



*Home of the Tualatin River National Wildlife Refuge*

# **Planning Commission Meeting Packet**

**FOR**

**February 13, 2018  
Work Session at 6:30 pm  
Regular Meeting at 7 PM**

**Sherwood City Hall  
22560 SW Pine Street  
Sherwood, Oregon**



**City of Sherwood  
PLANNING COMMISSION  
Sherwood City Hall Community Room  
22560 SW Pine Street,  
Sherwood, OR 97140  
February 13, 2018**

**Work Session Agenda - 6:30 PM**

1. **Planned Unit Development Review Process** (Erika Palmer)

**Regular Meeting – 7:00 PM**

1. **Call to Order**
2. **Consent Agenda**
  - a. **January 23, 2018, 2017 Planning Commission Meeting Minutes approval**
3. **Council Liaison Announcements** (Sean Garland)
4. **Staff Announcements** (Erika Palmer)
5. **Community Comments**
6. **Old Business**
  - a. **Public Hearing – PUD 17-01/SUB 17-01 Denali Lane Planned Unit Development and Subdivision, continued from January 23, 2018** (Joy Chang)

The applicant proposes a seven-lot planned unit development subdivision with several areas of open space. The proposal extends SW Denali Lane northward from Sherwood View Estates to Ironwood Lane. The 3.71-acre lot is zoned Very Low Density Residential Planned Unit Development (PUD) located in southeast Sherwood, off SW Murdock Road. The applicant is allowed a minimum lot size of 10,000 square feet with the PUD

7. **New Business**
  - a. **Public Hearing – SIGN 17-01 Tualatin Sherwood Business Park Appeal** (Matt Straite)

A sign permit application was received by the city that did not meet the code criteria as interpreted by staff. Sign permits are a Type I, staff level decision. The applicant has filed an appeal to this decision. The Planning Commission is the hearing authority.
  - b. **Public Hearing – PA 18-01 Housing Needs Analysis Adoption and Text Amendment to the Comprehensive Plan** (Carrie Brennecke)

The City proposes to adopt the Housing Needs Analysis (HNA) for the 2018 to 2038 planning period, and a text amendment to the Sherwood Comprehensive Plan, Part 2 Sherwood Development Plan as Exhibit A. The HNA provides the factual basis to support the Urban Growth Boundary (UGB) expansion proposal the City is submitting to Metro by May 31, 2018. The HNA also provides the factual basis for future planning efforts related to housing goals and policies for the upcoming update and revisions to the City's Comprehensive Plan.

**c. Public Hearing – Sherwood Transportation System Plan and Sherwood Zoning and Community Development Code Amendments (Erika Palmer)**

The City proposes amendments to the Sherwood Transportation System Plan (TSP) Volume 1 and 2, and the Sherwood Zoning and Community Development Code, Chapter 16.106, Transportation Facilities. The proposal includes updating the Plan and Development Code so that it is consistent with the Washington County TSP.

**8. Planning Commissioner Announcements**

**9. Adjourn**

Meeting documents are found on the City of Sherwood website at [www.sherwoodoregon.gov/meetings](http://www.sherwoodoregon.gov/meetings) or by contacting the Planning Staff at 503-925-2308. Information about the land use applications can be found at [www.sherwoodoregon.gov/projects](http://www.sherwoodoregon.gov/projects).

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City of Sherwood, Oregon  
Planning Commission  
January 23, 2018

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**Planning Commissioners Present:**

Chair Jean Simson  
Vice Chair Christopher Flores  
Commissioner Justin Kai  
Commissioner Rob Rettig  
Commissioner Kara Repp  
Commissioner Doug Scott

**Staff Present:**

Julia Hajduk, Community Development Director  
Bob Galati, City Engineer  
Erika Palmer, Planning Manager  
Joy Chang, Associate Planner  
Kirsten Allen, Dept. Program Coordinator

**Planning Commission Members Absent:**

Commissioner Daniel Matzinger

**Council Members Present:**

Council President Sean Garland

**1. Call to Order/Roll Call**

Chair Jean Simson convened the meeting at 7:00 pm.

**2. Consent Agenda**

- a. January 9, 2018 Planning Commission Meeting Minutes approval

**Motion: From Commissioner Christopher Flores to approve the minutes, seconded by Commissioner Doug Scott. All Present Commissioners voted in favor.**

**3. Council Liaison Announcements**

Council President Sean Garland noted a busy agenda on February 6, 2018 and said it was a good example of the work the City Council did.

**4. Staff Announcements**

Erika Palmer, Planning Manager stated the Comprehensive Plan Kickoff Meeting was held and the next meeting would be in April; staff would be working on some background, technical documents such as the Housing Needs Analysis which would come before the Planning Commission on February 13, 2018. There would also be a Transportation System Plan Amendment and an appeal to a director's interpretation on that date.

**5. Community Comments**

No comments were received.

**6. Old Business**

**a. Public Hearing – PUD 17-01/SUB 17-01 Denali Lane PUD**

Chair Simson read the public hearing statement and asked for ex parte contact, bias, or conflict of interest. She stated as a longtime resident of Sherwood she had participated in the Southeast Sherwood Master Plan process, but did not think it would impair her ability to participate in the hearing. Chair Simson turned the time over to staff.

Joy Chang, Associate Planner, gave a presentation of the staff report (see record, Exhibit 1). She said the

proposal was for seven lots on a 3.71 acre site in southeast Sherwood with lots ranging from 10,000-19,442 square feet. The site was a rectangular shape with a narrow strip that extended to SW Murdock at the northwest corner of the site and a narrow strip of land on the southeast corner of the site that was proposed to include a public utility easement. The applicant proposed a Planned Unit Development (PUD) in order to utilize the special density allowance of 10,000 square foot minimum lot size with required open space. The site was located just east of SW Murdock Road and north of SW Denali Lane with Very Low Density Residential Planned Unit Development (VLDR-PUD) zoning. A local street through the center of the site would connect SW Ironwood Lane to the north to SW Denali Lane to the south consistent with the Transportation System Plan (TSP) Local Street Connectivity Map.

Ms. Chang explained the site was previously approved for a six lot PUD/subdivision through Ordinance 2012-004 in 2012, which changed the zoning to include PUD designation, but the applicant was unable to develop the site prior to expiration of the preliminary approval. The site was part of the Southeast Sherwood Master Plan, approved in concept by the Planning Commission via resolution in 2006, but not formally adopted by the City Council or incorporated into the Comprehensive Plan. The Southeast Sherwood Master Plan provided guidance for development and the intention of the community, and surrounding property owners, for the area. Ms. Chang pointed out that a portion of the Southeast Sherwood Master Plan was incorporated into the Sherwood Zoning and Community Development Code Section 16.12.010.A.3 through Ordinance 2013-003 that added the Southeast Sherwood Master Planned Unit Development to the Code. The property was part of the “Ken Foster Farm” site identified by Department of Environmental Quality (DEQ) as having contaminated soil. As the property owner, the applicant would be responsible for completing the cleanup of all known contamination on the site and was actively working with DEQ to finalize the cleanup of the contamination. A Revised Remedial Action Work Plan dated December 15, 2017 was reviewed and approved by DEQ and a grading permit for the contamination cleanup had been submitted and was currently under review. All approvals from DEQ shall be received prior to the applicant proceeding with any development of the subject property.

Ms. Chang showed the approval criteria for the application and stated all review criteria either had been met or could be met as conditioned in the staff report. She explained a PUD integrated buildings, land use, transportation facilities, utility systems and open space to allow for creativity and flexibility in site design that could not be achieved through a strict adherence to existing zoning and subdivision standards. She reminded the Commission that a PUD was a two-step process where the first step was the preliminary development plan approval where the Planning Commission would make a recommendation to City Council and City Council rendered a decision. In the second step, the applicant would submit a detailed Final Development Plan for review and approval from the Planning Commission.

Ms. Chang showed Alternative B/C as the recommended plan for the Southeast Sherwood Master Plan and stated the proposal was consistent with the plan by adding the connection of SW Denali Lane to SW Murdock Road via SW Ironwood Lane. She said the maximum density for the Southeast Sherwood Master Plan per the Code was four dwellings per net buildable acre, which was 2.60 acres after subtracting right of way and environmentally constrained areas. Based on the net buildable area, the site could be developed with ten lots; the applicant proposed seven.

Pedestrian connections would be established from SW Murdock Road to SW Denali Lane through the installation of a sidewalk along both sides of the extended SW Denali Lane and along the western strip adjacent to SW Ironwood Lane. There would also be a pedestrian path along Tract D and a five-foot wide access easement along the rear of Lots 5, 6, and 7 to provide access between Tracts D and E.

A pathway, landscaping, park benches and usable open space area, for the benefit of the local community,

would be provided within Tract A adjacent to SW Ironwood Lane. Open space to meet the requirements of the Alternative B/C park area would be dedicated on the eastern edge of the development, as Tract C, and additional usable open space would be provided in Tract D that would have landscaping, picnic tables, benches and a paved pathway.

Ms. Chang explained Tract C had wetlands and associated vegetated corridor along the eastern boundary of the development would remain undisturbed and be dedicated as open space. A portion of the vegetated corridor, in Tract A that will be disturbed to construct the pedestrian pathway will be mitigated in the area in Tract C.

The Southeast Sherwood Master Plan detailed that “the height and specific location of buildings along the Denali Lane extension would be important. The further east, and the lower in height, these homes are constructed, the less they will block eastward views from the adjacent home to the west.” The applicant submitted a View Corridor Section illustrating the top of the proposed houses on Lots 1, 2, and 3 would not impede the view from the existing house on the adjacent western property. Staff determined that due to the topographic constraints of the site, required view corridors were met as practicable. An Architectural Pattern Book was submitted to further assist on housing design capability. The proposed housing design types were Prairie, Modern and Craftsman style, similar and compatible with, the existing houses in the adjacent subdivision and existing surrounding development.

Ms. Chang said the applicant requested the front and street yard setbacks from 20 feet to 15 feet for Lots 4-7 as well as rear yard setback only for Lot 1 from 20 feet to 5 feet. The abutting parcel closest to the proposed structure on Lot 1 was over 150 feet away. Due to the constraints of the site and the large lot sizes of the lots and abutting parcels, approval of the setback modifications were necessary. She showed the driveway configuration for Lots 1, 2 and 3 and said because of the topography of the site, a shared driveway was proposed, via an access easement on Lot 2. The preliminary plat, showed the driveway to be 20 feet wide with a fire department turnaround easement 30 feet wide.

The required public notices and newspaper publications were completed and no community comments were received. All other approval criteria were addressed in the staff report. The criteria either had been met or could be satisfied as conditioned. Staff recommended that the Planning Commission forward a recommendation of approval with conditions to City Council.

Ms. Chang offered to answer questions.

Commissioner Rettig noted the geotech report was six years old and the stamp had expired. He suggested a more recent report should be submitted. Bob Galati, City Engineer, responded he did not believe any of the site conditions had changed that would require a different geotech report to confirm the original findings from the report dated August 26, 2011. When they come in for their building permits, they would have to provide a current structural soil analysis.

Commissioner Rettig asked if there was a maintenance agreement conditioned for the 20 foot access easement with the fire department turn around on Lots 1-3. Ms. Chang stated it would be required along with CCR's, because it was a subdivision. In addition, the plat itself would identify the shared access easement with maintenance requirements tied to it.

Commissioner Kai asked about the requested variance for the rear lot line from 20 feet to 5 feet. Ms. Chang clarified that the front lot line was along Denali Lane, because the right of way would dictate the frontage. Commissioner Kai asked if the Southeast Sherwood Master Plan allowed for alternatives A, B, or C to be considered. Julia Hajduk, Community Development Director responded it could not, as Alternative B/C was identified as the preferred plan. When the code was amended to allow densities at

four units/acre in the VLDR zone, it was predicated on adhering to the Southeast Sherwood Master Plan alternative B/C. Commissioner Scott suggested that reducing a setback from 20 feet to 5 feet was a significant change. He asked if other alternatives were looked. Staff deferred to the applicant.

Chair Simson called for applicant testimony. Annemarie Skinner and Tim Roth came forward.

**Annemarie Skinner**, Emerio Designs, thanked staff and noted the property was challenging. She said the application addressed all of the code requirements and agreed with staff's recommendation of approval. She had comments on a few conditions. For Condition B.14 regarding a final tree preservation plan she expressed concern that there were not any trees on the site that would be preserved, so there was no need for a tree preservation plan. She said staff understood the street trees along SW Ironwood Lane were part of the applicant's property, but they were not and she asked the condition be changed to prior to Final Development Plan approval a final tree plan consistent with street tree and tree canopy requirements for the site be submitted. Chair Simson received confirmation that Tract C would not be disturbed. Ms. Skinner stated those trees would not be touched and there would be no construction around them, so there was no need for an assessment. Ms. Skinner commented if the site were covered with trees that needed to be preserved it could be understood. Ms. Chang confirmed the trees along Ironwood Lane were abutting the site and staff could agree to delete the condition. Chair Simson said she was looking at an aerial that had trees and asked if it was an old picture and the trees had been removed. Ms. Chang stated the tree preservation requirements would be regulated by Clean Water Services (CWS) through their service provider letter and it was very clear regarding which trees needed preserving. The mitigation of the vegetative corridor along Tract A would be per CWS; the original intent of the condition was because of the trees along Ironwood Lane, which would not be removed.

**Tim Roth**, Applicant Owner, JT Roth Construction Inc., said the original layout was four lots on the west side of Denali Lane. It was determined that all of the lots on the west side of Denali Lane had a steep upgrade slope and the site had been identified as part of the Tonquin Scablands with a high basalt rock base. There were concerns about digging into a steep hillside, not providing any rear yard access, and having to drill, blast and dynamite the hillside to get in the foundations. They opted to sacrifice one of the lots and determined a better placement of the homes on top of the rock to eliminate the chipping and blasting, as well as to provide access to a sort of rear yard. He said even though the code identified the front yard of Lot 1 to be on the street side, the typical placement of the house was to have a 20 foot setback to the garage and the functional back yard of house would be towards Denali Lane. He considered the five foot setback a side yard setback, not a rear yard setback and said it was an acceptable side yard setback for a house. The neighboring property with the existing home to the west was over 150 feet away and he did not feel like it would impact the property owner.

Commissioner Kai asked if there was a likelihood of additional redevelopment into smaller lots and another house added. Ms. Chang replied that redevelopment was up to the property owners, but redevelopment would be required to meet the standards of the zoning. Commissioner Scott asked what the side yard setback was. Ms. Chang replied the side yard setback was five ft. Commissioner Scott asked if other options were considered to make the setback 15 feet. He said there was a lot of area on the lot and seemed like there should be room for ten more feet. Chair Simson noted the Planning Commission could disagree with staff and find the 75% reduction was not necessary.

Mr. Roth explained Lot 1 had the steepest grade at a 2:1 slope and the three houses across Lots 1-3 were would be designed with a main floor or single floor off the main grade to minimize the height restriction and moving the houses away from the property line would force the applicant to build in the steeper grade. He said there were several examples of side yards backing up to rear yards and it could be assumed that

any homes abutting the property to the west would abut to a rear yard with a 20 foot rear yard setback resulting in a total separation of 25 feet. With the placement of the private drive and the placement of the homes at the top of the hillside, they considered it a side yard with a five foot setback because the true function would be a side yard and the house would be in the allowed setback.

Commission Repp asked for a definition of the rear yard. Ms. Palmer asked Commission member to look at page 280 of the development code and read the definition of the of the rear lot line on irregular and triangular lots were “the rear lot line shall be deemed a line ten feet in length within the lot, parallel to and at a maximum distance from the front lot line”. She said the setback in question was the side yard. Mr. Roth stated the further you push the house down the hill the more challenges there were.

Chair Simson said the Planning Commission was designated architectural review committee and asked if the Commission would be approving the specific site placement through this approval, at the Final Development Plan application, or just approving seven lots and a setback reduction. She said the applicant had illustrated where they believed the seven houses were going and asked if that could change. Ms. Palmer explained this was a broad overall vision and when the applicant came back to the Planning Commission for the Final Development Plan the Commission would be looking at the house footprints. The Commission would be recommending approval or denial of the setback reduction and an architectural pattern book which, if approved, the applicant would return with one of those housing design types.

Ms. Hajduk noted Planned Unit Developments with just one lot were different and Planning Commission was reviewing the PUD for a little bit of flexibility, allowing the private drive to access three lots, because our code only allows two accesses off a private drive, and the density consistent with the Southeast Sherwood Master Plan. She added if the Commission wanted to approve the building locations at this time, it could base the recommendation of approval on the building locations, but that was not the staff recommendation. She clarified the Planning Commission would be forwarding a recommendation for the conceptual Planned Unit Development based on the applicant complying with the Southeast Sherwood Master Plan with the flexibility asked for if that was what was wanted.

Chair Simson noted the Southeast Sherwood Master Plan had a set of requirements above and beyond the VLDR zone, such as buffering, screening, view corridor, and housing design types that matched the existing community. She wanted to look at those and determine if what was presented complied. The footprint may change, but if the view corridor, buffering, screening and setbacks were not addressed, the house situation could be an unintended consequence of not understanding the process. She added that part of the PUD process was a benefit for the community and one benefit would be the sidewalks. Chair Simson asked the applicant if the 5 foot wide easement from Tract D to Tract E was to be part of a public park system so the public could access from Tract D to Tract E as a public amenity. Mr. Roth said Tract E needed to be maintained so the access easement was to get from Tract D to Tract E to perform maintenance and it was not intended to be a public access.

Mr. Roth commented if staff determined the proper interpretation of the rear setback was not the west property line, the condition needed to be re-written. Ms. Skinner noted any development of the site provided a huge public benefit in removing the soil contamination and she if she lived there she would want the site developed as she would not want to live next to a site that had contaminated soils. As long as it was not developed, those contaminated soils would stay there. For the public benefit, clean-up of the site outweighed almost everything to get rid of hazardous soils off a site that was next local neighborhoods. She said another public benefit was the connection of Denali Lane, which was in the City’s TSP, and if the site were not developed, there would be no connection.

Commissioner Rettig asked regarding testimony stating there were trees on Tract C that were not mapped

in the plans. He said there appeared to be trees on Lot 1 based on an old aerial and he wanted to confirm there were trees near the blackberry patches. Mr. Roth said there were no trees in Lot 1.

**Eric Evans**, Civil Engineer with Emerio Design wanted some adjustments to some of the conditions of approval. Condition D.2 the requirement to have the no further action (NFA) letter from DEQ prior to acceptance of the engineering plans. He said approval for a grading permit had been granted, but the intent was to have the NFA prior to the finaling of the subdivision construction. He asked to revise the condition changing “approval” to “acceptance” and strike the word “plans”, so it would be the acceptance of the subdivision public improvements.

Mr. Galati stated he was unsure how receiving the NFA letter after construction of the public improvements would work, because usually the NFA would be received before construction was allowed to begin which would indicate the applicant had complied with earth moving per DEQ concerns. Mr. Galati’s primary concern was that public improvements never got in the way of the NFA letter being issued and doing them together would be difficult.

Mr. Evans stated waiting for the NFA could delay the project and miss the summer construction season; they were trying not to link the approval of the construction drawings to the NFA. Mr. Roth said there was an approved by DEQ work plan and a licensed geologist who would oversee the clean-up. His concern was getting to the end of the clean-up then having to wait for the NFA letter from DEQ and they did not want to lose the window of opportunity of dry weather over the summer to be able to do the hillside work that needed to be done.

Mr. Evans said Condition D.3 asked for a 1200CB permit and he thought it should be a 1200CN permit. He said the existing intersection at SW Ironwood Lane and Murdock Road, noted in Condition D. 5, did not have adequate site distance and asked to add “or coordinate with the city engineer to approve a design exception to the site distance standard” at the end of the condition. In Condition D.6, he requested a change to the slope percentage from 11.6 to “not to exceed 12%”

Mr. Evans said Condition D.16 asked for trees wells in the right of way, which did not fit with what they are doing. He suggested adding, “where adequate tree to sidewalk clearance is not available” to the end of the condition.

Mr. Roth wanted to point out a condition imposed by the DEQ work plan that after the clean-up was complete they were required to place a layer of imported soil on top of the complete site. The NFA would not be issued without it, so perhaps a condition could be drafted for when the clean-up has been deemed complete or certified to be complete short of that final layer of soil. The applicant reserved the remainder of his time for rebuttal.

Chair Simson asked if conditions could be amended between the preliminary approval and the final development plan if additional information was received. She reminded Commission members it was a 10,000 foot level review not a site plan approval level review.

Chair Simson called for a recess at 8:11pm and reconvened at 8:20pm. Commissioner Scott disclosed he looked at the site in question and it appeared to him there were trees in Tract C and potentially in Lot 1. He was unsure about the accuracy of the aerial.

Chair Simson asked for public testimony.

**Lisa and Roger Walker**, Sherwood residents and property owners adjacent to Lots 1-3 came forward. Ms. Walker stated there were a few items they wanted to bring to light. She provided a statement with pictures for the Commission (see record, Exhibit 2). Ms. Walker requested the rear yard setback questions

be specifically stated in the conditions for clarity and they not be changed for flexibility at a later date. She said Sheet 11 was referenced in the staff report regarding the view easement and they were not able to locate that information. She asked if an access easement could be added from Tract A, for future development on her property so they were not land locked in that corner. Ms. Walker pointed out there were trees shown on the attached aerial map on Lots 1 and 3. The map also showed how her property could be divided for future development as well as trees on Lot 1 and she stated Lot 3 had a nice grove of trees and she was hopeful they could be retained, as there were at least 10 deer that lived there.

Ms. Walker said it had been as early as 2001 when the City talking about the southeast Sherwood area. She noted the previous approval was for six lots though the application was for eight and asked what had changed to make seven lots okay. Ms. Walker said City Council had done calculations for the previous approval and it was determined based on the density requirements and other requirements that six was the maximum they could be approved. She asked to have that revisited. She asked to leave the record open should there be a need for additional comment after the initial hearing.

Chair Simson noted the request to keep the record open. She said she had a Sheet 11, but did not understand how it created a view easement that it would be understandable during building permit review. She supposed the intent of the Southeast Sherwood Master Plan was that it would fit in with the neighboring community and the Commission would need to look at the language adopted into code from the Plan.

Ms. Chang stated what had changed between 2011 to now was portions of the Southeast Sherwood master Plan were adopted into the code as part of the VLDR PUD in 2012 and that was where the provisions for the density increase was allowed. There was a maximum based on the buildable net area. The site could be developed for ten lots, but the applicant was proposing seven. The original approval reference by Ms. Walker did not have those provisions and was limited to the VLDR basic zoning. Ms. Walker had a question on the staff report page 22 regarding the constraints for the view corridor where it said the view corridor was met as practicable. She was concerned it was subject to interpretation at a later time.

Note: Ms. Walker received a copy of PA 12-04 VLDR Text Amendment.

Staff clarified that if the City Council approved the PUD, the Planning Commission would be the hearing authority for the subdivision application to follow; the Planning Commission would also serve as the architectural review board during that public hearing process. Ms. Hajduk explained the Commission would not be review individual house designs, but the architectural pattern book containing specific guidelines that would be reviewed by staff in a clear and objective manner when the plot plan reviews were completed.

Chair Simson said there was another PUD that had only one piece of paper describing the guidelines for the development. She wanted to ensure the rest of the Commission understood the architectural pattern book, submitted by the applicant, would become the standard to which the applicant must adhere and the Commission should make sure the design specifications were what was wanted and met the Southeast Sherwood Master Plan that called for houses to be compatible to the neighbors.

Ms. Walker suggested that two story homes might not fit in the view corridor. She repeated the desire for clear conditions regarding the placement of the homes on the lots.

**Roger Walker** commented that the applicant made it sound like there was hazardous material on the property. He said he had the same situation on his property and it was a non-human health related issue. The fact that it was just sitting there under a layer of topsoil meant it was dormant and would become an issue when they started to clear it and it would not be as catastrophic as the applicant made it sound. Ms.

Walker noted they had a well with perfect water and that the remediation solution was to cover it up with dirt which is essentially the existing condition.

**Christine Stone**, Sherwood resident on Robson Terrace said she was neither for, nor opposed to the development. Her home was adjacent to Tract E and proposed Lot 4. She expressed concern for the DEQ clean-up that would stockpile the contaminated soil on Tract E and it would become a non-usable containment area. She asked who would maintain the area and if it would be part of the CCRs for the development. She said the area had never been maintained and she considered it a hazard as it was. The wetlands bordering Tract E were fenced off and she wanted to know if it was included in the application. She asked about the process to remove, versus contain, and if a berm would be placed near her property line. Ms. Chang replied that based on the information the applicant provided, Tract E would be maintained by the homeowner's association. Chair Simson noted the remedial action plan had the applicant taking soils away to a Hillsboro facility. Ms. Stone wanted to know if there would be vegetation or if it would be roped off, or in concrete. Ms. Stone confirmed there were trees on Tract C.

Chair Simson reminded that the Commission would be making a recommendation to the City Council and there would be another hearing and opportunity to speak.

**Tony Weller**, Sherwood resident on Whitney Lane asked regarding the connection from Denali Lane to Ironwood Lane. He was informed Ironwood Lane was a public street.

**Naomi Abrams Reinstein**, Sherwood resident told the Commission she was new to Sherwood and came upon the area by accident. She said it was probably the last open space in the city. She visited with her husband around three times per week observing deer, birds at the wetland area and she thought it was a travesty to let the area go. She thought Sherwood was headed towards Portland. Ms. Reinstein acknowledged people were entitled to develop, but there were agencies and land trusts that could purchase the land on behalf of the city. It was something the city should be looking into as there was no other space like this, a real treasure. Ms. Reinstein asked if Ironwood Lane would be able to withstand the traffic required to get construction trucks into the area without disturbing the barn, madrone trees and the deer to the north of the property and if the water runoff from the contained soil would impact the wetland areas. Right now, there is a berm separating the two areas. She pointed out the open space was small and wanted language to clarify that a park bench and a table did not make an open space, but a little park. She did not know the price point for the homes, but did not imagine they would welcome people, if it was advertised as a park the package should be in open space. Ms. Reinstein said the price point of the homes mattered for the upkeep of Tract E where the contaminated soil would be. She said it might be too late to look at this very special area, it would be a loss to the city, and it should be seriously taken into consideration.

Chair Simson confirmed with the City Engineer that Ironwood Lane would be able to handle the construction traffic. He said if they damaged the road they would have to repair it. Regarding Tract E, before a development could be final approval it would have to be stabilized which meant there could not be any soil runoff. It will be covered by buildings, grass, plantings or with bark dust or straw, whatever was necessary to keep the soil in place. Landscaping was beyond the PUD process. Ms. Hajduk commented the DEQ would also have requirements.

**Megan Rowlands**, Sherwood resident on Murdock Road. She said Ironwood Lane was currently a one lane road and questioned if additional cars could use the new road. She expressed concern about the site distance from the curve on Murdock. Chair Simson noted that was also a condition of approval. Ms. Rowlands said there family of deer.

**Jeff Burris**, Sherwood resident on McKinley Drive asked if the current Ironwood Lane had lighting to city standards and if curbs, sidewalks, and lighting would be along Denali and Ironwood Lane to access the greenspace or if access would be through Sherwood View Estates subdivision. Mr. Galati responded that meandering sidewalks would be placed along Ironwood Lane with street lighting in Tract A which connected to Murdock Road. Ironwood Lane will be widened to a two lane road and connect with Denali Lane at the top of the hill. The north existing half of Ironwood Lane would be an unfinished road on the north side because it was a separate travel lane. The applicant would do the proportionate share of their development for Ironwood Lane, basically a half street improvement which was nearly two lanes and two cars would be able to drive on Ironwood Lane in opposite directions. To extend the improvements on the north side would be dependent on development of the area north of Ironwood Lane.

With no other public comments, Chair Simson asked for applicant rebuttal.

**Lynn Green**, licensed geologist with Creekside Environmental came forward and explained the remedial action on Tract E, and the property as a whole, would require soil removal and consolidation of the contaminated soils on site. The State of Oregon required that any soils with a high concentration of .3 mg parts per million on any developed parcels must be capped or removed. The applicant has decided, as a precaution, to remove most of the soil from the property and sent to a Subtitle D landfill facility in Hillsboro. Most the higher concentration soils would be taken to that facility. He said much of the lower concentration surface soils, would be consolidated in a burrow pit in Tract E; soils will be removed from Tract E that could later be used as fill material and the impacted soils would be placed within the burrow pit area and covered with a layer of soil and vegetation. Mr. Green said the state had determined the impacts of the soil were hazardous to future and current residents as the concentration in many locations on the site were above the safe level and there was an unacceptable risk from exposure to the soils on the property as is. He said the contaminated soil should be covered with a minimum 12 inches of clean topsoil.

Chair Simson received confirmation that if the soil levels tested below the .3mg parts per million or less to a depth of three feet the soils would be safe for residents and home gardens.

Ms. Skinner emphasized that the plan set and the narrative showed the improvements to Ironwood Lane as a five foot meandering concrete pathway, new curb, gutter and 8 feet of additional pavement, right of way dedication and a 100 foot easement for Ironwood Lane. She said sheets 9-10 outlined the proposed landscape plan for Tracts A, B, D and E. Tract C was not shown because it was under CWS jurisdiction and there was a condition of approval alluding to it. Ms. Skinner noted there was maintenance agreement submitted as part of the application that outlined the ownership and maintenance of all the tracts. Ms. Chang added the applicant proposed Tract C be maintained by the city, but public works indicated it should stay with the homeowner's association. Privately owned parcels abutting it were abutting Tract C. Commissioner Repp asked about access off Robson Terrace and asked if it was to Tract C. Ms. Palmer responded there was a water quality facility in that location.

