline rate) in any age cohort, they are netted out to zero because they are not contributing to excess demand beyond what is already captured in the households formed data observation.

The estimate of missing households is added to the current total number of households to approximate the total number of households that would be seeking housing in unconstrained market conditions. The model then applies a 5% target vacancy rate to estimate the total number of housing units a region should have to accommodate current need and have a healthy level of vacancy. Five percent vacancy is the 75th percentile of the national vacancy rate between 1980 and 2000 and is meant to represent unconstrained market conditions. It is backed by industry stakeholder outreach and research and is used in other methodologies of estimating housing need and underproduction.

Actual Units Available for Year-Round Occupancy

The estimate of the actual number of units available for year-round occupancy starts with the Census Bureau’s estimate of total housing units and removes uninhabitable units and second and vacation homes that are not available for year-round occupancy from the stock. Uninhabitable units are identified in the Census PUMS data as those that lack indoor plumbing and complete kitchens, and that have been vacant for at least a year. Second and vacation homes are identified in the Census Bureau as those that are vacant and used for “seasonal or recreational purposes.”

By removing uninhabitable units and second and vacation homes from the estimate of the current housing stock, the Final Methodology attempts to calculate each region’s total housing stock available for year-round occupancy as a more accurate reflection of housing supply. When compared to the total number of households each region would have in unconstrained market conditions, the Final Methodology can capture current housing underproduction and incorporate current housing need into future planning purposes. This change pushes Oregon’s

statewide housing planning system toward one that more accurately measures total housing need; planning for future housing need without accounting for current need will continue to yield insufficient housing production relative to demand across the state.

Housing Units Needed for People Experiencing Homelessness

DAS and OHCS engaged the Portland State University (PSU) Homeless Research and Action Collaborative (HRAC) to develop the methodology to estimate housing units needed for people experiencing homelessness. The HRAC methodology uses an annualized point in time count of unsheltered households, the number of households served in shelter over a year, and households doubled-up based on K-12 student data and U.S. Census data.

Determining the number of units a region needs to house people experiencing homelessness requires careful attention, because available datasets have many known limitations including undercounting populations. Populations experiencing homelessness are generally not captured in foundational datasets derived from the Census, so they are not included in the projections of current (or future) need. This methodological choice was made under the assumption that if jurisdictions can plan for current need as the sum of underproduction and housing for people experiencing homelessness, while planning for enough housing units to meet future need, then homelessness would become “functionally zero,” and would be rare and brief.⁵

The Final Methodology relies heavily on the limited research available on this topic, as well as discussion and feedback from stakeholders with expertise in research and service provision for those experiencing homelessness in Oregon. The state continues to explore new research and better data to continually improve this portion of the OHNA methodology.⁶

The HRAC methodology combines portions of four data sets to better estimate the number of people experiencing homelessness in an OHNA region. The approach uses Continuum of Care (CoC) Point-In-Time Count (PITC) data and McKinney-Vento Student Data (MVSD) for children enrolled in K-12 public schools. It also utilizes CoC Homeless Management Information System (HMIS) data, By-Name Lists (BNL), and American Community Survey (ACS) data.

To calculate the number of households who need housing, the HRAC methodology combines:

- **Unsheltered data:** PITC unsheltered data that is annualized and converted to household numbers; or the household count from BNL across one year;
- **Sheltered data:** Households served in shelter over one calendar year, as recorded in HMIS; and,
- **Doubled-up data:** MVSD for doubled-up student households plus ACS doubled-up households without children enrolled in K-12 schools.

⁵ Functional Zero Homelessness occurs “when the number of people experiencing homelessness at any time does not exceed the community’s proven record of housing at least that many people in a month.” <https://community.solutions/built-for-zero/functional-zero>

⁶ Recommendations for improving data are included in Chapter 7 of the OHCS RHNA Technical Report and Appendix B describes the key analytical issues in estimating the amount of housing need to accommodate the population of people experiencing homelessness in Oregon

All data are converted to households (HH), and annualized when the data set is not an annual count. Each household is assumed to occupy one housing unit, thereby producing the estimate of the number of housing units needed. See Appendix C for a copy of the complete memo detailing the HRAC methodology.

Future Need

The OHNA is an estimate of total housing needed statewide over a 20-year planning horizon. Future need takes into account the housing units needed for population growth, housing units lost to second and vacation home demand, and housing units needed to accommodate demographic change.

Housing Units for Population Growth

To estimate 20-year future housing needs, forecasted population growth must be translated into future households and then translated into future needed housing units.

PSU's Population Research Center (PRC) produces the official population estimates for the State of Oregon with the exception of the Portland Metro Region.⁷ The Final Methodology converts the PRC population forecast to households using the most recent regional average household size estimated with the most recent PUMS data.

As with past Goal 10 housing planning requirements, the OHNA Methodology excludes the estimate of people living in group quarters because they are not considered part of the household population, and their needs are planned for separately. Each region's base-year population estimates are reduced by the 2023 PUMS-derived share of population in group quarters, before converting population to households. For the horizon year forecasts, the model uses 2023 PUMS to calculate a group quarters rate by age cohort and apply it to regions' 2045 age cohort forecasts to arrive at an overall regional group quarters rate. Since most regions' forecast a greater share of older cohorts in 2045, the OHNA currently models slight increases in overall group quarter rates for all regions in the horizon year.

The loss of units to second and vacation homes in the future is calculated as a separate component of need (see next section), therefore the Final Methodology assumes that each future household will occupy one housing unit, while also planning for the target vacancy rate. Once total future needed housing units are determined, the Final Methodology applies the same 5% vacancy factor to estimate the future housing stock that cities and regions should plan for (see page 11).

Housing Units Lost to Second and Vacation Home Demand

Estimating second and vacation homes as its own component allows cities to better account for demand for these housing units in the future and improves the State's understanding of the

⁷ Metro is responsible for issuing population forecasts within the Metro urban growth boundary, which serve as the basis for comprehensive and land use plans (see ORS 195.036). The Metro allocation methodology, outlined later in this document, is based on housing needs estimates for the Metro UGB in Metro's Urban Growth Report.

role that second and vacation homes play in each region's housing market. In many outdoor recreation- and tourist-heavy communities, particularly along the coast, in the Gorge, and in central Oregon, the presence of second and vacation homes removes units of the existing housing stock from year-round occupants at a different rate than in other parts of the state. This contributes to underproduction of needed housing by reducing the number of units available to full-time renters and owners, thereby decreasing vacancy rates and putting upward pressure on housing costs. As the stock of second and vacation homes grows in the future, it effectively takes away from housing production, as fewer units are available for year-round occupancy.

Summary of Process to Identify Second and Vacation Homes

1. Calculate change in the number of second and vacation homes per region
2. Determine how much housing is needed to offset this expected future loss in units
3. Apply the ratio to forecasted housing unit growth

The current share of second and vacation homes varies by region, as does the pace at which these shares are changing over time. First, the model calculates the change in the number of second and vacation homes for each region between the years 2000 and 2020. The growth in second and vacation homes is then contextualized by the number of all housing units added for each region between 2000 and 2020. The ratio of second and vacation homes added compared to the total housing production is calculated for each region. This ratio is effectively an approximation of how much additional production would be required to offset the loss in units to second and vacation home demand over the 20-year planning period. In practice, a jurisdiction could implement policies to reduce the growth of second and vacation homes or target the production of additional units to offset the loss of units available for year-round occupancy.

Example Calculation for Second and Vacation Home Demand

If a city produced 1,000 housing units between 2000 and 2020 but saw the number of second and vacation homes in the same time period grow from 100 to 200 units (either through new construction or conversion of an existing home), then it would have a ratio of 0.1 $((200-100)/1000)$. If this city was expected to grow by 2,500 households over twenty years, the additional production to account for units lost to second and vacation home need would be $0.1 * 2,500$ or 250 units.

The Final Methodology only calculates second and vacation homes as part of determining future housing need. These units are no longer available for year-round occupancy, and as units are purpose-built or converted into second and vacation homes, the progress toward the desired number of units per household or target vacancy rate is lessened. Units identified as being currently occupied as second and vacation homes are captured as part of the underproduction calculation (current need).

Housing Units for Demographic Change

The number of housing units needed to account for demographic change helps to account for changing household demographic composition as the population of Oregon changes.

Like many states, Oregon is aging, and seniors typically have smaller household sizes; according to Census data, the average household size (persons per household, PPH) headed by a person aged 60 to 69 is only 1.9 people, compared to 2.9 people for households headed by a person aged 30-39. As population forecasts expect a larger share of the population to be 65 and older, and as the fertility rate continues to remain below replacement rate, more housing units will be needed to house Oregon's older total future population. An example below depicts how demographic change is handled in the model.

First, the Final Methodology uses PUMS data to calculate the current PPH for each major age cohort by region. It then joins the age cohort-based PPH figures to the 2025 and 2045 population forecasts by age cohort and then calculates a total PPH for each region for 2025 and 2045. Average household sizes for each region are forecast to be smaller due to changing demographics.

The PRC-forecasted populations in each region in 2025 and 2045 are then converted into households by dividing by the average household size in each region. This differs from the population change component, where the PPH is held constant between the baseline and horizon years (using 2025 PPH).

The final step in the process is to convert the added number of households in each region into needed housing units. Following the methodology for the other components, the Final Methodology also applies the target 5% vacancy factor to the estimated number of needed housing units in the future (see page 11).

Example Regional Demographic Change

1. $(\text{Population}_{2045} \div \text{PPH}_{2025}) - (\text{Population}_{2025} \div \text{PPH}_{2025}) = \text{Households added by Population Change}$
2. $(\text{Population}_{2045} \div \text{PPH}_{2045}) - (\text{Population}_{2025} \div \text{PPH}_{2025}) - \text{Households added by Population Change} = \text{Households added by Demographic Change}$
3. $\text{Households added by Demographic Change} \times 1.05 = \text{Housing Units Needed to Account for Demographic Change}$

The demographic change component is effectively capturing the change in household size for existing households (starting in 2025) as well as the marginal new households added between 2025 and 2045. This is a deviation from other components in that it considers housing need for existing and future households. It is included in the future need category because it captures future demand for housing from existing households (rather than underproduction and homelessness, which are current demand).

Step 4: Allocate Needed Housing to Income Categories

Once total housing units needed are estimated for each component and each region, the next step is to distribute housing need to income categories. Allocation processes differ by component.

Current Need: Housing Underproduction

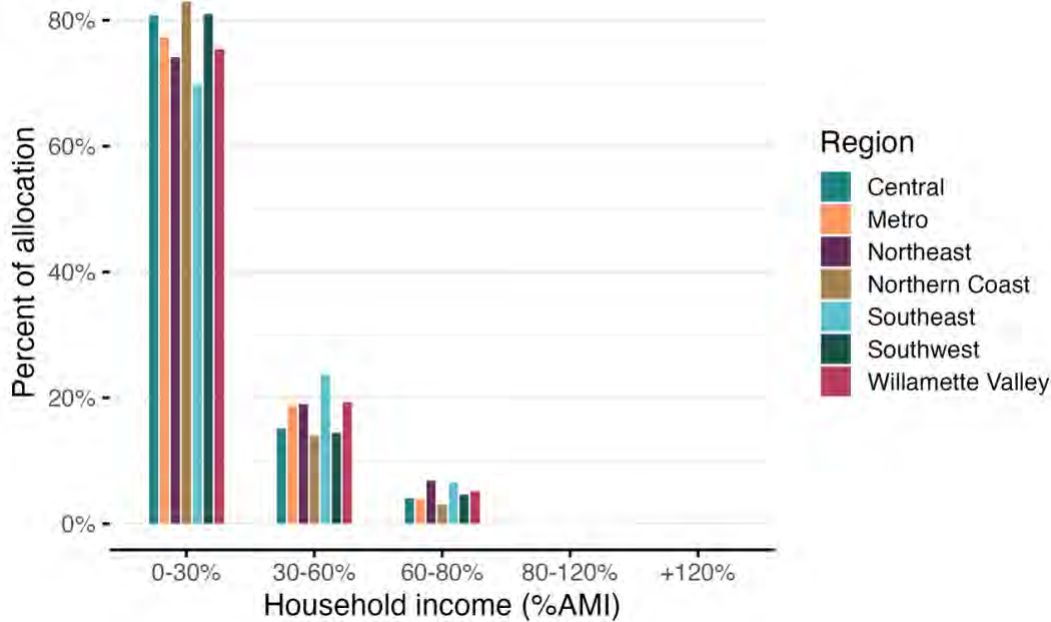
Underproduced units are allocated to income categories based on the rate of cost burdened renter households in each region. Cost burdening is a good proxy to estimate the income levels where current housing is in most need. Underproduction in a market leads to increased cost burdening by limiting choice and reducing overall affordability, and these impacts are most acutely experienced by lower-income renter households who have the highest rates of cost burdening. Underproduced units are therefore distributed proportionate to rates of regional cost burdening to approximate the income levels with the most acute need. For example, if 50% of all renter households who are cost burdened earn 0-30% of AMI, then 50% of the underproduction units should be targeted for households earning 0-30% of AMI. The model uses 2023 PUMS to first isolate cost-burdened renter households in each region, and from there, calculate the proportion of these cost-burdened households in each AMI household income bracket.

Current Need: Housing Units Needed for People Experiencing Homelessness

Housing units needed for people experiencing homelessness are distributed by income based on information provided from OHCS. There is no existing, high-quality dataset with information about the incomes of people who are experiencing homelessness, but many households that are experiencing homelessness have incomes and still cannot find a home that is affordable to them.

The Final Methodology uses data on the incomes of people experiencing homelessness from HMIS information managed by Continuums of Care. The data are from 2023 and are regional. Statewide, of households whose incomes are captured in the data, a large portion (77%) are in the lowest income category of 0-30% AMI. The regional distributions by income are shown in Figure 3.

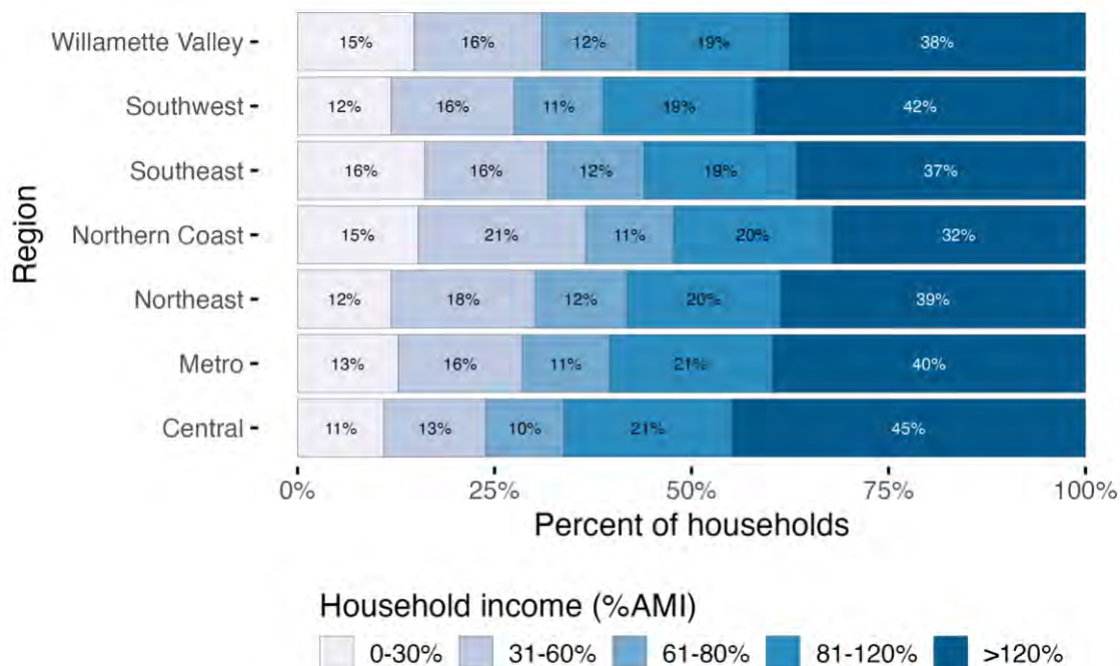
Figure 3. Income Distributions for Each OHNA Region for People Experiencing Homelessness, 2023



Future Need: Housing Units for Population Growth

Units needed to accommodate population growth are allocated based on each region's current income distribution. The state's income distribution and that of each region are shown in Figure 4 below.

Figure 4. Income Distributions for Oregon and Each OHNA Region, 2023



Future Need: Housing Units Lost to Second and Vacation Home Demand

PUMS data does not provide rent or valuation data for units identified as second and vacation homes, but data on the year built are available and are used as a proxy for valuation with the assumption that newer units are more expensive and should be allocated to the highest income categories. The OHNA methodology allocates units identified as second and vacation homes that were built prior to 1990 to the 80-120% AMI income category while those built after 1990 are allocated to the 120%+ AMI income category. This distribution was determined based on a PUMS analysis of regional patterns of affordability of occupied homes by year built.

Future Need: Housing Units Needed for Demographic Change

Given the similarities between units needed for population growth and units needed for demographic change, units needed for demographic changes are also allocated to income categories based on each region's income distribution.

Step 5: Allocate Needed Housing to Cities and UGBs

After the total housing units needed over 20 years is calculated, the fifth step in the methodology is to determine what needed housing should be allocated to areas inside or outside of Urban Growth Boundaries. The Portland Metro region has a different allocation methodology (see page 25). While the Salem-Keizer area has two cities within one UGB, PRC provides city-level population projections for both Salem and Keizer, preventing the need to create a separate allocation process for this UGB.

Step A. Determine Regional Need Inside vs. Outside UGBs

First, the 20-year future population growth outside of UGBs is determined for each region. This is based on PRC forecasts which report outside-UGB subtotals for every county. This step recognizes that not all Oregonians live inside UGBs, and not all Oregonians will live inside UGBs in the future. Lands outside a UGB receive a future housing estimate to reflect projected demand, but do not receive any current need allocations. Current need is a symptom of a lack of enough housing units within the planned areas of growth. Areas outside of UGBs are rural and resource lands and generally do not plan for housing growth under the statewide land use system; therefore, the responsibility for providing additional housing units to meet current need is accommodated inside of UGBs.

Second, units that accommodate population growth, demographic change, and demand for second and vacation homes outside UGBs are removed from the regional total. The remaining units are then allocated to UGBs inside the region.

Step B. Allocating Regional Need to Urban Growth Boundaries

Next, each component of need is allocated from the adjusted regional total (excluding areas outside of UGBs) to each of the UGBs in the region using a set of policy variables and weights in the following combinations. ORS 184.453 requires the methodology to allocate housing

need to each city in consideration of forecasted population growth, regional job distribution, and an equitable statewide distribution of housing. The allocation weights below operationalize this direction to align with the policy priorities set forth by the legislature, balancing where people currently live, where the PSU population forecasts expect people to live, and where the region's jobs are located. Second and vacation home allocations focus those housing units where the housing markets are most directly impacted today. Including an area's share of jobs as a weight in the allocation is a policy choice driven by Oregon's desire to create compact livable communities with access to jobs and amenities. Locating housing closer to jobs also helps support Oregon's climate and emissions reductions goals.

- **Housing Underproduction**
 - o 50% from UGB's share of its region's current population
 - o 50% from UGB's share of its region's current employment (derived from current Census Longitudinal Employer-Household Dynamics (LEHD) block-level counts of jobs within all geographies)
- **Housing Units for People Experiencing Homelessness**
 - o 50% from UGB's share of its region's current population
 - o 50% from UGB's share of its region's current employment
- **Housing Units for Population Growth**
 - o 50% from UGB's share of its region's population growth
 - o 50% from UGB's share of its region's current employment
- **Housing Units for Demographic Change**
 - o 50% from UGB's share of its region's current population
 - o 50% from UGB's share of its region's current employment
- **Housing Units Lost to Second and Vacation Home Demand**
 - o 100% from UGB's share of its regions current second and vacation home stock (as determined by 2020 Decennial Census block-level counts of second and vacation homes spatially joined to UGB boundaries)

Step C. Distribute from Urban Growth Boundaries to Cities

This is only applicable in the Portland Metro UGB, which contains multiple jurisdictions (see page 25).

Step 6: Set Housing Production Targets

Once the total housing need is determined, the final (sixth) step of the methodology is to set targets for housing production. In early 2023, Governor Tina Kotek issued [Executive Order 23-04](#) to establish an annual statewide housing production goal. Based on this policy objective and using the same formula as the Governor's housing production goal, the OHNA Final Methodology prioritizes and front-loads the current need over 10 years and spreads the future need over the 20-year OHNA planning horizon to calculate the annual production target. An example calculation of an annual production target is shown below using statewide total housing need. The same calculations apply for calculating the production targets for each city and each income level.

Example Annual Housing Production Target Calculation Using Statewide Results

See page 36 for more detail on the statewide results by component. See page 27 for a discussion of an alternative approach to estimating the statewide total housing need.

Total Need: 494,503 units
 Current Need: 95,937 units
 Future Need: 398,566 units

Annual Production Target:

$$\begin{aligned} & [\text{Current Need} / 10 \text{ years}] + [\text{Future Need} / 20 \text{ years}] \\ & [95,937 \text{ units} / 10 \text{ years}] + [398,566 \text{ units} / 20 \text{ years}] \\ & = 9,594 \text{ units} + 19,928 \text{ units} \\ & = \mathbf{29,522 \text{ units per year}} \end{aligned}$$

Changes Affecting the Annual Statewide Housing Production Target

In Executive Order 23-04, Governor Tina Kotek encouraged the state to produce 36,000 units per year. In the Final Methodology, the statewide annual production target is 29,522. The change is not due to Oregon producing more units, or from a different formula, it comes from changes to the methodology to calculate the total statewide housing need, and the underlying variables having changed in the four years since the Pilot Methodology was conducted.

Governor Kotek's statewide annual housing production target used an estimate of statewide housing need from the Pilot Methodology, which was produced in 2020. Page 4 describes the OHNA methodology iterations since the Pilot Methodology was completed. The following three categories represent the majority of the changes:

1. Methodological Changes. The OHNA Final Methodology adopted two new components compared to the Pilot: *Housing Units Lost to Second and Vacation Homes* and *Housing Need for Demographic Change*. In addition, the methodology changed how *Underproduction* and *Housing Units Needed for People Experiencing Homelessness* are estimated.
2. Data Updates: In addition, new data has been released since 2020. Page 40 outlines all the data sources in the OHNA Final Methodology and when they are updated.
3. Regions have Changed: In 2022, Census PUMA boundaries changed which impacted several of the regions, making comparisons from 2020 to 2024 challenging due to different regional boundaries. Page 7 describes the PUMA geographies that make up the OHNA regions and how boundary changes following the Decennial Census may cause further changes.

In order to produce annual targets for each jurisdiction that are more stable from year to year, DAS will run the OHNA Methodology each year and average the current year's results with the prior year's results. The intention with smoothing the data is to prevent OHNA targets from jumping around significantly from year to year due to data volatility, allowing local jurisdictions to have more consistent information for planning purposes. In this case the 2025 official results are the average of 2022 and 2023. The smoothing process will be challenging when PUMA boundaries change again in 2032, and a technical update may be required at that point in time.

Peer Cities

OHCS must produce a Housing Production Dashboard, which must include, for each city with a population of 10,000 or greater, "a comparative analysis of progress in comparison to the region and other local governments with similar market types" which are referred to as "peer cities."⁸ DLCD must base referral decisions to the Housing Acceleration Program on a city's relative progress and performance towards housing production targets.⁹ The following housing market attributes that indicate market similarity were used to group cities into peers:

1. Current population size (static)
2. Share of households with incomes >\$200,000 (static)
3. Share of housing used as second and vacation homes (static)
4. Share of housing that is single unit detached (static)
5. Share of housing that is owner-occupied (static)
6. Population growth between 2010 and 2020 (percent change)

The methodology uses a statistical analysis called a K-Nearest Neighbor (KNN) to group each city with seven other peers based on their shared conditions across the seven variables listed above (see Figure 5 for the list of peers). The KNN algorithm uses place-level ACS and Decennial Census population estimates data as inputs, and each input is equally weighted. This approach allows for each city to be compared to its seven "closest" peers. This approach offers several advantages including a consistent number of peer cities, and for each city to be grouped with its best fitting peers.

KNN calculates a matrix of Euclidean distances between each pair of cities (the square root of the sum of squared differences for every variable). Some city pairs are socioeconomically and demographically "closer," or more similar to each other than others. As Euclidean distance increases, the potential fit as a peer decreases. A common rule of thumb for KNN is to limit neighbor groupings to the square root of the total number of samples in the set. In this case, the KNN model contains 58 cities (and Tillamook County) that have a population over 10,000 in Oregon, indicating that 7 nearest neighbors is the optimal number for the OHNA application.

⁸"City" is used as shorthand for the jurisdictions that will receive peers. See ORS 456.601(3)b: https://www.oregonlegislature.gov/bills_laws/ors/ors456.html

⁹ See ORS 197A.130: https://www.oregonlegislature.gov/bills_laws/ors/ors197A.html

Not every local government defined as a "city with a population of 10,000 or greater" can be readily paired with market peers utilizing this methodology. This includes:

- Urban unincorporated lands within Metro counties: The peer methodology omits these local governments because they are non-standard and not reflected in any Census geographic unit. The closes approximation would be to use aggregation of census tracts, but these cross into other incorporated cities.
- Cities and specified unincorporated communities within the Tillamook County: While SB 406 (2023) defines these communities as "cities with a population of 10,000 or greater" for the purpose of housing planning, they are not large enough to have suitable Census data to be included in the peer methodology and are therefore grouped together.

Figure 5. Peer Cities List

City	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7
Albany	Keizer	McMinnville	Medford	Grants Pass	Hermiston	Forest Grove	Woodburn
Ashland	Astoria	Pendleton	Klamath Falls	Newberg	North Bend	Newport	Tualatin
Astoria	Ashland	Pendleton	Klamath Falls	Roseburg	North Bend	The Dalles	Newport
Baker City	Sweet Home	North Bend	Central Point	Pendleton	Milwaukie	St. Helens	The Dalles
Beaverton	Hillsboro	Gresham	Eugene	Corvallis	Tualatin	Salem	Tigard
Bend	Oregon City	Newberg	Tigard	Redmond	Medford	Grants Pass	Forest Grove
Canby	Dallas	Oregon City	Gladstone	Central Point	Silverton	Newberg	Woodburn
Central Point	Dallas	Silverton	St. Helens	Woodburn	Oregon City	Keizer	Cornelius
Coos Bay	Pendleton	La Grande	Ontario	Springfield	Newport	McMinnville	Klamath Falls
Cornelius	Central Point	Troutdale	St. Helens	Dallas	Gladstone	Canby	Sandy
Corvallis	Beaverton	Eugene	Hillsboro	Monmouth	Gresham	Fairview	Tualatin
Cottage Grove	St. Helens	Woodburn	Prineville	Hermiston	Sweet Home	Dallas	Independence
Dallas	Woodburn	Central Point	Canby	St. Helens	Hermiston	Silverton	Oregon City
Eugene	Salem	Gresham	Hillsboro	Beaverton	Corvallis	Medford	Springfield
Fairview	Wilsonville	Lebanon	Independence	Tualatin	Monmouth	Hermiston	Corvallis
Forest Grove	Newberg	Molalla	The Dalles	Albany	Silverton	Hermiston	Keizer
Gladstone	Troutdale	Canby	Milwaukie	Central Point	Cornelius	Silverton	Oregon City
Grants Pass	Roseburg	The Dalles	Medford	Albany	Keizer	Silverton	McMinnville
Gresham	Salem	Eugene	Beaverton	Medford	Hillsboro	Springfield	Albany
Happy Valley	Sandy	Sherwood	West Linn	Oregon City	Lake Oswego	Canby	Bend
Hermiston	Independence	Lebanon	Woodburn	Albany	Dallas	Prineville	Forest Grove

City	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7
Hillsboro	Beaverton	Eugene	Gresham	Salem	Tualatin	Corvallis	Tigard
Independence	Hermiston	Lebanon	Dallas	Silverton	Woodburn	Forest Grove	Prineville
Keizer	McMinnville	Albany	Woodburn	Newberg	Central Point	Milwaukie	Grants Pass
Klamath Falls	Pendleton	Astoria	Roseburg	Grants Pass	Ashland	Monmouth	Springfield
La Grande	Coos Bay	Pendleton	Ontario	Klamath Falls	Springfield	Milwaukie	Newport
Lake Oswego	Tigard	Sherwood	Newberg	Oregon City	Tualatin	West Linn	Canby
Lebanon	Independence	Hermiston	Albany	Roseburg	Forest Grove	Prineville	Fairview
Lincoln City	Tillamook County	Astoria	Molalla	The Dalles	Newport	Ashland	North Bend
McMinnville	Keizer	Albany	Milwaukie	Newberg	Woodburn	Silverton	Grants Pass
Medford	Albany	Grants Pass	Salem	Gresham	Keizer	McMinnville	Springfield
Milwaukie	North Bend	McMinnville	Keizer	Silverton	Pendleton	Gladstone	Central Point
Molalla	The Dalles	Prineville	Forest Grove	Silverton	Redmond	Newberg	Roseburg
Monmouth	Klamath Falls	Astoria	Lebanon	Corvallis	Ashland	Roseburg	Fairview
Newberg	Forest Grove	Silverton	The Dalles	Keizer	Oregon City	McMinnville	Central Point
Newport	Astoria	Ashland	Pendleton	Coos Bay	McMinnville	North Bend	Newberg
North Bend	Milwaukie	Silverton	Newberg	The Dalles	Central Point	Pendleton	Grants Pass
Ontario	Springfield	Independence	Lebanon	Pendleton	McMinnville	Hermiston	Klamath Falls
Oregon City	Canby	Central Point	Newberg	Silverton	Dallas	Keizer	Forest Grove
Pendleton	Klamath Falls	Astoria	Roseburg	Milwaukie	McMinnville	Ashland	North Bend
Portland	Eugene	Salem	Gresham	Hillsboro	Beaverton	Medford	Bend
Prineville	The Dalles	Roseburg	Molalla	Sweet Home	Silverton	Cottage Grove	Hermiston
Redmond	The Dalles	Molalla	Grants Pass	Central Point	Prineville	Oregon City	Silverton
Roseburg	Grants Pass	Prineville	The Dalles	Pendleton	Albany	McMinnville	Klamath Falls
St. Helens	Woodburn	Cottage Grove	Dallas	Central Point	Troutdale	Silverton	Keizer
Salem	Eugene	Gresham	Medford	Hillsboro	Albany	Beaverton	Springfield
Sandy	Cornelius	Dallas	Oregon City	Central Point	Canby	Sherwood	Redmond
Sherwood	West Linn	Oregon City	Lake Oswego	Cornelius	Central Point	Canby	Sandy
Silverton	The Dalles	Newberg	North Bend	Central Point	Molalla	Milwaukie	Keizer
Springfield	McMinnville	Albany	Medford	Roseburg	Gresham	Pendleton	Keizer

City	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7
Sweet Home	Prineville	Cottage Grove	Roseburg	The Dalles	Baker City	St. Helens	Redmond
The Dalles	Molalla	Silverton	Prineville	Grants Pass	Newberg	Roseburg	Forest Grove
Tigard	Tualatin	Newberg	Oregon City	Canby	Forest Grove	Lake Oswego	Keizer
Troutdale	Gladstone	St. Helens	Woodburn	Cornelius	Central Point	Milwaukie	Keizer
Tualatin	Tigard	Beaverton	Hillsboro	Ashland	Gresham	Newberg	Fairview
West Linn	Sherwood	Lake Oswego	Cornelius	Happy Valley	Oregon City	Sandy	Central Point
Wilsonville	Fairview	Hillsboro	Tualatin	Beaverton	Corvallis	Forest Grove	Monmouth
Woodburn	St. Helens	Dallas	Keizer	Central Point	Hermiston	McMinnville	Cottage Grove
Tillamook County	Lincoln City	Baker City	Newport	North Bend	Redmond	Sweet Home	Astoria

Updating the Methodology

After the OHNA methodology produces the first official needs estimates and production targets in 2025, DAS plans to revisit the methodology at least every five years. The law also allows OHCS and DLCDC to recommend changes to the OHNA Methodology, provided that the agencies provide an opportunity for written and oral testimony on proposed recommendations.