Ms. Skinner noted the comments about wildlife habitats and stated the property was not designated as a significant natural resource and did not have any designated wildlife habitat on it per the state definitions. There may be deer on the site, but because the property was not designated as a significant natural resource that portion of the code did not have to be addressed. The only portion that was designated as wetlands, that needed to be preserved, was the area along the eastern boundary delineated by an environmental consultant and approved by CWS who has jurisdiction over the wetlands, not the city. Those wetlands were being preserved per the conditions of approval.

Chair Simson asked about a reduced setback granted from CWS. Ms. Skinner confirmed a fifteen foot vegetative corridor instead of the standard 35 was submitted and approved by CWS.

Ms. Skinner referred to the reduced setback request and informed the Commission that in consultation with city staff it was confirmed that where the west edge of the house along Lot 1 was proposed was a side setback. The rear setback was in the driveway. The adjustment would not affect the placement of the west side of the house. Commissioner Kai received confirmation that the rear yard setback would be 20 feet from the 10' line described in the definition and asked if the proposed house location would be in within the setback. Chair Simson expressed concern for the setback because it was an irregularly shaped lot, and the property was constrained and within the PUD guidelines and Southeast Sherwood masterplan buffering standards to be applied. Taking all those things into consideration, whether it was a side yard, back or front yard, mattered only as much as if we are complying with the Southeast Sherwood Master Plan of a view corridor and proper buffering. She said the Commission needed more information prior to the next meeting.

Commissioner Scott commented that Denali Lane was configured differently, that in the original configuration the back yard and side yard would be different from as defined in the PUD. Mr. Galati explained that a roadway layout from a conceptual plan assumed a flat plane. When you start looking at actual grades then the constraint's come into play and you have warp the plan to take up the grade in the area. That was why roadway layout was different, because the proposed roadway was taking in the hard data from a survey, which is a significant change. Chair Simson expressed concern for the impact to the neighbors. Typically, the intensity and smaller lots were in the center of the property and protected the neighbors by having larger setback on the outside. She did not like a lot of variances, because you start chipping away the reason for the code. The quality of life Sherwood had was because the code created large single family lots with setbacks. When you do variances on Lots 4-7 for shorter driveways you are impacting the people that are being developed. She said Lot 1 needed to be mindful of its neighbor as much as possible and several commissioners had expressed concern.

Ms. Skinner stated that Sheet 11, the view corridor section, was supposed to demonstrate that the houses on Lots 1-3 would not affect the views of the existing houses to the west. Clearly it did not. The slope was from west to east and was quite a bit lower. The developer would build houses without any view obstruction. Commissioner Scott said Sheet 11 showed Denali Lane about 15 feet lower than the private drive and asked what was the height of the back of the house. He did not see the height of the proposed houses. The cross section showed the height of the road and driveway but not the proposed height of any of the three houses. He suggested the cross section should go all the way back to the [existing] house and the height of the proposed houses shown to help illustrate the view corridor better. Chair Simson stated the conditions of approval should address building height in the view corridor.

Chair Simson turned to the Denali Lane Architectural Pattern Book and said the book was important to what the final design would look like. She explained that the Southeast Sherwood Master Plan objective was to be complimentary and compatible to houses in the neighborhood and while the building elevations on the traditional and early American styles fit beautifully within what was already existing in the neighborhood, she was concerned by the pictures of the contemporary and modern styles along with the statements in the applicant's submittal that said the modern was complimentary to the Portland area and new to Sherwood. She thought if new, modern and contemporary were new to Sherwood market then we are not making a pattern book that was compatible or complementary to the existing homes in the area. She was uncertain the paint scheme was compatible either with colors like alabaster, snowbound, pure white, creamy, and grey. She said the area had a lot of home with brick, rock and natural colors. She understood that not every house should be the same, but bright white houses did not complement the existing. Chair Simson said she would not feel comfortable supporting the designs and wanted to give the applicant and opportunity to make adjustments. She asked for the Commission's opinions.

Commissioner Scott agreed regarding the elevations and said the transition would be jarring from the new development to the existing with modern and contemporary style homes.

Commissioner Repp did not have concerns regarding the exterior finishes but encouraged a gradual transition.

Mr. Roth commented that the styles of the homes at the neighboring, Sherwood View Estates were not built under the guidelines of an architectural pattern book, but under the discretion of the developer. Those homes by use of garage doors, brick, cultured stone, and roof pitches and architectural elements created a style. He stated home styles established an image and date and you could drive through the subdivision of very nice homes and know they were built in the 1990s. He was trying not to build a 1995 style home. Mr. Roth said his home styles would be complimented the neighborhood and be consistent with the direction that the styles of homes were going in today's market. His company was building in five or six markets and there was a much higher demand for contemporary and modern style houses. The other feature the contemporary house had was a lower roof pitch; a traditional home had a steep pitch and high ridge. Building a traditional style house across Lots 1-3 would raise the ridge and invade the view corridor the Commission was trying to protect. He said they used to build "northwest contemporary" homes in the 1970's -80's, but were building a new style of contemporary home. He wanted to build using a design that would complement the adjacent neighborhood and make everybody happy without being restricted to building 1995.

Chair Simson asked what roll the architectural review committee would play in determining if the view was shocking. Her understanding was that when the application came in for the site plan review process during the final development plan the Commission would have review of the design standards for the buildings being proposed. Ms. Hajduk explained the second phase of the PUD would approving the subdivision and ensuring the applicant was complying with the conditions laid out at the high level; components of the PUD and the architectural pattern book. Generally, every home in for a site plan review was not reviewed by the board, as there is no process for that.

Commissioner Repp understood the Commission would review the general vision for the subdivision and pattern book with the color palette, that sort of thing. Ms. Hajduk confirmed.

Ms. Palmer explained that at the final development plan review, confirming the subdivision layout, the Commission would be adopting the pattern book. Once that pattern book was adopted and the PUD was adopted, then at the time of building permits, staff would review the permit applications to ensure they met the design of the pattern book.

Chair Simson said if the Planning Commission accepted the architectural pattern book as it was, the Commission would be approving everything enclosed.

Commissioner Kai said he did not see contemporary, modern and traditional style homes as being compatible with the neighborhood or each other. When he thought of Sherwood, contemporary and modern examples reflected homes in Portland, not Sherwood. He understood the benefit of the contemporary lines for keeping a low roofline, but he saw the styles as conflicting.

Commissioner Repp asked if the applicant had examples of other neighborhoods that used all of the housing types proposed to show the Commission what it might look like and to illustrate the transition.

Mr. Roth said there was no such examples in Sherwood View Estates. With regards to existing neighborhoods, they were building to market demands, which was modern contemporary with no mix of traditional. He understood the pattern book submitted should contain the traditional style, but his market

in Wilsonville, Hillsboro, Beaverton and Tigard was a mixture of contemporary and modern. He said styles come and go and though traditional had been around for a long time they did not build many.

Commissioner Scott commented the contemporary and modern examples were wonderful for a brand new development that did not abut another. He asked if there was a vision to ease the transition so Lots 3 and 4 blended more, and Lots 1 and 7 could be more contemporary or modern. Instead of crossing a line in the road and suddenly seeing a completely differently style, but more of a transition along the road.

Mr. Roth agreed that it would not be easy to mix a lot of styles in seven lots. He did not see putting a modern style home on Lots 3 or 4 as it transitioned from Sherwood View Estates. He had not thought where he would put a modern style, but if he did it would be on lot 7 at the end of the street, with only the one. The process was not far enough along to start designing the product, but the homes exemplified in the architectural pattern book were homes that they have built. He understood the concern from the commission.

Commissioner Kai felt contemporary and modern homes had a place, his general concern was that it would date when they were built. There was a reason why classic traditional homes had an appeal and it seemed to be part of Sherwood.

Chair Simson noted that the Southeast Sherwood Master Plan indicated the homes should fit in with the neighborhood. She acknowledged the contemporary and modern had a purpose for getting low flats roofs.

Noting a change in subject, Chair Simson turned to page 55 of the staff report and asked why there would not be any handicap ramps on the curbs. She also expressed concerns about adequate screening for the hammerhead and buffering between the project site and the neighbor. She did not want car lights shining into the neighbor's house as a courtesy to the neighbor. She stated she did not feel the shared driveway access was even needed as the original submittal included separate access from Denali Lane with homes closer to the street. Mr. Roth said the proposed grade of the hammerhead would cause the headlights to shine into an embankment.

Commissioner Repp expressed concern for the removal of the tree preservation plan in Condition B.14. She said it would be nice to leave the existing trees and build around them. She wanted information about what trees were existing. Mr. Roth responded that the small grove on Lot 3 would have to be removed for the DEQ clean-up, because DEQ wanted the total site cleaned up. Commissioner Repp said it was a special area with deer living there and she wanted to preserve where possible.

Mr. Roth asked about the timeline. He said the 120-day approval period was ending on March 9, 2018. His issue was that until preliminary approval for the development was granted, the engineering plans could not be issued and his biggest concern was a construction window of four months. Chair Simson explained that when a continuance is requested a the first evidentiary hearing, the Commission would automatically accept the request, because a request was received the decision would be continued to the next hearing on February 13, 18 and then the City Council would hear it after. Ms. Hajduk gave the next City Council dates as March 6 and 20, 2018. As the Commission was unable to make a recommendation to City Council the applicant may need to waive the 120-day rule. There was an option to do an emergency approval with the Council if all of the council members were present and the vote was unanimous.

Mr. Roth asked how long it would take to gain engineering approvals. Mr. Galati commented the site was not a flat grade, but if the submittal was very good, it could be done in four weeks. Mr. Roth was concerned about not getting engineering approvals until September.

Chair Simson requested the applicant toll the 120-days for an additional 30 days. Ms. Hajduk reminded

Mr. Roth that a final development plan with details about the subdivision would need to be submitted after the PUD ordinance was approved by City Council. It would be an additional required land use process with another 120-day timeline.

Ms. Palmer reiterated the process, if the City Council approved the application, the applicant would submit the final development plan site review which would come back to the Planning Commission through the land use process and it could be an additional 120 days. If a complete application was received, and everything looked good, the process would move faster. Mr. Roth returned to the audience.

The Commission discussed how to proceed. The following motion was received.

**Motion: From Vice Chair Christopher Flores to close the hearing on the application for PUD 17-01 Denali Land Planned Unit Development and Subdivision, but leave the written record for submission of additional testimony in accordance with the following; seven days for anyone to submit additional testimony ending at 5 pm on January 30, 2018 and continuing the Commission's deliberation on the matter on February 13, 2018, with the applicant having the opportunity for rebuttal on or before February 13, 2018. Seconded by Commissioner Justin Kai. All Present Commissioners voted in favor.**

### 7. Planning Commissioner Announcements

Vice Chair Flores announced tickets were still available for The Odd Couple at the Sherwood Arts Center for three shows on January 26-27, 2018.

Commissioner Repp report the Comprehensive Plan Kickoff Meeting on January 17 had a great turnout and she was excited about it. Public is welcome to future meetings for the renewal of our comprehensive plan that has not been done in over 20 years.

### 8. Adjourn

Chair Simson adjourned the meeting at 10:14 pm.

Submitted by:

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Kirsten Allen, Planning Department Program Coordinator

Approval Date: \_\_\_\_\_

# **Old Business**

# **Agenda Item A**

**CITY OF SHERWOOD**  
**February 6, 2018**  
**Addendum Staff Report**

**Denali Lane Planned Unit Development and Subdivision**  
**PUD 17-01 / SUB 17-01**

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**TO:** Planning Commission

Pre App. Meeting: February 2, 2017  
App. Submitted: May 1, 2017  
App. Complete: November 9, 2017  
120 Day Deadline: March 9, 2018  
Public Hearing: January 23, 2018  
Public Hearing Continuance: February 13, 2018

**FROM:** Planning Department

  
Joy L. Chang  
Associate Planner

On January 23, 2018, the Planning Commission held its meeting for the proposed Denali Lane Planned Unit Development and Subdivision. Staff provided an oral staff report, the applicant presented their proposal along with members of the community providing testimony. One community member requested that the hearing be continued. At the end of the hearing, the Planning Commission granted the continuation to February 13, 2018. The Continuation allowed for additional written testimony for seven days ending January 30, 2018. Furthermore, the applicant was allowed an additional seven days for rebuttal (ending February 6, 2018).

This addendum Staff Report addresses questions and concerns identified at the Planning Commission Hearing along with additional (new) written testimony.

**APPLICANT** - The applicant's representative requested that some of the Conditions of Approval be deleted or modified as discussed below:

- 1. Page 64 of the staff report. Strike Condition B14, because the trees are in the Ironwood ROW and not within the site.**

**Staff Response:** Staff noted during the hearing that the trees adjacent to the path along SW Ironwood are in the ROW and not on the development site; therefore, Condition B14 can be stricken.

- 2. Page 64 of staff report. Reword Condition D2 because of the possible delay of project construction.**

**Staff Response:** Bob Galati, City Engineer has proposed the following language for Condition D2.

"Prior to Sherwood Engineering Department approval of public improvement plans, applicant shall submit letter from DEQ which states that plans conform to stated DEQ requirements for the development."

**3. Page 64 of staff report. Correct typographical error on Condition D3, 1200 CB should be 1200CN.**

"Prior to Sherwood Engineering Department approval of the public improvement plans, the developer shall obtain a DEQ NPDES ~~4200CB~~ 1200CN permit.

**4. Page 65 of staff report. Reword Condition D5**

**Staff Response:** Bob Galati, City Engineer has proposed the following language for Condition D5.

"Prior to Sherwood Engineering Department approval of engineering plans, based on findings from the sight distance analysis for the Murdock Road/Ironwood Lane intersection, applicant shall provide mitigation to the maximum extent practical, as approved by the Engineering Department."

**5. Page 65 of staff report. Reword Condition D6, it should read 12% not 11.6%**

**Staff Response:** Staff concurs.

**6. Page 65 of the staff report. Reword Condition D16 to read as the following:**

"Prior to Sherwood Engineering Department approval of the public improvement plans, provide street trees in graded tree wells in the public sidewalk consistent with the requirements of Section 16.142.060 where adequate tree to sidewalk clearance is not available."

**Staff Response:** The proposed language by the applicant is acceptable to City Engineering.

**7. Staff proposes a new Condition F4 in response to the applicant's concern about the potential delay of project construction.**

**Staff Response:** Bob Galati, City Engineer has proposed the following language for Condition F4. "Prior to Sherwood Engineering Department acceptance of constructed public improvements, applicant shall submit a copy of the DEQ "No Further Action" confirmation letter, to the Engineering Department."

**PLANNING COMMISSION** - The Planning Commission raised the following items during the hearing:

**1. Page 49 of the staff report. Handicapped Ramps are not proposed and not required, why?**

**Staff Response:** There are no curb cuts associated with the pedestrian path. The path from SW Murdoch down to SW Ironwood, in Tract A, connects directly into the sidewalk on Denali Lane.

**2. The concern of trees on Lots 1 and 3 was raised and if the applicant provided an inventory or will meet tree canopy requirements.**

**Staff Response:** Staff has confirmed that there are trees on Lots 1 and 3. The applicant has stated that areas for infrastructure (pathway, streets), building footprints and associated driveways will be cleared of existing vegetation.

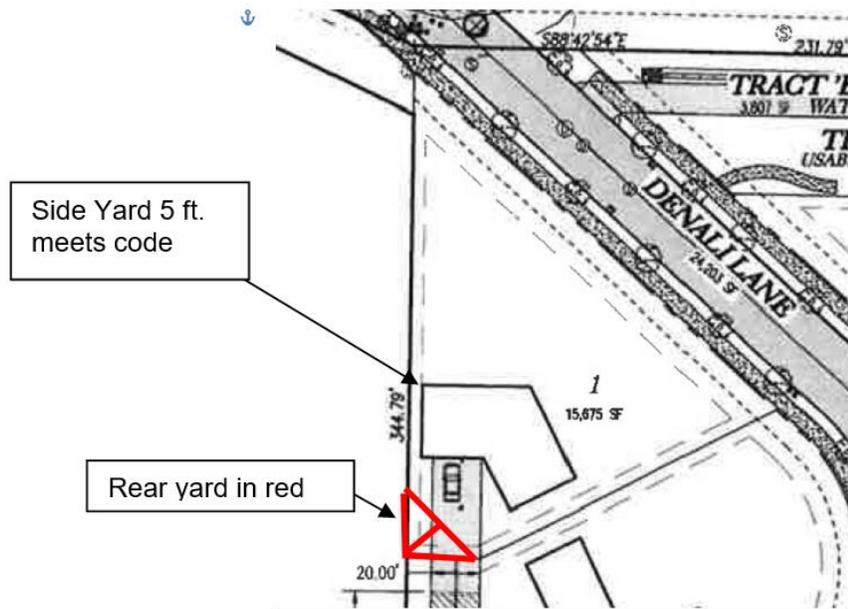
SZDC 16.142.070 allows for tree removal to accommodate the development including building, parking, walkways, grading, etc. provided that the development satisfies SZDC 16.142.070.D.2 or SZDC 16.142.070.D3.

Page 58 of staff report. The applicant provided a landscaped plan that satisfied the requirements of SZDC 16.142.070D.2, which requires the development to provide a minimum 40% canopy cover (this is based on the expected mature canopy calculation provided in this code section). Forty percent of the gross acreage is 64,469 sq. ft. and the applicant's plan shows a total of 103,699 sq. ft. of canopy cover at tree maturity, which exceeds 40%. The applicant has proposed that all trees and vegetation in the vegetated corridor and wetland buffer areas will remain.

**3. There was concern about reducing the rear yard setback from 20 ft. to 5 ft. on Lot 2.**

**Staff Response:** Lot 2 is an irregular shaped lot. The definition below is how SZDC 16.10 defines a rear yard.

Lot Line, Rear: A lot line which is opposite and most distant from the front lot line, provided that for irregular and triangular lots, the rear lot line shall be deemed a line ten feet in length within the lot, parallel to and at a maximum distance from the front lot line. On a corner lot, the shortest lot line abutting adjacent property that is not a street is considered a rear lot line.



The applicant meets the 5 ft. rear yard setback for the Very Low Density Residential zone.

**4. In 2012, the City Council approved a 6 lot PUD for this site area. The applicant is now requesting 7 lots. Why can the applicant create 7 lots instead of 6?**

**Staff Response:** Page 14, of the staff report explains the minimum and maximum density requirements in this zone. Per the SE Sherwood Master Plan, the maximum density is 10 lots. See SZDC 16.12.010.A.3.a

**5. View Corridor – Will the property to the west be affected by vehicle lights from the driveway of Lots 1, 2, 3.**

**Staff Response:** The applicant during the hearing stated that the View Corridor Sections and Cut Fill (Sheet 11) provided, as part of the application was not adequate in showing the view corridor details. The applicant did state that there is a downward slope, and building a contemporary or modern style house will alleviate higher roof pitches that could maximize views. Staff agrees with the applicant in regards to building a home with a flatter style roofline in this area to maximize views.

The applicant proposed a 4 ft. retaining wall along the western boundary of the driveway of Lots 1, 2, and 3 that will prevent direct vehicle light glare.

Staff is also recommending the following Condition of Approval:

(B14) Prior to Final Development Plan approval, the applicant shall revise the View Corridor Section and Cut Fill sheet to show the view corridor in more detail including any impediments.

**COMMUNITY TESTIMONY** – Items identified by the community are addressed below.

**1. Lisa and Roger Walker** had concerns relating to rear yard setback for Lot 1, redevelopment future access through Tract A, preserving existing trees on Lots 1 and 3, limiting the proposed development flexibility on home placement due to view corridor, reducing number of lots by one, and requested the record be remained opened (continuance).

**Staff response:** Rear yard setback for Lot 1, density allowance, view corridors, preservation of trees on Lots 1 and 3 are all addressed above in response to the Planning Commission.

The City Engineer has reviewed the requested future access through Tract A. Typically, access is addressed once a site proposes to subdivide. The site to the west has legal access to SW Murdock Road through a 50-foot wide easement and is not land lock. He stated that it is difficult to condition a future access point, without a specific location identified. Ideally, the future access point would need to meet right-of-way design requirements (e.g. intersection spacing standards, width, site distance, etc.).

**2. Christine Stone** home is adjacent to Tract E and proposed Lot 4. She expressed concern for the DEQ clean up that would stockpile the contaminated soil on Tract E and it would become a non-usable containment area. She asked who would maintain the area and if it would be part of the CCRs for the development.

**Staff Response:** A Remedial Action Work Plan, approved by DEQ, was submitted and addresses the DEQ clean up. Additional questions to the clean up should be directed to Mark

Pugh of DEQ. Based on the information the applicant provided, Tract E would be maintained by the HOA.

**3. Tony Weller** inquired on the type of roadway connection from Denali Lane to Ironwood Lane.

**Staff Response:** At the hearing, staff stated that SW Ironwood Lane and SW Denali Lane are both public streets.

**4. Naomi Abrams Reinstein** requested the preservation of open space, concerns with construction traffic, and impacts to the wetland areas due to contamination.

**Staff Response:** The applicant has proposed several open space tracts (Tracts A, C, D, and E). Tracts C and E will further enhance the non-buildable tracts east of the site (Tract E, F, and G of Ironwood Acres No. 2).

Per the City Engineer, construction traffic can be supported on the affected rights-of-way.

As stated above, A Remedial Action Work Plan, approved by DEQ, was submitted and addresses the DEQ clean up. Before final development approval, the applicant will need to stabilize the site and meet DEQ requirements.

**5. Megan Rowlands** stated that SW Ironwood Lane was currently a one lane road and questioned if additional cars could use the new road. She expressed concern about the site distance from the curve on Murdock. She also noted a family of deer on site.

**Staff Response:** SW Ironwood Lane, through this proposal, would be widened and additional vehicles would ultimately utilize the new right-of-way connection for SW Denali Lane. Site Distance is a Condition of Approval (item D5). Ms. Rowlands submitted additional written comments and concerns relating to the natural habitat that is discussed below.

**6. Jeff Burris** inquired if the current SW Ironwood Lane had lighting to city standards and if curbs and sidewalks as well as lighting would be required along SW Denali Lane and SW Ironwood Lane. Accessibility to green space was also raised if it would be accessible through the current proposal or through Sherwood View Estates subdivision.

**Staff Response:** At the hearing, the City Engineer stated that meandering sidewalks would be placed along Ironwood Lane with street lighting in Tract A that connects to SW Murdock Road. It would connect with SW Denali Lane at the top of the hill. SW Ironwood Lane will be widened to a two-lane road. The north existing half will be an unfinished road on the north side because it was a separate lane; half of the roadway width necessary for at least two 11-foot lanes would be there. To extend the improvements on the other side of the, the north side would be dependent on development of the area north of SW Ironwood Lane. The applicant will provide for their proportionate share of their development for SW Ironwood Lane. Which includes the property they have that fronts the road, a half-street improvement that is nearly two lanes; two cars will be able to drive on Ironwood lane in opposite directions.

As shown on the preliminary plat plan (Sheet 03), the applicant is proposing a 5-foot access easement along Tract C that would allow for access to the green space east of the site.

**New Written Testimony from the Community** – A total of three new written testimony was received and two of the three also provided oral testimony at the January 23, 2018 Planning Commission hearing. The community concerns are identified and addressed below.

1. **Lisa and Roger Walker** had additional concerns relating to headlights from the hammer head and requested for a view easement for the visual corridor over Lots 1, 2 and 3.

**Staff Response:** Impacts to the hammerhead and view corridor are addressed in item 5 of the Planning Commission section.

2. **Mark and Megan Rowlands** raised concerns relating Natural Habitat & Wetland, Road Safety, Loss of Views, and Visual Impact (contemporary modern homes is not in character of the existing homes).

**Staff Response:** The site does not have upland and riparian habitat. However, upland and riparian habitat are reflected east of the site and have been preserved through the creation of non-buildable tracts (Tract E, F, G of Ironwood Acres No. 2).

SW Denali Lane will be fully improved to a local street standard with sidewalks on both side. Tract A, adjacent to SW Ironwood Lane, will have a pedestrian path to further connect pedestrians from SW Murdock Road to ultimately SW Denali Lane. The transportation and pedestrian improvements will add safety to both users of the facilities.

Loss of views and visual Impacts are addressed above in the Planning Commission section.

3. **Mary Reid** concerns relate to the extension of SW Denali Lane stating that it would create a transportation and pedestrian safety issue, have topographic problems, and increase traffic within the neighborhood. It was her understanding that SW Denali Lane would be a cul-de-sac instead of a through street.

**Staff Response:** As stated in the January 16, 2018 staff report, Page 40 Street Connectivity, the City's Transportation System Plan, Local Street Connectivity Map, Figure 18 does identify a needed connection through the subject site. The proposed extension of SW Denali Lane is also consistent with SE Sherwood Master Plan – Alternative B/C recommended plan. Both plans do not identify SW Denali Lane ending in a cul-de-sac.

Transportation and pedestrian safety is addressed above.

Finally, engineered construction plans will address any on-site topographic concerns.

**New Written Testimony from the Applicant** – The applicant provided the following items to address concerns raised at the January 23, 2018 Planning Commission Hearing.

1. **Amendments to Conditions of Approval** – requested modifications to Conditions of Approvals are addressed above.

2. **Revised Denali Lane PUD Architectural Pattern Book dated Jan. 2018** – this included new conceptual building elevations that the owner would like to build and reference to Architectural

Review Committee was change to Architectural Checklist that staff would utilize during building permit submittal.

**3. Revised View Corridor Exhibit (Sheet 11 and Sheet 11A)**

**4. Revised Preliminary Utility Plan (Sheet 07)** clarifying Lot 1 rear yard setbacks as defined in the code.

**Exhibits**

G. Revised Conditions of Approval February 6, 2018

H. Lisa and Roger Walker written testimony dated January 23, 2018

I. Lisa and Roger Walker written testimony dated January 29, 2018

J. Mark and Megan Rowlands written testimony dated January 28, 2018

K. Mary Reid written testimony dated January 25, 2018

L. Applicant's written testimony dated January 30, 2018 with revised plan sheets

**End of Report**

**REVISED CONDITIONS OF APPROVAL  
February 6, 2018**

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 that the Planning Commission forward a recommendation of APPROVAL with conditions of Denali Lane PUD (PUD 17-01 / SUB 17-01)**. Required conditions are as follows:

**VI. CONDITIONS OF APPROVAL**

**A. General Conditions**

1. Compliance with the Conditions of Approval is the responsibility of the developer or its successor in interest.
2. This land use approval shall substantially comply with the submitted preliminary site plans and narrative dated November 10, 2017 and prepared by Emerio Design, except as indicated in the following conditions of the Notice of Decision. Additional development or change of use may require a new development application and approval.
3. The developer/owner/applicant is responsible for all costs associated with private/public facility improvements.
4. This approval is valid for a period of two (2) years from the date of the decision notice. Extensions may be granted by the City as afforded by the Sherwood Zoning and Community Development Code.
5. The continual operation of the property shall comply with the applicable requirements of the Sherwood Zoning and Community Development Code and Municipal Code.
6. 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.
7. Prior to commencement of the design, the developer shall attend a predesign meeting with the Sherwood Engineering Department.
8. The applicant shall comply with the conditions as set forth in the Clean Water Services Service Provider Letter No. 17-000639, amended June 29, 2017.
9. Tracts "A", "C", "D" and "E" shall be owned and maintained by the homeowners' association.
10. All residents will need to bring their solid waste and recycling receptacles to the nearest public road, SW Denali Lane.
11. Per City of Sherwood standards, all new utilities shall be placed underground.
12. There shall be no parking along the private drive (benefiting Lots 1, 2, and 3) and in the fire department turnaround.

**B. Prior to Approval of PUD Final Development Plan and Subdivision Plat**

1. Prior to recording the final plat, comply with the conditions as set forth in the CWS Amended Service Provider Letter No. 17-000639, dated June 29, 2017.
2. Prior to recording the final plat, provide an easement over the vegetated corridor conveying storm and surface water management to CWS that would prevent the owner of the vegetated corridor from activities and uses inconsistent with the purpose of the corridor and any easements therein.
3. Prior to recording the final plat, provide detailed plans showing the sensitive area and corridor delineated, along with restoration and enhancement of the corridor.
4. Prior to the final development plan approval, provide Covenant, Conditions & Restriction for Denali Lane PUD documenting how the open spaces (Tracts A, C, D, and E) will be maintained by the neighborhood association.
5. Prior to approval of the final plat, construct all public improvements in the delineated timeline as required by the City's Compliance Agreement.
6. Prior to approval of the Final Plat, submit a revised tree plan demonstrating compliance with the Clear Vision requirements of Section.16.58 of the Sherwood Zoning and Community Development Code.
7. Prior to Final Development Plan approval, submit a final landscape plan that has been verified by a landscape professional.
8. Prior to Final Development Plan approval, submit a final landscape plan that addresses the installation and maintenance standards of Section 16.92.040.
9. Prior to final plat approval, shared access easement on Lot 2 shall be shown on the subdivision plat.
10. Prior to final plat approval, fire access turnaround easement on Lots 1-3 shall be shown on the subdivision plat.
11. Prior to final Plat Approval, a 1-foot wide right-of-way dedication along SW Ironwood Lane site frontage shall be shown on the plat.
12. Prior to final Plat Approval, a 52-foot wide right-of-way dedication and extension of SW Denali Lane shall be shown on the plat.
13. A Detailed Final Development Plan shall be submitted for review and approval, by the Planning Commission, within one (1) year of the preliminary PUD approval.
- ~~14. Prior to Final Development Plan approval, a final tree preservation plan consistent with the requirements of Section 16.142.070.G. will be submitted.~~
14. Prior to Final Development Plan approval, the applicant shall revise the View Corridor Section and Cut Fill sheet to show the view corridor in more detail including any impediments.

abcdef Proposed additions  
abedef Proposed deletions

**C. Prior to Issuance of a Grading Permit:**

1. Prior to issuance of a grading or erosion control permit, provide DSL and Corps of Engineers permits for any work in the wetlands or creek.

**D. Prior to Engineering Approval of the Public Improvement Plans:**

1. Prior to approval of the public improvements, submit plans that identify the buffer and mitigation areas and related mitigation measures and notes delineated in the SPL shall be incorporated into the grading and ESC plan sheets of the planning and construction plans submittals.
2. Prior to Sherwood Engineering Department approval of the public improvement plans, ~~the developer shall adhere to the conditions of the DEQ cleanup permit and obtain a finding of "No further action required".~~ applicant shall submit letter from DEQ which states that plans conform to stated DEQ requirements for the development.
3. Prior to Sherwood Engineering Department approval of the public improvement plans, the developer shall obtain a DEQ NPDES ~~4200CB~~ 1200CN permit.
4. Prior to final engineering plan approval, the proposed development shall design for the extension of the public street system creating a looped street system between the current street dead ends at each end of the subject property and provide street lighting along the new street in accordance with Sherwood Engineering standards.
5. ~~Prior to Approval of Engineering Plans, a sight distance analysis at the Murdock Road/Ironwood Lane intersection shall be included with the engineering plans to confirm adequate sight distance.~~

Prior to Sherwood Engineering Department approval of engineering plans, based on findings from the sight distance analysis for the Murdock Road/Ironwood Lane intersection, applicant shall provide mitigation to the maximum extent practical, as approved by the Engineering Department.

6. Prior to Approval of Engineering Plans, the slope of SW Denali Lane shall be designed to not exceed ~~4.6%~~ 12% (the length that exceeds 10% is 330 feet).
7. Prior to Approval of Engineering Plans, the applicant shall include street lighting along SW Denali Lane and SW Ironwood Lane in accordance with Sherwood Engineering standards.
8. Prior to Final Engineering Plan Approval, the applicant shall submit a photometric street lighting plan that shows how street lighting standards are met on SW Denali Lane and SW Ironwood Lane.
9. Prior to final engineering plan approval, the proposed development shall design for the extension of the public sanitary sewer system as necessary and provide service to all proposed lots in accordance with Sherwood Engineering standards.
10. Prior to final engineering plan approval, the proposed development shall design for the extension of the public water system creating a looped water system between the current dead end water lines at each end of the subject property and provide service to all proposed lots in accordance with Sherwood Engineering standards.

11. Prior to final engineering plan approval, the proposed development shall design for the extension of the public storm sewer system as necessary for public streets and to provide service to all proposed lots in accordance with Sherwood Engineering standards.
12. Prior to final engineering plan approval, the proposed development shall design for adequate water quality treatment for the new/redeveloped impervious area that will be constructed as part of this development unless otherwise approved by the City Engineer and Clean Water Services. Water quality facilities shall be designed in accordance with Sherwood Engineering standards.
13. Prior to final engineering plan approval, the proposed development shall submit a storm water report in accordance with Sherwood Engineering standards.
14. Prior to approval of the public improvement plans, submit plans demonstrating compliance with the Fire Marshall's letter dated November 20, 2017.
15. Prior to Sherwood Engineering Department final acceptance of the constructed public improvements, the developer shall dedicate a minimum 8-foot wide PUE along all street frontages unless otherwise approved by the City Engineer.
16. Prior to Sherwood Engineering Department approval of the public improvement plans, provide street trees in graded tree wells in the public sidewalk consistent with the requirements of Section 16.142.060-where adequate tree to sidewalk clearance is not available.

**E. Prior to Issuance of Building Permits:**

1. Prior to Issuance of a Building Permit, the applicant shall submit construction documents that provide additional information on the proposed plantings and maintenance of the plants to ensure that the landscaping will be appropriately maintained. The construction plans shall include specifications for the adequate preparation of the soils.
2. Prior to the issuance of building permits, each lot shall provide for one off-street parking space.
3. Prior to the issuance of building permits, the appropriate permit applications and details regarding the design of each driveway will be submitted to the City of Sherwood for review and approval.

**F. Prior to Acceptance of Public Improvements:**

1. Prior to Sherwood Engineering Department final acceptance of the constructed public improvements, any septic system within the subject property shall be abandoned/removed in accordance with all applicable regulations.
2. Prior to Sherwood Engineering Department final acceptance of the constructed public improvements, any public sanitary sewer located on private property shall have a recorded public sanitary sewer easement encompassing the related public sanitary sewer improvements meeting Sherwood Engineering standards.
3. Prior to Sherwood Engineering Department final acceptance of the constructed public improvements, any public storm sewer located on private property shall have a recorded public storm sewer easement encompassing the related public storm sewer improvements meeting Sherwood Engineering standards.

4. Prior to Sherwood Engineering Department acceptance of constructed public improvements, applicant shall submit a copy of the DEQ "No Further Action" confirmation letter, to the Engineering Department.

#### **G. Prior to Receiving Occupancy**

1. Prior to obtaining the Certificate of Final Occupancy, construct and install the pathway and other Tract A open space amenities.  
—
2. Prior to final occupancy of structures, install the landscaping according to the landscape plans or pay a security bond for 125% of the cost of the landscaping payable to the City. If the landscaping is not completed within six months, the security may be used by the City to complete the installation.
3. Prior to final occupancy, any private sanitary piping shall be installed in compliance with the current Oregon Plumbing Specialty Code.
4. Prior to Grant of Occupancy, any private water piping shall be installed in compliance with the current Oregon Plumbing Specialty Code.
5. Prior to Grant of Occupancy, any private storm piping shall be installed in compliance with the current Oregon Plumbing Specialty Code.
6. Prior to Granting of Final Occupancy for any buildings, Sherwood Broadband utilities (vaults and conduits) shall be installed along the subject property's frontage per requirements set forth in City Ordinance 2005-017 and City Resolution 2005-074.

January 23, 2018

Planning Commission  
City of Sherwood  
22560 SW Pine St  
Sherwood, OR 97140

To: Planning Commission – City of Sherwood

RE: Denali Subdivision (PUD 17-01 and SUB 17-01)

Prior to the purchase of our residence in September 2001 we met with Senior City Planner, Kevin Cronin, to discuss the zoning on our property and the property behind us. We were advised of the VLDR classification and were told any development on the property to our East, behind our home, would be limited to 3 – 4 homes due to the property size. It had not been included in the Sherwood View Estates PUD and, because it was less than 5 Acres, could not be a PUD by itself. We made the purchase of our home with this understanding, paying a premium for the land due the view lot status (See exhibit A-photo).

Although for the record we are unsure if the consideration of this property as unusually constrained or limited in development potential (16.40.010) and should allow for a PUD, we understand the need for development and are basically not opposed to the development of tax lot 1000 as proposed but have a few issues we ask the Planning Commission and City Council to consider.

1. As mentioned above the value of our property is largely due to the view of the Valley and Mt. Hood. We wish to work with the property owner and, with help from the City of Sherwood, come to a mutual agreement with regard to a view easement. The applicant has referred to a portion of their application that speaks to this but we could not locate this information and have not had the opportunity to review. Without seeing it we cannot determine if it will be acceptable as written but hope it is specific and not subject to later interpretation. Additionally, our concern is one of how such a view easement would be monitored and regulated.
  - a. The CC & R's of our property have such a restriction to protect the view of the homeowner behind us and we would like similar consideration.
  - b. Using the language from our current view easement as a guide, we are requesting the building of structures and height of vegetation be limited as below:
    - **No structure or vegetation shall be permitted within the restricted area, as identified in exhibit B with slanted lines, which would exceed the height of 15 feet above the natural ground elevation of Point "A" identified on exhibit B.**
    - **View easement to be defined as: While standing at the back of our home outside we should be able to have an unobstructed view of Mt. Hood and the tree line.**
2. The second issue of concern is one of access to our property for future development. This concerns tract A on the Denali Subdivision Proposal. Given the steep elevation of our lot on the north side we will need to someday have access to Ironwood Lane for any development of the lower acre of our property. Assuming we will retain current zoning that could be 2 homes.
  - a. If tract A becomes green space we are concerned it will limit our access across it.
  - b. We are asking for any designation for tract A allow access for our development as may be needed in the future. (Exhibit C)
3. Builder is proposing to change the required setback on lot 1 from 20 feet to 5 feet. An argument justifying this change was provided stating the nearest structure is over 150ft away therefore had no impact. We strongly disagree. There will be a time in the future where we or

Exhibit H

future owners may wish to divide our lot and at such time a home may be located near the property in question. A 5-foot setback will diminish the value of the adjacent lot.

**NOTE:** Page 8 of the applicant provided exhibit A, preliminary plans, shows an example of how our property might be divided at some point. While this is not our current intention we cannot limit our access nor allow for development so close to our property lines so as to reduce the value of our property now or in the future.

4. In the applicant's application documents, page 11 of the portion with the Emerio Design at the Footer, applicant is asking for flexibility on the placement of homes. We ask this be noted very clearly so it is not left to any interpretation. Please ensure the issues noted above are clearly conditioned in any approvals so as to limit any 'flexibility' that might negate them.

Thank you for your time and consideration.

  
Roger Walker

  
Lisa Walker

  
Rufauna Craigmiles

Exhibit A	View Photograph
Exhibit B	View Easement
Exhibit C	Tract A Easement

Roger and Lisa Walker  
Roni Craigmiles  
23500 SW Murdock Rd.  
Sherwood, OR 97140







Planning Commission  
City of Sherwood  
22560 SW Pine St  
Sherwood, OR 97140

January 29, 2018

To: Planning Commission – City of Sherwood

RE: Denali Subdivision (PUD 17-01 and SUB 17-01)

Thank you for listening to our testimony at the commission's January 23<sup>rd</sup> public hearing and granting our request for a continuance. We would like to take this additional opportunity to highlight several issues of concern that remain in relation to the plan layout and how it will affect our adjacent property to the west (see Exhibit A, note 1).

Although not formally adopted, the SESMP (Southeast Sherwood Master Plan) resulted from the work of many people who spent a great deal of time trying to craft a vision for this unique area.

Currently, for the proposed Denali Subdivision, the following intents of this plan need to be noted:

1. Buffering between new homes and existing neighborhoods
  - a. Similar lot sizes for adjacent properties, keeping larger lots nearest existing properties
  - b. Complimentary in design
2. Views for existing homes were to be preserved and maintained with visual corridors
3. Traffic flow needed to be considered
  - a. Entry onto Murdock Road, especially left turns and sight clearance from Sunset Blvd
  - b. Speed and volume of additional vehicles using Denali Lane for access to/from Sherwood View Estates

Keeping these in mind, below are some requests we have to address concerns in the proposed PUD 17-01 and SUB 17-01 project:

1. A view easement for a visual corridor over lots 1, 2, and 3 be conditioned in any approvals
  - a. A method to measure compliance be identified and confirmed before site plan approval
  - b. The homes being placed on Lots 1, 2, and 3 be of the more contemporary style as we believe these designs have lower roof lines easing the view compliance
    - i. The pattern book needs to include one story homes and homes of lower height
  - c. In addition to structure height, vegetation be considered to have the same height limits accessed so as not to exceed the roof height of the buildings on the same lot
  - d. View easement rules for lots 1, 2, and 3 be placed into the PUD's CC&R's so compliance can be monitored and noncompliance can be legally addressed
2. Headlights from automobiles using the "hammerhead" lot #2 easement will shine on our home as they progress up the shared driveway for Lots 1, 2, and 3. If this shared access is allowed, we ask that the applicant be conditioned to install buffering in the form of a solid fence measuring 6' high along the length of the hammerhead easement adjacent to the property to the west.
3. The applicant's request to reduce the rear set-back on Lot 1 from 20 ft. to 5 ft. will negatively impact future development of our adjacent property. We understand the constraints the applicant has and are suggesting a compromise of no less than 10 ft. We ask the commission to be certain if the applicant claims this to be a side set-back and therefore in compliance at 5 ft.
4. Condition the plan to include the opportunity for access onto Ironwood lane over Tract A, should future development of adjacent property to the west be desired (see Exhibit A, note 2).

5. Have the applicant specify the specific number and justify removal of any existing full growth trees on lots 1 and 3. As shown on Exhibit B-1 & B-2, there are 8 trees on lot 3 that may be able to be retained if the home is positioned closer to Denali Lane moving the shared driveway east to accommodate or if the driveway access for lot 3 was otherwise designed, such as to be directly from Denali. These trees are significant in size and are home to many generations of deer (see current photos in Exhibit C).

Thank you,

Roger Walker  
Lisa Walker  
Rufauna Craigmiles

enclosure:     Exhibit A  
                     Exhibit B-1, B-2  
                     Exhibit C

23500 SW Murdock Rd  
Sherwood, OR 97140



# EXHIBIT A



**NOTE 2 - Access  
across  
Tract A**

**NOTE 1: Walker/Craigsmiles Property**

SW UPPER ROY ST

SW WILLIAM AVE

SW MURDOCK ROAD

SW DENNALL LN

WHITNEY LN

SW ROBSON TERRACE

ROW DEDICATION  
SW IRONWOOD LN

TRACT 'A'

TRACT 'B'

TRACT 'D'

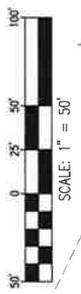
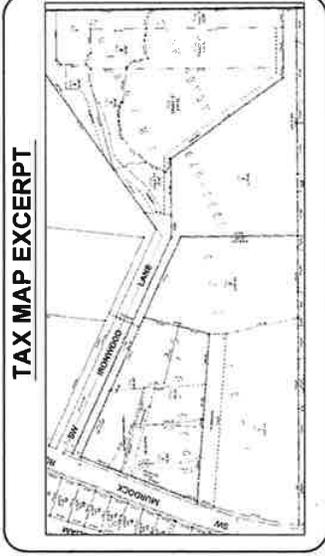
TRACT 'E'

TRACT 'C'

1  
2  
3  
4  
5  
6  
7

# EXHIBIT B-1

# SUBDIVISION / PLANNED UNIT DEVELOPMENT TAX LOT 1000 TAX MAP 2S133CB SHERWOOD, OREGON



### BENCHMARK INFORMATION

WASHINGTON COUNTY BENCHMARK NO. 111.  
A BRASS DISK SET IN THE CURB ON THE SOUTHEAST  
INTERSECTION OF SUNSET COURT AND SHERWOOD BLVD.

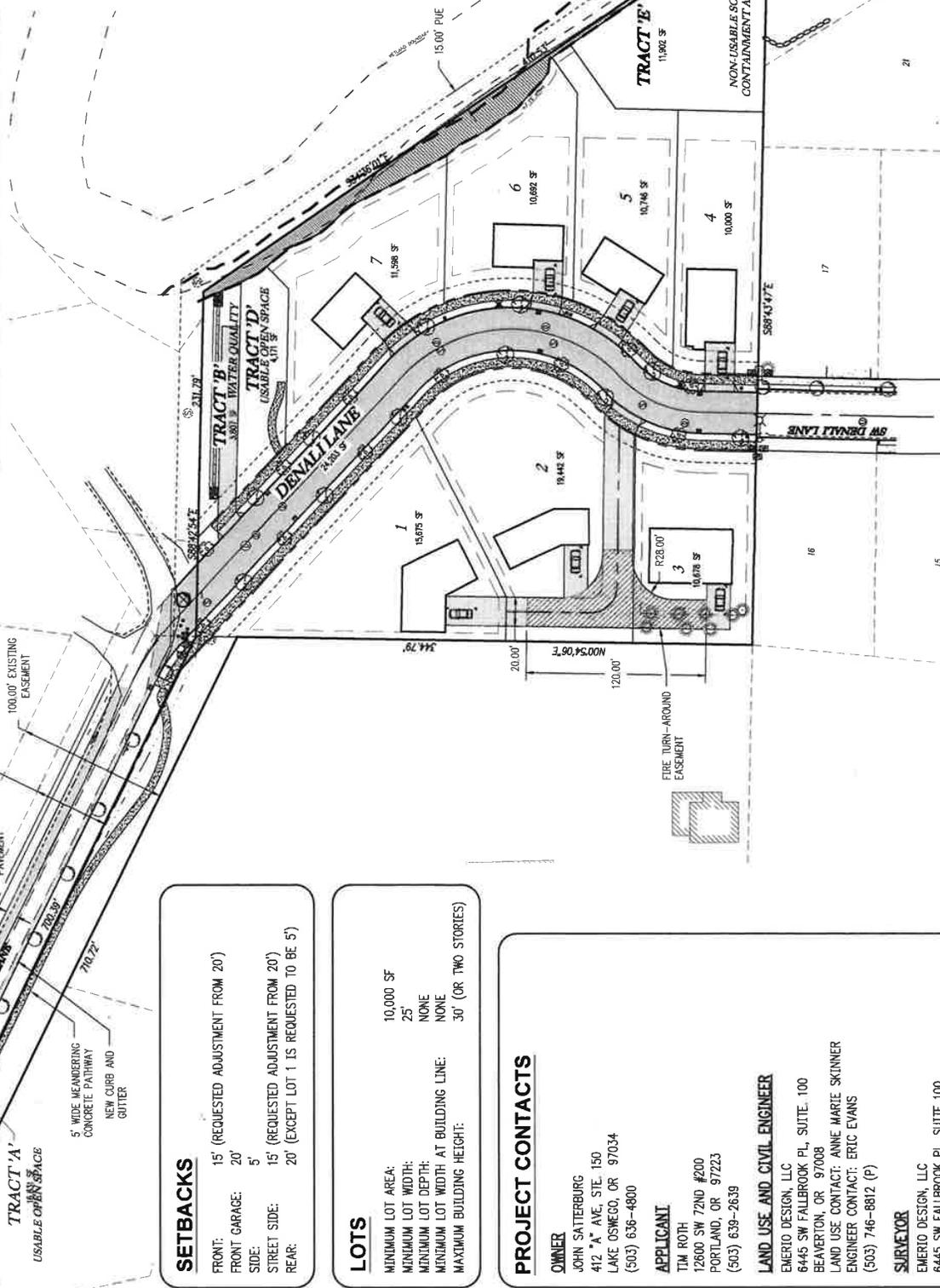
### SHEET INDEX

SHEET NO	TITLE
01	COVER SHEET
02	EXISTING CONDITIONS MAP
03	PRELIMINARY PLAT
04	PRELIMINARY SITE GRADING AND EROSION CONTROL PLAN
05	SW IRONWOOD LANE PLAN AND SECTION
06	SW DENALI LANE PLAN AND PROFILE
07	PRELIMINARY UTILITY PLAN
08	AERIAL AND NEIGHBORHOOD CIRCULATION MAP
09	OPEN SPACE LANDSCAPE PLANS
10	LANDSCAPE LEGEND AND DETAILS
11	VIEW CORRIDOR SECTIONS AND CUT/FILL EXHIBITS

### SITE DATA

SITE AREA:  
ZONING:  
TAX MAP:  
TAX LOT:  
NUMBER OF LOTS:

### TAX MAP EXCERPT



### SETBACKS

FRONT: 15' (REQUESTED ADJUSTMENT FROM 20')  
FRONT GARAGE: 20'  
SIDE: 5'  
STREET SIDE: 15' (REQUESTED ADJUSTMENT FROM 20')  
REAR: 20' (EXCEPT LOT 1 IS REQUESTED TO BE 5')

### LOTS

MINIMUM LOT AREA: 10,000 SF  
MINIMUM LOT WIDTH: 25'  
MINIMUM LOT DEPTH: NONE  
MINIMUM LOT WIDTH AT BUILDING LINE: NONE  
MAXIMUM BUILDING HEIGHT: 30' (OR TWO STORIES)

### PROJECT CONTACTS

**OWNER**  
JOHN SATTERBURG  
412 "A" AVE, STE. 150  
LAKE OSWEGO, OR 97034  
(503) 636-4800

**APPLICANT**  
TIM ROTH  
12800 SW 72ND #200  
PORTLAND, OR 97223  
(503) 639-2639

**LAND USE AND CIVIL ENGINEER**  
EMERIO DESIGN, LLC  
6445 SW FALLBROOK PL, SUITE 100  
BEAVERTON, OR 97008  
LAND USE CONTACT: ANNE MARIE SKINNER  
ENGINEER CONTACT: ERIC EVANS  
(503) 746-8812 (P)

**SURVEYOR**  
EMERIO DESIGN, LLC  
6445 SW FALLBROOK PL, SUITE 100



Exhibit C – Trees on lot 3



**RECEIVED**

**JAN 30 2018**

**Building Dept**

*MB 4:01 pm*

January 28, 2018

Planning Commission  
City of Sherwood  
22560 SW Pine St.  
Sherwood, OR 97140

To: Planning Commission - City of Sherwood

RE: Denali Subdivision (PUD 17-01 and SUB 17-01)

When we purchased our property in 2001 we were advised of the VLDR classification and that no future homes would be built on less than a one acre parcel. We were very surprised to hear that classification somehow along the way has been altered. We have not received any notices of property changes in the entire amount of time we have lived at our residence. We wish to offer our concerns and comments. Our reasons for opposing the proposed future development are as follows:

- **Natural Habitat & Wetlands**-The actual site of this proposed development surrounding a natural wetland is of major concern as it would diminish the many deer, birds, trees and the rare Western Pond Turtle. Currently, the Western Pond Turtle is considered a sensitive/critical species under Oregon's Conservation Strategy because of declining numbers. (Besides Oregon the turtle's are listed as endangered by the state of Washington and identified as a special concern in California.) We have had multiple sightings of the Western Pond Turtle on our property as it made its way from the wetland pond area through our yard and into the open field to nest. Disturbance of the land for development in this area will result in nest destruction and mortality to adult females. Also, road mortality is a concern for the many animals in the area should Ironwood Lane be widened to allow for more through traffic. The increased traffic would destroy the natural habitat and rare beauty Sherwood has within the city limits. This area is a one of a kind and once land is developed it will be gone forever.
- **Road Safety**-Concerns for the safety and how Ironwood Lane expanded would adversely affect the traffic flow on Murdock. We urge that careful technical examination by qualified engineers occur so that we can be ensured that the site distance from the curve to Ironwood Lane is safe.

- **Loss of Views-**The loss of existing views from neighbouring properties would adversely affect the residential amenity of neighbouring owners. Trading our current view of wetlands and wildlife for traffic and street lights is of major concern to us.
- **Visual Impact-** of the proposed development is out of character in terms of the appearance (contemporary modern) compared with existing homes in the vicinity.

Thank you for your time and consideration.

Mark Rowlands



Megan Rowlands



Mark and Megan Rowlands  
23364 SW Murdock Rd.  
Sherwood, OR 97140

## **PROBLEMS REGARDING EXTENSION OF DENALI LANE:**

- SHERWOOD VIEW ESTATES WAS ORIGINALLY TO HAVE A CUL-DE-SAC AT THE END OF DENALI AND IT WAS NOT TO BE “PUNCHED” THROUGH
- SAFETY OF RESIDENTS – NARROW STREETS IN NEIGHBORHOOD – THEY CANNOT HANDLE AN INCREASED AMOUNT OF TRAFFIC – ESPECIALLY DENALI
- SAFETY OF THOSE WHO COME TO THE NEIGHBORHOOD TO WALK – WITH THEIR CHILDREN AND DOGS – TRAFFIC IS LIGHT, AND AREA IS SAFE
- TOPOGRAPHICAL PROBLEMS: DUE TO EXTENT OF HILL’S STEEP DESCENT IF DENALI IS PUNCHED THROUGH
- WHAT ARE ADVANTAGES OF PUNCHING DENALI THROUGH?
- PUNCHING DENALI THROUGH WILL ALSO PUT MORE TRAFFIC THROUGH THE NEW NEIGHBORHOOD SINCE IT APPEARS THERE IS NO 3-WAY STOP AT THE EXIT OF THAT NEIGHBORHOOD – THOSE OF US IN SHERWOOD VIEW MIGHT BE INCLINED TO GO DOWN THE HILL TO EXIT WITHOUT A STOP SIGN.

MARY REID  
23580 SW DENALI LN  
SHERWOOD, OR 97140  
503-625-9104



Mrs. Richard S. Reid

1/25/18

I realize I'm late  
But couldn't make  
the meeting as I had  
planned. I'm hoping  
this will be considered.  
We built our house  
with the understanding  
that Denali would  
end in a cul-de-sac and  
would cause less traffic -

Sincerely,  
Richard Reid  
Mary

23580 SW Denali Lane | Sherwood, Oregon 97140

# **New Business**

# **Agenda Item A**



## MEMORANDUM

City of Sherwood  
22560 SW Pine St.  
Sherwood, OR 97140  
Tel 503-625-5522  
Fax 503-625-5524  
www.sherwoodoregon.gov

DATE: February 13, 2018  
TO: Sherwood Planning Commission  
FROM: Matt Straite – Contract Planner  
SUBJECT: Tube Art Appeal of SIGN 17-02

**City Manager**  
Joseph Gall, ICMA-CM

**Assistant City Manager**  
Tom Pessemier

### BACKGROUND

In 2016 the property owner for the Tualatin-Sherwood Business Park filed for a variance (VAR 16-01) explaining that his business center has multiple tenants and he desired a sign that could show all tenants. Staff explained that a variance could not be supported by staff. The application was later abandoned for lack of activity.

A representative for the property owner subsequently submitted an application for a Director's Interpretation to clarify the requirements for a possible digital sign. The argument by the applicant was that technology had changed to the point that certain digital signs were indistinguishable from a standard sign. The application included a sample sign, and staff accompanied the applicant on a field visit for a sign similar to the sample included in the application. The Director's Interpretation (ADM 17-03) was issued October 11, 2017 clarifying the requirements from the Ordinance and explaining that the attached sample sign did not meet the requirements of the Code. Specifically, the sign is listed as prohibited because it would be considered an electronic message sign and exceeded the 35% limit on an electronic message sign. The interpretation did acknowledge that there are video style signs available today that do not have discernable bulbs and look like a traditional, non-electric sign and interpreted that if such a sign were submitted it would not be considered an electronic message sign. See attached sign submitted with the application and attached Directors Interpretation application.

In December of 2017 a representative for the property owner submitted a sign permit application that contained the same sample sign that did not meet the standards as explained in the Director's Interpretation letter. The Director denied the application as it did not comply with the Code requirements.

## APPROVAL CRITERIA

Sherwood Zoning and Community Development Sign Code Section 16.100, Permanent Signs.

## APPEAL AND DISCUSSION

On December 26, 2017, Tube Art filed an appeal of a staff level decision of a denial of a sign permit for 14841-14997 Tualatin Sherwood Road (SIGN 17-02). Mr. Janik, attorney for the appellants, has listed 5 grounds for the appeal. Each allegation is pulled directly from his appeal followed by a staff discussion on the matter.

1. *The staff failed to properly interpret Code Section 16.100.020(F) and gave no explanation for its interpretation.*

**Staff Response:** The appellant does not include or reference the October 11, 2017 Director's Interpretation where the interpretation of the Code is explained in great detail. Specifically, the Director's Interpretation explained that section 16.100.020(F) lists a changing content sign as prohibited and Section 16.100.015.G explains that the sign proposed was an electronic message sign.

Therefore, if the proposed sign meets the definition of a "changing content sign" than the sign is prohibited. The Interpretation contained specific Code interpretation, including the following:

Section 16.100.020 outlines prohibited signs. A Changing Content sign is listed (Item F) as prohibited, specifically:

*Any sign that, through the use of moving structural elements, flashing or sequential lights, lighting elements, or other automated method, results in movement, the appearance of movement or change of sign image or message is prohibited. Changing image signs do not include otherwise static signs where illumination is turned off and back on at a maximum of once every thirty (30) seconds and such change does not involve movement or flashing.*

This section of code appears to have been carefully crafted to prevent not only moving sign parts, and moving images, but also seems to prohibit flashing, sequential or other lighting elements. **Any sign that uses individual bulbs or LED style bulbs that can be individually identified from any distance would meet this definition and be prohibited.**

The sample sign you included with the application appears to be a larger version of an electronic messaging sign, which would not be permitted at this size.

Additionally, the sign proposed meets the definition of an electronic message board as explained in Section 16.100.015.G, as explained in the Directors Interpretation letter:

*The sample sign you included with the application appears to be a larger version of an electronic messaging sign, which would not be permitted at this size.*

*The differentiating factor between a video-style sign and an electronic message sign is the ability to see individual bulbs (or LED's) at a reasonable distance. In this case a reasonable distance would be more than a couple feet because a person walking or driving past may be able to see the individual bulbs (LED or LCD).*

*To clarify even further, an electronic message sign is also permitted, pursuant to Section 16.100.015.G as part of a sign. Specifically:*

*Electronic message signs may not change more than once every thirty (30) seconds. In addition, the change may not involve movement or flashing. Electronic message signs are limited to no more than thirty-five (35) percent of the total sign area per sign face.*

*We attached a sample LCD sign that would meet the criteria.*

Therefore staff did clearly explain how the criteria was being applied. Again, as explained above, the key aspect of the Code definition for a "changing content" sign is the use of "sequential lights, or lighting elements." The definition explains that a static sign changed at intervals of more than 30 seconds, with no flash does not meet this definition. The applicant has indicated that no movement, flashing, or changing less than 30 second is to occur. However, if the sign elements will be comprised of discernable, individual bulbs that emit light, then they meet the criteria of this definition, and are therefore prohibited.

Staff accompanied the property owner, Mr. Angel, to a sign along Highway 26 in Hillsboro at a Ford dealership. Photos were taken and provided to Sherwood Staff for review. The individual bulbs could easily be discerned from almost any viewing distance. As explained in the Director's Interpretation and the Denial letter, the ability to discern an individual bulb meant the proposed sign is defined as a changing content sign and is therefore prohibited.