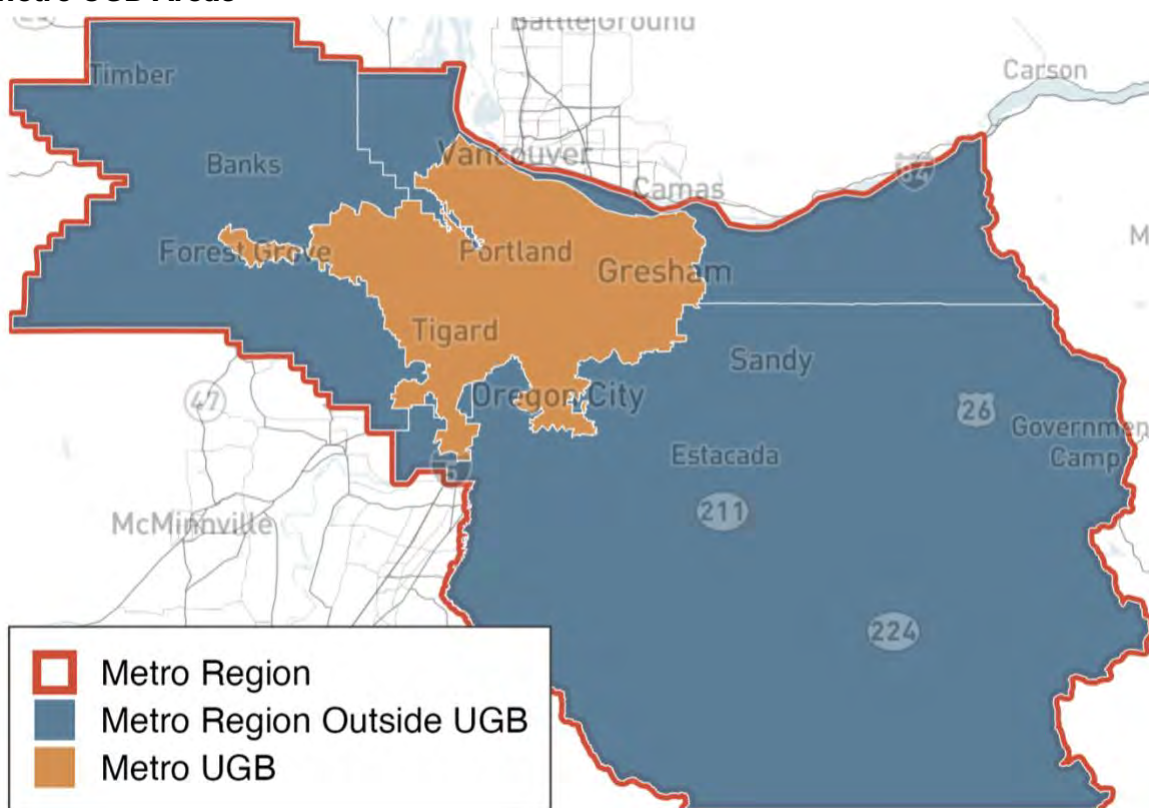
Portland Metro Region

The law codifying the OHNA into the statewide land use planning system treats the Portland Metro UGB differently from the rest of the state. Under HB2889 (2023) Metro maintains its statutory responsibility to estimate the region's housing need within the Metro UGB, while DAS is made responsible for allocating that need to Metro cities and urban, unincorporated lands (UULs).¹⁰

OHNA Metro UGB Suballocation Methodology Steps

In the OHNA methodology, every region, except for the Portland Metro Region uses a top-down estimation of need, followed by a local jurisdiction allocation process for all UGB's and non-UGB areas within the region. The Portland Metro Region is composed of Multnomah, Washington, and Clackamas counties. The Metro UGB is the growth boundary sitting inside the three counties, determined by Metro to separate urban and urbanizable land from rural land.

Figure 6. Map of OHNA Metro Region (Three Counties), Metro Region Outside UGB, and Metro UGB Areas



The OHNA methodology estimates the Portland Metro Region's total housing need (areas in red outline in Figure 6) in the same manner as all other regions in the state, but then swaps in Metro's own estimate of current and future housing need from its Urban Growth Report

¹⁰See ORS 184.453(3)(e) which requires DAS to consider Metro's projected housing needs and ORS 197A.348(2) which requires Metro to project housing need for the components of need that are included in the OHNA.

(UGR)¹¹ for the units needed inside the Metro UGB (areas in orange in Figure 6). The estimates of housing units needed in the Metro Region Outside UGB area (the blue remainder in Figure 6) are held constant so any changes related to a control total inside the Metro UGB do not impact the need in the rest of the region.

Step A: Determining Need for Metro UGB

The OHNA uses Metro’s estimate of current and future housing need from its 2024 adopted UGR for the units needed inside the Metro UGB.

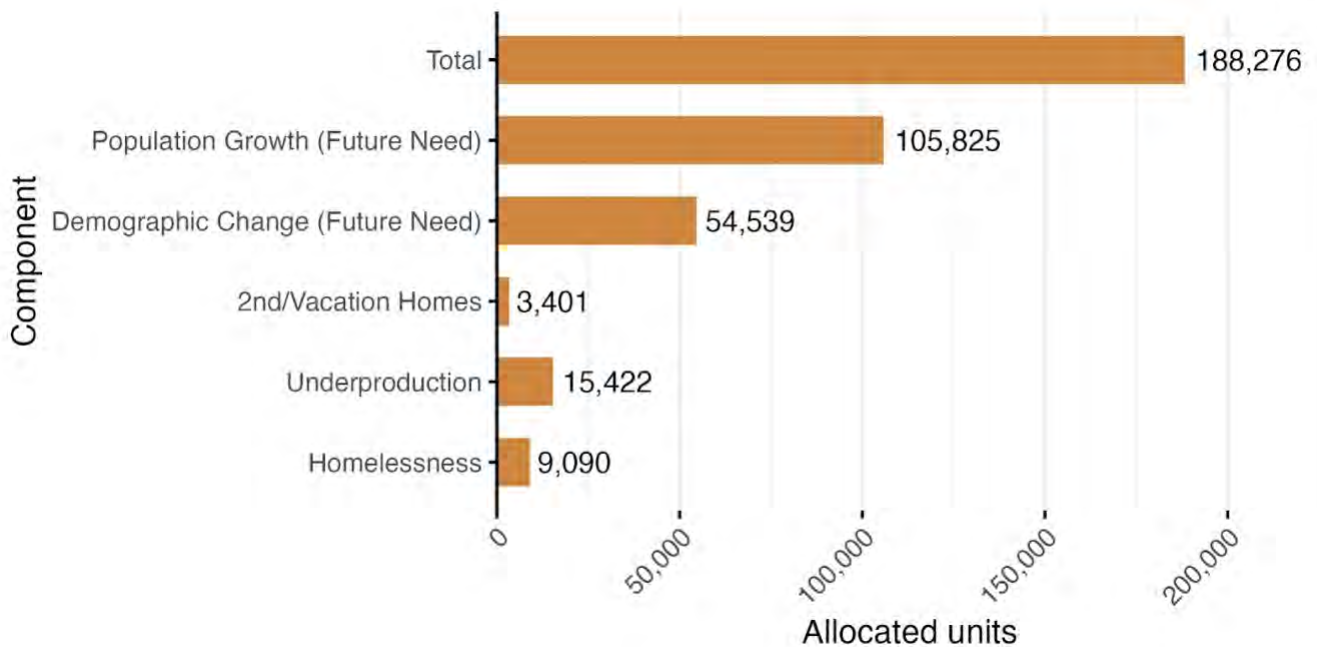
Planning for housing need inside the Metro UGB is determined separately from the rest of the OHNA Metro Region. The OHNA Metro Region’s current and future need is calculated in the same manner as all other regions. However, within the OHNA Metro Region future and current need is allocated to UGBs using an amended methodology different from all other regions.

Current and future need is first determined for the Metro Region Outside UGB Areas (including the cities of Sandy, Estacada, Canby, Molalla, Barlow, Gaston, Banks, and North Plains), and the county areas outside of all UGBs separately. Then the estimate of current and future need within the Metro UGB is determined using Metro’s adopted UGR, which includes an estimate of total future need from “household growth” (population growth and demographic change combined) along with estimates of need for underproduction, second and vacation homes, and units to address homelessness.

To align the Metro UGB need with the rest of OHNA, the UGR-calculated “household growth” need is split into population growth and demographic change components, and across household income brackets using the pre-existing distributions from the rest of the OHNA Metro Region. The rest of the Metro UGR-calculated components are swapped into the model for the Metro UGB as-is and allocated along the same regional income distributions.

Oregon statute requires that Metro must coordinate its regional forecasts with governments within the UGB. These growth forecast distributions are used to update land use and transportation plans, regulations and related policies. Metro typically completes its distributed forecast within one to two years after adopting the regional forecast in the UGR. Once available, the distributed forecast will be substituted in place of housing capacity when determining subsequent housing need allocations within the Metro UGB.

¹¹ See Metro’s Urban Growth Report here: <https://www.oregonmetro.gov/public-projects/2024-growth-management-decision/>

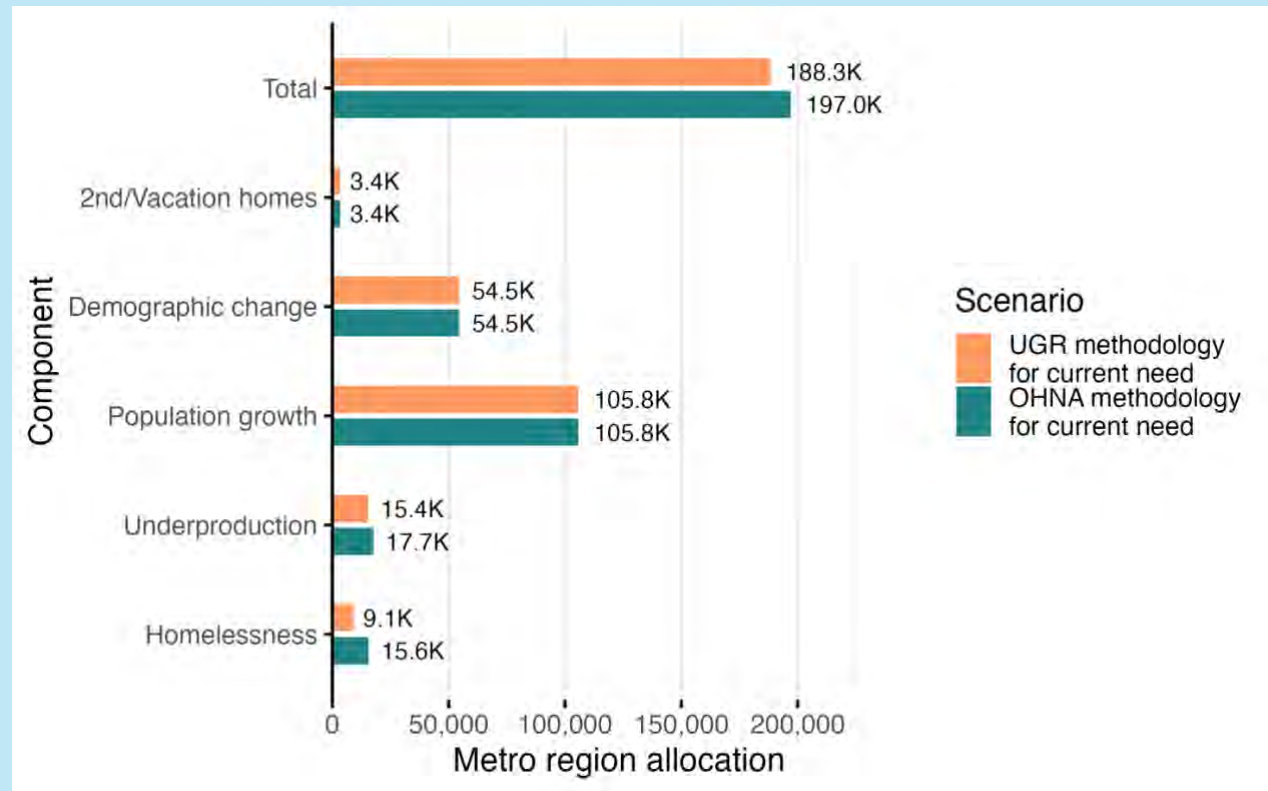
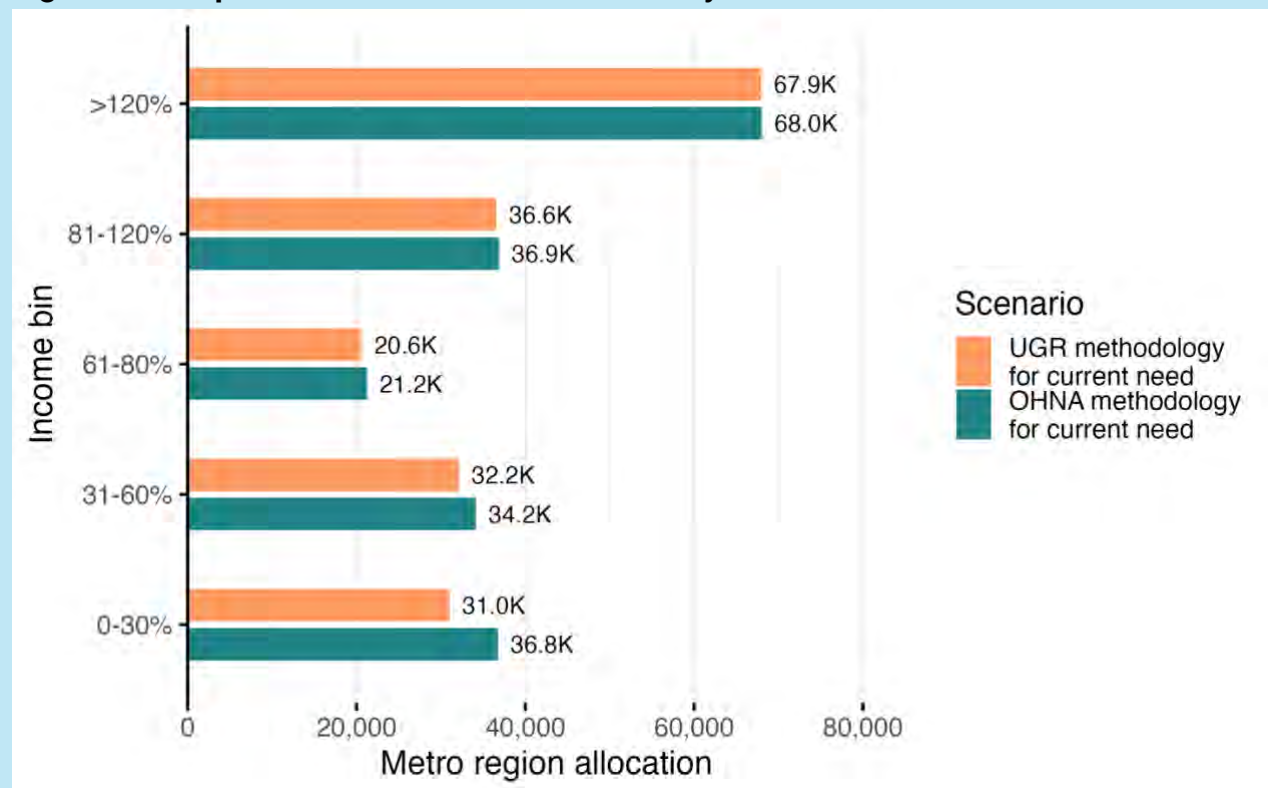
Figure 7. Distribution by Component of Need for OHNA Metro Region, 2025

Step A Alternative: Scenario of Total Statewide Housing Needs with OHNA-Metro UGR Methodology Alignment

As noted on page 25, House Bill 2889 (2023) retains Metro's statutory responsibility to estimate housing need within the Metro UGB. Metro has discretion on the data sources and specific methods used in the UGR to estimate housing need, but the policy intent is for the UGR methodology to align with OHNA methodology.

Metro updates its UGR every 6-years, with 2024 being the most recent update year. Metro began the update process in early 2024 and adopted the UGR on December 5, 2024. Due to timeline discontinuity between the OHNA methodology development process and Metro's process, the underlying methods and data sources used to estimate housing need within the Metro UGB differ from OHNA. This discontinuity primarily affects the estimate of regional housing need but also has some feedback loops into local allocation process. This discontinuity could be reconciled if Metro were to update its UGR methodology to align with the OHNA and/or produce an updated calculation of need on or before the 6-year update schedule.