Staff continues to maintain that a sign which looks like a painted image lit from the front (that changes no more than every 30 seconds, without flashing) would not be considered a changing content sign. Therefore, the question becomes what is the difference between a static sign and a changing content sign? Using Section 16.100.020(F) the Director's Interpretation clarifies that the distinction falls on the discernable individual sequential lights, or lighting elements. This was clearly explained in the record.

2. *The staff's decision is in direct conflict with Section 16.100.020(F) and thereby, is not supported by the Code.*

**Staff Response:** The statement above is an opinion of the appellant. As explained in issue No. 1 above, the record clearly shows that according to Section 16.100.020(F) the proposed sign is not permitted, additionally, according to section 16.100.015.G the sign proposed is an electronic message sign.

3. *The staff's only apparent rational for its decision was "the sign does not meet the intent of the code." The "intent of the code" is not a valid legal standard in a land use decision. The staff fails to explain what it refers to when it bases its decision on the "intent of the code." The legal standard for a land use decision is the Code language itself (ORS 197.015(10)(a)(A)(iii)). An applicant is only required to address the language of the regulation at issue, not some unarticulated and inexplicable "intent" of the code. An applicant cannot address such a subjective and unarticulated "intent."*

**Staff Response:** The closing sentence from the Denial Letter dated December 13, 2017 states "this letter serves as a denial of the sign permit application as it fails to meet the criteria outlined in Section 16.100 of the Sherwood Development Code, as explained in the attached October 11, 2017 letter" (emphasis added). While the body of the letter does use the phrase "intent of the code," it was used to explain the confusion referenced in the previous paragraph. This was not the final concluding text used to legally explain how the sign failed to meet criteria. Indeed, the appellant does not reference the last sentence of the letter which specifically states, for the record, the specific criteria used in the denial (reference Section 16.100.015.G).

The last sentence explains that the sign fails to meet the criteria from Section 16.100; the same sentence then points the reader to the Director's Interpretation for more detail where Section 16.100.020(F) is used to show that the sign is listed as "prohibited" and therefore, must be denied. The criteria, in the record is clear.

4. *The staff decision fails to make any findings of fact with respect to the technological and physical aspects of the proposed sign. Without such*

*findings of fact, the staff cannot apply the Code, let alone properly apply the Code.*

**Staff Response:** Planning Staff applies the Code. Section 16.100 does not use technological jargon; in fact, the Code specifically avoids technological terminology in favor of the application of physical criteria. As such, Staff applied the criteria without attempting to use technological terminology. Physically, the sign was consistent with the surface area and height requirements. Section 16.100.030(C).1.B explains that a property may have one free standing sign in the LI zone provided the height does not exceed 6 feet and the sign face does not exceed 36 square feet per face. The proposed sign meets this standard. There was no issue on those points. The issue was always if the sign was an electronic message sign and as such, limited to 35% and/or was prohibited or not based on the digital nature of the design. This is what drove the Director's Interpretation and the discussion on the physical appearance of the bulbs as they apply to the definition of the changing content sign of Section 16.100.020(F).

The Denial letter and the Director's Interpretation contain facts. Specifically, the text explains, "the sample sign you included with the application appears to be a larger version of an electronic messaging sign, which would not be permitted at this size." The applicant was told in October that the proposed sign did not meet the Code, the Denial letter in December reiterated the same findings of fact.

*5. The staff decision is not supported by substantial evidence in the record.*

**Staff Response:** The appeal does not reference the October 11, 2017 Director's Interpretation. However, the Denial letter specifically references the Director's Interpretation and attached said letter to the Denial letter. All supporting detail is included in the record.

It should be noted that the Planning Staff has continued to work with the applicant to find a solution to his concerns. The Director's Interpretation spends as much time discussing what *could be permitted* as it does discussing what is prohibited. The City of Sherwood would like to see the Tualatin Sherwood Business Center be successful, and would like to help the applicant find a solution for a sign that would meet the needs of the landowner, the tenants, and the City. Staff continues to maintain that some form of a digital sign could meet all the requirements of the Code, as long as the appearance of the sign is virtually indistinguishable from a painted sign and no specific individual bulb is discernable.

## **CONCLUSION AND RECOMMENDATION**

The issues raised on appeal by Mr. Janik are without merit as discussed above. The decision to deny the sign permit was made after evaluation of the

application and the applicable code criteria. Staff recommends that the Planning Commission deny the appeal and the sign permit as it fails to meet the criteria outlined in Section 16.100 of the Sherwood Development Code, more specifically Section 16.100.020(F) as explained in detail the October 11, 2017 Director's Interpretation Letter which was attached to the denial letter.



Home of the Tualatin River National Wildlife Refuge

Case No. SIGN 17-02  
Fee \$150  
Receipt # 872374  
Date 12-8-17

### City of Sherwood Application for Sign Permit

- Banner Sign Permit
- Permanent Sign – No Building permit required

#### Owner/Applicant Information:

Applicant: Tube Art Group Phone: 503-653-1133  
 Address: 4243-A SE International Way Milwaukie, OR 97222  
 Owner: Sherwood Pacific LLC Phone: 503-525-9100  
 Address: LOASA N. Greeley Ave. Portland, OR 97217  
 Contact for Additional Information: Kerrie DeShazo 503-653-1133 X1222

#### Property Information:

Street Location: 14841-14997 SW Tualatin Sherwood Rd.  
 Tax Lot and Map No: 2S129A000400  
 Zoning: LI

#### Sign Information:

Proposed Sign Size: 5' 6" X 5' 9"  
 Proposed Plan Attached Zone Designation: LI - Light Industrial

**Banner Signs: Only (3) banner permits per year are allowed per property**

Start Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  
 Has there been a banner located on the site within the last year? \_\_\_\_\_

#### Authorizing Signatures:

I am the owner/authorized agent of the owner empowered to submit this application and affirm that the information submitted with this application is correct to the best of my knowledge.

I further acknowledge that I have read the applicable standards for review of the land use action I am requesting and understand that I must demonstrate to the City review authorities compliance with these standards prior to approval of my request.

Kerrie DeShazo \_\_\_\_\_ Date 12/8/17  
 Applicant's Signature Date

\_\_\_\_\_  
 Owner's Signature Date

31.62 SQ. FT.



**TUBE ART GROUP**

Portland Office  
 4243-A SE International Way  
 Milwaukie, OR 97222  
 503.653.1133  
 800.562.2854  
 Fax 503.659.9191

This original artwork is protected under Federal Copyright Laws. Make no reproduction of this design concept without permission from Tube Art Group.

**2621**  
 Customer Number  
**128346**  
 Quote Number  
**128346 TS Biz Park r11**  
 File Name  
**Allan Conant**  
 Salesperson  
**Tom Maxwell**  
 Drawn By  
 \*\*  
 Checked By  
**March 11, 2016**  
 Date  
**March 14, 2016**  
**March 16, 2016**  
**April 26, 2016**  
**May 17, 2016**  
**August 11, 2016**  
**November 8, 2016**  
**November 11, 2016**  
**November 11, 2016**  
**July 13, 2017**  
 Revisions  
 Approved  
 Approved With Changes Noted

**Manufacture and install one (1) double sided monument sign with Daktronics display**

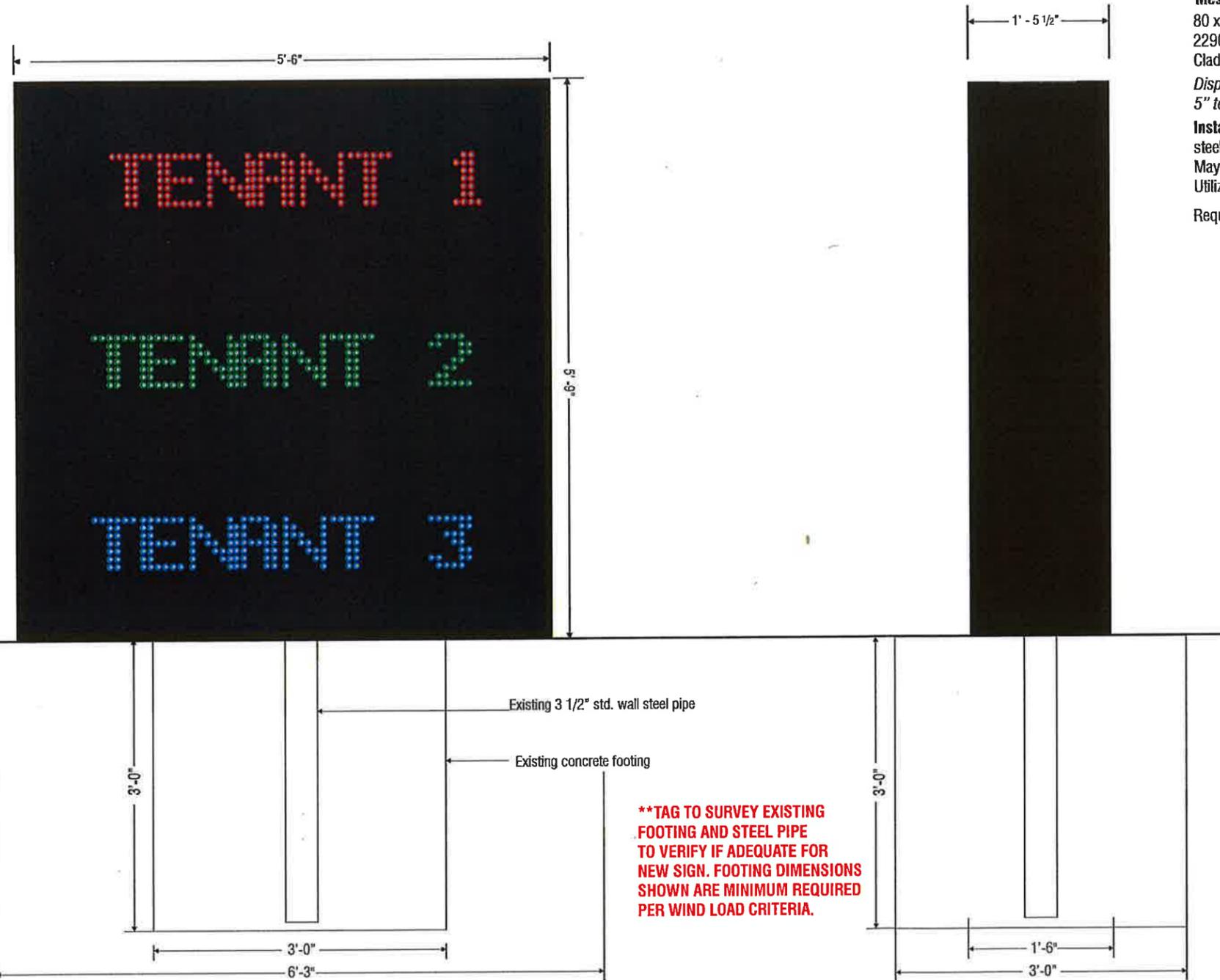
**Cabinet:** Fabricated aluminum body, .125 aluminum faces and returns. Painted to match Tan building color. 280-85 reflective black vinyl copy. Bolts to top of lower cabinet. Non-Illuminated.

**Message Center:** Daktronics model GS6 19.8mm RGB 80 x 80 matrix, 10 lines 16 characters per line. 1145 watts per cabinet, 2290 watts total. Requires (2) 20 AMP circuits at 120 volts AC. Wireless data. Clad sides with .090 aluminum painted satin black. Display layout can be altered to various spacing and tenant name configurations. 5" to 62" character heights.

**Installation:** Weld to existing 3 1/2" std. wall steel pipe with internal L2x2x1/4 steel subframe.

May require additional steel pipe extension. Utilize existing concrete footing and steel pipe. **VERIFY EXISTING.**

Requires removal of existing sign.



1 Elevation View- Monument Sign  
 Scale: 3/4"=1'-0"

1 Elevation View- Monument Sign  
 Scale: 3/4"=1'-0"

**\*\*TAG TO SURVEY EXISTING FOOTING AND STEEL PIPE TO VERIFY IF ADEQUATE FOR NEW SIGN. FOOTING DIMENSIONS SHOWN ARE MINIMUM REQUIRED PER WIND LOAD CRITERIA.**



Existing



Proposed

**Tualatin Sherwood Business Park**  
 14841-14997 Tualatin Sherwood Rd.  
 Tualatin, OR

This drawing is intended to provide a reasonable representation of the final manufactured article. Fasteners and seams in materials may not be represented exactly as they will be fabricated. Colors on prints may not accurately depict specific colors.

SIGN 17-02



**TUBE ART GROUP**

Portland Office  
4243-A SE International Way  
Milwaukie, OR 97222  
503.653.1133  
800.562.2854  
Fax 503.659.9191

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**2621**  
Customer Number  
**128346**  
Quote Number  
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File Name

**Allan Conant**  
Salesperson

**Tom Maxwell**  
Drawn By

\*\*  
Checked By

**March 11, 2016**  
Date

**March 14, 2016**  
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**May 17, 2016**

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**November 8, 2016**

**November 11, 2016**  
**November 11, 2016**

**July 13, 2017**  
Revisions

**Approved**  
 **Approved With Changes Noted**

Customer Signature

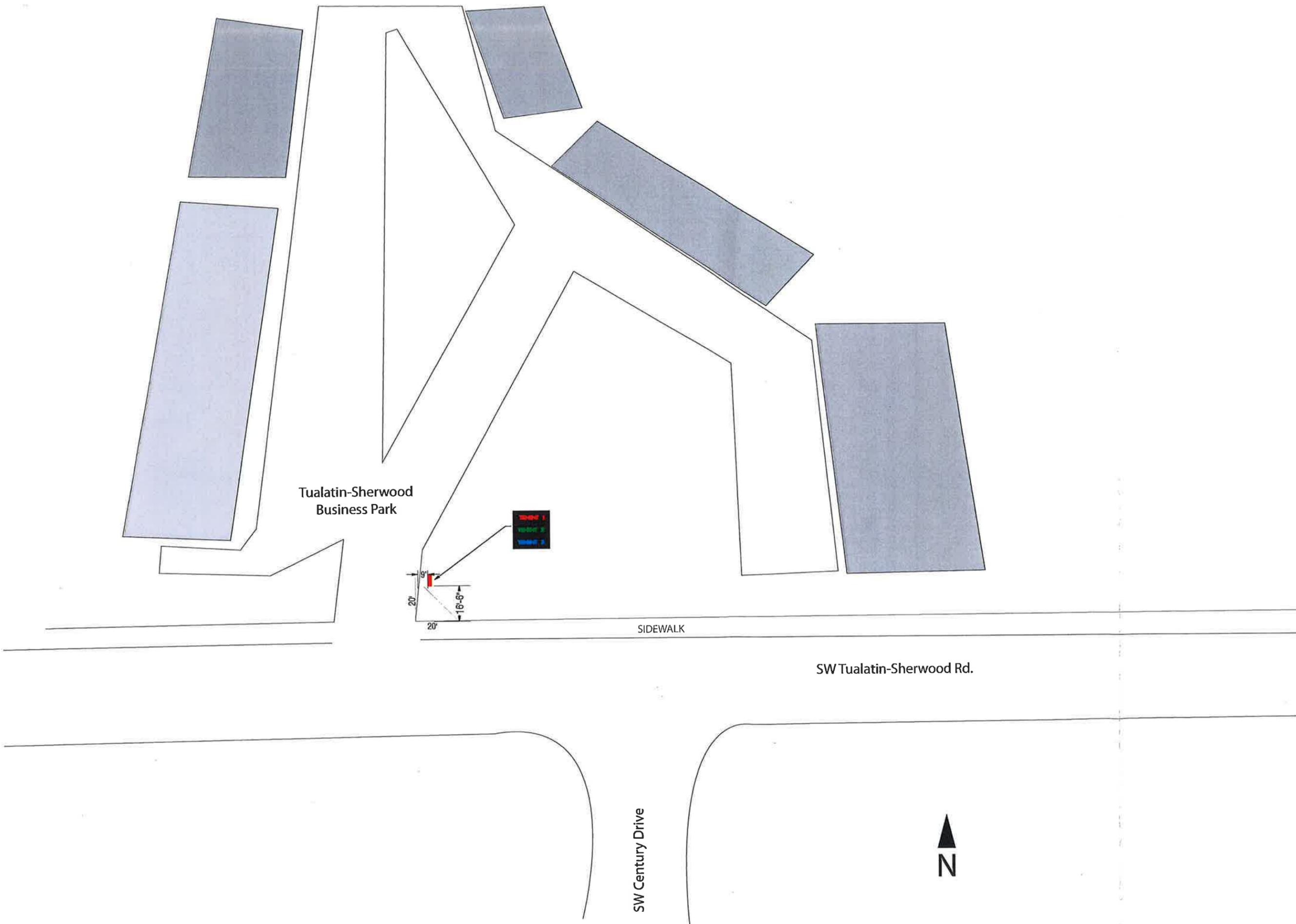
Date

Landlord Signature

Date

**Tualatin Sherwood Business Park**  
**14841-14997 Tualatin Sherwood Rd.**  
**Tualatin, OR**

This drawing is intended to provide a reasonable representation of the final manufactured article. Fasteners and seams in materials may not be represented exactly as they will be fabricated. Colors on prints may not accurately depict specific colors.



Tualatin-Sherwood Business Park

SIDEWALK

SW Tualatin-Sherwood Rd.

SW Century Drive





Home of the Tualatin River National Wildlife Refuge

**Community Development Division**  
**Planning Department**  
22560 SW Pine St  
Sherwood, OR 97140  
503-625-4202

## PLANNING REVIEW LETTER

December 13, 2017

Tube Art Group  
Att: Kerrie DeShazo  
4243- A SE International Way  
Milwaukie, OR 97222

### **RE: Sign Permit Application 17-02 for 14841-14997 Tualatin-Sherwood Road (SIGN 17-02)**

Dear Ms. DeShazo:

The City has received your application for a sign permit for the Tualatin-Sherwood Business Park. There seems to be some confusion regarding the City's previous stance on this request.

Mr. Angel had met with the City numerous times regarding the need for additional signage at this location. The City explained that staff could not support a variance application for a larger sign size (VAR 16-01). The application for the variance was eventually abandoned for a lack of activity. Staff worked with Mr. Angel to explore a possible digital sign that could suit his needs. Seeking more clarification, Mr. Angel then filed an application for a Director's Interpretation (ADM 17-03) asking for more detail on the kind of digital sign the City could permit. As part of this application he submitted an example of a sign he felt could possibly meet the requirements of our code. Part of this application also included a field trip where Mr. Angel took Matt Straite to a sign that he felt could meet the code requirements. Staff made no commitments during this field trip, the trip only served to witness the sign and obtain photos. In a Director's Interpretation letter dated October 11, 2017 (see attached) staff explained that the sample sign provided in the application would not meet the requirements of the code. Staff also provided more detail on what kind of digital sign would be consistent with the code requirements.

However, the sign permit application (SIGN 17-02) included the same sign Mr. Angel included as a sample with the Director's Interpretation application. As explained in the October 11, 2017 letter, this sign does not meet the intent of the code. Staff continues to maintain this position regarding the proposed sign. Specifically, a sign that uses a form of modern LCD or LED video screen technology where the individual bulb (LCD or LED) cannot not be discerned, and would resemble a television or computer screen in its seamless image portrayal would meet the intent of the code.

This letter serves as a **denial** of the sign permit application as it fails to meet the criteria outlined in Section 16.100 of the Sherwood Development Code, as explained in the attached October 11, 2017 letter.<sup>1</sup>

---

<sup>1</sup> The director interpretation letter had an error in the first sentence of the last paragraph of the first page. It should read LCD or LED.

Please contact me if you have any questions. You can reach me at 503-625-4206, or by e-mail at [straitem@sherwoodoregon.gov](mailto:straitem@sherwoodoregon.gov) .

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Straite".

Matt Straite  
Contract Planner

C: File



October 11, 2017

City of Sherwood  
22560 SW Pine St.  
Sherwood, OR 97140  
Tel 503-625-5522  
Fax 503-625-5524  
www.sherwoodoregon.gov

Peter Fry  
303 NW Upton Terrace #1B  
Portland OR, 97210

**Mayor**  
Krisanna Clark

Re: Planning Directors Interpretation on Digital Signs

**Council President**  
Jennifer Harris

Dear Mr. Fry:

**Councilors**  
Sean Garland  
Dan King  
Jennifer Kuiper  
Sally Robinson  
Kim Young

The City received your request for a Director's Interpretation regarding digital signage in the City of Sherwood. Based on our discussions your inquiry is related to newer technology that may not have been anticipated when our sign code was drafted.

**City Manager**  
Joseph Gall, ICMA-CM

Specifically you are inquiring about adding a sign that will basically resemble a high definition video screen, similar to a television. Your goal was to have the different tenants appear on the screen for a period longer than 30 seconds, then fade to black and have a different tenant re-appear. Section 16.100 of the Sherwood Development Code discusses signage.

**Assistant City Manager**  
Tom Pessemier

Section 16.100.020 outlines prohibited signs. A Changing Content sign is listed (Item F) as prohibited, specifically:

*Any sign that, through the use of moving structural elements, flashing or sequential lights, lighting elements, or other automated method, results in movement, the appearance of movement or change of sign image or message is prohibited. Changing image signs do not include otherwise static signs where illumination is turned off and back on at a maximum of once every thirty (30) seconds and such change does not involve movement or flashing.*

This section of code appears to have been carefully crafted to prevent not only moving sign parts, and moving images, but also seems to prohibit flashing, sequential or other lighting elements. **Any sign that uses individual bulbs or LED style bulbs that can be individually identified from any distance would meet this definition and be prohibited.**

The sample sign you included with the application appears to be a larger version of an electronic messaging sign, which would not be permitted at this size.

However, a sign that used a form of modern LCD not LED video screen technology where the individual bulb (LCD or LED) could not be discerned, and would resemble a television or computer screen in its seamless image portrayal would not be prohibited as it would not meet this prohibited definition, and therefore be permitted. As the text above explains, changing image signs do not include static signs where illumination is turned off and back on at a maximum of 30 seconds. In other words, all signs must remain on the screen for at

least 30 seconds. The differentiating factor between a video-style sign and an electronic message sign is the ability to see individual bulbs (or LED's) at a reasonable distance. In this case a reasonable distance would be more than a couple feet because a person walking or driving past may be able to see the individual bulbs (LED or LCD).

To clarify even further, an electronic message sign is also permitted, pursuant to Section 16.100.015.G as *part* of a sign. Specifically:

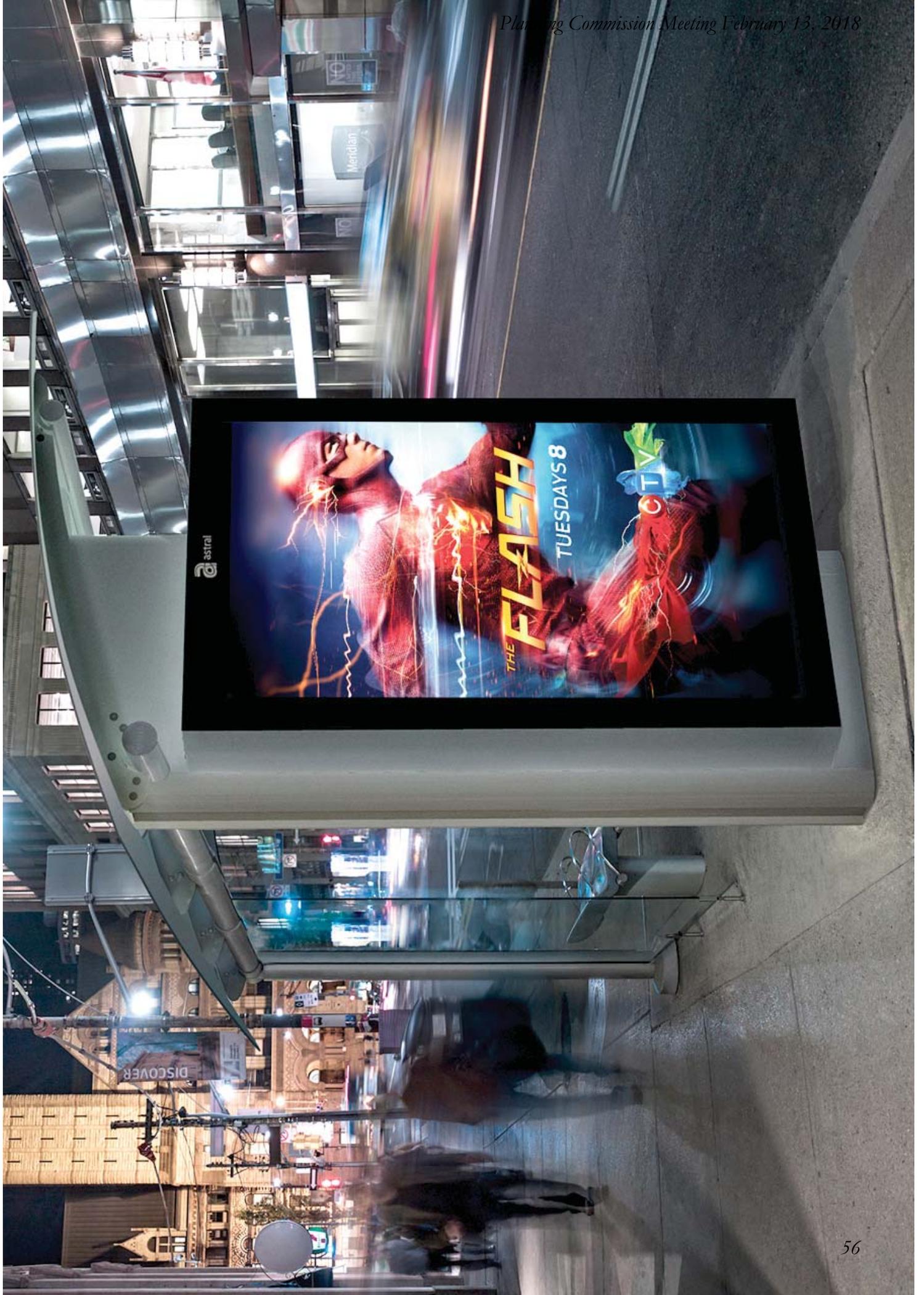
*Electronic message signs may not change more than once every thirty (30) seconds. In addition, the change may not involve movement or flashing. Electronic message signs are limited to no more than thirty-five (35) percent of the total sign area per sign face.*

We attached a sample LCD sign that would meet the criteria. Feel free to contact me with any questions.

Sincerely,

Erica Palmer  
Planning Manager  
(503)625-4208  
Palmere@sherwoodoregon.gov

CC: file





Home of the Tualatin River National Wildlife Refuge

Case No. ADM 17-03  
Fee \$335  
Receipt # 174008  
Date 7-25-17  
TYPE 1

### City of Sherwood Application for Land Use Action

**Type of Land Use Action Requested: (check all that apply)**

- Annexation
- Plan Amendment (Proposed Zone \_\_\_\_\_)
- Planned Unit Development
- Site Plan (square footage of building and parking area)
- Variance (list standards to be varied in description)
- Conditional Use
- Partition (# of lots \_\_\_\_\_)
- Subdivision (# of lots \_\_\_\_\_)
- Other: DIRECTOR'S INTERPRETATION

*By submitting this form the Owner, or Owner's authorized agent/ representative, acknowledges and agrees that City of Sherwood employees, and appointed or elected City Officials, have authority to enter the project site at all reasonable times for the purpose of inspecting project site conditions and gathering information related specifically to the project site.*

Note: See City of Sherwood current Fee Schedule, which includes the "Publication/Distribution of Notice" fee, at [www.sherwoodoregon.gov](http://www.sherwoodoregon.gov). Click on Government/Finance/Fee Schedule.

**Owner/Applicant Information:**

Applicant: PETER FRY, CONSULTANT Phone: 503-703-8033  
 Applicant Address: 303 NW UPTOWN TERR #1B PORTLAND, OR Email: \_\_\_\_\_  
97210  
 Owner: JOSEPH ANGEL Phone: 503-525-9100  
 Owner Address: 1001 SE WATER AVE, SUITE 217, PORTLAND, Email: JANGEL@PACIFICSTAR.BIZ  
 Contact for Additional Information: PETER FRY / OR 97214

PETER@FINLEYFRY.COM

**Property Information:**

Street Location: 14841-14997 TUALATIN-SHERWOOD RD  
 Tax Lot and Map No: 25129A000400  
 Existing Structures/Use: BUSINESS PARK  
 Existing Plan/Zone Designation: LIGHT INDUSTRIAL  
 Size of Property(ies) 5.26 ACRES

**Proposed Action:**

Purpose and Description of Proposed Action:

Planning Director's Interpretation regarding the appropriate classification of a new form of technology portraying site identification.

Proposed Use: Proposed sign.

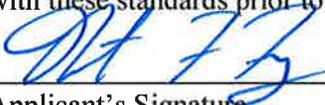
Proposed No. of Phases (one year each): 1

LAND USE APPLICATION FORM

**Authorizing Signatures:**

I am the owner/authorized agent of the owner empowered to submit this application and affirm that the information submitted with this application is correct to the best of my knowledge.

I further acknowledge that I have read the applicable standards for review of the land use action I am requesting and understand that I must demonstrate to the City review authorities compliance with these standards prior to approval of my request.

  
Applicant's Signature

7/23/17  
Date

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Date

**The following materials must be submitted with your application or it will not be accepted at the counter.** Once taken at the counter, the City has up to 30 days to review the materials submitted to determine if we have everything we need to complete the review. Applicant can verify submittal includes specific materials necessary for the application per checklist.

- 3 Copies of Application Form\*** completely filled out and signed by the property owner (or person with authority to make decisions on the property).
- Copy of Deed** to verify ownership, easements, etc.
- At least 3 folded** sets of plans\*
- At least 3 copies** of narrative addressing application criteria\*
- Fee** (along with calculations utilized to determine fee if applicable)
- Neighborhood Meeting Verification** including affidavit, sign-in sheet and meeting summary (required for Type III, IV and V projects)

\* **Note** that the required numbers of copies identified on the checklist are required for completeness; however, upon initial submittal applicants are encouraged to submit only 3 copies for completeness review. Prior to completeness, the required number of copies identified on the checklist and one full electronic copy will be required to be submitted.

**JOSEPH ANGEL**

1001 SE WATER AVENUE STE. 217 PROTLD, OR 97214  
PH:503-525-9100

June 30, 2017

Connie Randall  
Planning Manager  
City of Sherwood  
22560 SW Pine Street  
Sherwood, OR 97140

RE: Tualatin-Sherwood Business Park Signage

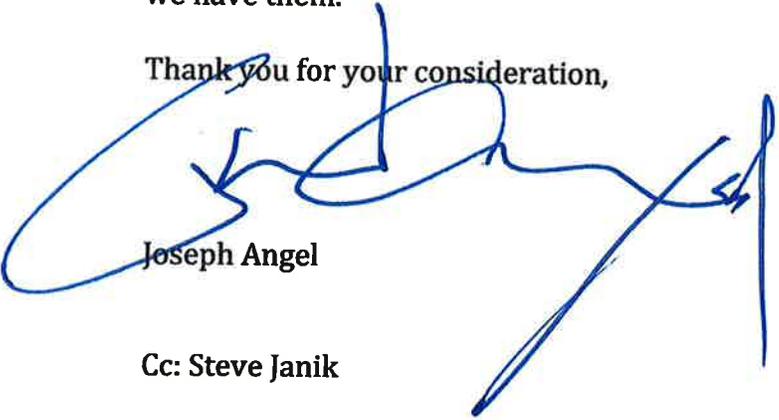
Connie-

Thank you again for your time last week.

The attachment constitutes findings which I believe adequately demonstrate how this sign is consistent with the relevant provisions of the City's sign code and which form the basis for the issuance of a sign permit approving the installation of the proposed sign.

At this time we would like to request a Staff Level approval, and move forward with our application for the indicated sign. We are in contact with, and have pursued design mock-ups with a local company, and will forward these on to you as soon as we have them.

Thank you for your consideration,

  
Joseph Angel

Cc: Steve Janik

**FINDINGS UNDER  
CITY OF SHERWOOD SIGN CODE  
IN SUPPORT OF APPLICATION**

1. Applicant seeks approval of an administrative sign permit for a two sided monument sign, with two faces, each measuring 36 square feet, under Sherwood City Code, Section 16.100.016.
2. The property on which the sign will be located is described as 14997, 14991, 14937, 14889, 14814 SW Tualatin-Sherwood Hwy., Sherwood, Oregon.
3. The proposed sign is a new form of technology that is used for multiple tenant commercial uses. There is a portion of the sign that sets forth a tenant's name. A different tenant's name appears approximately every 40 seconds, giving identification to each of the tenants over time. The name change does not involve flashing.
4. The property upon which the sign will be located is in an industrial zone and is zoned Light Industrial, and is approved for commercial use.
5. In an industrial zone where commercial use is allowed, one free standing sign per street frontage is allowed so long as the sign does not exceed 36 square feet per sign face, does not have more than two faces and does not exceed six feet. The proposed sign meets these criteria. (See Sherwood Code Section 16.100.030(c)(1))
6. The proposed sign is not an Illuminated Sign which is prohibited under Sherwood Code Section 16.100.020(E) because the sign does not include "flashing signs, exposed reflective bulbs, strobe lights, rotary beacons, par spots, zip lights" or similar illumination.
7. The proposed sign is not a Changing Image Sign which is prohibited under Sherwood Code Section 16.100.020 because the definition excludes "otherwise static signs where illumination is turned off and back on at a maximum of once every thirty seconds and such

change does not involve movement or flashing.” The illuminated tenant’s name is turned off and a new name instantly inserted and the new name is then illuminated. The on/off illumination occurs instantly without flashing and with the same intensity of illumination (the opposite of a flash). The name change is instantly, and there is no movement across the sign face in any direction.

8. The proposed sign is not an Electronic Message Sign as defined at Sherwood Code Section 16.100.015(G). Electronic Message Signs are exposed lightbulbs or LEDs that scroll or flash messages. The proposed sign does not have exposed lightbulbs or LEDs. As described above, the applicant is proposing static signage that does not involve movement, scrolling, or flashing.

9. This sign meets the standards for a free standing sign permitted under Sherwood Code Section 16.100.030(c)(1).

# **New Business**

# **Agenda Item B**

CITY OF SHERWOOD

Date: February 13, 2018

Staff Report

PA 18-01 Housing Need Analysis 2018-2038 and Comprehensive Plan Part I Update

---

To: SHERWOOD PLANNING COMMISSION

From:



---

Carrie Brennecke, Senior Planner

**Proposal overview:** Recommendation to adopt the Housing Needs Analysis (HNA) for the 2018 to 2038 planning period, and a text amendment to the Sherwood Comprehensive Plan, Part 2 Sherwood Development Plan to include the HNA 2018-2038 as Exhibit A. The Housing Needs Analysis provides the factual basis to support the Urban Growth Boundary (UGB) expansion proposal the city is submitting to Metro by May 31, 2018. The HNA also provides the factual basis for future planning efforts related to housing goals and policies or the upcoming update and revisions to the City's Comprehensive Plan.

Proposed Actions:

1. Forward approval to Sherwood City Council to adopt the Housing Needs Analysis 2018-2038
2. Forward approval to Sherwood City Council to amend the Sherwood Comprehensive Plan, Part 2 to include the HNA 2018-2038 as Exhibit A.

## I. OVERVIEW

- A. Applicant: This is a City initiated amendment to the Sherwood Comprehensive Plan, Part 2 Sherwood Development Plan: Exhibit A
- B.
- C. Location: The City's Comprehensive Plan is a long term growth plan for the City of Sherwood, and applies city wide.
- C. Review Type: The proposed plan amendment 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 January 8th, 2018. Notice of the February 13, 2018 Planning Commission hearing was published in the Tigard Times on January 25, 2018 and the Sherwood Gazette on February 1, 2018. Notice was also posted in 5 public locations around town.
- 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 Chapter 4 of the Comprehensive Plan.

F. **Background:**

The HNA 2018-2038 describes the current housing market, historical and recent housing trends, current and future demographic characteristics of Sherwood, and 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 address residential land sufficiency inside the UGB to meet Sherwood's housing needs for the 20-year planning horizon.

The HNA was initially developed as part of the Sherwood West Preliminary Concept Plan in 2015. The initial version of the HNA was for the time period 2015-2035. The HNA informed the preliminary concept plan process for an area of Sherwood's Urban Reserve Area 5B. The HNA 2015-2035 was not adopted by the City or processed as an amendment to the City's Comprehensive Plan.

For the purposes of submitting a proposal for Metro's 2018 Urban Growth Management Decision, the City updated the HNA to reflect the 2018-2038 time period. The HNA provides a factual basis to support future planning efforts related to housing. The purpose of adopting the HNA 2018-2038 at this time is to provide an analysis of Sherwood's 20-year housing need for the Metro 2018 Urban Growth Management Decision. The proposed amendment to the Comprehensive Plan for the inclusion of the HNA 2018-2038 contains no 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 for background information and data purposes only and prepares for the update and revision to the housing element of the City's Comprehensive Plan. A complete update of Sherwood's Comprehensive Plan will take place between 2018 and 2020. Sherwood's current Comprehensive Plan Part 2 policies, and Sherwood's Zoning and Development Code provide the information for the findings for the Statewide Planning Goals and other requirements outlined in this document.

## II. PUBLIC COMMENTS

The City posted notices of this public hearing in five locations around the city on January 26, 2018. Notice was also published in the Tigard Times and Sherwood Gazette as stated above. Copies of the full comments received are included in the record.

## III. AGENCY/DEPARTMENTAL COMMENTS

The City requested comments from affected departments and agencies on January 8, 2018. Copies of the full comments will be included in the record.

## IV. APPLICABLE DEVELOPMENT CODE CRITERIA

### 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 2018-2038 planning period to support its' Urban Growth Boundary (UGB) expansion proposal that will be submitted to Metro in late spring of 2018. It is a required criterion of applications includes an acknowledged HNA within the last 5 years. The City intends to submit a proposal to Metro in May 2018 to consider lands in Urban Growth Area 5B (Sherwood West) as part of the 2018 Urban Growth Management Decision.

The adoption and inclusion of the HNA 2018-2028 into the Sherwood's Comprehensive Plan Part 2: Exhibit A, will provide factual housing background data to support the city's Comprehensive Plan Update, which will occur between 2018 and 2020. The 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 Growth Management Plan.

**FINDING:** The proposed Comprehensive Plan Part II amendment to include the HNA 2018-2038 as Exhibit A, is needed in order for the City to submit a complete application to Metro for the 2018 Urban Growth Management Decision. The HNA updates the City's understanding of the City's housing needs, ensuring compliance with Goal 10. The findings of the HNA are that the City is not compliant with Goal 10. As a result, Sherwood is asking for inclusion in the 2018 Urban Growth Management decision. The City Council in December 2017 supported a letter of interest sent to Metro as an initial first step toward an UGB expansion if Metro's 2018 Urban Growth Management Decision warrants additional land supply needs. Sherwood's HNA 2018-2038 is constant with applicable State statutes, specifically Statewide Planning Goal 10 and the Metropolitan Housing Rule (OAR 600-007), and will be used to further refine and update goals and policies related to housing needs through the city's Comprehensive Plan update

#### **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 text amendment to the Sherwood Comprehensive Plan, Part 2: Exhibit A 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 2018-2038 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. The amendment will have no effect on transportation facilities.

## V. 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 text amendment. The policies listed above will remain the governing housing policies in Sherwood's Comprehensive Plan. The HNA 2018-2038 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 occurring between 2018 and 2020.

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 Growth Management 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 2018-2038 and proposed text amendment.

**FINDING:** The existing housing policies in the current adopted Comprehensive Plan, Part II, will remain intact and will continue to be the guiding housing policies for the City until the completes and adopts its' Comprehensive Plan update. 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 2018-2038 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.

## VI. 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 amendments. The City's public notice requirements comply with Goal 1. . The Planning Commission and City Council will hold public hearings on this request prior to adopting the HNA and text amendment to the Comprehensive Plan. Public comments received will be addressed and included as part of the record to this plan amendment.

The text amendment, will include HNA 2018-2038 as part of the Comprehensive Plan, Part II: Exhibit A. 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, will be developed and implemented as part of the Comprehensive Plan update (2018-2020), 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:** This text amendment process complies with the local, regional and state requirements. Legislative decisions first require a Planning Commission public hearing and recommendation to the City Council. The Sherwood City Council makes a final decision based on stated findings. The Planning Commission hearing is scheduled for February 13, 2018 and the City Council hearings will be held on March 27, 2018 and April 3, 2010. The Planning Commission and City Council hearings are open to the public.

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. The HNA will provide the factual basis for future planning decisions and actions as the City's Comprehensive Plan is updated over the next few years.

Agencies possibly affected by the text amendment were notified at the same time as the 35-day notice for the Post Acknowledgement Plan Amendment was sent to DLCD. The record will include all comments received by internal city departments and outside agencies and jurisdictions.

**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 amendments. 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 which will include updating and City's goals and policies related to Goals 5-8 and the accompanying technical documents. The proposed amendment does not alter any goals and policies in the Comprehensive Plan, Sherwood Plan and Zoning Map or any land use regulations in the Zoning and Development Code, at this time. In any event, 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.**

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 multifamily 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[, including] 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.

**FINDING:** The Housing Needs Analysis 2018-2038 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. Pages 28-31, of 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 2018-2038 is 0.8% based off Metro’s 2016 Urban Growth Report 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 70% projected growth over the next 20-years. It 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 2018-2038, which includes the BLI, provides a factual basis that will inform the update to the housing element of the Comprehensive Plan scheduled for 2018-2020, 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 2018-2038 and the Comprehensive Plan text amendment incorporating the HNA 2018-2038 into the Comprehensive Plan Background Data and Analysis as a reference document.

The HNA 2018-2038 makes the following conclusions in regards to compliance with Goal 10:

- (1) Provide and plan for enough residential land to accommodate forecasted housing needs for the next 20-years:
  - Sherwood is forecast to add 1,653 new households between 2018 and 2038. Of these 697 new households are inside existing city limits; 956 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 70% 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 497 dwelling units. The largest deficits are in Medium Density Residential-Low (121 dwelling units); Medium Density Residential-High (153); and High Density Residential (179 dwelling units).

- To provide adequate land supply Sherwood will need to continue to annex the Brookman Area with its primary designated residential in the Sherwood Planning Area. Without Brookman area developing, the City has a projected deficit of 922 dwelling units.

**Summary of development capacity based on changes from 2015 to 2017, dwelling units, Sherwood city limits and Brookman and other unincorporated areas**

	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	392
Medium Density Residential-High	41	7.7	291
High Density Residential	17	19.1	253
<b>Total</b>	<b>175</b>	<b>6.6</b>	<b>1,156</b>

**Comparison of capacity of existing residential land with demand for new dwelling units, dwelling units, Sherwood planning area, 2018-2038**

Zone	Capacity (Needed Densities)	Housing Demand	Comparison Capacity minus
Very Low Density Residential	76	90	-14
Low Density Residential	144	174	-30
Medium Density Residential-Low	392	513	-121
Medium Density Residential-High	291	444	-153
High Density Residential	253	432	-179
<b>Total</b>	<b>1,156</b>	<b>1,653</b>	<b>-497</b>

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 487 dwelling units over the next 20-years in Sherwood city limits and Brookman Area. The growth rate of Metro's forecast for household growth (0.8% 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.
- 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 multifamily 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 households will need a range of housing, such as lower-cost single family housing, townhouses, manufactured homes or multi-family housing. Sherwood currently has a limited supply of land available in its planning area for moderate and high density housing.

**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 660-007 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, 2018-2038**

Housing Type	New Dwelling	
	Units (DU)	Percent
Single-family detached	827	50%
Single-family attached	165	10%
Multifamily	661	40%
<b>Total</b>	<b>1,653</b>	

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 multifamily 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.

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.

The needed density in Sherwood is consistent with the densities achieved in residential zones Sherwood over the 2000-2014 period. 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 acre
- 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 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.” 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**

Zone	Buildable Acres	Capacity based on Zoning: Minimum Densities		Capacity based on Zoning: Maximum Densities and Minimum 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
<b>Land within City Limits</b>									
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
<b>Subtotal</b>	<b>96</b>	<b>500</b>	<b>5.2</b>	<b>849</b>	<b>8.8</b>		<b>731</b>	<b>118</b>	<b>8.8</b>
<b>Brookman and Other Unincorporated Areas</b>									
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
<b>Subtotal</b>	<b>79</b>	<b>440</b>	<b>5.6</b>	<b>661</b>	<b>8.4</b>		<b>547</b>	<b>114</b>	<b>8.4</b>
<b>Total</b>	<b>175</b>	<b>940</b>	<b>5.4</b>	<b>1,510</b>	<b>8.6</b>	<b>7.3</b>	<b>1,278</b>	<b>232</b>	<b>1.3</b>

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 multifamily 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. The City of Sherwood is submitting a proposal for Metro’s 2018 Urban Growth Management Decision for the inclusion of land in Sherwood’s urban reserve (Sherwood West) into the UGB.

**Goal 11 (Public Facilities and Services)**

**Objection: 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 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 primary reason for adopting the HNA 2018-2038 and processing a text amendment to the Comprehensive Plan at this time (prior to adoption of the comprehensive Plan update) is for the purposes of submitting a proposal for Metro's 2018 Urban Growth Management Decision for the addition of lands in Sherwood's Urban Reserve to the Urban Growth Boundary. The HNA 2018-2038 concluded Sherwood has a deficit of approximately 497 homes in its 20-year supply. The conclusion is based off the Metro forecast of 0.8% growth which is significantly lower than Sherwood's historic growth rate over the past 2 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 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. The proposed text 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.

**VII. RECOMMENDATION**

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 and therefore, staff **recommends that the Planning Commission forward a recommendation of APPROVAL** of the Housing Needs Analysis 2018-2038 and PA 18-01 amendment to the City of Sherwood Comprehensive, Part 2 to include the HNA 2018-2035 as Exhibit A.

**VIII. EXHIBITS**

- A. Housing Needs Analysis 2018-2038
- B. Proposed amendment to Comprehensive Plan, Part 2: Exhibit A
- C. Public Comments

**Note: The Housing Needs Analysis 2018-2038 was provided to the Planning Commission under separate cover and can be provided at cost by contacting the Planning Department at (503) 925-2308, can be viewed at City Hall between the hours of 8AM and 5PM, Monday through Friday, or can be found on the project website at:**

**<https://www.sherwoodoregon.gov/planning/project/housing-needs-analysis-adoption-and-text-amendment-comp-plan>**

CITY OF SHERWOOD

Date: February 13, 2018

Staff Report

PA 18-01 Housing Need Analysis 2018-2038 and Comprehensive Plan Part I Update

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To: SHERWOOD PLANNING COMMISSION

From:



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Carrie Brennecke, Senior Planner

**Proposal overview:** Recommendation to adopt the Housing Needs Analysis (HNA) for the 2018 to 2038 planning period, and a text amendment to the Sherwood Comprehensive Plan, Part 2 Sherwood Development Plan to include the HNA 2018-2038 as Exhibit A. The Housing Needs Analysis provides the factual basis to support the Urban Growth Boundary (UGB) expansion proposal the city is submitting to Metro by May 31, 2018. The HNA also provides the factual basis for future planning efforts related to housing goals and policies or the upcoming update and revisions to the City's Comprehensive Plan.

Proposed Actions:

1. Forward approval to Sherwood City Council to adopt the Housing Needs Analysis 2018-2038
2. Forward approval to Sherwood City Council to amend the Sherwood Comprehensive Plan, Part 2 to include the HNA 2018-2038 as Exhibit A.

## I. OVERVIEW

- A. Applicant: This is a City initiated amendment to the Sherwood Comprehensive Plan, Part 2 Sherwood Development Plan: Exhibit A
- B.
- C. Location: The City's Comprehensive Plan is a long term growth plan for the City of Sherwood, and applies city wide.
- C. Review Type: The proposed plan amendment 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 January 8th, 2018. Notice of the February 13, 2018 Planning Commission hearing was published in the Tigard Times on January 25, 2018 and the Sherwood Gazette on February 1, 2018. Notice was also posted in 5 public locations around town.
- 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 Chapter 4 of the Comprehensive Plan.

F. Background:

The HNA 2018-2038 describes the current housing market, historical and recent housing trends, current and future demographic characteristics of Sherwood, and 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 address residential land sufficiency inside the UGB to meet Sherwood's housing needs for the 20-year planning horizon.

The HNA was initially developed as part of the Sherwood West Preliminary Concept Plan in 2015. The initial version of the HNA was for the time period 2015-2035. The HNA informed the preliminary concept plan process for an area of Sherwood's Urban Reserve Area 5B. The HNA 2015-2035 was not adopted by the City or processed as an amendment to the City's Comprehensive Plan.

For the purposes of submitting a proposal for Metro's 2018 Urban Growth Management Decision, the City updated the HNA to reflect the 2018-2038 time period. The HNA provides a factual basis to support future planning efforts related to housing. The purpose of adopting the HNA 2018-2038 at this time is to provide an analysis of Sherwood's 20-year housing need for the Metro 2018 Urban Growth Management Decision. The proposed amendment to the Comprehensive Plan for the inclusion of the HNA 2018-2038 contains no 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 for background information and data purposes only and prepares for the update and revision to the housing element of the City's Comprehensive Plan. A complete update of Sherwood's Comprehensive Plan will take place between 2018 and 2020. Sherwood's current Comprehensive Plan Part 2 policies, and Sherwood's Zoning and Development Code provide the information for the findings for the Statewide Planning Goals and other requirements outlined in this document.

## II. PUBLIC COMMENTS

The City posted notices of this public hearing in five locations around the city on January 26, 2018. Notice was also published in the Tigard Times and Sherwood Gazette as stated above. Copies of the full comments received are included in the record.

## III. AGENCY/DEPARTMENTAL COMMENTS

The City requested comments from affected departments and agencies on January 8, 2018. Copies of the full comments will be included in the record.

## IV. APPLICABLE DEVELOPMENT CODE CRITERIA

### 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 2018-2038 planning period to support its' Urban Growth Boundary (UGB) expansion proposal that will be submitted to Metro in late spring of 2018. It is a required criterion of applications includes an acknowledged HNA within the last 5 years. The City intends to submit a proposal to Metro in May 2018 to consider lands in Urban Growth Area 5B (Sherwood West) as part of the 2018 Urban Growth Management Decision.

The adoption and inclusion of the HNA 2018-2028 into the Sherwood's Comprehensive Plan Part 2: Exhibit A, will provide factual housing background data to support the city's Comprehensive Plan Update, which will occur between 2018 and 2020. The 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 Growth Management Plan.

**FINDING:** The proposed Comprehensive Plan Part II amendment to include the HNA 2018-2038 as Exhibit A, is needed in order for the City to submit a complete application to Metro for the 2018 Urban Growth Management Decision. The HNA updates the City's understanding of the City's housing needs, ensuring compliance with Goal 10. The findings of the HNA are that the City is not compliant with Goal 10. As a result, Sherwood is asking for inclusion in the 2018 Urban Growth Management decision. The City Council in December 2017 supported a letter of interest sent to Metro as an initial first step toward an UGB expansion if Metro's 2018 Urban Growth Management Decision warrants additional land supply needs. Sherwood's HNA 2018-2038 is constant with applicable State statutes, specifically Statewide Planning Goal 10 and the Metropolitan Housing Rule (OAR 600-007), and will be used to further refine and update goals and policies related to housing needs through the city's Comprehensive Plan update

#### **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 text amendment to the Sherwood Comprehensive Plan, Part 2: Exhibit A 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 2018-2038 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. The amendment will have no effect on transportation facilities.

## V. 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 text amendment. The policies listed above will remain the governing housing policies in Sherwood's Comprehensive Plan. The HNA 2018-2038 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 occurring between 2018 and 2020.

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 Growth Management 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 2018-2038 and proposed text amendment.

**FINDING:** The existing housing policies in the current adopted Comprehensive Plan, Part II, will remain intact and will continue to be the guiding housing policies for the City until the completes and adopts its' Comprehensive Plan update. 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 2018-2038 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.

## VI. 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 amendments. The City's public notice requirements comply with Goal 1. . The Planning Commission and City Council will hold public hearings on this request prior to adopting the HNA and text amendment to the Comprehensive Plan. Public comments received will be addressed and included as part of the record to this plan amendment.

The text amendment, will include HNA 2018-2038 as part of the Comprehensive Plan, Part II: Exhibit A. 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, will be developed and implemented as part of the Comprehensive Plan update (2018-2020), 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:** This text amendment process complies with the local, regional and state requirements. Legislative decisions first require a Planning Commission public hearing and recommendation to the City Council. The Sherwood City Council makes a final decision based on stated findings. The Planning Commission hearing is scheduled for February 13, 2018 and the City Council hearings will be held on March 27, 2018 and April 3, 2010. The Planning Commission and City Council hearings are open to the public.

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. The HNA will provide the factual basis for future planning decisions and actions as the City's Comprehensive Plan is updated over the next few years.

Agencies possibly affected by the text amendment were notified at the same time as the 35-day notice for the Post Acknowledgement Plan Amendment was sent to DLCD. The record will include all comments received by internal city departments and outside agencies and jurisdictions.

**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 amendments. 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 which will include updating and City's goals and policies related to Goals 5-8 and the accompanying technical documents. The proposed amendment does not alter any goals and policies in the Comprehensive Plan, Sherwood Plan and Zoning Map or any land use regulations in the Zoning and Development Code, at this time. In any event, 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.**

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 multifamily 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[, including] 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.

**FINDING:** The Housing Needs Analysis 2018-2038 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. Pages 28-31, of 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 2018-2038 is 0.8% based off Metro’s 2016 Urban Growth Report 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 70% projected growth over the next 20-years. It 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 2018-2038, which includes the BLI, provides a factual basis that will inform the update to the housing element of the Comprehensive Plan scheduled for 2018-2020, 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 2018-2038 and the Comprehensive Plan text amendment incorporating the HNA 2018-2038 into the Comprehensive Plan Background Data and Analysis as a reference document.

The HNA 2018-2038 makes the following conclusions in regards to compliance with Goal 10:

- (1) Provide and plan for enough residential land to accommodate forecasted housing needs for the next 20-years:
  - Sherwood is forecast to add 1,653 new households between 2018 and 2038. Of these 697 new households are inside existing city limits; 956 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 70% 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 497 dwelling units. The largest deficits are in Medium Density Residential-Low (121 dwelling units); Medium Density Residential-High (153); and High Density Residential (179 dwelling units).

- To provide adequate land supply Sherwood will need to continue to annex the Brookman Area with its primary designated residential in the Sherwood Planning Area. Without Brookman area developing, the City has a projected deficit of 922 dwelling units.

**Summary of development capacity based on changes from 2015 to 2017, dwelling units, Sherwood city limits and Brookman and other unincorporated areas**

	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	392
Medium Density Residential-High	41	7.7	291
High Density Residential	17	19.1	253
<b>Total</b>	<b>175</b>	<b>6.6</b>	<b>1,156</b>

**Comparison of capacity of existing residential land with demand for new dwelling units, dwelling units, Sherwood planning area, 2018-2038**

Zone	Capacity (Needed Densities)	Housing Demand	Comparison Capacity minus
Very Low Density Residential	76	90	-14
Low Density Residential	144	174	-30
Medium Density Residential-Low	392	513	-121
Medium Density Residential-High	291	444	-153
High Density Residential	253	432	-179
<b>Total</b>	<b>1,156</b>	<b>1,653</b>	<b>-497</b>

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 487 dwelling units over the next 20-years in Sherwood city limits and Brookman Area. The growth rate of Metro’s forecast for household growth (0.8% 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.
- 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 multifamily 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, such as lower-cost single family housing, townhouses, manufactured homes or multi-family housing. Sherwood currently has a limited supply of land available in its planning area for moderate and high density housing.

**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 660-007 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, 2018-2038**

Housing Type	New Dwelling	
	Units (DU)	Percent
Single-family detached	827	50%
Single-family attached	165	10%
Multifamily	661	40%
<b>Total</b>	<b>1,653</b>	

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 multifamily 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.

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.

The needed density in Sherwood is consistent with the densities achieved in residential zones Sherwood over the 2000-2014 period. 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 acre
- 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 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.” 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**

Zone	Buildable Acres	Capacity based on Zoning: Minimum Densities		Capacity based on Zoning: Maximum Densities and Minimum 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
<b>Land within City Limits</b>									
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
<b>Subtotal</b>	<b>96</b>	<b>500</b>	<b>5.2</b>	<b>849</b>	<b>8.8</b>		<b>731</b>	<b>118</b>	<b>8.8</b>
<b>Brookman and Other Unincorporated Areas</b>									
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
<b>Subtotal</b>	<b>79</b>	<b>440</b>	<b>5.6</b>	<b>661</b>	<b>8.4</b>		<b>547</b>	<b>114</b>	<b>8.4</b>
<b>Total</b>	<b>175</b>	<b>940</b>	<b>5.4</b>	<b>1,510</b>	<b>8.6</b>	<b>7.3</b>	<b>1,278</b>	<b>232</b>	<b>1.3</b>

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 multifamily 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. The City of Sherwood is submitting a proposal for Metro’s 2018 Urban Growth Management Decision for the inclusion of land in Sherwood’s urban reserve (Sherwood West) into the UGB.

**Goal 11 (Public Facilities and Services)**

**Objection: 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 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 primary reason for adopting the HNA 2018-2038 and processing a text amendment to the Comprehensive Plan at this time (prior to adoption of the comprehensive Plan update) is for the purposes of submitting a proposal for Metro's 2018 Urban Growth Management Decision for the addition of lands in Sherwood's Urban Reserve to the Urban Growth Boundary. The HNA 2018-2038 concluded Sherwood has a deficit of approximately 497 homes in its 20-year supply. The conclusion is based off the Metro forecast of 0.8% growth which is significantly lower than Sherwood's historic growth rate over the past 2 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 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. The proposed text 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.

**VII. RECOMMENDATION**

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 and therefore, staff **recommends that the Planning Commission forward a recommendation of APPROVAL** of the Housing Needs Analysis 2018-2038 and PA 18-01 amendment to the City of Sherwood Comprehensive, Part 2 to include the HNA 2018-2035 as Exhibit A.

**VIII. EXHIBITS**

- A. Housing Needs Analysis 2018-2038
- B. Proposed amendment to Comprehensive Plan, Part 2: Exhibit A
- C. Public Comments

**Note: The Housing Needs Analysis 2018-2038 was provided to the Planning Commission under separate cover and can be provided at cost by contacting the Planning Department at (503) 925-2308, can be viewed at City Hall between the hours of 8AM and 5PM, Monday through Friday, or can be found on the project website at:**

**<https://www.sherwoodoregon.gov/planning/project/housing-needs-analysis-adoption-and-text-amendment-comp-plan>**

# Sherwood Housing Needs Analysis 2018 to 2038

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Prepared for:

City of Sherwood

December 2017

**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING

## **Contact Information**

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Beth Goodman and Robert Parker, AICP, prepared this report as a subcontractor to Cogan Owens Greene for the City of Sherwood. ECONorthwest is solely responsible for its content, any errors or omissions.