A comparison is shown below demonstrating the difference in the estimate of total OHNA Metro Region housing need had Metro's UGR incorporated the OHNA methodology and sources. A summary discussion of the major differences between methods is also included below.

Figure 8. Comparison of Metro UGB Allocation by Component**Figure 9. Comparison of Metro UGB Allocation by Income Level**

Statewide Results

Had Metro's UGR estimate of regional housing need incorporated the OHNA Methodology for the calculation of current need, the estimate of total statewide housing need would have been 503,000 units instead of 494,503 and the annual statewide housing production target would have been 30,400 in 2025 instead of 29,522 (see page 19 for the discussion of statewide housing production targets).

Differences Between Methods

The two largest differences between the OHNA Methodology and the Metro UGR methodology are in how to estimate *Underproduction*, and how to estimate *Units Needed for People Experiencing Homelessness*. Given the income distributions of these two components, nearly the entire difference between the two methods is contained within the 0-80% AMI household income range.

Underproduction

As described on page 10, the OHNA Final Methodology estimates the "missing households" component of housing underproduction based on changes in the headship rate (the percentage of people who are heads of households, or householders) for different age cohorts between 18 and 64. In addition, the Final Methodology uses 2023 PUMS 1-year data to calculate underproduction, averaging it with results from 2022 PUMS 1-year data to create the final "smoothed" targets (see page 21 for a description of "smoothing"). These changes occurred between the Draft Methodology, published in September 2024, and this Final Methodology.

Metro's UGR methodology estimates the "missing households" using the prior age cohort range of 18 to 44 and uses 2022 PUMS data to estimate housing underproduction. The update to OHNA and the release of the latest vintage of census data occurred after Metro had submitted its draft UGR. The result is 2,250 fewer units of underproduction using the Metro UGR methodology than if the OHNA Final Methodology had been used.

Units for People Experiencing Homelessness

As described on page 12, the OHNA Final Methodology uses an approach created by the PSU Homeless Research and Action Collaborative (HRAC) to estimate the number of units needed for people experiencing homelessness. This approach includes new ways to annualize the sheltered and unsheltered data, introduces new local data, and adjusts the methodology to estimate the doubled-up population. This approach was finalized in November 2024 (see Appendix C on page 47 for the final methodology memo from HRAC).

Metro's UGR methodology estimates the number of units needed for people experiencing homelessness using the previous OHNA Methodology. The update to the OHNA Final Methodology occurred after Metro had submitted its draft UGR. The result is 6,556 fewer units needed for people experiencing homelessness using the Metro UGR methodology compared to the OHNA Final Methodology.

Step B: Allocation of Need from UGBs to Cities and Urban Unincorporated Lands (UULs)

As noted on page 25, House Bill 2889 (2023) maintains Metro’s statutory responsibility to estimate the region’s housing need within the Metro UGB, while giving DAS the responsibility to allocate that need to Metro cities and urban, unincorporated lands (UULs).

The allocation of future and current housing need to the cities and UULs within the OHNA Metro Region but outside the Metro UGB (the blue areas in Figure 6 on page 25) mirrors the methodology used in all other OHNA regions of the state.

The allocation of future and current housing need to cities and UULs within the Metro UGB uses a different allocation methodology that is unique to the Metro UGB. This approach reflects the fact that the area inside the Metro UGB functions as a single housing market with many different jurisdictions; the Metro UGB also has access to more robust data that allows for more nuanced indicators. Unique elements of the allocation methodology for the Metro UGB include a more refined approach to capturing access to jobs, and an approach that takes existing housing affordability and recent housing production into consideration when allocating existing, unmet housing needs. Each component of the methodology is allocated using the following indicators and weights:

Units Needed for Underproduction and for People Experiencing Homelessness:

- **Production:** 50% from the city’s rate of housing unit production relative to the UGB-wide average as calculated from the Regional Land Information System (RLIS) parcel-based housing layer, which provides unit counts and year built for parcels. Units built within the last five years of the model “run-year” (the year corresponding to the model’s PUMS data inputs) are calculated as a share of total units within each jurisdiction and UUL (**Inverse weight** – see comments on Inverse Weighting on page 35).
- **Affordability:** 50% from the percentage of a city’s housing units that are rental 0-50% AMI units, relative to the UGB-wide average, using the most recent vintage of the CHAS 5-year data (**Inverse weight**). Urban unincorporated lands within the UGB have their affordability level calculated using tract-level CHAS data for tracts with at least 30% of their area in the UUL. CHAS is more out-of-date compared to the ACS/PUMS products, so the model corrects for this by applying the affordability rate from CHAS to the more recent unit counts calculated with RLIS’s Housing Layer.

Future need is allocated to cities (including the unincorporated urbanizable areas for which they have planning authority based on intergovernmental agreements) and UULs using the following indicators and weights:

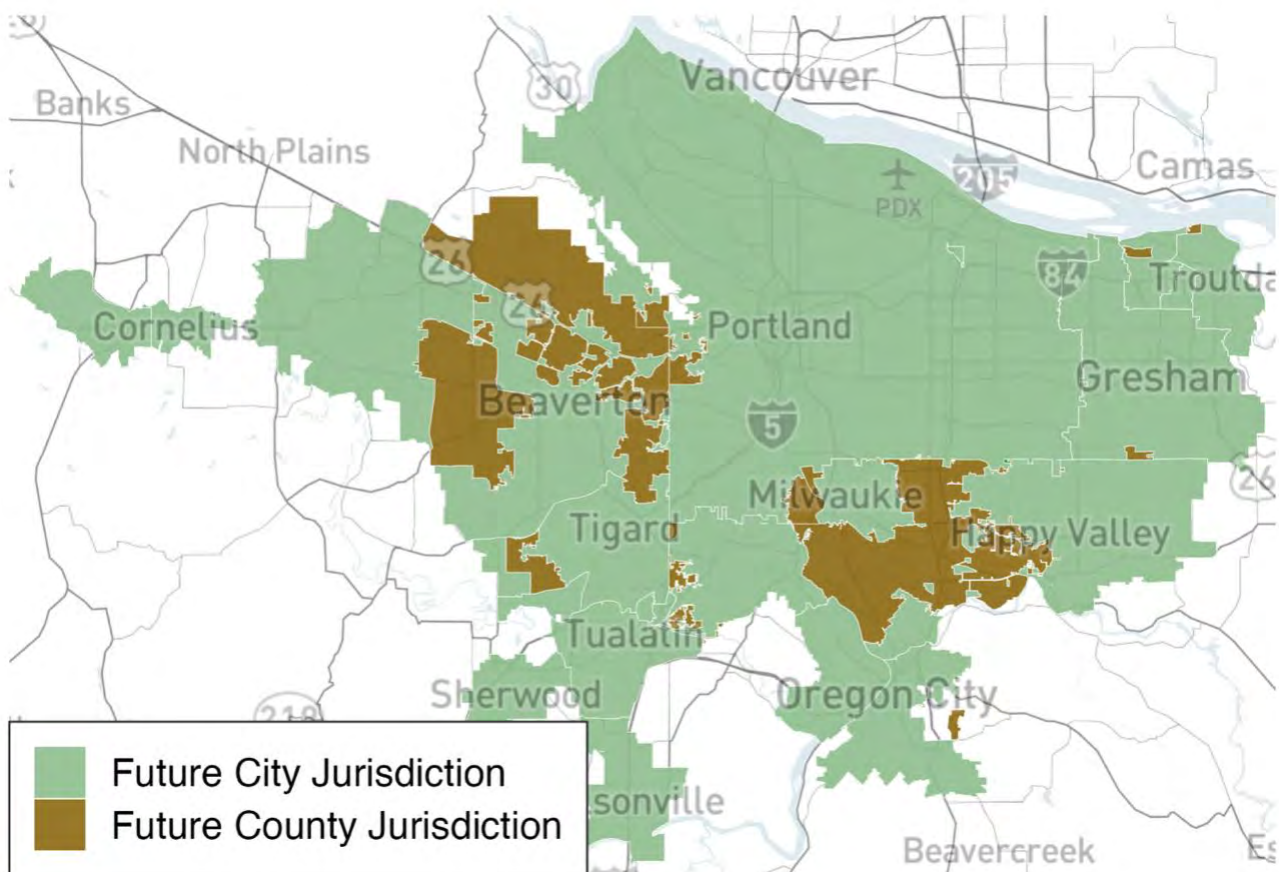
Units Needed to Accommodate Population Growth:

- **Residential capacity:** 33% from the city’s share of jurisdictional residential capacity, as calculated with Metro’s UGR process, wherein capacity in Metro’s unincorporated

urbanizable areas has been assigned to their future responsible jurisdictions as shown in Figure 10.¹²

- **Jobs access:** 33% from the city's share of UGB employed residents who live within areas with adequate transit or walking access to jobs, as calculated with TriMet and SMART's most recent transit schedule data and OpenStreetMap street grid data (see comments on Measuring Jobs Access on page 32)
- **Forecasted job growth:** 33% from the city's share of all forecasted jobs to be added between 2020 and 2050, based on Metro's UGR modeling. This metric uses Metro's TAZ-level job forecasts, which are then assigned to cities using a Metro-provided map of expected future jurisdictional responsibilities (see Figure 11 on page 34).

Figure 10. Future Metro UGB Jurisdictional Responsibility



¹² The allocation is required to incorporate population forecasts under ORS 195.033 and 195.036. Under these statutes, only Metro is authorized to create population projections for cities within the Metro UGB for use in comprehensive planning. Because Metro's distributed forecast won't be published until 2025 and given the relatively close statistical relationship between modeled residential capacity and expected population growth, residential capacity is used as a proxy for the forecast in the initial run of the methodology. In the future, once Metro's distributed forecast is adopted, it will be substituted in as the source for this component of the allocation.

Units needed to accommodate demographic change:

- **Current population:** 33% from the city's share of current (baseline) population, as calculated with 2020 block-level Decennial Census data. The choice to use Decennial Census is driven by the need to allocate population to the complex UUL boundaries as well as cities, which can only be done with granular geographies like census blocks
- **Jobs access:** 33% from the city's share of UGB employed residents who live within areas with adequate transit or walking access to jobs, as calculated with TriMet and SMART's most recent transit schedule data and OpenStreetMap street grid data (see below).
- **Residential capacity:** 33% from the city's share of jurisdictional residential capacity, as calculated with Metro's UGR process, wherein capacity in Metro's unincorporated urbanizable areas has been assigned to their future responsible jurisdictions.

Units lost to second and vacation homes:

- **Second and vacation homes:** 100% from the city's share of all current UGB second and vacation homes as calculated with 2020 Decennial Census place-level counts

Measuring Jobs Access

One of the weights used to allocate units for population growth to Metro cities is a measurement of transit access to jobs. The approach uses current TriMet and SMART's schedule data, OpenStreetMap street grid data, and open-source trip-routing software to plot transit and walking trips from every Transit Analysis Zone (TAZ) in the Metro UGB to every other TAZ in the Metro UGB.

Walk and transit access was chosen specifically to be most applicable to all households, regardless of income and access to private vehicles as a mode of transportation. Joining this with Longitudinal Employer-Household Dynamics (LEHD) job location data spatially allocated to the TAZs, the model calculates the number of jobs reachable by transit within a 60-minute journey, mid-week, at 8:00 AM. The UGBs' TAZs are rank ordered by job access, and a threshold is set at the 10th percentile to denote "transit access" zones. Each TAZ is assigned to a city based on Metro's TAZ planning jurisdiction shapefile, and where this information is missing, it is assigned based on which city has the largest overlap with any given TAZ. The number of employed residents living in these "transit access TAZs" is calculated for each jurisdiction, and the jurisdiction's share of the UGB's total is used as the final weight.

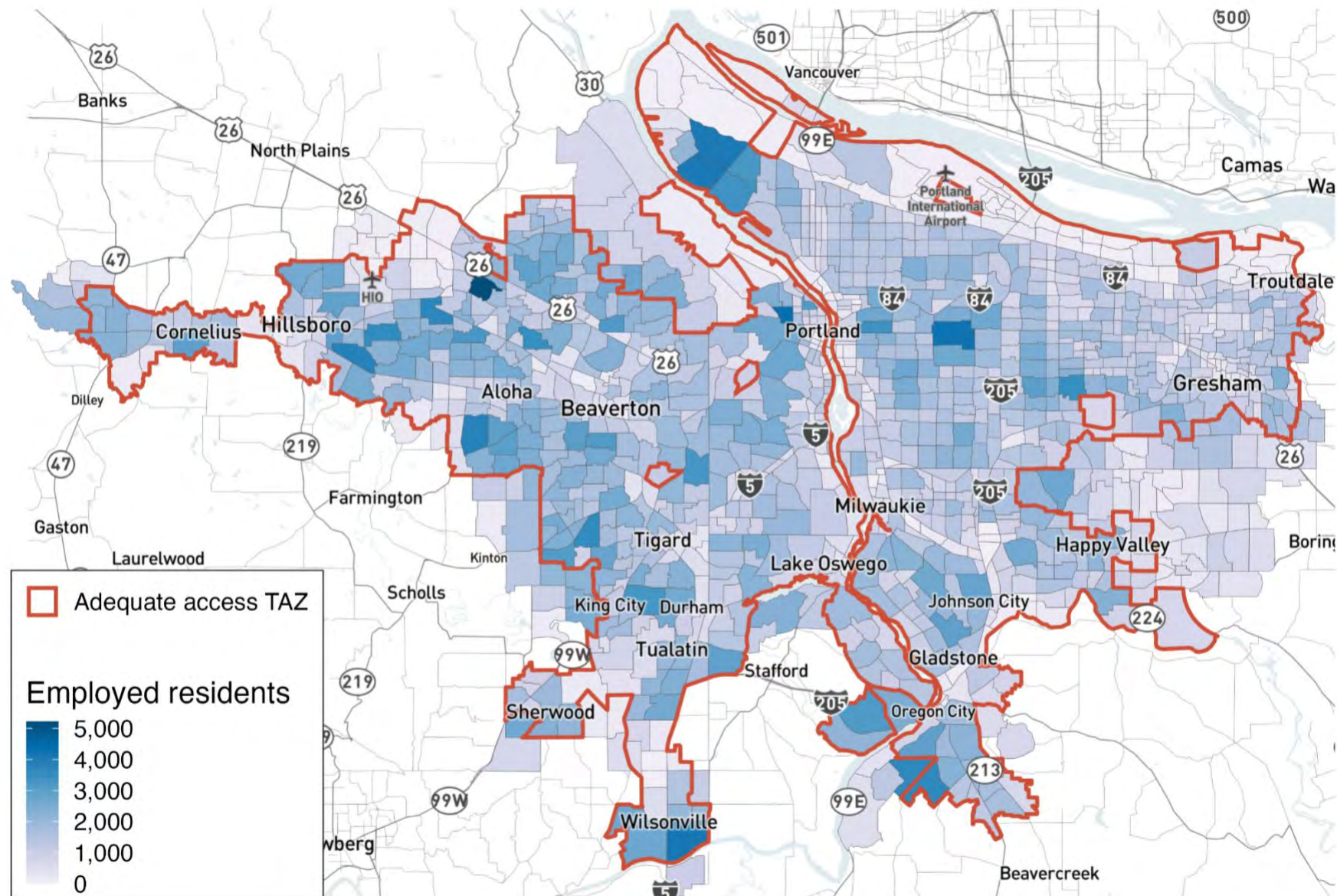
In the interest of maintaining accurate assessments of transit access, future iterations of the OHNA model will incorporate the most up-to-date TAZ-level jobs totals, transit schedules, and OpenStreetMap data.

Measuring Job Growth

Similar to the transit allocation component, the methodology incorporates forecasted job growth to operationalize the statutory direction to incorporate access/proximity to jobs as part of the allocation. This component has the effect of allocating more housing where future job growth is projected to occur. This data set is provided by Metro from their housing and transportation modeling processes, based on TAZ geographies, with job total forecasts for

2020 and 2050 included in separate columns for each TAZ. TAZs are joined spatially to jurisdictional boundaries (including planning agreements), based on spatial data provided by Metro and the change in jobs between 2020 and 2050 is totaled for all Metro jurisdictions. The weight is calculated as a jurisdiction's share of all UGB added jobs.

Figure 11. TAZ Transit Access Zones Used to Calculate the Jobs Access Weights



Inverse Weighting

Several weights used in the Metro UGB Suballocation Methodology are termed “inverse weights.” The selected inverse weights operationalize statutory direction for the allocation to incorporate an “equitable distribution of housing” under ORS 184.453 (3)(c), ensuring cities that have historically underproduced market-rate or affordable housing are responsible for a greater proportionate share of housing underproduction. The selected inverse weights have the effect of allocating more housing, particularly housing affordable at lower incomes, to cities that have historically produced less market-rate and affordable housing units. The inverse weighting system works in the following manner, using the “Production” weight as an example:

- Each city’s rate of housing unit production is calculated by taking the previous five years of total permits from RLIS housing unit data and converting them to a percentage of current total units.
- The UGB average is calculated from among all cities.
- The “delta,” or nominal units needed for each city to match the UGB’s average rate, is calculated. Cities above the UGB average receive a weight of 0.
- All the nominal deltas are converted to percent of the total delta. This percentage becomes half the weight used to allocate underproduction and units needed to accommodate homelessness.

Example Delta Calculation for Inverse Weights

UGB average rate of housing unit production: 7% of current units (average of all cities)

City X	City Y
City X’s current units: 12,000 City X’s actual production: 600 City X’s production rate: 5% of current units To match the UGB rate of housing production, City X should have built 840 units ($7\% \times 12,000$) Its delta is 240 units ($840 - 600$) If the sum of all cities’ deltas was 500, City X would have $240/500$ or 48%. Because recent production is only half of the weight for the current need allocation, this 48% would be averaged with the weight calculated for affordability to arrive at a blended weight.	City Y’s current units: 15,000 City Y’s actual production: 1,500 City Y’s production rate: 10% of current units To match the UGB rate of housing production, City Y only needed to build 1,050 units ($7\% \times 15,000$) Since it produced more than the average, it has no delta, and its weight would be zero.

Statewide and Regional Results

This section provides statewide and regional results of total 20-year housing need by income and need component based on the Final Methodology. Local city-level results are provided by income level in beginning on page 53.

Statewide Results

Figure 12. Statewide and Regional 20-Year Total Housing Need by Income Level

Region	Income Level					Total Need
	0-30%	31-60%	61-80%	81-120%	>120%	
Central	8,151	8,568	6,853	12,759	22,071	58,401
Metro	31,034	32,156	20,591	36,566	67,929	188,276
Northeast	3,598	3,230	2,088	4,458	6,593	19,966
Northern Coast	4,554	3,364	1,350	3,450	3,574	16,292
Southeast	3,088	2,308	1,290	2,242	3,667	12,594
Southwest	13,200	11,002	6,476	10,724	21,150	62,551
Willamette Valley	33,905	25,746	14,342	24,440	37,989	136,421
Oregon	97,529	86,373	52,990	94,638	162,972	494,503

Figure 13. Statewide 20-Year Total Housing Need by Income Level and Component

Income Level	Current Need		Future Need			Total Needs
	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	
0-30%	15,049	35,287	-	17,377	29,818	97,529
31-60%	16,630	8,221	-	22,683	38,840	86,373
61-80%	7,953	2,129	-	15,616	27,292	52,990
81-120%	7,368	-	11,370	27,572	48,329	94,638
>120%	3,301	-	5,930	55,938	97,803	162,972
Total	50,300	45,637	17,300	139,185	242,081	494,503

Regional Results

Figure 14. OHNA Regions (from page 8)

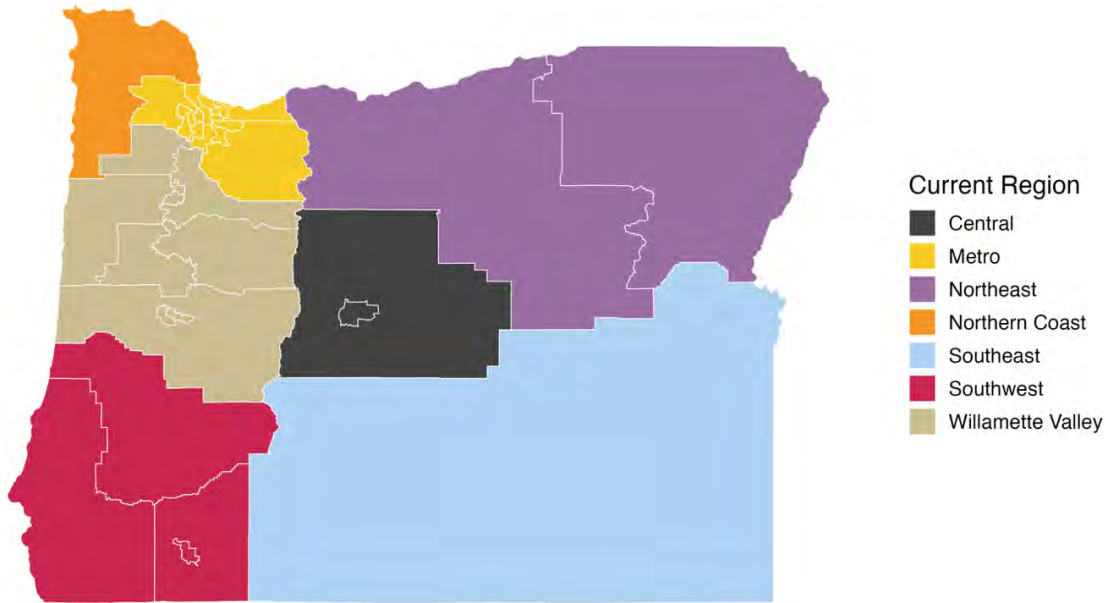


Figure 15. Central Region 20-Year Total Housing Need by Income Level and Component

Income Level	Current Need		Future Need			Total Needs
	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	
0-30%	1,469	2,113	-	1,090	3,479	8,151
31-60%	1,708	396	-	1,539	4,925	8,568
61-80%	1,267	107	-	1,303	4,176	6,853
81-120%	1,227	-	1,813	2,316	7,403	12,759
>120%	609	-	1,692	4,713	15,057	22,071
Total	6,280	2,616	3,505	10,960	35,041	58,401

Figure 16. Northern Coast Region 20-Year Total Housing Need by Income Level and Component

Income Level	Current Need		Future Need			Total Needs
	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	
0-30%	1,064	2,374	-	582	535	4,554
31-60%	1,235	407	-	903	819	3,364
61-80%	442	79	-	432	397	1,350
81-120%	423	-	1,301	909	818	3,450
>120%	158	-	644	1,459	1,314	3,574
Total	3,321	2,859	1,945	4,284	3,883	16,292

Figure 17. Southwest Region 20-Year Total Housing Need by Income Level and Component

	Current Need		Future Need			
Income Level	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	Total Needs
0-30%	1,645	6,613	-	2,152	2,789	13,200
31-60%	2,147	1,181	-	3,353	4,321	11,002
61-80%	1,022	375	-	2,215	2,863	6,476
81-120%	930	-	1,571	3,584	4,639	10,724
>120%	594	-	613	8,709	11,234	21,150
Total	6,338	8,170	2,184	20,014	25,846	62,551

Figure 18. Willamette Valley Region 20-Year Total Housing Need by Income Level and Component

	Current Need		Future Need			
Income Level	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	Total Needs
0-30%	5,008	14,794	-	5,229	8,874	33,905
31-60%	5,118	3,825	-	6,240	10,563	25,746
61-80%	2,115	987	-	4,165	7,075	14,342
81-120%	1,960	-	2,781	7,313	12,386	24,440
>120%	860	-	954	13,415	22,761	37,989
Total	15,061	19,605	3,735	36,362	61,659	136,421

Figure 19. Northeast Region 20-Year Total Housing Need by Income Level and Component

	Current Need		Future Need			
Income Level	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	Total Needs
0-30%	771	1,128	-	862	837	3,598
31-60%	665	282	-	1,150	1,133	3,230
61-80%	296	112	-	853	827	2,088
81-120%	233	-	1,309	1,483	1,433	4,458
>120%	146	-	733	2,904	2,810	6,593
Total	2,110	1,522	2,042	7,253	7,040	19,966

Figure 20. Southeast Region 20-Year Total Housing Need by Income Level and Component

Income Level	Current Need		Future Need			Total Needs
	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	
0-30%	615	1,238	-	836	400	3,088
31-60%	501	427	-	929	450	2,308
61-80%	222	110	-	647	310	1,290
81-120%	281	-	300	1,120	541	2,242
>120%	150	-	189	2,241	1,087	3,667
Total	1,770	1,775	489	5,773	2,788	12,594

Figure 21. Metro Region 20-Year Total Housing Need by Income Level and Component

Income Level	Current Need		Future Need			Total Needs
	Underproduction	Units for Homelessness	Second & Vacation Homes	Demographic Change	Pop. Growth	
0-30%	4,478	7,026	-	6,626	12,904	31,034
31-60%	5,256	1,703	-	8,568	16,629	32,156
61-80%	2,588	360	-	5,999	11,644	20,591
81-120%	2,314	-	2,295	10,848	21,108	36,566
>120%	786	-	1,106	22,498	43,540	67,929
Total	15,422	9,090	3,401	54,539	105,825	188,276

Data Sources and Updates

The OHNA Final Methodology relies on publicly available data, which are updated and released throughout the calendar year. Figure 22 below lists the variables used throughout the OHNA Final Methodology, their sources, and when they are typically updated.

Figure 22. Publicly Available Data Sources and Release Schedules

Category	Component	Data Input	Source	Area	Annual Release Schedule
Many	Regional Income Limits as a Percent of Area Median	AMI levels to allocate units to incomes	HUD	Region	April
Current Need	Underproduction	Total households	Census PUMS for American Community Service (ACS) 1-year estimates	Region	October
		Missing households			
		Total housing units			
		Second and vacation homes			
		Uninhabitable units			
		Rate of cost burdening (to allocate units to income levels)			
	Units Needed for Homelessness	Point-In-Time count	Continuums of Care	Continuums of Care	Varies (annual)
		Homelessness Management Information Systems			
		McKinney-Vento student data	Oregon Dept. of Education	Region	Varies (annual)
		Doubled-up population	Census PUMS	Region	October
Future Need	Units Needed for Population Growth	Population forecasts	PSU	Region	Rotating 4-year cycle

Category	Component	Data Input	Source	Area	Annual Release Schedule
					for a set of counties and their UGBs
		Number of people living in group quarters	Census PUMS	Region	October
		Average household size			
		Regional income distribution (to allocate units to income levels)			
	Units Lost to Second and Vacation Home Demand	Total housing units	Census PUMS	Region	October
		Units identified as used for “seasonal or recreational purposes”			
		Year built for units identified as used for “seasonal or recreational purposes” (to allocate units to income levels)			
	Units Needed for Demographic Change	Population forecasts by age cohort, by region	PSU	Region	Rotating 4-year cycle for a set of counties and their UGBs
		Number of people living in group quarters	Census PUMS	Region	October

Category	Component	Data Input	Source	Area	Annual Release Schedule
		Average household size			
		Regional income distribution (to allocate units to income levels)			
Allocating Needed Housing	Local Allocation Factor	UGB's current share of regional population	PSU	UGB	Rotating 4-year cycle for a set of counties and their UGBs
		UGB's current share of regional jobs	Census LEHD-LODES	UGB	December
		UGB's current share of regional units identified as used for "seasonal or recreational purposes"	2020 Census	UGB	December
Metro	Metro UGB	Metro's UGR Current and Future Need Totals	Metro UGR	UGB	At least every six years
	Local allocation factor	City's share of UGB's jobs and residents in transit accessible areas	Census LEHD-LODES	City (Metro only)	Variable
	Local allocation factor	City's share of UGB's jobs and residents in transit accessible areas	TriMet GTFS	City (Metro only)	Quarterly
	Local allocation factor	City's share of UGB's affordable units	HUD CHAS	City (Metro only)	September

Category	Component	Data Input	Source	Area	Annual Release Schedule
	Local allocation factor	City's share of UGB's recent housing production	Metro RLIS	City (Metro only)	Monthly
	Local allocation factor	City's share of residential capacity	Metro UGR	City (Metro only)	At least every six years
	Local allocation factor	City's share of forecast added jobs	Metro Distributed Forecast	City (Metro only)	At least every six years
	Local allocation factor	City's share of current population	ACS	City (Metro only)	Annual
	Local allocation factor	City's share of 2020 vacation units	Census	City	Decennial

Notes: All references to Census PUMS are for 1-year ACS data.

PSU forecasts come from the Population Research Center: <https://www.pdx.edu/population-research/population-forecasts>

LEHD-LODES is the Longitudinal Employer Household Data Origin-Destination Employment Statistics: <https://lehd.ces.census.gov/data/>

TriMet GTFS is the General Transit Feed Specification: <https://developer.trimet.org/GTFS.shtml>

HUD CHAS is the Comprehensive Housing Affordability Survey: <https://www.huduser.gov/portal/datasets/cp.html>

HUD SOCDS is the State of the Cities Data Systems which is calculated from Census Data: <https://www.huduser.gov/portal/datasets/socds.ht>

Appendix A. Summary of Public Comment on Draft Methodology

As part of the OHNA Final Methodology development process (see page 5), OHCS and DLCD offered opportunities for the public to comment on the Draft Methodology on behalf of DAS. The following describes the opportunities for public comment.

- 1) OHCS posted the document to its website, emailed its listserv to announce the public comment period, and discussed the Draft Methodology at its October Housing Stability Council Meeting.
- 2) As part of the September LCDC meeting, DLCD posted the document to its website, emailed its listserv about the meeting agenda, and held public testimony.
- 3) The public comment period ran from September 12, 2024, when the LCDC meeting packet was distributed, to October 4, 2024, when OHCS convened its Housing Stability Council Meeting.
- 4) Throughout the 2024 methodology development process, DLCD and OHCS advertised email addresses where the public could send comments.

The agencies combined public comment and testimony on the methodology and summarized them below. Although some comments and testimony also discussed the OHNA policy and housing policy frameworks, only comments related to the methodology are summarized below. These comments are listed in the same order as the steps of the methodology, all are noted in plural.

- Concerns with the vacancy rate used in several components of housing need.
- Concerns with the age cohorts ending at 45 to estimate the housing underproduction component of housing need.
- Concerns with the data source used to estimate second and vacation homes and the method of distributing them to income levels.
- Suggestions to include different population trends as a component of housing allocation.
- Suggestions to use different population projections.
- Concerns about including access to transit and access to employment as components of housing allocation from regions to cities.
- Suggestions that housing allocation should consider formal capacity planning estimates.
- Suggestions that housing allocation should have a different consideration of the presence of existing affordable housing stock.
- Suggestions to change or remove peer cities.

Appendix B. Major Changes from Draft Methodology to Final Methodology

The Draft OHNA Methodology was released on September 12, 2024, with a few known needed refinements and the opportunity for the public to comment. A summary of anonymized public comment is listed in Appendix A. This Appendix outlines the major changes between the Draft and Final Methodologies, listed in the same order as the steps in the methodology.

Step 3: Determine Components of Need: Housing Underproduction

The Final Methodology expanded the upper limit of the age cohort used to estimate missing households in the housing underproduction component from 44 to 64.

Step 3: Determine Components of Need: Housing Units Needed for People Experiencing Homelessness

DAS and OHCS engaged the Portland State University (PSU) Homeless Research and Action Collaborative (HRAC) to develop the methodology to estimate housing units needed for people experiencing homelessness. This refined the methodology used in the Draft Report. Updates included new ways to annualize the sheltered and unsheltered data, introducing new local data, and making adjustments to the estimates of the doubled-up population.

Step 4: Allocate Needed Housing Units to Income Categories: Units for People Experiencing Homelessness

The Final Methodology uses data from the regional Continuums of Care Homeless Management Information Systems (HIMS) to allocate units for people experiencing homelessness to income categories. The Draft Methodology used statewide OHCS administrative data from Community Action Agencies that receive state Emergency Housing Assistance (EHA) and State Housing Assistance Program (SHAP) funds. In the Draft Methodology, data were from 2020 and were statewide. The data used in the final methodology are from 2023 and are regional.