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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## Acknowledgements

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### **State of Oregon**

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## Executive Summary

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This is an executive summary of the findings of the Sherwood Housing Needs Analysis for the 2018 to 2038 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 able to meet 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.<sup>1</sup>

- **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 from 18% in 2015) and 25% in the Portland Region (up from 19% in 2015).

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<sup>1</sup> 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.

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.<sup>2</sup>

- **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.
- **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

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<sup>2</sup> The housing needs analysis assumes that housing is affordable if housing costs are less than 30% of a household's gross income. For a household earning \$6,500 (the median household income in Sherwood), monthly housing costs of less than \$1,960 are considered affordable.

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.** The median rent in Sherwood was \$1,064, compared to Washington County's average of \$852. On a per-square-foot basis,
- **More than one-third of Sherwood's households have housing affordability problems.** 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. It is clear, however, that Sherwood will need a wider variety of housing, especially 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 1,653 new households between 2018 and 2038.** Of these, 697 new households are inside the existing city limits; 956 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 1,156 new dwelling units. Sherwood can accommodate about 70% 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 497 dwelling units. The largest deficits are in Medium Density Residential-Low (121 dwelling units), Medium Density Residential-High (153 dwelling units), and High Density Residential (179 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 922 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 less than 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 2018 to 2038 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 (0.8% 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”?

# 1 Introduction

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This report presents the Sherwood Housing Needs Analysis 2018 to 2038. 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 polices 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 2018 to 2038 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 2018 and 2038.

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

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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).<sup>3</sup> 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;<sup>4</sup>
- (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.

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<sup>3</sup> ORS 197.296 only applies to cities with populations over 25,000.

<sup>4</sup> 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.<sup>5</sup>

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<sup>5</sup> 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**

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**

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.

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Metro's 2016 Compliance Report concludes that Sherwood is in compliance for the City's Title 1 responsibilities.

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Metro's 2016 Compliance Report concludes that Sherwood is in compliance for the City's Title 7 responsibilities.

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**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

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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.<sup>6</sup>

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 2018-2038 period, it is based on analysis completed for the 2015 HNA.

## Residential development trends<sup>7</sup>

**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 8% of Sherwood's housing stock.
- Multifamily housing accounts for about 18% of Sherwood's housing stock.

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Three-quarters of Sherwood's housing is single-family detached housing.

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<sup>6</sup> 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.

<sup>7</sup> 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.

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Over the 2000-2014 period, 69% of new housing permitted by Sherwood was single-family detached housing.

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**The majority of housing developed in Sherwood between 2000 and 2014 was single-family detached housing (Table B- 1 and Figure B- 2).<sup>8</sup>**

- 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 2017, Sherwood permitted about 125 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

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<sup>8</sup> 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.<sup>9</sup>

**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).<sup>10</sup>**

- 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).

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<sup>9</sup> Multifamily NW Apartment Reports, Spring 2010 – Fall 2014.

<sup>10</sup> City of Sherwood Building Permit Database.

### 3 Housing Need in Sherwood

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This chapter presents the analysis of housing needs in Sherwood over the 2018 to 2038 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 2018 to 2038 period. Table 1 shows that **the Sherwood planning area is expected to add 1,653 new households between 2018 and 2038. Regional models and informed projections suggest nearly 700 (697) new households will be accommodated inside the existing city limits. Approximately 956 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 2018 to 2038 period.

The forecast shows that Sherwood will add 1,653 new households over the 20-year period.

The forecast shows growth of 4,157 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, 2018 to 2038**

Year	Households			Sherwood West (50-Year Forecast)
	Sherwood City Limits	Brookman Area	Sherwood Planning Area	
2018	6,883	282	7,165	293
2038	7,580	1,238	8,818	4,450
Change 2015 to 2040				
Households	697	956	1,653	4,157
Percent	10%	339%	23%	1419%
AAGR	0.5%	7.7%	1.0%	14.6%

Source: Metro 2040 TAZ Forecast by Households, January 2016  
Extrapolation from the 2015 forecast (the base year in the Metro forecast) to 2018 (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

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The factors that have the largest impact on a household's housing choice are: age of the householder, household size and composition, and income.

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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.<sup>11</sup>

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<sup>11</sup> 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.

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L. Lachman and D. Brett. *Generation Y: America's New Housing Wave*. Urban Land Institute. 2010.

National housing market trends include:<sup>12</sup>

- **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.

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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.

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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.

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<sup>12</sup> 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.

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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.

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- **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,<sup>13</sup> 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.<sup>14</sup>

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<sup>13</sup> Millennials are, broadly speaking, the children of Baby Boomers, born from the early 1980's through the early 2000's.

<sup>14</sup> 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](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.<sup>15</sup> 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.<sup>16</sup>

## 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.<sup>17</sup>
- 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 1,653 households over the 2018-2038 period, at an average annual growth rate of 0.8%.
- Metro forecasts that Sherwood West, an area that is adjacent to Sherwood but currently outside of the Metro Urban Growth Boundary, will grow by 4,157 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

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<sup>15</sup> [http://www.ohcs.oregon.gov/OHCS/HRS\\_Consolidated\\_Plan\\_5yearplan.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml)

<sup>16</sup> State of Oregon *Consolidated Plan 2011 to 2015*.

[http://www.oregon.gov/ohcs/hd/hrs/consplan/2011\\_2015\\_consolidated\\_plan.pdf](http://www.oregon.gov/ohcs/hd/hrs/consplan/2011_2015_consolidated_plan.pdf)

<sup>17</sup> 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.

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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.

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The aging of the population will result in increased demand for smaller single-family housing, multifamily housing, and housing for seniors.

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- 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.<sup>18</sup>
- Given the growth of people 45 years and older in Sherwood and the forecast for growth of people 60 years and older between 2018-2038 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

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<sup>18</sup> 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.<sup>19</sup>

- 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

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<sup>19</sup> 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."<sup>20</sup> 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).<sup>21</sup>
- **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 2018 and 2038,

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<sup>20</sup> See *Planning for Residential Growth: A Workbook for Oregon's Urban Areas* (June 1997).

<sup>21</sup> 2013 Population Estimates come from 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,<sup>22</sup> 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.

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<sup>22</sup> 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.<sup>23</sup>
- 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

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Housing costs in Sherwood increased by 30% since 2000.

Sales prices in Sherwood are higher than the regional averages.

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<sup>23</sup> 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.

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Rental costs are about 25% higher than the regional average.

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**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%.

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More than one-third of Sherwood's households have housing affordability problems, similar to regional averages.

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**More than one-third of Sherwood's households have housing affordability problems (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.<sup>24</sup> 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 burdened (i.e., paid more than 50% of their income on homeownership costs).

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<sup>24</sup>A 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.). For homeowners, housing costs include the following: mortgage payments, real estate taxes, insurance, mobile home costs, condominium fees, utilities, and fuels.

- 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, 10% single-family attached, and 40% 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.

**Table 2. Forecast of needed housing units by mix, Sherwood planning area, 2018-2038**

Housing Type	New Dwelling Units (DU)	Percent
Single-family detached	827	50%
Single-family attached	165	10%
Multifamily	661	40%
<b>Total</b>	<b>1,653</b>	

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 acre<sup>25</sup>
- Medium Density Residential – Low (MDRL): 6.1 dwelling units per net acre

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<sup>25</sup> 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.

- 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, 2018-2038**

	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	90	174	430	116	17	827
Single-family attached	-	-	-	99	66	165
Multifamily	-	-	83	229	349	661
<b>Total</b>	<b>90</b>	<b>174</b>	<b>513</b>	<b>444</b>	<b>432</b>	<b>1,653</b>
Percent of Units						
Single-family detached	5%	11%	26%	7%	1%	50%
Single-family attached	0%	0%	0%	6%	4%	10%
Multifamily	0%	0%	5%	14%	21%	40%
<b>Total</b>	<b>5%</b>	<b>11%</b>	<b>31%</b>	<b>27%</b>	<b>26%</b>	<b>100%</b>

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 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, 2018-2038**

Market Segment by Income	Income Range	Number of households	Percent of Households	Attainable		
				Owner-occupied	Renter-occupied	
High (120% or more of MFI)	\$83,280 or more	693	42%	All housing types; higher prices	All housing types; higher	Primarily New Housing
Upper Middle (80%-120% of MFI)	\$55,520 to \$83,280	446	27%	All housing types; lower values	All housing types; lower values	
Lower Middle (50%-80% of MFI)	\$34,700 to \$55,520	222	13%	Single-family attached; condominiums; duplexes; manufactured on lots	Single-family attached; detached; manufactured on lots;	Primarily Used Housing
Lower (30%-50% of less of MFI)	\$20,820 to \$34,700	112	7%	Manufactured in parks	Apartments; manufactured in parks; duplexes	
Very Low (Less than 30% of MFI)	Less than \$20,820	180	11%	None	Apartments; new and used government assisted housing	

Source: ECONorthwest  
MFI is Median Family Income

## 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,<sup>26</sup> Sherwood has four manufactured dwelling parks:
  - Carriage Park Estates with 58 spaces, all occupied
  - Crown Court with 14 spaces, except for one vacancy
  - 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 1,653 dwelling units over the 2018 to 2038 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

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<sup>26</sup> 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 (1,653 new dwellings) choose to live in manufactured housing parks, the City may need 25 to 41 new manufactured home spaces. At an average of 8 dwelling units per net acre, this results in demand for 3.1 to 5.2 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

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This chapter presents an evaluation of the sufficiency of vacant residential land in Sherwood to accommodate expected residential growth over the 2018 to 2038 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 2018 to 2038 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**

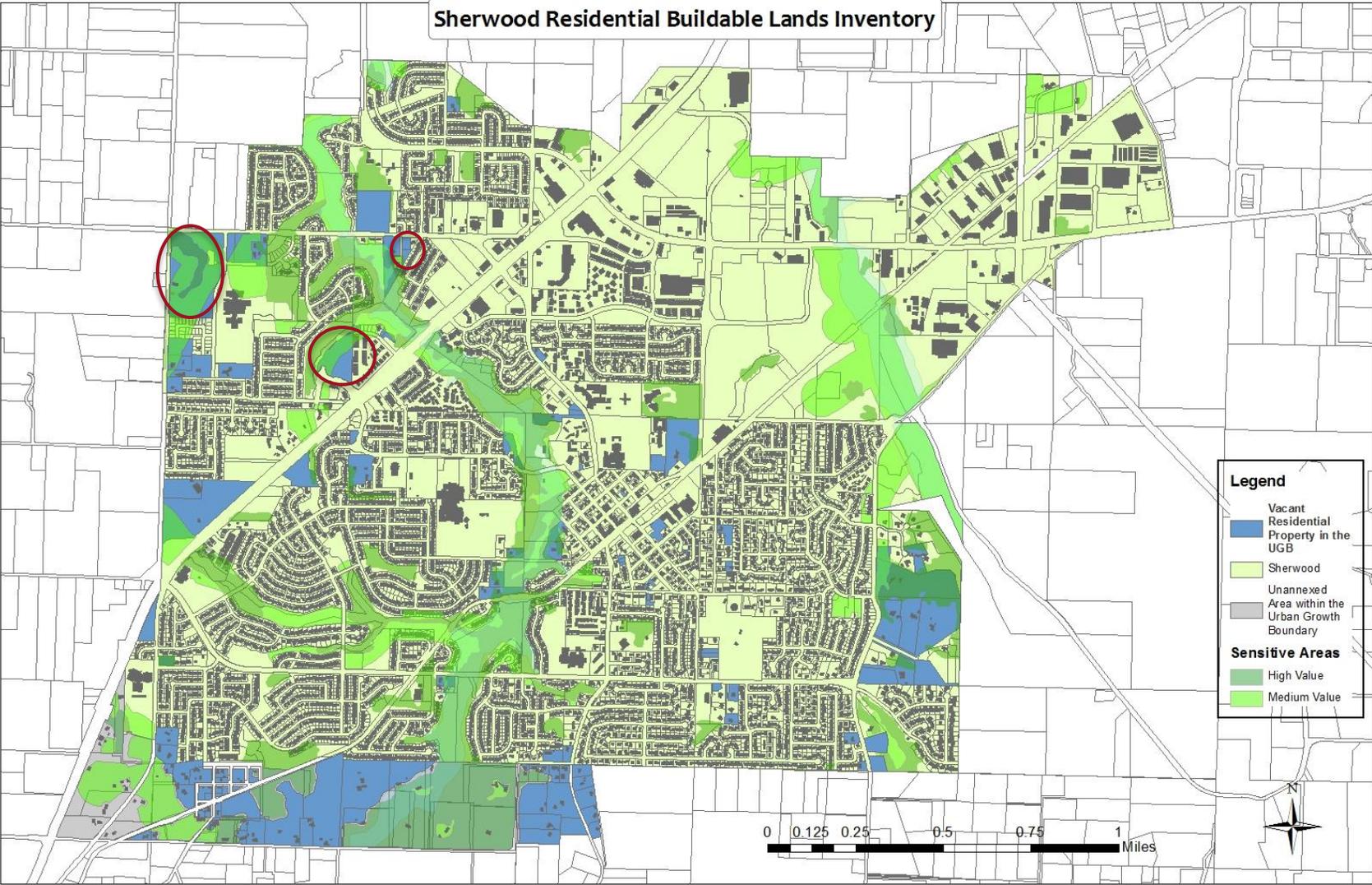
Zone	Gross Acres	Percent of Total
<b>Land within City Limits</b>		
Very Low Density Residential (VLDR)	24	14%
Very Low Density Residential Planned Unit Development (VLDR-PUD)	1	1%
Low Density Residential (LDR)	22	13%
Medium Density Residential-Low (MDRL)	14	8%
Medium Density Residential-High (MDRH)	21	12%
High Density Residential (HDR)	14	8%
<b>Subtotal</b>	<b>96</b>	<b>55%</b>
<b>Brookman and Other Unincorporated Areas</b>		
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%
<b>Subtotal</b>	<b>79</b>	<b>45%</b>
<b>Total</b>	<b>175</b>	<b>100%</b>

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, 125 new single-family detached units were permitted between January 1, 2015 and October 31, 2017.

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.<sup>27</sup> 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

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<sup>27</sup> 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.

limits and 79 acres in the Brookman and other unincorporated areas within the Metro UGB.

- **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 Minimum 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
<b>Land within City Limits</b>									
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
<b>Subtotal</b>	<b>96</b>	<b>500</b>	<b>5.2</b>	<b>849</b>	<b>8.8</b>		<b>731</b>	<b>118</b>	<b>8.8</b>
<b>Brookman and Other Unincorporated Areas</b>									
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
<b>Subtotal</b>	<b>79</b>	<b>440</b>	<b>5.6</b>	<b>661</b>	<b>8.4</b>		<b>547</b>	<b>114</b>	<b>8.4</b>
<b>Total</b>	<b>175</b>	<b>940</b>	<b>5.4</b>	<b>1,510</b>	<b>8.6</b>	<b>7.3</b>	<b>1,278</b>	<b>232</b>	<b>1.3</b>

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 224 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 meet Sherwood’s future housing needs.**

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 October 31, 2017, Sherwood issued 125 permits for housing, all in the MDRL, MDRH, and HDR zones. Table 7 reduces the capacity estimate by 125 units, resulting in a capacity of 606 units on land within the city limits.

**Table 7. Revised capacity based on historical development densities accounting for building permits issued in 2015 to 2017, dwelling units, 2017**

Zone	Capacity based on		Revised Capacity
	Historical Development Densities	Building Permits Issued 2015 to 2017	
<b>Land within City Limits</b>			
VLDR	69		69
VLDR_PUD	3		3
LDR	144		144
MDRL	88	24	64
MDRH	161	27	134
HDR	266	74	192
<b>Subtotal</b>	<b>731</b>	<b>125</b>	<b>606</b>

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 2017 in Table 7.

**Table 8. Summary of development capacity based on changes from 2015 to 2017, 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	392
Medium Density Residential-High	41	7.7	291
High Density Residential	17	19.1	253
<b>Total</b>	<b>175</b>	<b>6.6</b>	<b>1,156</b>

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 497 dwelling units. The largest deficits are in Medium Density Residential-Low (121 dwelling units), Medium Density Residential-High (153 dwelling units), and High Density Residential (179 dwelling units).

**Table 9. Comparison of capacity of existing residential land with demand for new dwelling units, dwelling units, Sherwood planning area, 2018-2038**

Zone	Capacity (Needed Densities)	Housing Demand	Comparison Capacity minus
Very Low Density Residential	76	90	-14
Low Density Residential	144	174	-30
Medium Density Residential-Low	392	513	-121
Medium Density Residential-High	291	444	-153
High Density Residential	253	432	-179
<b>Total</b>	<b>1,156</b>	<b>1,653</b>	<b>-497</b>

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 RECOMMENDATIONS

The key findings and recommendations from the housing needs analysis are as follows:

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Sherwood is able to accommodate 70% of the forecast for growth within the Sherwood Planning Area.

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- **Sherwood is able to meet state requirements.** 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 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 lower-income households.
- **Sherwood has a deficit of land for housing.** Sherwood can accommodate about 70% of the forecast for new housing on areas within the city limits and Brookman Area. However, Sherwood has a deficit of land for 497 dwelling units. The largest deficits are in Medium Density Residential-Low (121 dwelling units), Medium Density Residential-High (153 dwelling units), and High Density Residential (179 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 (0.8% 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.

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 2018-2038 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.

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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.

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- **Sherwood has a relatively limited supply of land for moderate- and higher-density multifamily housing.** 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 should 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 requirements<sup>28</sup> for multifamily make it difficult to achieve the maximum development density. The City should 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 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,

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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 may provide opportunities for development of a wider range of affordable housing types.

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<sup>28</sup> 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.

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. 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

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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.<sup>29</sup>

### METHODOLOGY

#### Definitions used in the inventory

##### Vacant land

- Any tax lot that is fully vacant as determined by RLIS GIS Data<sup>30</sup>, 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.

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<sup>29</sup> Michelle Miller, AICP, Senior Planner at the City of Sherwood developed the buildable lands inventory.

<sup>30</sup> 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 resources<sup>31</sup>.**

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.<sup>32</sup>**

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.<sup>33</sup>
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

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<sup>31</sup> Environmental resources are considered to include Title 3, Title 13 FEMA floodway and slopes over 25 %.

<sup>32</sup> 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.

<sup>33</sup> 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)<sup>34</sup>
- 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

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<sup>34</sup> 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.<sup>35</sup>

$$\text{Strike Price} = \frac{(\text{Improvement value} + \text{land value})}{\text{Total Sq. Ft of lot}}$$

**h. Identify possible rezone properties that would either be added or subtracted from the inventory over time.**

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<sup>35</sup> 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
<b>Land within City Limits</b>		
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%
<b>Subtotal</b>	<b>96</b>	<b>55%</b>
<b>Brookman and Other Unincorporated Areas</b>		
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%
<b>Subtotal</b>	<b>79</b>	<b>45%</b>
<b>Total</b>	<b>175</b>	<b>100%</b>

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 October 31, 2017, Sherwood issued 125 permits for housing, all in the MDRL, MDRH, and HDR zones. Table A- 2 reduces the capacity estimate by 125 units, resulting in a capacity of 606 units on land within the city limits.

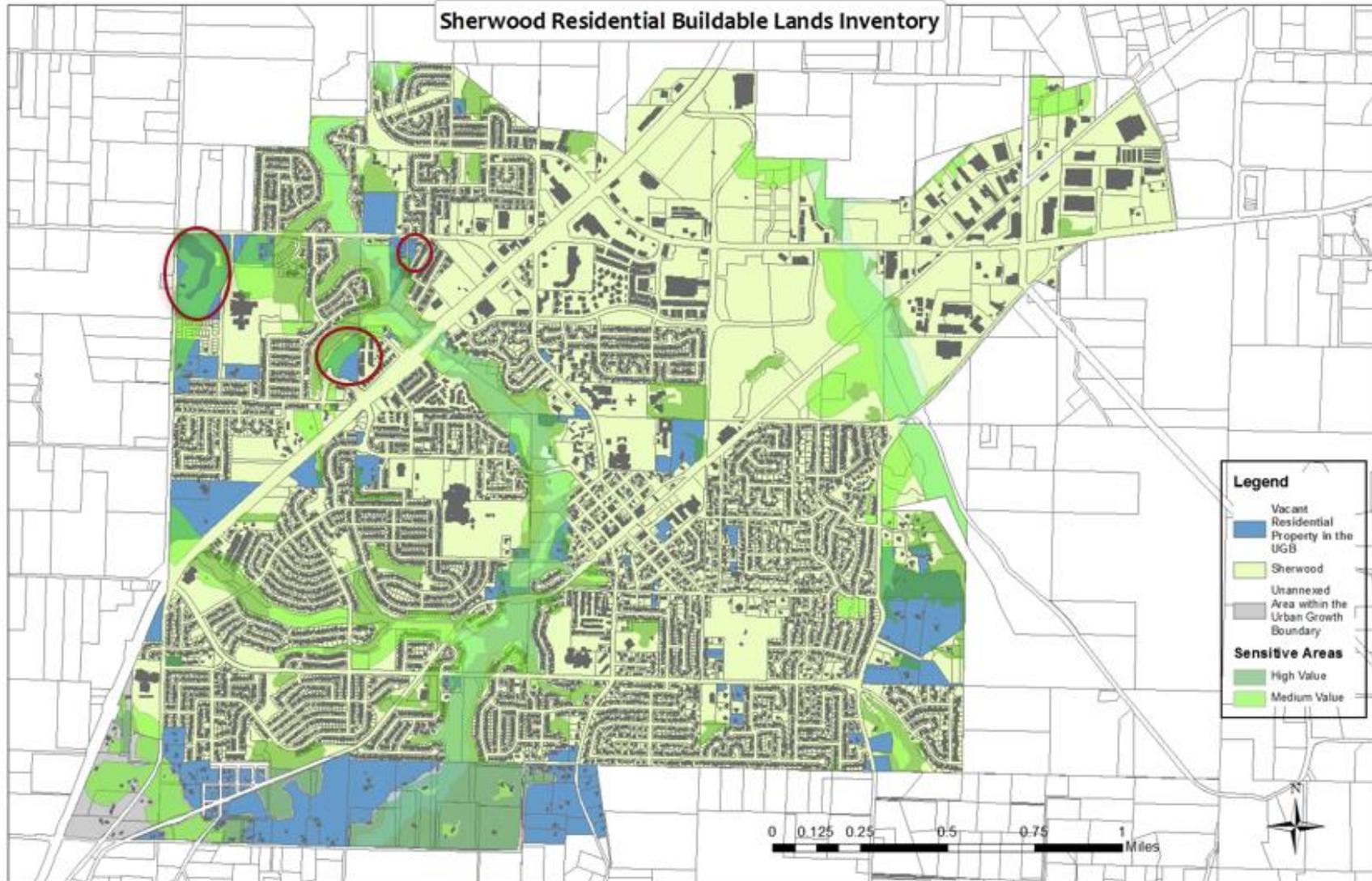
**Table A- 2.. Revised capacity based on historical development densities accounting for building permits issued in 2015 to 2017, dwelling units, 2017**

Zone	Capacity based on		Revised Capacity
	Historical Development Densities	Building Permits Issued 2015 to 2017	
<b>Land within City Limits</b>			
VLDR	69		69
VLDR_PUD	3		3
LDR	144		144
MDRL	88	24	64
MDRH	161	27	134
HDR	266	74	192
<b>Subtotal</b>	<b>731</b>	<b>125</b>	<b>606</b>

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, 125 new single-family detached units were permitted between January 1, 2015 and October 31, 2017.

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

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### 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.<sup>36</sup>

## 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

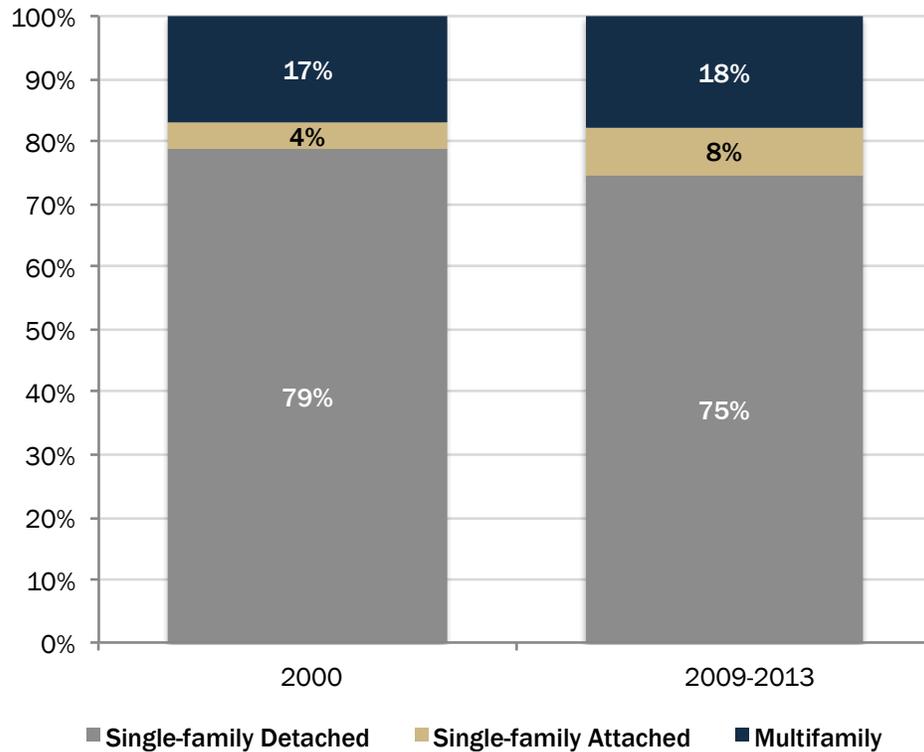
According to the American Community Survey, Sherwood had more than 6,500 housing units in the 2009-2013 period. Figure B- 1 shows that Sherwood's housing stock is predominantly single-family detached housing. In 2000, 79% of

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<sup>36</sup> 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, 125 units were permitted during the January 1, 2015 to October 31, 2017 period. All units permitted were single-family detached. These permits are not shown in Table B- 1 and Figure B- 2.

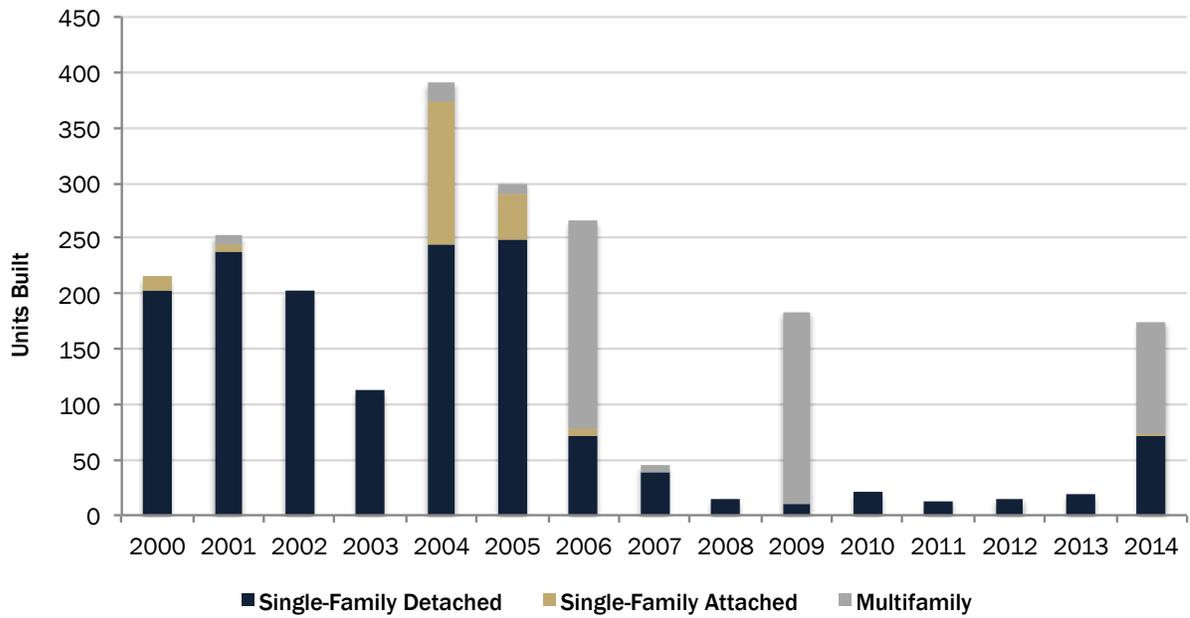
**Table B- 1. Building permits by type of unit, Sherwood, 2000-2014**

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%
<b>Total</b>	<b>2,225</b>	<b>148</b>	<b>100%</b>

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**



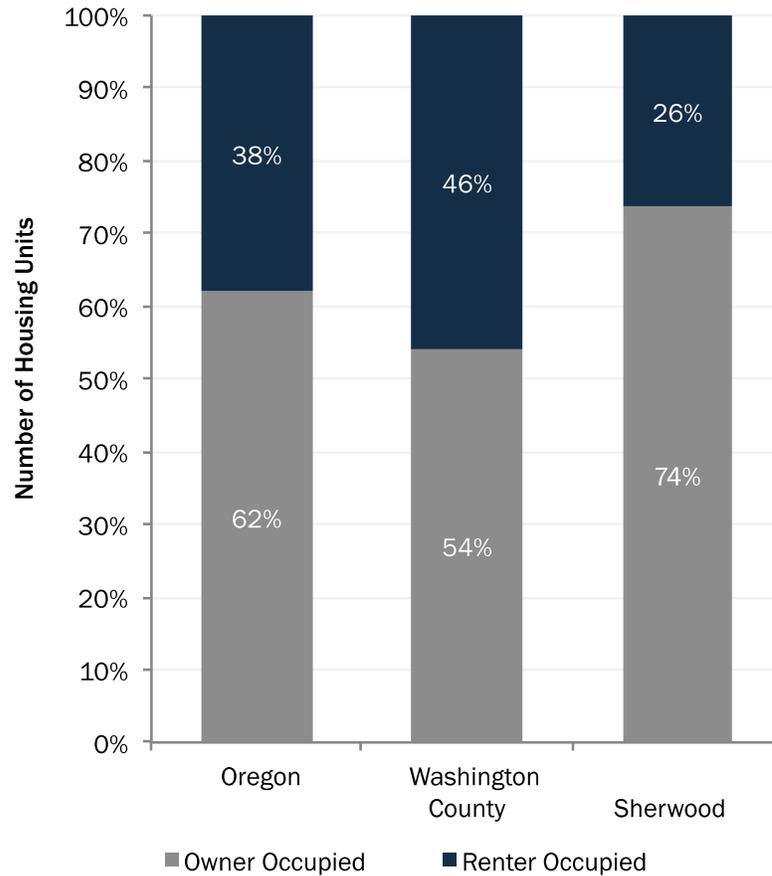
Source: City of Sherwood Building Permit Database.