Step 5: Allocate Needed Housing to Cities and UGBs

The Final Methodology allocates housing from regions to statewide UGBs still in the same manner, but several changes have been made to the custom Metro UGB-to-cities allocation. See below.

Step 6: Set Housing Production Targets

The Final Methodology “smooths” the OHNA results by averaging the current year results (2023) and the prior year results (2022). The results in the Draft Methodology were not smoothed.

Changes to Methodologies in Portland Metro Region

Estimating Need: Metro Adopted UGR

As noted in the draft report, the Final Methodology uses Metro’s adopted Urban Growth Report estimate of current and future housing need within the Metro UGB. This estimate serves as a control total for the Metro UGB portion of the Metro region’s estimated housing need. As described on page 27, Metro’s UGR methodology to estimate housing need was intended to align with the OHNA methodology, but due to timeline discontinuities, it did not incorporate

changes to estimating housing underproduction or estimating housing units needed for people experiencing homelessness.

Allocating Need: New Data

Metro provided an updated geospatial shapefile identifying Urban and Urbanizable unincorporated areas, which was used in the Final Methodology.

Allocating Need: New Weights

Units needed for population growth and demographic change are now allocated from the Metro UGB to Metro cities in the following manner:

- Units for population growth:
 - 1/3rd based on jurisdiction's share of UGB-wide residential capacity
 - 1/3rd based on jurisdiction's share of UGB-wide forecasted jobs to be added from 2020-2050
 - 1/3rd based on jurisdiction's transit-accessible workforce
- Units for demographic change:
 - 1/3rd based on jurisdiction's share of UGB-wide residential capacity
 - 1/3rd based on jurisdiction's share of UGB-wide current population
 - 1/3rd based on jurisdiction's share of transit-accessible workforce

The Final Methodology definition of transit-accessible Metro UGB workforce has been changed, with TAZs above the 10th percentile (in terms of total jobs within a 60-minute AM transit + walking trip) now being qualified as areas of adequate transit. The rest of this weight calculation is unchanged from the Draft Methodology.

The Final Methodology introduces a new weight for allocating units for population growth in the Metro UGB to jurisdictions: a jurisdiction's share of forecasted added jobs 2020-2050. Job forecast data is provided by Metro at the TAZ level. The TAZs are assigned to cities in the same way as the Transit Access weight, and total added jobs are summed by jurisdiction, and converted to shares of all added jobs in the Metro UGB.

Misc: Data Updates

As noted in the draft report, the Final Methodology includes the most recent data available from each data source used in the OHNA. The Data Sources and Update Schedule section, beginning on page 40, list the sources and their update schedules. As anticipated, updating the methodology with the latest data available impacted the results.

Misc: Determine Peer Cities

The Final Methodology makes a few minor changes to the Peer City methodology from the Draft. It redefines "high income households" to those earning \$200,000 a year or more, instead of the previous definition of \$150,000 or more. It no longer considers a city's OHNA target (as a % of total stock) as an input variable to the KNN model. It includes Tillamook County and does not include Metro UULs.

Appendix C. Detailed Methodology to Estimate Units Needed for Those Experiencing Homelessness

MEMO

TO: Megan Bolton, Oregon Housing & Community Services

FROM: Marisa A. Zapata, PhD, Portland State University
Franklin Spurbeck, Portland State University

DATE: November 8, 2024

SUBJECT: Homeless population and household estimates for OHNA, update

In 2020, the State of Oregon created its first regional housing needs analysis. As part of this new analytical and geographic approach, the state also included housing needs estimates for people experiencing homelessness. Housing needs assessments typically use US Census data, but the Census is known for not counting people experiencing homelessness well. This memo provides a recommendation on how to estimate the housing needs for people experiencing homelessness based on more relevant data sets. The proposed methodology uses an annualized point in time count of unsheltered households, the number of households served in shelter over a year, and households doubled-up based on K-12 student data and US Census data.

The draft OHNA methodology includes a recommendation about how to estimate the number of housing units needed for people experiencing homelessness. The homelessness estimates used for this approach had several limitations. To create a more robust methodology for estimating the number of housing units needed for people experiencing homelessness, PSU-HRAC reviewed additional literature, assessed various data sets, and met with continua of care for input. In this memo, we present a recommended methodology for the initial creation of OHNA numbers. We then document future considerations when conducting OHNAs along with additional research that responds to those considerations.

Recommended Methodology & Data Sets

We recommend combining portions of four data sets to better estimate the number of people experiencing homelessness in an OHNA region.

Our approach uses CoC Point-In-Time Count (PITC) data and McKinney-Vento Student Data (MVSD) for children enrolled in K-12 public schools. We also utilize CoC Homeless Management Information System (HMIS) data, By-Name Lists (BNL), and American Community Survey (ACS) data. Details on each data set follow.

Point-In-Time Count (PITC)

The PITC is a one-night count of people experiencing homelessness. The PITC includes a count of people living unsheltered (PITCu), and people living in shelter and transitional housing (PITCs). The sheltered and transitional housing numbers are submitted every year based on individuals sleeping in shelters that submit data into the CoC's Homeless Management Information System (HMIS). A count of people living unsheltered occurs a minimum of every other year. Some CoCs administer the unsheltered survey each year.

Homeless Management Information System (HMIS)

HMIS data is client-level administrative data created when an individual or family experiencing or at risk of homelessness interacts with the homeless services system.

By-Name Lists (BNL)

By-name lists are created by CoCs for a variety of purposes. Some are updated frequently and include information about where people are currently living. A BNL that includes people living unsheltered can augment or replace PITCu data (BNLu).

McKinney-Vento Student Data (MVSD)

The MVSD is a count of students enrolled in K-12 schools identified as experiencing homelessness. Unlike HUD, who oversees the PIT and HMIS, schools count students who are living doubled-up as homeless. That means the count includes students living unsheltered (MVSDu), sheltered (MVSDs), or doubled-up (MVSDd). The MVSD is the only widely collected primary data set about homelessness that includes doubled-up people.

American Community Survey (ACS)

The ACS is administered by the US Census Department on a continual basis. Collected data is used to create detailed estimates of people and housing information. We use ACS data to estimate the population living doubled-up (ACSdu).

Methodology

Methodology Overview

We recommend the following formula for calculating the number of households that need housing. It combines:

- **Unsheltered data:** PITC unsheltered data that is annualized and converted to household numbers; or, the household count from BNL across one year;
- **Sheltered data:** Households served in shelter over one calendar year, as recorded in HMIS; and,

- **Doubled-up data:** MVSD for doubled-up student households plus ACS doubled-up households without children enrolled in K-12 schools.

All data are converted to households (HH), and annualized when the data set is not an annual count.

Detailed Methodology

All data were converted into households and annualized based on a multiplier when an annual data set was not available.

$$\begin{aligned} & [(PIT_{unsheltered} * PIT_{uannualizedrate} / PIT_{uhh}) \text{ or } (BNL_{hh})] + HMIS_{shelterhh} \\ & + [(MVSD_{unsheltered} + MVSD_{motel} + MVSD_{doubledup}) / ACS_{hhsz}] + (ACS_{doubleduphh} - ACS_{doubledup5-18hh}) \\ & = \text{Total needed households for people experiencing homelessness} \end{aligned}$$

where:

$PIT_{uannualizedrate}$ = an individual-level multiplier determined by how long an individual reports experiencing homelessness in the past year (Shinn et. al. 2024)

ACS_{hhsz} = Average number of children per family in a given OHNA region, derived from ACS data (same as draft OHNA methodology)

Unsheltered estimate

The unsheltered estimate can come from two data sources. One starts with the individual-level PIT count unsheltered data and applies an annualization rate derived from Shinn et. al. (2024). The other approach to estimating the number of unsheltered people living in the region is to use a current, deduplicated by-name list for one year. Details about each approach follow.

Annualized PIT Count Unsheltered Data

We recommend beginning with each CoC's PITCu data, still at the individual level. Using a method developed by Shinn et. al. (2024), annualize the unsheltered PIT estimate by weighting each individual by the inverse of how long that person reports experiencing homelessness in the past year. Individuals for whom there is no length of time homeless can either be weighted at one (representing only themselves), or can have a weight assigned to them based on the distribution of known lengths previously homeless from the rest of the PITCu. For categorical responses, such as "0 to 3 months," we assume the person has been experiencing homelessness for a length of time in the middle of the range (in this example, 2 months).

To go from annualized number of people to annual number of households, we divide the annualized estimate of people experiencing unsheltered homelessness by the average household size of households experiencing unsheltered homelessness, at the county level.

Table 1 Example of Annualized Unsheltered Rate

Client ID	How long have you been homeless this time?	Length homeless (integer)	Inverse (12 months/ integer months)	Weight
00001	0 - 3 months	2 months	12/2	6
00002	24 - 35 months	12 months	12/12	1
00003	No data	12 months	12/12	1
00004	4-6 months	5 months	12/5	2.4

In the above example, we go from a PITCu of three people to an annual estimate of 10.4 people.

Unsheltered Coordinated Entry Data

Some CoCs supplement their PITCu with data from a coordinated entry list, which is one type of BNL. This data may not include sufficient information to annualize or convert to households. In this case, we recommend adding the number of CE records that CoC added, without attempting to annualize or convert to households.

Unsheltered By-Name List

For counties that keep a well-maintained list of people experiencing unsheltered homelessness, we recommend using that list to reflect the number of people experiencing unsheltered homelessness. This number *should* be higher or close to the annualized PIT unsheltered count.

Sheltered estimate

We recommend pulling an HMIS report of all people who have used housing services for the given year. As much as possible, deduplicate by household; for households with multiple stays, include the more recent stay. Exclude households served in PSH or RRH, who are already in housing units. Exclude individuals who have exited the homeless services system by dying, who have exited to permanent housing and have not re-entered homelessness, or who exited to unsheltered homelessness. Exclude individuals who entered homelessness from unsheltered homelessness. If there's no data to suggest where an individual exited to or entered from, keep them in the dataset.

Doubled-up estimate

McKinney-Vento Estimate

We recommend using the most recent McKinney-Vento numbers available. Use doubled-up, motel/hotel, and unsheltered student numbers, but do not use the sheltered student numbers. Note that "unaccompanied youth" are already included in the other MV subcategories, so do not double count them. Publicly available McKinney-Vento data is redacted whenever the exact number of students in any instance is less than five. In those instances, replace the redaction with a 1. Once the number of students has been aggregated up to the OHNA region, divide by the average number of school-aged students per household in that OHNA region to move from an estimate of doubled-up students to doubled-up households.

ACS estimate

This estimate is based on a new method developed by Richard et. al. (2022), and uses census data to estimate the number of individuals who are doubled-up in a particular geography. We modified the method to estimate doubled-up households instead of doubled-up individuals. We then used this as the basis for estimating the number of households experiencing doubled-up homelessness. We further modified the Richard et. al. method by excluding from the estimate all doubled-up households that contain a child age 5-18, as we assume households with doubled-up children are accounted for by McKinney-Vento data.

We sum the McKinney-Vento estimate of households experiencing doubled-up homelessness and the ACS estimate of households experiencing doubled-up homelessness to create the overall estimate of doubled-up homelessness in each OHNA region.

Data Notes

We recommend using the most recent and/or valid data regardless of whether the data all come from the same year. The number of people experiencing homelessness can change rapidly based on local contexts. Data sets are also updated at different times. In this report we are using data from 2022 (ACS), 2023 (PITCu, MVSD, HMIS), and 2024 (PITCu).

The selected data sets include a mix of one day and annual counts. We identified a method to annualize the PIT unsheltered data. CoCs that manage an updated BNL that includes people living unsheltered and can be deduplicated should use their BNL annual count instead. We classified the ACS as an annual count, even though it is best understood as something in between one day and an annual count.

Not all data sets include household counts. We use the household size calculations from the EcoNW work to calculate household size for the MVSD. EcoNW calculated the average number of school-aged children per household in each OHNA region, then divided the MVSD count by that number, thereby creating an estimate of doubled-up households from the MVSD count of doubled-up students. The ACS household calculation for people living doubled-up involved creating a flag for the head of household for each dwelling unit that contained individuals who were flagged as being doubled-up. We then used this doubled-up head of household flag as the basis for estimating the number of doubled-up households in the population.

Each data set should be deduplicated within itself. We expect that some deduplication will happen across the data sets depending on the CoC. However, we recognize that there will be duplication. In particular, identifying people who are moving out of shelter and onto the street, or moving off the street onto someone's couch, can be challenging. Despite the likely probability of someone being reflected in multiple data sets, we also know that there are many people experiencing homelessness who are not counted at all.

The methodology and corresponding data should *not* be used beyond the purpose of the OHNA. For instance, some CoCs classify shelter versus unsheltered differently based on the data set. Or, a BNL may include people in shelter as well. The purpose of this methodology is to provide a robust process

for estimating the needed housing units for people experiencing homelessness, regardless of their circumstances.

Future areas of improvement

- Duplication between lists. Many people experiencing homelessness move between emergency shelter, unsheltered homelessness, and being doubled-up. Without data that includes personally identifiable information, it will be difficult to de-duplicate across datasets.
- Better usage of BNL lists, such as Built for Zero lists or Coordinated Entry. At this time, there is little consistency across the state on how such by-name lists are created or maintained. However, such lists have the potential to be more accurate than extrapolating from other datasets.
- Accounting for the annual households served in shelters that do not report to HMIS.

Reference List

Joint Office of Homeless Services. (2024, August 15). *JOHS System Performance Quarterly Report - FY24 Q4*. Tableau Public.

<https://public.tableau.com/app/profile/johs/viz/JOHSSystemPerformanceQuarterlyReport-FY24Q4/Report>

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Shinn, M., Yu, H., Zoltowski, A. R., & Wu, H. (2024). Learning more from homeless Point-in-Time Counts. *Housing Policy Debate*, 34, 1-10. <https://doi.org/10.1080/10511482.2024.2306607>

Appendix D. Local Results

Each figure contains the UGBs in an OHNA Region and displays the UGB's 1-year annual housing production target in total and by income level, as well as the 20-year housing need allocation in total and by income level. See page 19 for the calculation of annual housing production targets.