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%).

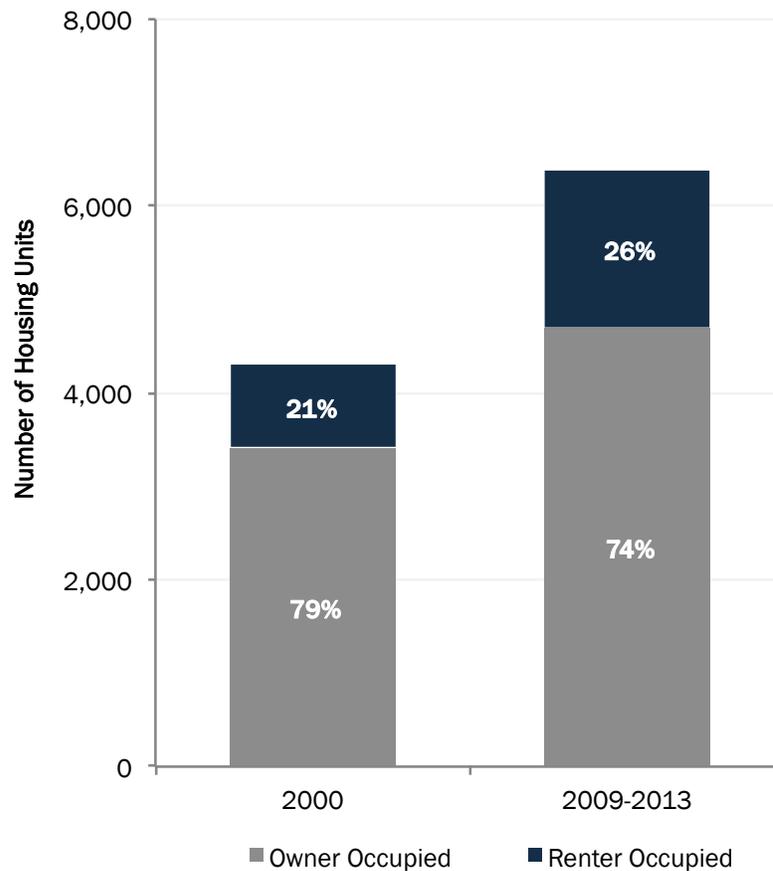
**Figure B- 3. Housing Tenure, Oregon, Washington County, Sherwood, 2009-2013**



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.

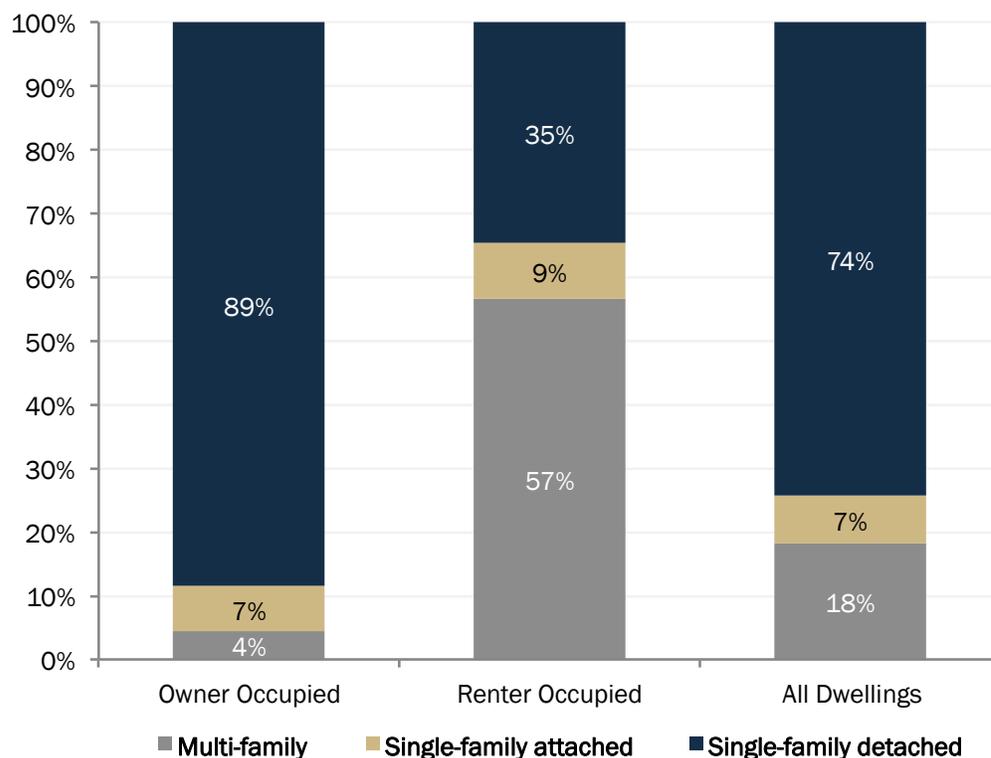
Figure B- 4. Tenure, occupied units, Sherwood, 2000 to 2009-2013



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%
<b>Change 2000 to 2009-2013</b>	<b>17.1%</b>	<b>-7.5%</b>	<b>-3.6%</b>	<b>28.3%</b>	<b>-24.7%</b>

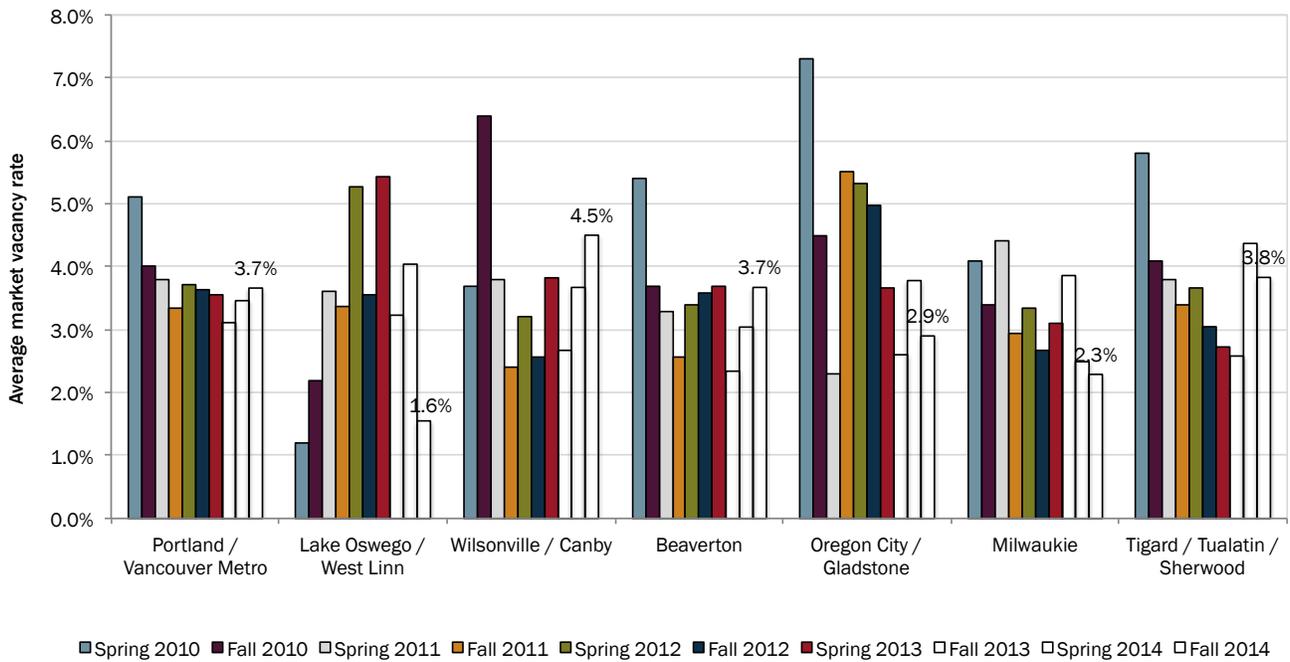
Source: U.S. Census 2000 SF1 Table H003, American Community Survey 2009-2013 Table B25002.

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.<sup>37</sup> 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
<b>Total</b>	<b>2,341</b>	<b>286</b>	<b>8.2</b>

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.

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<sup>37</sup> 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)
<b>Residential Zones</b>			
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
<b>Commercial and Mixed Use Zones</b>			
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
<b>Total</b>	<b>2,341</b>	<b>286</b>	<b>8.2</b>

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.<sup>38</sup> 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.

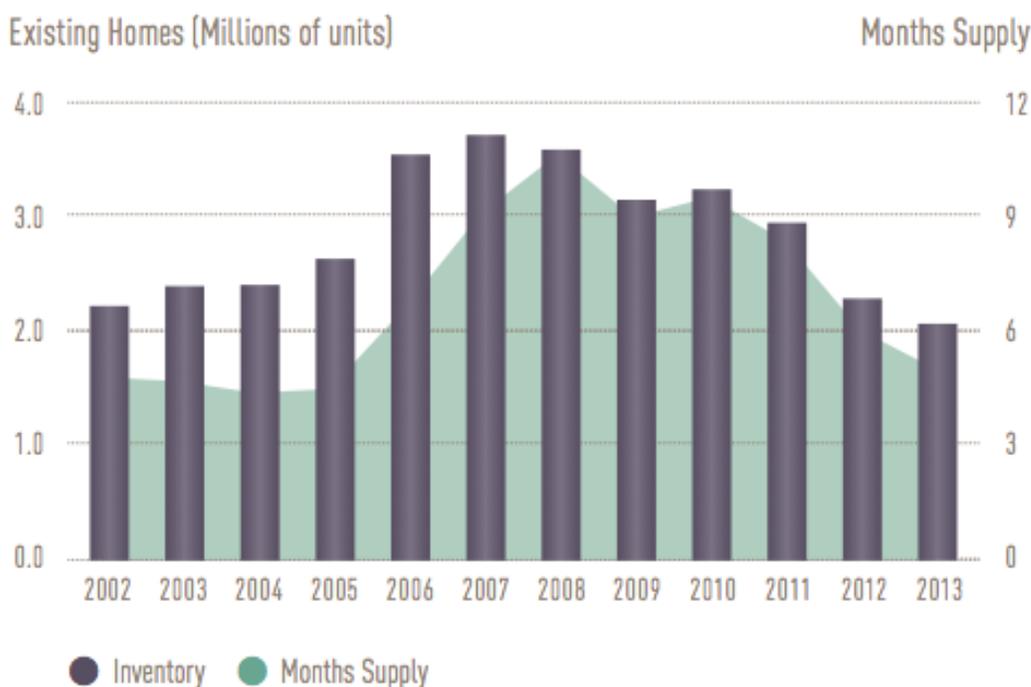
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<sup>38</sup> The State of the Nation's Housing, Harvard University, 2014, accessed January 2014.  
[http://www.jchs.harvard.edu/research/state\\_nations\\_housing](http://www.jchs.harvard.edu/research/state_nations_housing)

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**

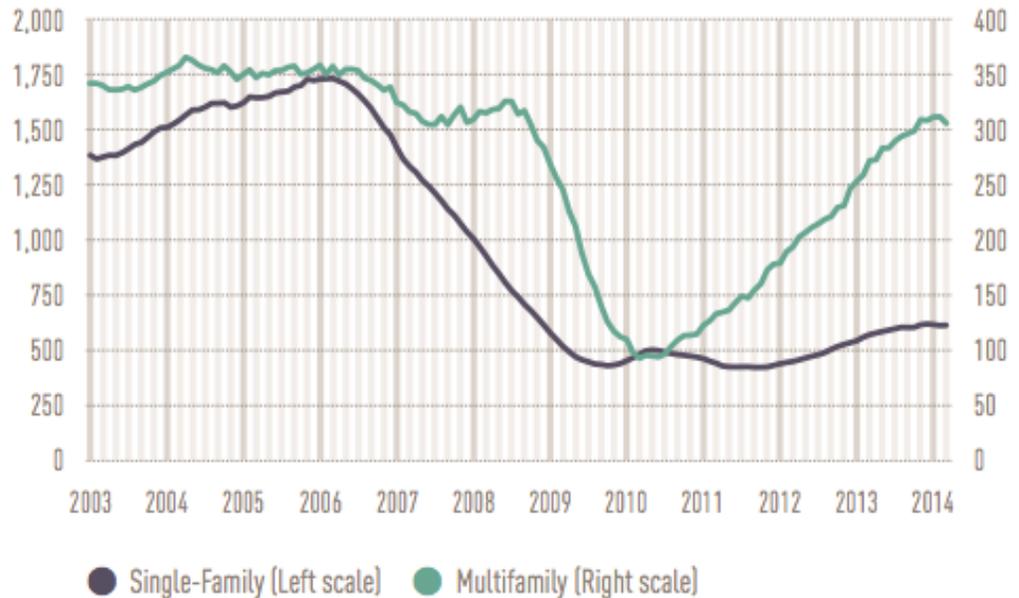


Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

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)

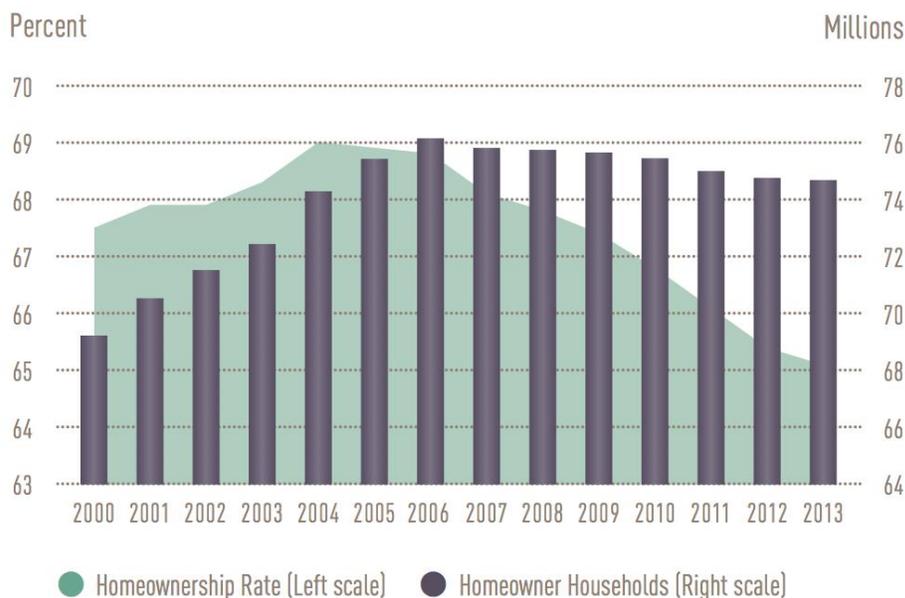


Source: The State of The Nation's Housing, 2014, The Joint Center for Housing Studies of Harvard University, p. 10. <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14-color-full.pdf>.

### 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.<sup>39</sup>

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

<sup>39</sup> 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.

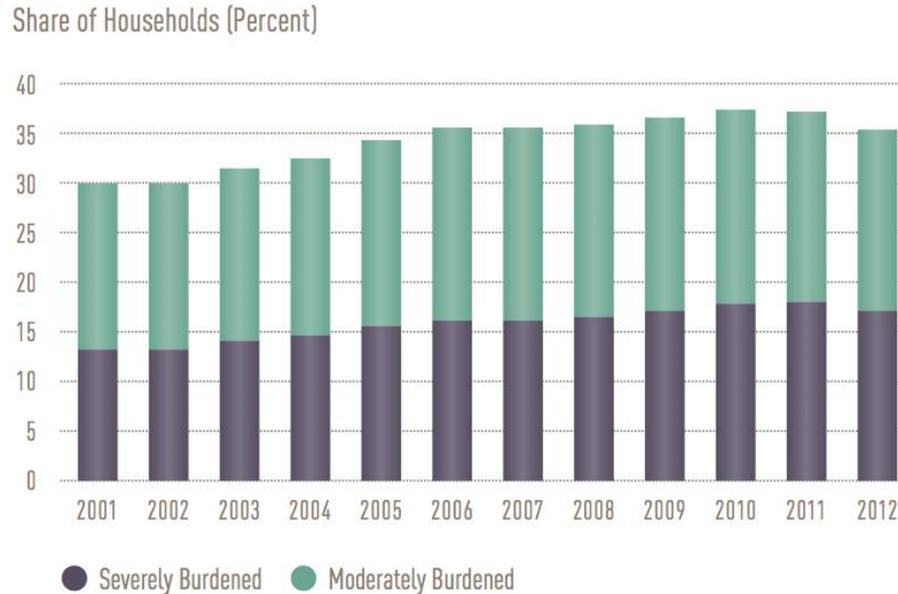
Over the longer term, the Joint Center for Housing expects demand for rental housing to continue to grow. Minorities will be the largest driver of rental demand because they are on average younger and less likely to own homes than whites. Demographics will also play a role. Growth in young adult households 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.<sup>40</sup> 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**



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

<sup>40</sup> 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.<sup>41</sup>

The aging of the Baby Boomers will affect housing demand over the next decades. People prefer to remain in their community as they age.<sup>42</sup> 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.<sup>43</sup> 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.

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<sup>41</sup> Urban Land Institute, "2011 Emerging Trends in Real Estate"

<sup>42</sup> 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>.

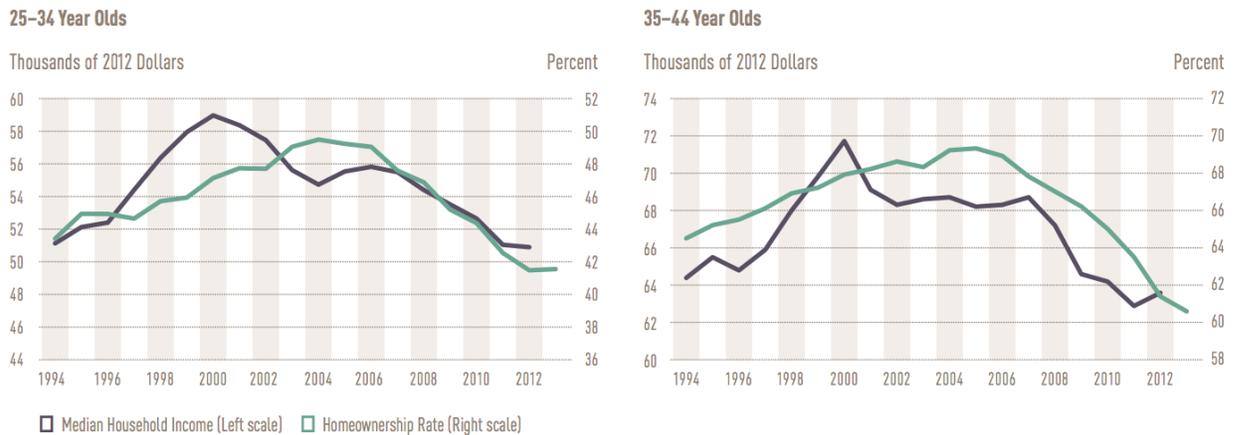
<sup>43</sup> "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

- 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.<sup>44</sup>

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.

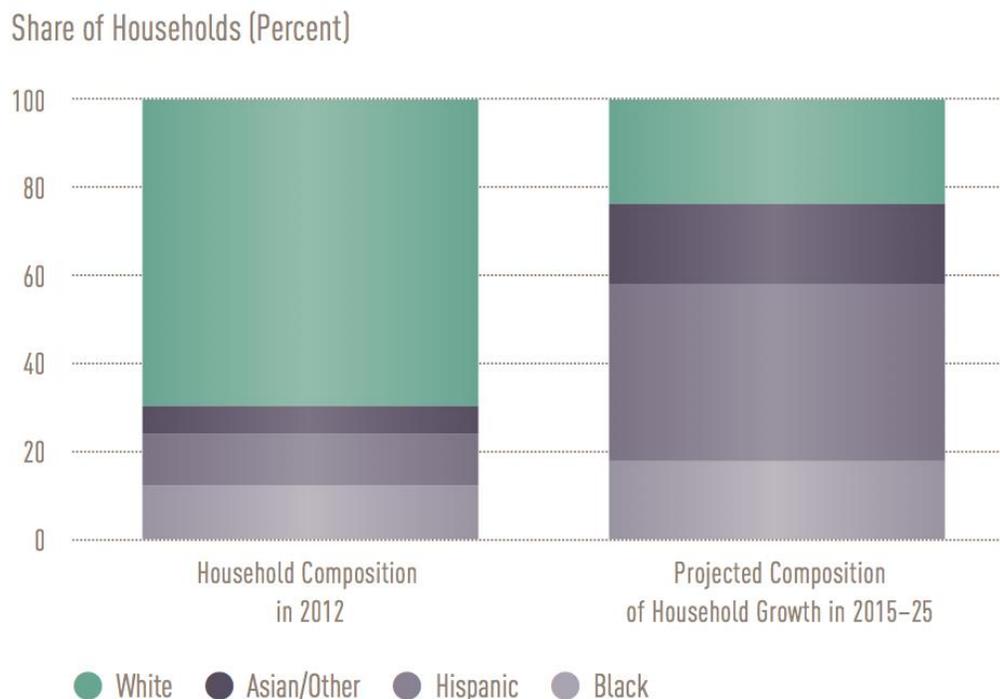
The fall in homeownership among young adults results largely from the decline in income. Approximately 6 million more individuals between 20 and 29 years earned less than \$25,000 than in 2003, while the number of those earning between \$25,000 and \$50,000 fell by over a million. Furthermore, the share 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 stanchied 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.

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<sup>44</sup> 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](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**



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:<sup>45</sup>

<sup>45</sup> <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.<sup>46</sup>

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.

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<sup>46</sup> 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.<sup>47</sup> 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.

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<sup>47</sup> [http://www.ohcs.oregon.gov/OHCS/HRS\\_Consolidated\\_Plan\\_5yearplan.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml)

- Increasingly older, more diverse, and has less affluent households.<sup>48</sup>

## 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

<sup>48</sup> State of Oregon *Consolidated Plan 2011 to 2015*.

[http://www.oregon.gov/ohcs/hd/hrs/consplan/2011\\_2015\\_consolidated\\_plan.pdf](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 4,157 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 4,157 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 2018 to 2038 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 1,653 new households between 2018 and 2038, with 697 new households inside the existing city limits and 956 new households in outside the current city limits in the Brookman Area.

**Table B- 7. Extrapolated Metro forecast for housing growth, Sherwood planning area, 2018 to 2038**

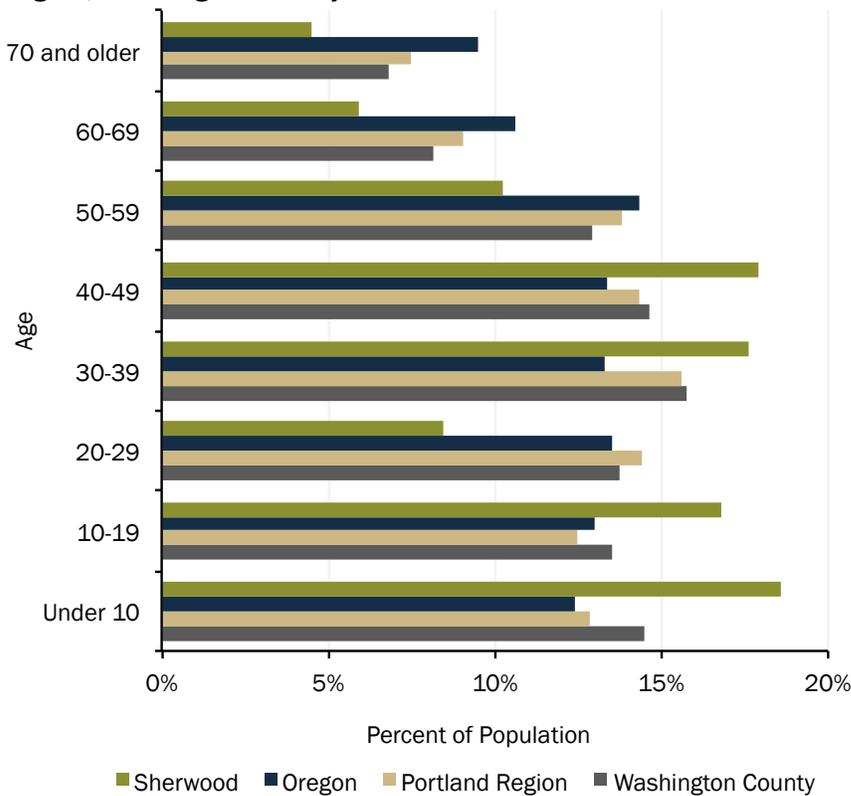
Year	Households			Sherwood West (50-Year Forecast)
	Sherwood City Limits	Brookman Area	Sherwood Planning Area	
2018	6,883	282	7,165	293
2038	7,580	1,238	8,818	4,450
Change 2015 to 2040				
Households	697	956	1,653	4,157
Percent	10%	339%	23%	1419%
AAGR	0.5%	7.7%	1.0%	14.6%

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%.