Figure 23. Central Region Results

Central UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Bend UGB	1-year	1,971	355	314	240	413	649
	20-year	33,763	4,826	4,941	3,928	7,474	12,595
Culver UGB	1-year	15	3	2	2	3	4
	20-year	241	38	37	29	52	85
La Pine UGB	1-year	57	9	9	7	13	20
	20-year	1,008	133	142	114	232	388
Madras UGB	1-year	132	26	22	17	25	41
	20-year	2,208	346	346	274	446	795
Metolius UGB	1-year	9	2	2	1	2	3
	20-year	157	25	25	20	31	56
Prineville UGB	1-year	184	37	31	24	36	57
	20-year	3,049	485	477	375	624	1,087
Redmond UGB	1-year	594	111	99	76	115	193
	20-year	10,141	1,524	1,574	1,254	2,056	3,734
Sisters UGB	1-year	100	15	14	11	23	36
	20-year	1,791	215	238	192	437	710

Figure 24. Metro Region Results

Metro UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Banks UGB	1 year	10	2	2	1	2	3
	20 year	163	31	29	18	30	57
Barlow UGB	1 year	0	0	0	0	0	0
	20 year	6	1	1	1	1	2
Beaverton	1 year	791	156	146	89	142	259
	20 year	14,086	2,302	2,424	1,562	2,667	5,130
Canby UGB	1 year	125	28	23	14	22	39
	20 year	2,189	390	376	238	409	776
Clackamas UA	1 year	648	173	136	74	103	163
	20 year	10,241	2,180	1,944	1,148	1,795	3,175
Cornelius	1 year	63	8	10	7	13	26
	20 year	1,255	156	198	138	249	513
Durham	1 year	15	5	4	2	2	2
	20 year	191	58	43	22	28	40
Estacada UGB	1 year	41	8	7	4	7	14
	20 year	736	124	124	80	139	269
Fairview	1 year	37	4	6	4	8	15
	20 year	743	89	115	81	152	305
Forest Grove	1 year	159	19	25	17	32	65
	20 year	3,182	386	497	348	641	1,309
Gaston UGB	1 year	4	1	1	0	1	1
	20 year	65	16	12	7	10	19
Gladstone	1 year	79	27	19	9	11	13
	20 year	1,055	305	229	120	162	238
Gresham	1 year	524	89	91	58	98	187
	20 year	9,726	1,433	1,615	1,073	1,891	3,715
Happy Valley	1 year	464	83	83	52	85	161
	20 year	8,491	1,301	1,428	938	1,626	3,197
Hillsboro	1 year	744	138	134	83	136	253
	20 year	13,473	2,113	2,280	1,487	2,586	5,009
Johnson City	1 year	5	2	1	1	0	0
	20 year	50	22	14	6	5	4
King City	1 year	129	31	26	14	22	36
	20 year	2,131	411	388	236	390	706
Lake Oswego	1 year	299	82	63	33	50	71
	20 year	4,620	1,009	870	503	864	1,373
Maywood Park	1 year	8	3	2	1	1	2
	20 year	123	31	25	14	20	34

Metro UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Milwaukie	1 year	109	14	17	12	22	44
	20 year	2,164	265	338	235	442	885
Molalla UGB	1 year	65	14	12	7	11	21
	20 year	1,152	198	197	126	214	418
Multnomah UA	1 year	55	10	10	6	10	18
	20 year	982	155	165	107	194	362
North Plains UGB	1 year	39	7	7	4	7	14
	20 year	724	108	119	79	139	278
Oregon City	1 year	274	37	44	30	54	108
	20 year	5,358	691	853	587	1,066	2,160
Portland	1 year	2,851	334	431	302	620	1,164
	20 year	57,019	6,678	8,615	6,032	12,408	23,287
Rivergrove	1 year	3	1	1	0	1	0
	20 year	44	12	9	4	10	9
Sandy UGB	1 year	86	18	15	9	15	28
	20 year	1,523	259	259	166	286	553
Sherwood	1 year	144	33	28	16	24	42
	20 year	2,427	450	437	271	441	828
Tigard	1 year	462	85	83	51	85	158
	20 year	8,407	1,308	1,419	928	1,614	3,139
Troutdale	1 year	77	15	14	9	14	26
	20 year	1,397	219	236	153	273	515
Tualatin	1 year	223	75	53	26	30	39
	20 year	3,061	853	655	349	473	730
Washington UA	1 year	1,479	475	340	171	210	284
	20 year	21,036	5,503	4,366	2,385	3,378	5,404
West Linn	1 year	240	83	57	28	33	39
	20 year	3,225	928	695	364	511	727
Wilsonville	1 year	186	41	35	20	33	56
	20 year	3,175	566	556	346	609	1,099
Wood Village	1 year	20	2	3	2	4	8
	20 year	391	47	61	42	80	160

Figure 25. Northeast Region Results

Northeast UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Adams UGB	1 year	2	0	0	0	0	0
	20 year	26	5	5	3	4	8
Antelope UGB	1 year	0	0	0	0	0	0
	20 year	8	0	0	0	4	3
Arlington UGB	1 year	4	1	1	0	1	1
	20 year	64	12	11	7	14	21
Athena UGB	1 year	6	2	1	1	1	2
	20 year	103	21	19	12	19	33
Baker City UGB	1 year	69	18	13	7	12	18
	20 year	1,115	230	191	120	227	347
Boardman UGB	1 year	44	11	9	5	7	12
	20 year	736	148	131	85	133	239
Canyon City UGB	1 year	4	1	1	0	1	1
	20 year	63	13	10	6	14	19
Cascade Locks UGB	1 year	11	2	2	1	2	4
	20 year	200	32	31	21	46	69
Condon UGB	1 year	5	1	1	0	2	1
	20 year	87	12	9	6	33	28
Cove UGB	1 year	2	1	0	0	0	1
	20 year	34	8	6	4	6	10
Dayville UGB	1 year	1	0	0	0	0	0
	20 year	12	1	1	1	6	4
Dufur UGB	1 year	4	1	1	0	1	1
	20 year	60	12	10	7	12	19
Echo UGB	1 year	3	1	1	0	1	1
	20 year	57	11	10	6	12	18
Elgin UGB	1 year	9	3	2	1	1	2
	20 year	139	31	25	15	27	42
Enterprise UGB	1 year	22	6	4	2	4	6
	20 year	361	71	60	38	77	114
Fossil UGB	1 year	3	1	0	0	1	1
	20 year	49	8	6	4	16	16
Granite UGB	1 year	3	0	0	0	2	1
	20 year	58	0	0	0	37	21
Grass Valley UGB	1 year	1	0	0	0	0	0
	20 year	13	3	2	2	2	4
Haines UGB	1 year	2	0	0	0	0	0
	20 year	27	5	4	2	8	8

Northeast UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Halfway UGB	1 year	4	1	0	0	1	1
	20 year	62	8	6	4	24	20
Helix UGB	1 year	1	0	0	0	0	0
	20 year	17	4	3	2	3	6
Heppner UGB	1 year	10	2	2	1	2	3
	20 year	157	30	24	15	40	49
Hermiston UGB	1 year	168	41	32	19	28	48
	20 year	2,833	545	500	325	523	940
Hood River UGB	1 year	111	25	18	11	26	32
	20 year	1,893	317	279	179	496	623
Huntington UGB	1 year	3	0	0	0	1	1
	20 year	49	6	5	3	20	16
Imbler UGB	1 year	2	0	0	0	0	0
	20 year	30	6	5	3	7	10
Ione UGB	1 year	2	0	0	0	0	0
	20 year	28	5	4	3	7	9
Irrigon UGB	1 year	9	3	2	1	1	2
	20 year	149	32	27	17	26	47
Island City UGB	1 year	9	2	2	1	2	3
	20 year	156	32	28	18	29	50
John Day UGB	1 year	15	4	3	2	3	4
	20 year	247	51	42	26	52	76
Joseph UGB	1 year	9	2	1	1	3	3
	20 year	151	22	18	12	50	50
La Grande UGB	1 year	96	26	19	11	15	25
	20 year	1,545	330	279	176	278	482
Lexington UGB	1 year	1	0	0	0	0	0
	20 year	17	3	3	2	4	5
Lonerock UGB	1 year	1	0	0	0	0	0
	20 year	20	2	2	1	8	7
Long Creek UGB	1 year	3	1	0	0	1	1
	20 year	50	8	7	4	14	16
Lostine UGB	1 year	2	0	0	0	1	1
	20 year	36	4	3	2	15	12
Maupin UGB	1 year	6	1	1	0	3	2
	20 year	120	10	9	6	54	42
Milton-Freewater UGB	1 year	34	10	7	4	5	9
	20 year	542	120	98	61	98	165

Northeast UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Mitchell UGB	1 year	1	0	0	0	0	0
	20 year	22	3	2	1	9	7
Monument UGB	1 year	1	0	0	0	0	0
	20 year	9	2	2	1	1	3
Moro UGB	1 year	4	1	1	0	1	1
	20 year	61	13	11	7	11	20
Mosier UGB	1 year	5	1	1	0	2	2
	20 year	102	9	8	6	43	36
Mt. Vernon UGB	1 year	2	1	0	0	0	0
	20 year	29	7	5	3	5	8
North Powder UGB	1 year	3	1	0	0	0	1
	20 year	42	8	8	5	7	13
Pendleton UGB	1 year	122	33	23	14	20	32
	20 year	1,970	412	348	219	373	617
Pilot Rock UGB	1 year	5	1	1	1	1	1
	20 year	87	17	13	8	23	26
Prairie City UGB	1 year	4	1	1	0	1	1
	20 year	60	11	8	5	18	18
Richland UGB	1 year	2	0	0	0	1	1
	20 year	39	3	3	2	18	13
Rufus UGB	1 year	2	0	0	0	0	1
	20 year	30	5	4	3	9	10
Seneca UGB	1 year	2	0	0	0	1	1
	20 year	40	3	2	1	21	14
Shaniko UGB	1 year	0	0	0	0	0	0
	20 year	6	0	0	0	3	2
Spray UGB	1 year	1	0	0	0	1	0
	20 year	26	2	2	1	12	9
Stanfield UGB	1 year	16	4	3	2	3	5
	20 year	290	50	50	34	54	102
Summerville UGB	1 year	1	0	0	0	0	0
	20 year	8	2	1	1	2	3
Sumpter UGB	1 year	13	0	0	0	8	5
	20 year	259	4	4	2	157	92
The Dalles UGB	1 year	112	31	22	13	18	29
	20 year	1,805	387	323	202	334	559
Ukiah UGB	1 year	2	0	0	0	1	1
	20 year	30	2	2	1	16	10

Northeast UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Umatilla UGB	1 year	50	13	10	6	8	13
	20 year	820	167	145	93	153	262
Union UGB	1 year	9	2	2	1	2	2
	20 year	149	29	25	15	33	47
Unity UGB	1 year	1	0	0	0	0	0
	20 year	11	0	0	0	7	4
Wallowa UGB	1 year	4	1	1	0	1	1
	20 year	68	12	10	6	20	21
Wasco UGB	1 year	1	0	0	0	0	0
	20 year	23	4	3	2	7	7
Weston UGB	1 year	8	2	2	1	1	2
	20 year	138	26	24	16	26	47

Figure 26. Northern Coast Region Results

Northern Coast UGB	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Astoria UGB	1 year	142	61	35	12	17	17
	20 year	1,835	667	434	165	262	307
Bay City UGB	1 year	15	6	4	1	2	2
	20 year	186	69	43	16	29	30
Cannon Beach UGB	1 year	44	14	8	3	12	8
	20 year	660	153	101	39	216	151
Clatskanie UGB	1 year	23	10	6	2	3	3
	20 year	300	109	71	27	42	50
Columbia City UGB	1 year	13	6	3	1	1	1
	20 year	164	63	40	15	21	25
Garibaldi UGB	1 year	12	5	3	1	2	2
	20 year	161	52	34	13	32	30
Gearhart UGB	1 year	25	8	4	2	7	5
	20 year	382	83	55	21	134	90
Manzanita UGB	1 year	22	5	3	1	9	5
	20 year	373	51	37	15	169	103
Nehalem UGB	1 year	16	6	3	1	3	3
	20 year	227	63	45	18	51	50
Prescott UGB	1 year	1	0	0	0	0	0
	20 year	7	2	2	1	1	1
Rainier UGB	1 year	28	12	7	2	3	3
	20 year	359	132	86	33	48	59
Rockaway Beach UGB	1 year	33	7	4	2	13	8
	20 year	553	80	57	23	243	150
Scappoose UGB	1 year	94	38	23	9	11	13
	20 year	1,293	427	305	121	189	251
Seaside UGB	1 year	114	42	25	9	21	17
	20 year	1,603	467	318	124	365	329
St. Helens UGB	1 year	172	72	43	15	20	22
	20 year	2,283	799	544	211	320	410
Tillamook Outside UGB Area	1 year	62	7	11	5	18	21
	20 year	1,233	136	210	101	369	417
Tillamook UGB	1 year	97	42	24	9	11	11
	20 year	1,249	456	300	114	169	210
Vernonia UGB	1 year	21	9	5	2	2	2
	20 year	269	98	64	24	37	45
	1 year	94	38	23	8	12	13

Northern Coast UGB	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Warrenton UGB	20 year	1,276	427	297	117	194	241
Wheeler UGB	1 year	5	2	1	0	1	1
	20 year	62	20	12	5	14	11

Figure 27. Southeast Region Results

Southeast UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Adrian UGB	1 year	2	1	0	0	0	1
	20 year	37	8	6	3	8	11
Bonanza UGB	1 year	3	1	1	0	1	1
	20 year	50	11	7	4	13	15
Burns UGB	1 year	26	9	5	3	4	5
	20 year	381	106	72	38	66	99
Chiloquin UGB	1 year	6	2	1	1	1	1
	20 year	97	24	17	9	21	27
Hines UGB	1 year	15	5	3	1	2	3
	20 year	226	56	40	22	44	64
Jordan Valley UGB	1 year	3	0	0	0	1	1
	20 year	54	5	3	2	26	19
Klamath Falls UGB	1 year	386	132	82	39	54	80
	20 year	5,686	1,573	1,100	584	924	1,504
Lakeview UGB	1 year	34	11	7	3	6	8
	20 year	518	130	93	50	99	145
Malin UGB	1 year	5	2	1	0	1	1
	20 year	76	21	14	7	15	20
Merrill UGB	1 year	6	2	1	1	1	1
	20 year	96	26	18	10	17	26
Nyssa UGB	1 year	25	8	5	3	4	6
	20 year	383	100	71	39	68	106
Ontario UGB	1 year	161	52	33	16	23	36
	20 year	2,450	638	466	256	404	687
Paisley UGB	1 year	2	1	0	0	1	1
	20 year	40	8	6	3	11	12
Vale UGB	1 year	24	8	5	2	4	6
	20 year	373	94	70	39	64	107

Figure 28. Southwest Region Results

Southwest UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Ashland UGB	1 year	223	65	41	22	37	58
	20 year	3,542	779	603	348	681	1,132
Bandon UGB	1 year	51	12	8	4	13	14
	20 year	854	141	117	68	252	276
Brookings UGB	1 year	119	32	20	11	25	31
	20 year	1,923	381	295	170	468	608
Butte Falls UGB	1 year	3	1	1	0	0	1
	20 year	41	10	7	4	8	12
Canyonville UGB	1 year	19	6	4	2	3	5
	20 year	299	74	55	31	46	93
Cave Junction UGB	1 year	23	7	4	2	3	6
	20 year	356	81	64	37	57	116
Central Point UGB	1 year	166	51	32	17	22	44
	20 year	2,608	607	480	278	388	855
Coos Bay UGB	1 year	180	56	34	18	26	45
	20 year	2,793	663	498	284	472	876
Coquille UGB	1 year	37	12	7	4	5	9
	20 year	567	141	102	58	95	173
Drain UGB	1 year	9	3	2	1	1	2
	20 year	130	34	24	13	20	39
Eagle Point UGB	1 year	71	21	14	7	10	20
	20 year	1,135	253	206	121	176	380
Elkton UGB	1 year	2	1	0	0	1	1
	20 year	37	7	5	3	12	11
Glendale UGB	1 year	5	2	1	0	1	1
	20 year	67	19	13	7	9	19
Gold Beach UGB	1 year	37	9	5	3	10	10
	20 year	616	105	80	46	197	189
Gold Hill UGB	1 year	9	3	2	1	1	2
	20 year	141	35	25	14	24	42
Grants Pass UGB	1 year	555	154	105	58	78	160
	20 year	9,058	1,909	1,628	964	1,436	3,121
Jacksonville UGB	1 year	26	8	5	2	4	7
	20 year	408	91	68	39	82	127
Lakeside UGB	1 year	16	3	2	1	5	4
	20 year	267	39	29	16	104	79
	1 year	1,277	348	241	134	180	374

Southwest UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Medford UGB	20 year	20,966	4,353	3,768	2,241	3,307	7,296
Myrtle Creek UGB	1 year	41	14	8	4	5	9
	20 year	600	162	111	61	93	174
Myrtle Point UGB	1 year	19	7	4	2	2	4
	20 year	272	75	51	28	41	78
North Bend UGB	1 year	92	29	18	9	13	23
	20 year	1,421	345	258	147	225	446
Oakland UGB	1 year	7	2	1	1	1	1
	20 year	96	26	18	10	14	28
Phoenix UGB	1 year	43	13	8	4	6	11
	20 year	664	159	122	70	101	213
Port Orford UGB	1 year	16	4	2	1	5	4
	20 year	259	41	28	15	101	74
Powers UGB	1 year	4	1	1	0	1	1
	20 year	54	13	9	5	12	15
Reedsport UGB	1 year	33	10	6	3	6	8
	20 year	500	116	81	45	111	147
Riddle UGB	1 year	8	3	2	1	1	2
	20 year	126	32	24	13	18	39
Rogue River UGB	1 year	27	8	5	3	4	7
	20 year	428	96	76	44	71	140
Roseburg UGB	1 year	377	114	72	39	51	100
	20 year	5,938	1,371	1,081	627	919	1,941
Shady Cove UGB	1 year	21	6	4	2	5	5
	20 year	342	69	52	30	86	106
Sutherlin UGB	1 year	63	21	12	7	8	16
	20 year	970	241	178	101	148	302
Talent UGB	1 year	46	14	9	5	7	13
	20 year	736	166	132	77	119	243
Winston UGB	1 year	58	17	11	6	8	16
	20 year	937	205	170	100	144	318
Yoncalla UGB	1 year	5	2	1	0	1	1
	20 year	75	20	13	7	13	21

Figure 29. Willamette Valley Region Results

Willamette Valley UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Adair Village UGB	1 year	8	2	2	1	1	2
	20 year	124	30	24	13	21	36
Albany UGB	1 year	491	157	101	51	70	111
	20 year	7,797	1,981	1,506	840	1,292	2,179
Amity UGB	1 year	12	4	2	1	2	3
	20 year	185	46	36	20	31	52
Aumsville UGB	1 year	36	9	7	4	6	10
	20 year	621	131	115	69	111	195
Aurora UGB	1 year	12	3	2	1	2	3
	20 year	210	45	39	23	37	65
Brownsville UGB	1 year	9	3	2	1	1	2
	20 year	139	39	27	15	23	36
Carlton UGB	1 year	17	5	3	2	3	4
	20 year	276	63	51	29	51	81
Coburg UGB	1 year	27	8	5	3	4	7
	20 year	442	104	83	48	77	130
Corvallis UGB	1 year	519	176	109	53	72	109
	20 year	7,999	2,158	1,563	847	1,311	2,120
Cottage Grove UGB	1 year	62	23	13	6	8	11
	20 year	896	273	182	94	134	213
Creswell UGB	1 year	33	12	7	3	4	7
	20 year	495	139	98	52	79	127
Dallas UGB	1 year	156	45	31	16	24	39
	20 year	2,589	598	487	282	452	771
Dayton UGB	1 year	13	5	3	1	2	3
	20 year	200	56	40	21	31	52
Depoe Bay UGB	1 year	15	3	2	1	6	4
	20 year	273	36	28	16	119	74
Detroit UGB	1 year	8	0	0	0	6	2
	20 year	161	4	3	2	110	42
Donald UGB	1 year	10	3	2	1	1	2
	20 year	146	40	29	16	23	38
Dundee UGB	1 year	19	6	4	2	3	4
	20 year	287	76	55	30	50	76
Dunes City UGB	1 year	7	2	1	0	3	1
	20 year	121	19	12	6	56	28
Eugene UGB	1 year	1,688	562	352	173	238	364
	20 year	26,273	6,949	5,111	2,796	4,328	7,088

Willamette Valley UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Falls City UGB	1 year	6	2	1	1	1	1
	20 year	88	22	17	10	15	25
Florence UGB	1 year	87	25	15	7	22	17
	20 year	1,373	299	203	105	427	339
Gates UGB	1 year	3	1	1	0	0	1
	20 year	44	10	8	4	9	12
Gervais UGB	1 year	16	5	3	2	2	4
	20 year	249	65	49	27	40	69
Halsey UGB	1 year	6	2	1	1	1	1
	20 year	86	23	17	9	14	23
Harrisburg UGB	1 year	20	7	4	2	3	4
	20 year	300	84	60	32	47	77
Hubbard UGB	1 year	29	9	6	3	4	7
	20 year	467	118	90	50	79	130
Idanha UGB	1 year	1	0	0	0	0	0
	20 year	17	3	2	1	6	5
Independence UGB	1 year	79	23	16	8	12	19
	20 year	1,295	306	245	140	224	379
Jefferson UGB	1 year	18	6	4	2	2	4
	20 year	279	74	55	30	45	76
Junction City UGB	1 year	65	20	13	7	10	15
	20 year	1,050	255	200	113	179	302
Keizer UGB	1 year	252	81	52	26	36	57
	20 year	4,009	1,018	774	432	664	1,120
Lafayette UGB	1 year	29	8	6	3	4	7
	20 year	479	108	90	53	84	146
Lebanon UGB	1 year	141	50	30	14	19	28
	20 year	2,123	600	421	223	337	541
Lincoln City UGB	1 year	147	29	18	9	56	34
	20 year	2,553	362	267	146	1,106	673
Lowell UGB	1 year	6	2	1	1	1	1
	20 year	98	26	18	10	19	25
Lyons UGB	1 year	10	3	2	1	2	2
	20 year	166	39	30	17	32	47
McMinnville UGB	1 year	297	97	62	31	43	65
	20 year	4,660	1,210	901	496	779	1,273
Mill City UGB	1 year	14	5	3	1	2	3
	20 year	205	57	40	21	36	52

Willamette Valley UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Millersburg UGB	1 year	74	16	14	8	13	23
	20 year	1,337	249	241	150	250	448
Monmouth UGB	1 year	97	27	19	10	15	25
	20 year	1,623	367	304	178	284	491
Monroe UGB	1 year	4	2	1	0	1	1
	20 year	60	18	12	6	9	14
Mt. Angel UGB	1 year	27	9	6	3	4	6
	20 year	417	110	81	45	68	114
Newberg UGB	1 year	257	75	52	27	39	64
	20 year	4,248	990	801	462	737	1,258
Newport UGB	1 year	116	35	21	10	27	24
	20 year	1,841	418	291	154	511	467
Oakridge UGB	1 year	17	6	3	2	3	3
	20 year	255	69	48	25	48	65
Philomath UGB	1 year	48	14	10	5	7	12
	20 year	791	187	149	85	138	231
Salem UGB	1 year	2,016	661	420	209	283	444
	20 year	31,617	8,254	6,152	3,392	5,163	8,656
Scio UGB	1 year	10	3	2	1	1	2
	20 year	160	37	30	17	28	48
Scotts Mills UGB	1 year	2	1	0	0	0	1
	20 year	39	9	7	4	7	11
Sheridan UGB	1 year	30	10	6	3	4	6
	20 year	457	126	90	49	73	120
Siletz UGB	1 year	7	3	2	1	1	1
	20 year	113	31	22	12	18	29
Silverton UGB	1 year	84	27	17	9	12	19
	20 year	1,345	338	258	144	228	377
Sodaville UGB	1 year	3	1	1	0	0	1
	20 year	41	10	8	4	7	12
Springfield UGB	1 year	470	172	101	47	60	88
	20 year	6,937	2,042	1,395	728	1,063	1,709
St. Paul UGB	1 year	3	1	1	0	0	1
	20 year	45	12	9	5	7	12
Stayton UGB	1 year	68	22	14	7	10	15
	20 year	1,070	278	208	115	174	295
Sublimity UGB	1 year	14	5	3	1	2	3
	20 year	207	60	42	22	32	52

Willamette Valley UGBs	Results	Total	0-30% AMI	31-60% AMI	61-80% AMI	81-120% AMI	>120% AMI
Sweet Home UGB	1 year	60	19	12	6	9	13
	20 year	946	243	182	100	162	260
Tangent UGB	1 year	16	5	3	2	2	4
	20 year	254	65	49	27	42	70
Toledo UGB	1 year	23	8	5	2	3	4
	20 year	341	97	66	34	60	84
Turner UGB	1 year	23	6	5	2	4	6
	20 year	386	86	72	42	69	117
Veneta UGB	1 year	26	9	5	3	4	5
	20 year	402	108	78	42	67	106
Waldport UGB	1 year	18	5	3	1	5	4
	20 year	305	56	42	23	101	82
Waterloo UGB	1 year	1	0	0	0	0	0
	20 year	10	3	2	1	1	2
Westfir UGB	1 year	1	0	0	0	0	0
	20 year	16	4	3	1	4	4
Willamina UGB	1 year	14	4	3	1	2	3
	20 year	225	55	43	24	38	64
Woodburn UGB	1 year	213	71	45	22	29	45
	20 year	3,295	880	644	351	535	884
Yachats UGB	1 year	18	3	2	1	8	5
	20 year	333	36	29	16	162	90
Yamhill UGB	1 year	7	2	1	1	1	1
	20 year	108	29	21	12	17	29

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City of Sherwood Oregon

City Services Government Community Business & Development

System Development Charges (SDC)

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The City of Sherwood System Development Charges (SDC) are one-time fees charged to new development to help pay a portion of the water, sewer, storm, parks and street costs associated with building infrastructure to meet needs created by growth.

The City's SDC fees are noted in the current fee schedule. Clean Water Services' SDC fees, as well as Washington County's TDT fees can be viewed by clicking the buttons below.

SDC estimating worksheets are available through the Engineering Department. Please contact Craig Christensen, P.E., Senior Civil Engineer, at (503) 925-2301 to obtain an .xlsx file and/or discuss particular or hypothetical development.

Please note that the City no longer accepts credit card payments for SDCs.

[City of Sherwood Current Fee Schedule](#)

[Clean Water Services SDC Fees Information](#)

[Washington County Transportation Development Tax \(TDT\) Information](#)

TRANSPORTATION DEVELOPMENT TAX RATE SCHEDULE

Land Use Category	ITE Code	Unit*	Rates 7/1/2024 - 6/30/2025	Rates 7/1/2025 - 6/30/2026
Residential				
Single Family Detached	210	/dwelling unit	\$11,478	\$12,433
Apartment	220	/dwelling unit	\$7,510	\$8,135
Residential Condominium/Townhouse	230	/dwelling unit	\$6,866	\$7,437
Manufactured Housing (in Park)	240	/dwelling unit	\$5,744	\$6,222
Assisted Living	254	/bed	\$3,549	\$3,844
Continuing Care Retirement	255	/unit	\$3,588	\$3,887
Recreational				
Park	411	/acre	\$1,925	\$2,085
Golf Course	430	/hole	\$20,403	\$22,101
Golf Driving Range	432	/tee	\$16,143	\$17,486
Multipurpose Recreational/Arcade	435	/T.S.F.G.F.A.	\$3,594	\$3,893
Bowling Alley	437	/lane	\$1,168	\$1,265
Multiplex Movie Theater	445	/screen	\$161,212	\$174,625
Health/Fitness Club	492	/T.S.F.G.F.A.	\$11,304	\$12,244
Recreation/Community Center	495	/T.S.F.G.F.A.	\$13,332	\$14,441
Institutional/Medical				
Elementary School (Public)	520	/student	\$553	\$599
Middle/Junior High School (Public)	522	/student	\$628	\$680
High School (Public)	530	/student	\$863	\$935
Private School (K-12)	536	/student	\$641	\$694
Junior College	540	/student	\$903	\$978
University/College	550	/student	\$1,495	\$1,619
Church	560	/T.S.F.G.F.A.	\$4,754	\$5,150
Day Care Center/Preschool	565	/student	\$1,771	\$1,918
Library	590	/T.S.F.G.F.A.	\$22,303	\$24,159
Hospital	610	/bed	\$4,522	\$4,898
Nursing Home	620	/bed	\$1,554	\$1,683
Clinic	630	/T.S.F.G.F.A.	\$32,257	\$34,941
Commercial/Services				
Hotel/Motel	310	/room	\$3,260	\$3,531
Building Materials/Lumber	812	/T.S.F.G.F.A.	\$11,458	\$12,411
Free-Standing Discount Superstore with Groceries	813	/T.S.F.G.F.A.	\$21,902	\$23,724
Specialty Retail Center	814	/T.S.F.G.L.A.	\$15,231	\$16,498
Free-Standing Discount Store without Groceries	815	/T.S.F.G.F.A.	\$23,502	\$25,457
Hardware/Paint Store	816	/T.S.F.G.F.A.	\$19,123	\$20,714
Nursery/Garden Center	817	/T.S.F.G.F.A.	\$13,542	\$14,669
Shopping Center	820	/T.S.F.G.L.A.	\$15,763	\$17,074
Factory Outlet Center	823	/T.S.F.G.F.A.	\$12,363	\$13,392
New Car Sales	841	/T.S.F.G.F.A.	\$17,751	\$19,228
Automobile Parts Sales	843	/T.S.F.G.F.A.	\$17,096	\$18,518
Tire Superstore	849	/T.S.F.G.F.A.	\$13,431	\$14,548
Supermarket	850	/T.S.F.G.F.A.	\$31,776	\$34,420
Convenience Market (24-hour)	851	/T.S.F.G.F.A.	\$37,442	\$40,557
Convenience Market with Fuel Pump	853	/V.F.P.	\$35,953	\$38,944
Wholesale Market	860	/T.S.F.G.F.A.	\$9,139	\$9,899
Discount Club	861	/T.S.F.G.F.A.	\$24,674	\$26,727
Home Improvement Superstore	862	/T.S.F.G.F.A.	\$9,192	\$9,957

TRANSPORTATION DEVELOPMENT TAX RATE SCHEDULE

Land Use Category	ITE Code	Unit*	Rates 7/1/2024 - 6/30/2025	Rates 7/1/2025 - 6/30/2026
Electronics Superstore	863	/T.S.F.G.F.A.	\$12,716	\$13,774
Office Supply Superstore	867	/T.S.F.G.F.A.	\$17,096	\$18,518
Pharmacy/Drugstore without Drive-Thru Window	880	/T.S.F.G.F.A.	\$17,096	\$18,518
Pharmacy/Drugstore with Drive-Thru Window	881	/T.S.F.G.F.A.	\$17,096	\$18,518
Furniture Store	890	/T.S.F.G.F.A.	\$2,158	\$2,338
Bank/Savings: Walk-in	911	/T.S.F.G.F.A.	\$35,395	\$38,340
Bank/Savings: Drive-in	912	/T.S.F.G.F.A.	\$37,442	\$40,557
Quality Restaurant (not a chain)	931	/T.S.F.G.F.A.	\$33,984	\$36,811
High Turnover, Sit-Down Restaurant (chain or stand alone)	932	/T.S.F.G.F.A.	\$28,507	\$30,879
Fast Food Restaurant (No Drive-Thru)	933	/T.S.F.G.F.A.	\$37,442	\$40,557
Fast Food Restaurant (With Drive-Thru)	934	/T.S.F.G.F.A.	\$37,442	\$40,557
Drive-Thru Restaurant (No Seating)	935	/T.S.F.G.F.A.	\$37,442	\$40,557
Drinking Place/Bar	936	/T.S.F.G.F.A.	\$30,632	\$33,181
Quick Lubrication Vehicle Shop	941	/Service Stall	\$26,189	\$28,368
Automobile Care Center	942	/T.S.F.G.L.A.	\$17,792	\$19,272
Gasoline/Service Station (no Market or Car Wash)	944	/V.F.P.	\$22,466	\$24,335
Gasoline/Service Station (with Market and Car Wash)	946	/V.F.P.	\$22,466	\$24,335
Office				
General Office Building	710	/T.S.F.G.F.A.	\$12,047	\$13,049
Medical-Dental Office Building	720	/T.S.F.G.F.A.	\$40,817	\$44,213
Government Office Building	730	/T.S.F.G.F.A.	\$79,928	\$86,578
U.S. Post Office	732	/T.S.F.G.F.A.	\$102,466	\$110,991
Office Park	750	/T.S.F.G.F.A.	\$15,931	\$17,256
Port/Industrial				
Truck Terminal	030	/T.S.F.G.F.A.	\$6,124	\$6,634
General Light Industrial	110	/T.S.F.G.F.A.	\$8,142	\$8,819
General Heavy Industrial	120	/T.S.F.G.F.A.	\$1,752	\$1,898
Manufacturing	140	/T.S.F.G.F.A.	\$4,481	\$4,854
Warehouse	150	/T.S.F.G.F.A.	\$5,751	\$6,229
Mini-Warehouse	151	/T.S.F.G.F.A.	\$2,982	\$3,230
Utilities	170	/T.S.F.G.F.A.	\$7,739	\$8,383

* Abbreviations used in the "Unit" column:

T.S.F.G.F.A. = Thousand Square Feet Gross Floor Area

T.S.F.G.L.A. = Thousand Square Feet Gross Leasable Area

V.F.P. = Vehicle Fueling Position

Note: all index adjustments per 3.17.050F

From: [City of Sherwood](#)
To: [Eric Rutledge](#); [Sean Conrad](#); [Jared Bradbury](#); [Jason Waters](#)
Subject: New submission from Send Us A Message
Date: Saturday, October 18, 2025 6:37:24 PM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you are expecting this email and/or know the content is safe.

Contact Us

Name
Judy Alleruzzo
j.alleruzzo@frontier.com
Phone
(503) 403-9715
Let's get you to the right place!
Building and Planning (permits, inspections, projects)
Message
Hi. I DID NOT get a notice of this meeting. I live 2 blocks away I don't drive down the block where the posted notice is posted for information. My 2 comments are lack of trees on the property & lack of parking. Thank you. I would appreciate an email response. J.alleruzzo@frontier.com

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