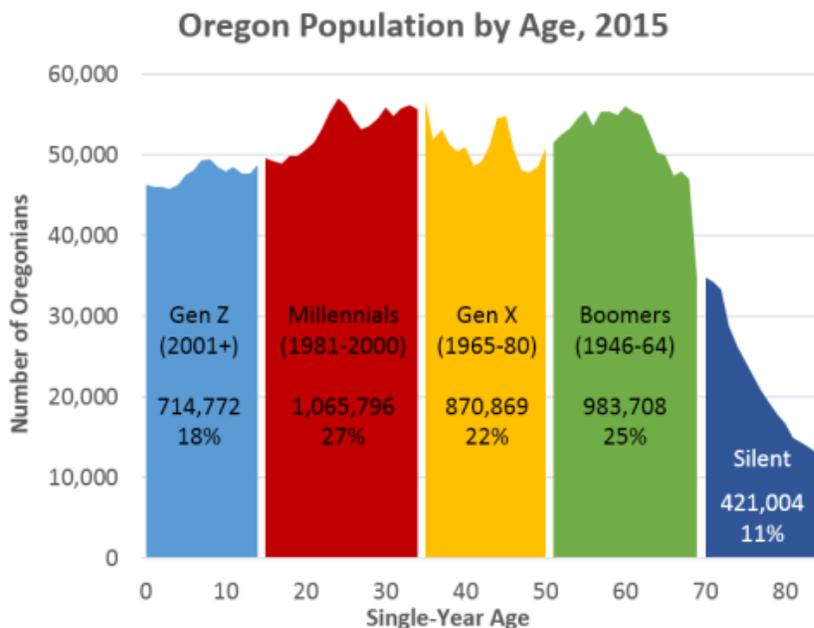
**Table B- 8. Population by Age, Sherwood, 2000 and 2010**

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%
<b>Total</b>	<b>11,791</b>	<b>100%</b>	<b>18,194</b>	<b>100%</b>	<b>6,403</b>	<b>54%</b>	<b>0%</b>

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**



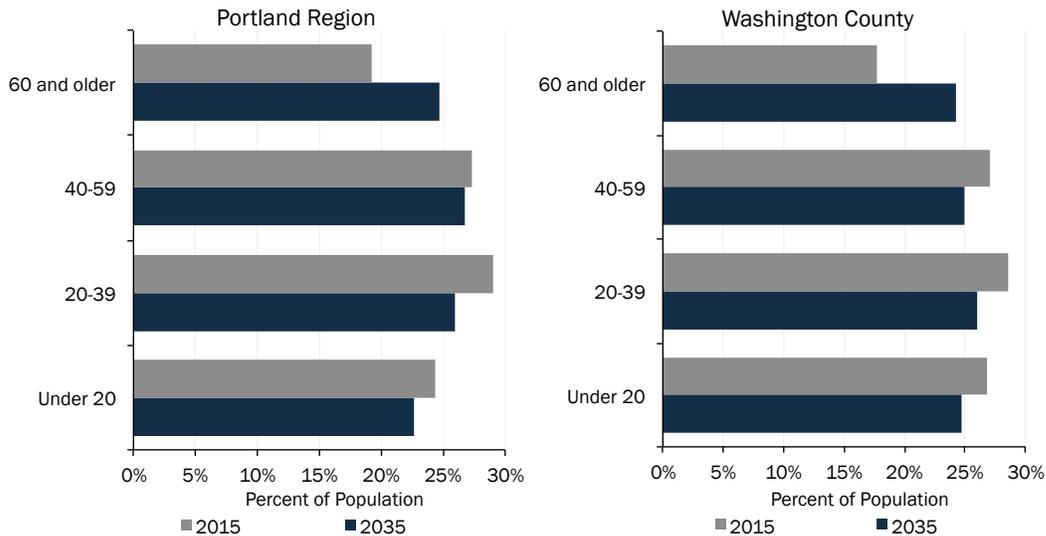
Source: Oregon Office of Economic Analysis

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**

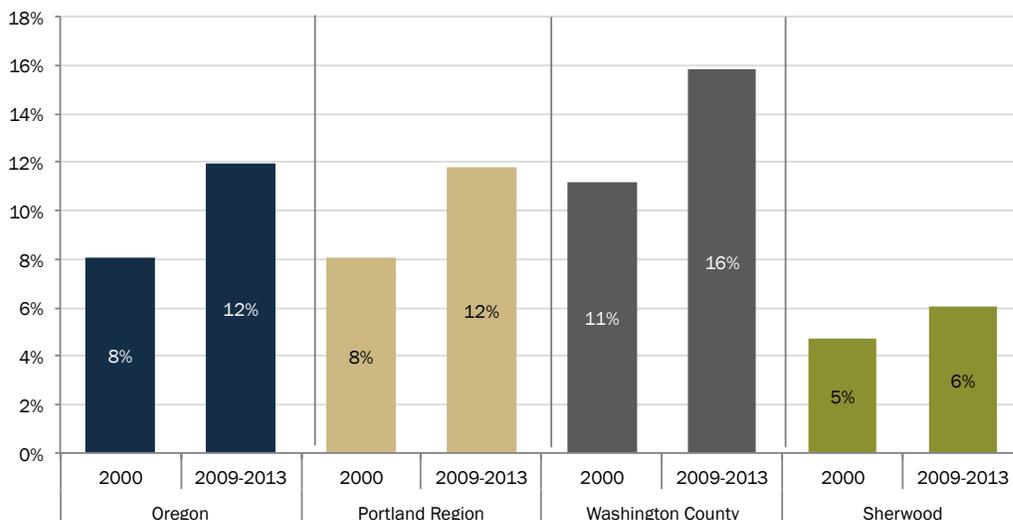


Source: Oregon Office of Economic Analysis.  
[http://www.oregon.gov/DAS/OEA/docs/demographic/pop\\_by\\_ageandsex.xls](http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls)

### 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.**

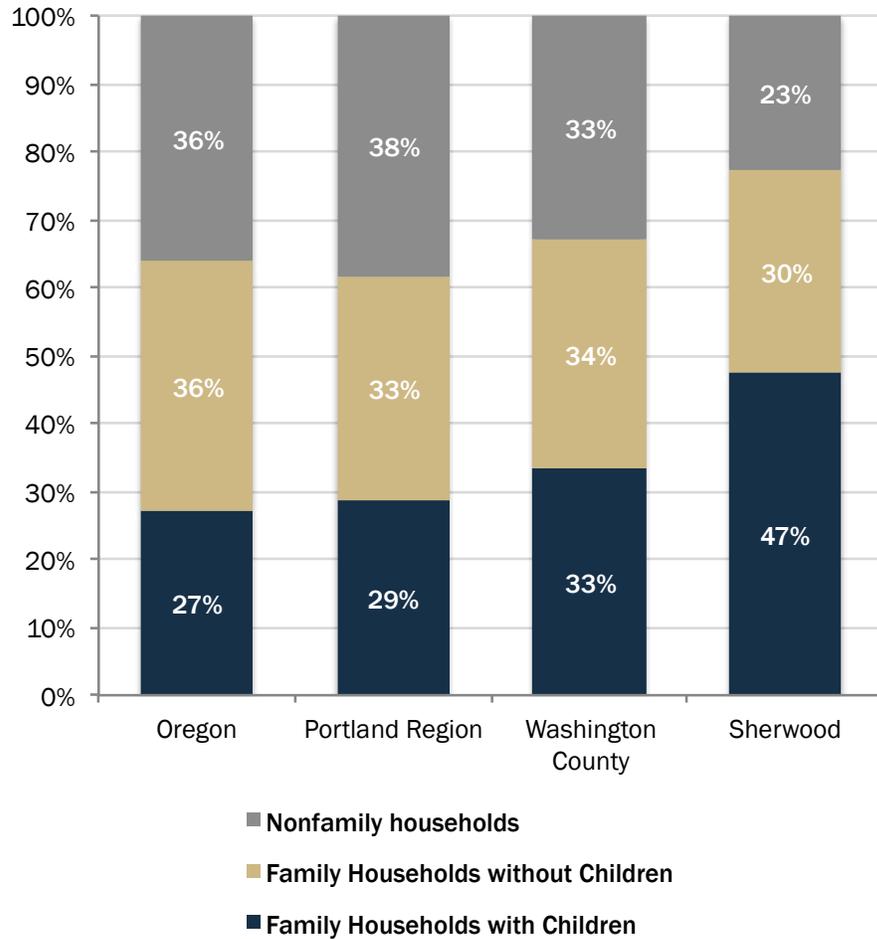
	Oregon	Portland Region	Washington County	Sherwood
<b>2000</b>				
Average household size	2.51	2.53	2.61	2.77
Owner-occupied units	2.59	2.67	2.75	2.85
Renter-occupied units	2.36	2.30	2.39	2.47
<b>2009-2013</b>				
Average household size	2.49	2.54	2.64	2.89
Owner-occupied units	2.55	2.64	2.72	3.00
Renter-occupied units	2.41	2.37	2.53	2.57
<b>Change 2000 to 2009-2013</b>				
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.**

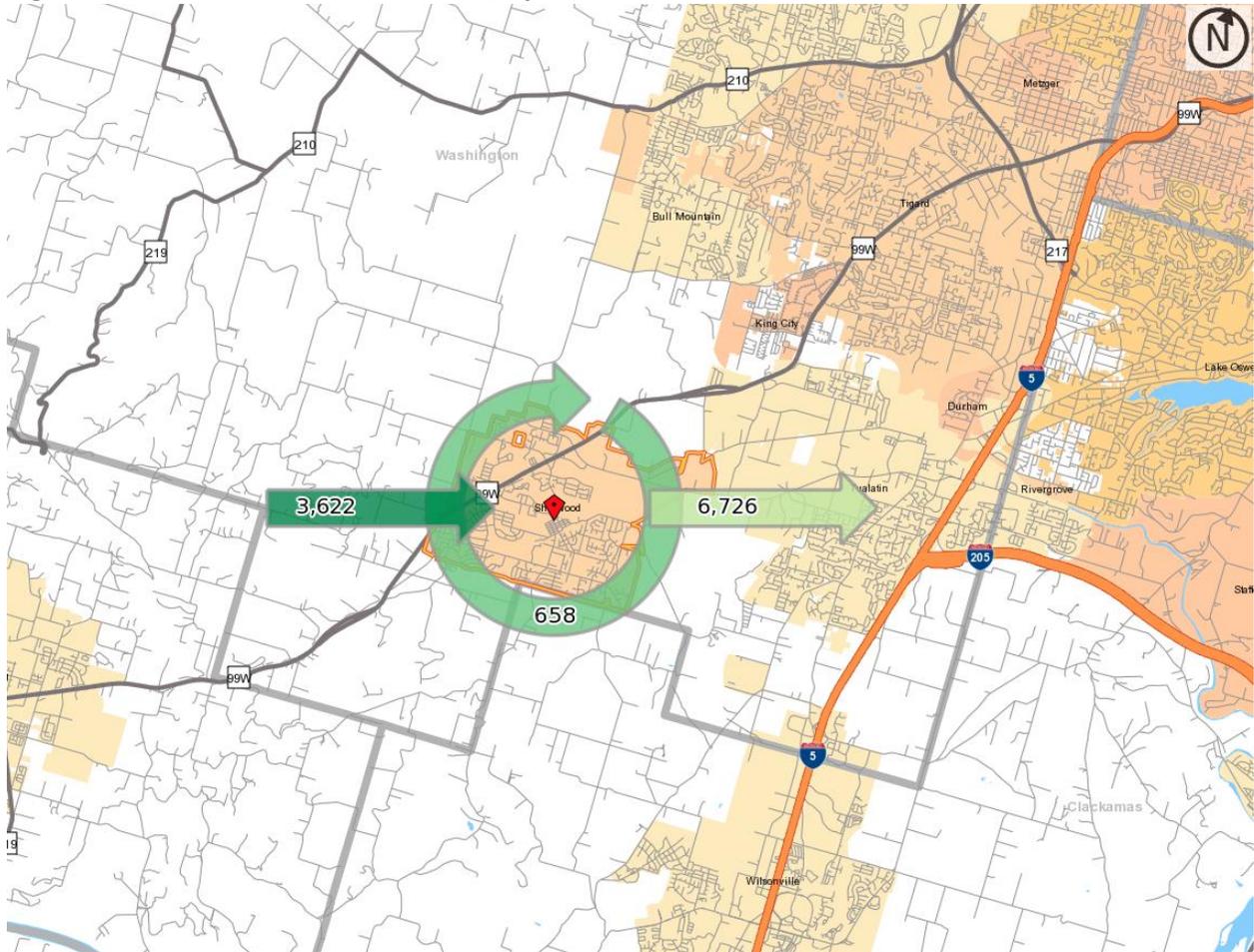
	2000	2010
<b>Oregon</b>		
Total Population	3,421,399	3,831,074
Persons in Group Quarters	77,491	86,642
Percent in Group Quarters	2.3%	2.3%
Percent in correctional institutions	0.6%	0.6%
<b>Portland Region</b>		
Total Population	1,444,219	1,641,036
Persons in Group Quarters	23,667	29,124
Percent in Group Quarters	1.6%	1.8%
Percent in correctional institutions	0.0%	0.0%
<b>Washington County</b>		
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%
<b>Sherwood</b>		
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.**

<b>Location</b>	<b>Number</b>	<b>Percent</b>
<b>Counties</b>		
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%
<b>Cities</b>		
Portland	1,686	23%
Tigard	660	9%
Sherwood	658	9%
Beaverton	575	8%
Tualatin	575	8%
All other cities	3,230	44%
<b>Total</b>	<b>7,384</b>	<b>100%</b>

Source: U.S. Census Bureau: LED on the Map, <http://lehdm3.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**

<b>Location</b>	<b>Number</b>	<b>Percent</b>
<b>Counties</b>		
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%
<b>Cities</b>		
Sherwood	658	15%
Portland	371	9%
Tigard	233	5%
Beaverton	224	5%
Newberg	207	5%
All other cities	2,587	60%
<b>Total</b>	<b>4,280</b>	<b>100%</b>

Source: U.S. Census Bureau: LED on the Map, <http://lehdm3.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 4 manufactured home parks with 186 spaces and 1 vacant space.

**Table B- 13. Inventory of Mobile/Manufactured Home Parks, City of Sherwood, 2014**

Name	Location	Park Type	Total Spaces	Vacant Spaces
Carriage Park Estates	23077 SW Main St	Family	58	0
Crown Court	27300 SW Pacific Hwy	Family	14	1
Orland Villa	22200 SW Orland Street	Family	24	0
Smith Farm Estates	17197-17180 SW Smith Ave	Family	90	0
<b>Total</b>			<b>186</b>	<b>1</b>

Source: Oregon Manufactured Dwelling Park Directory, <http://o.hcs.state.or.us/MDPCRParcs/ParkDirQuery.jsp>.

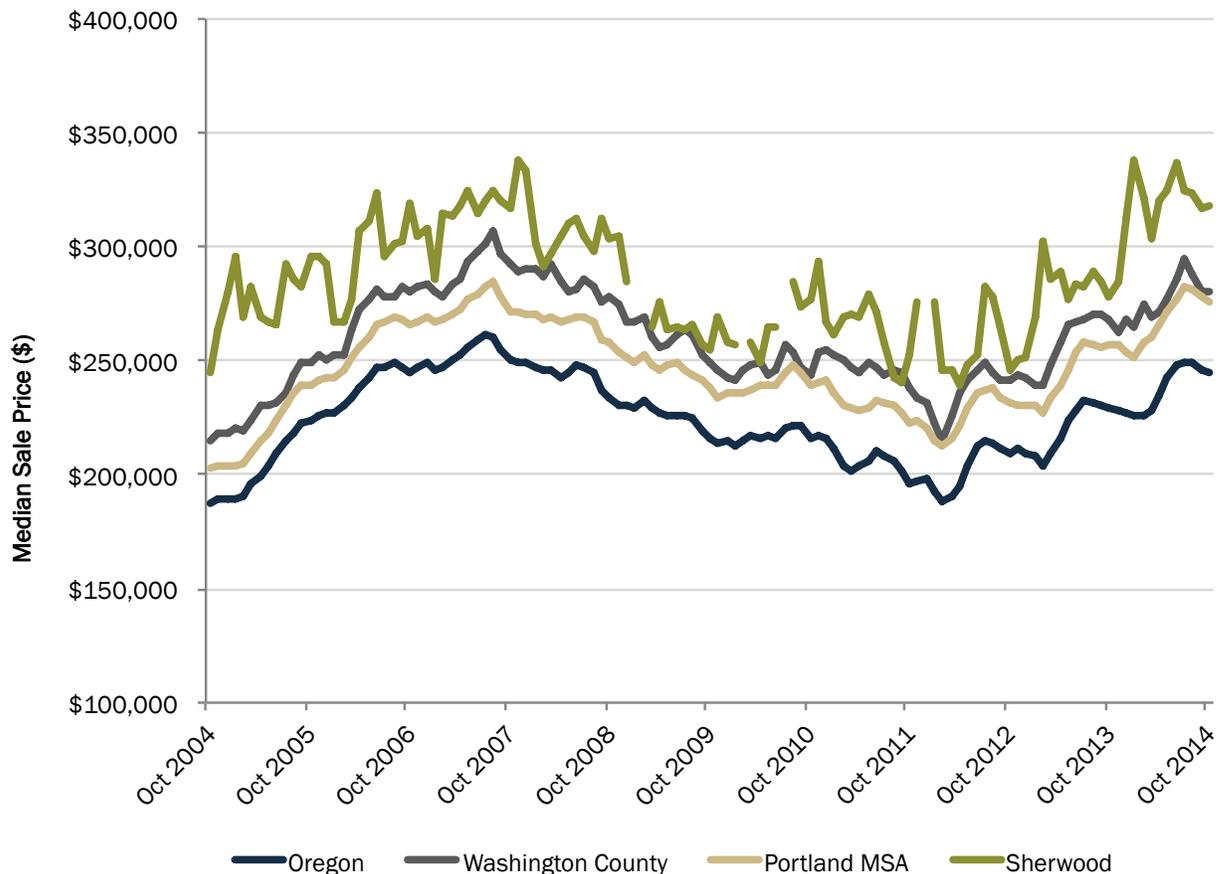
## Changes in housing cost

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**

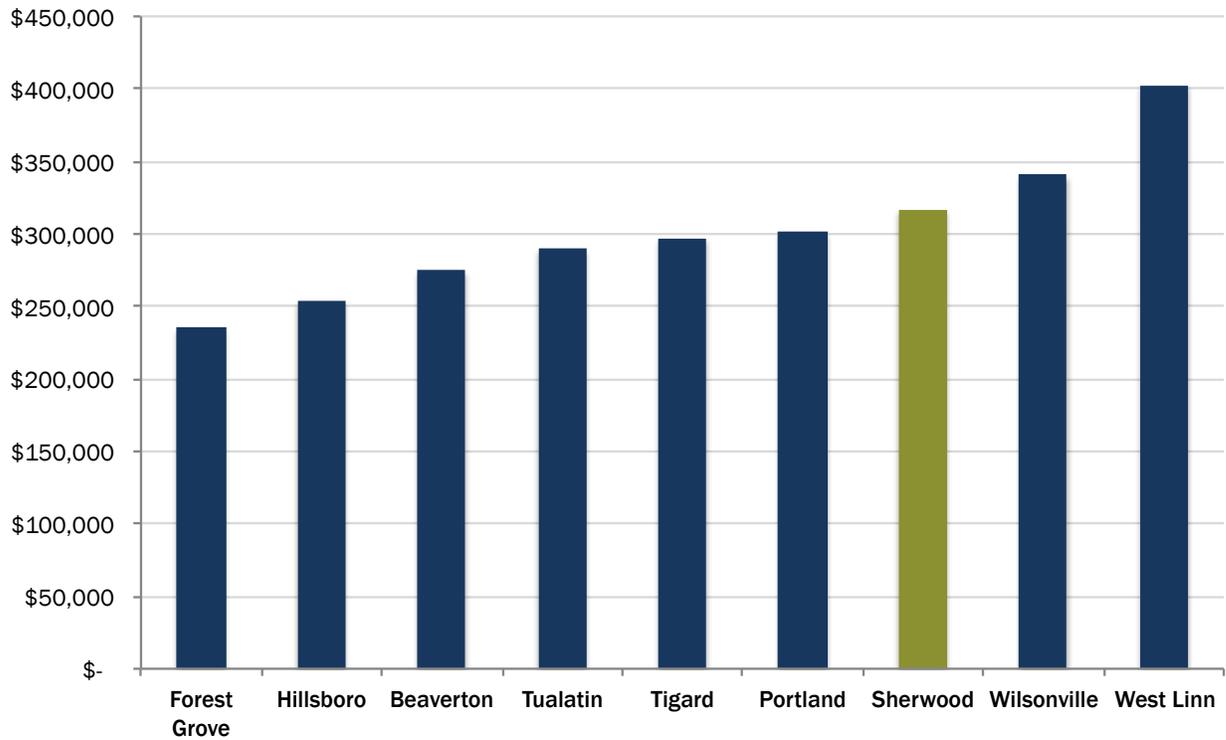


Source: Zillow Real Estate Research.

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.

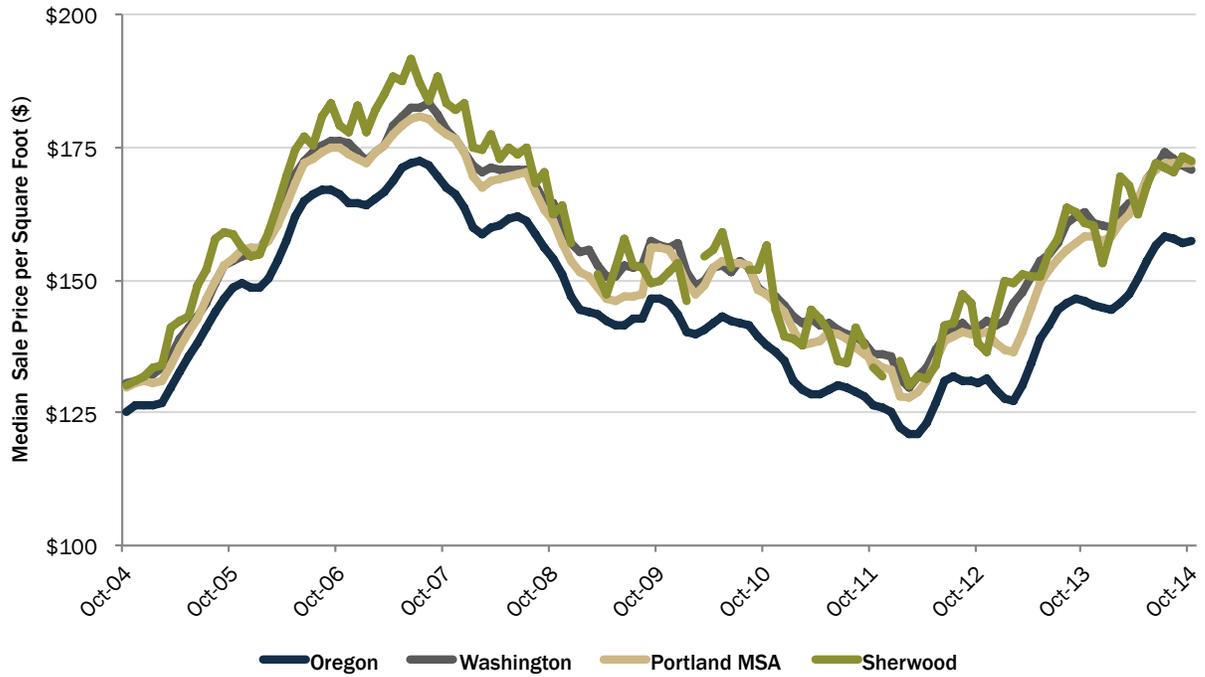
**Figure B- 14. Median Home Sales Price, Sherwood, Tualatin, Tigard, Beaverton, Hillsboro, Forest Grove, Portland, January 2015**



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**

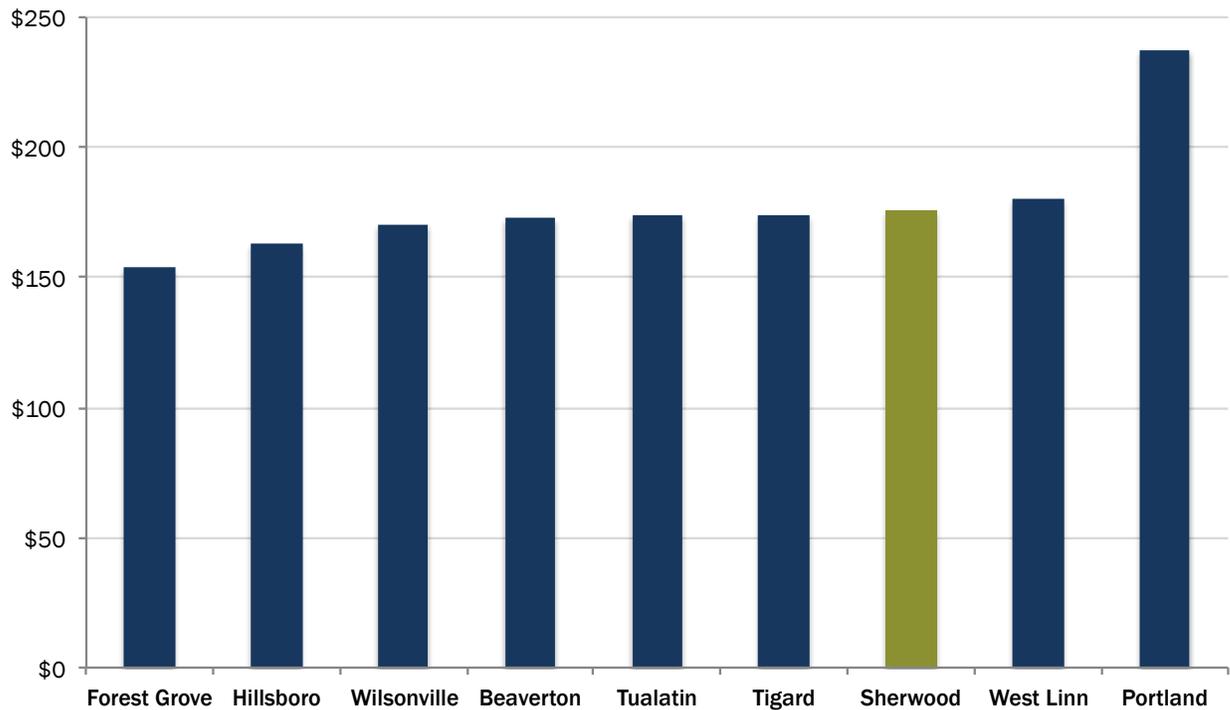


Source: Zillow Real Estate Research.

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.

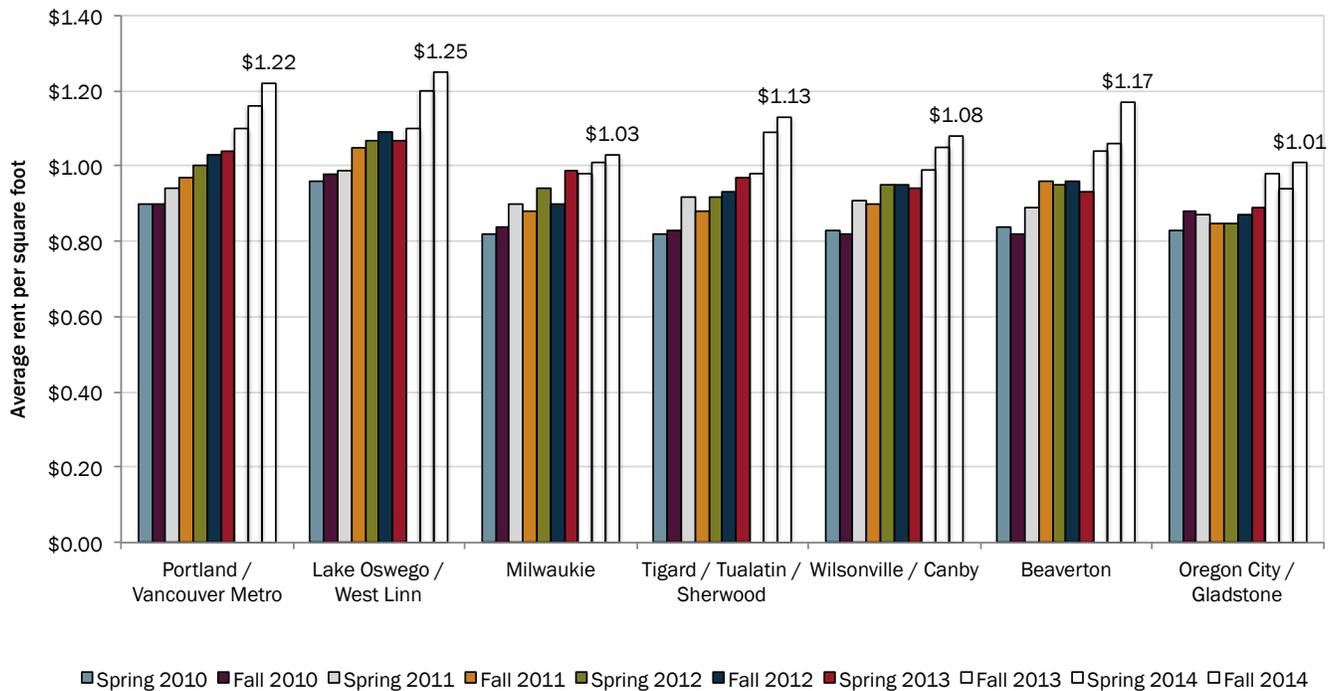
**Table B- 14. Median contract rent, inflation-adjusted dollars, Oregon, Multnomah Washington, and Clackamas Counties, and Sherwood, 2000 to 2009-2013**

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%.

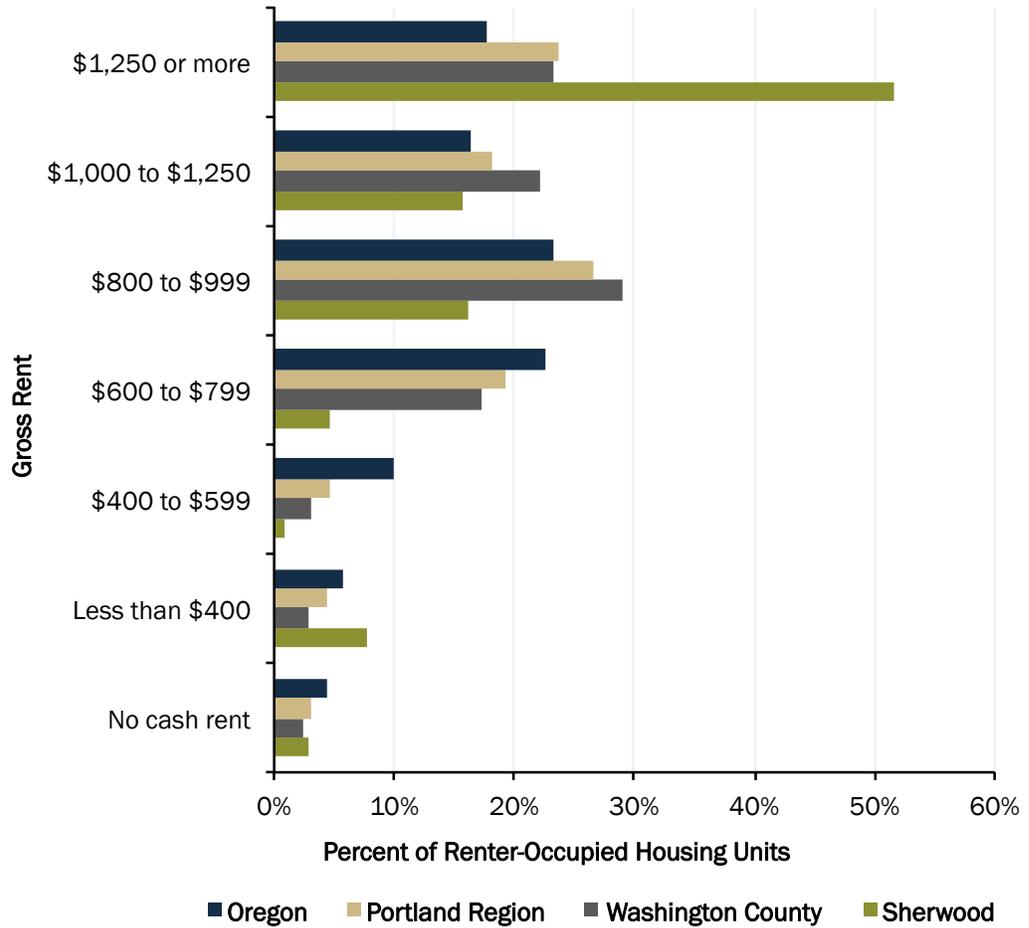
**Figure B- 17. Average rent per square foot, Portland/Vancouver Metro and selected submarkets, 2010-2014**



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.<sup>49</sup>

**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.

<sup>49</sup> 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).”

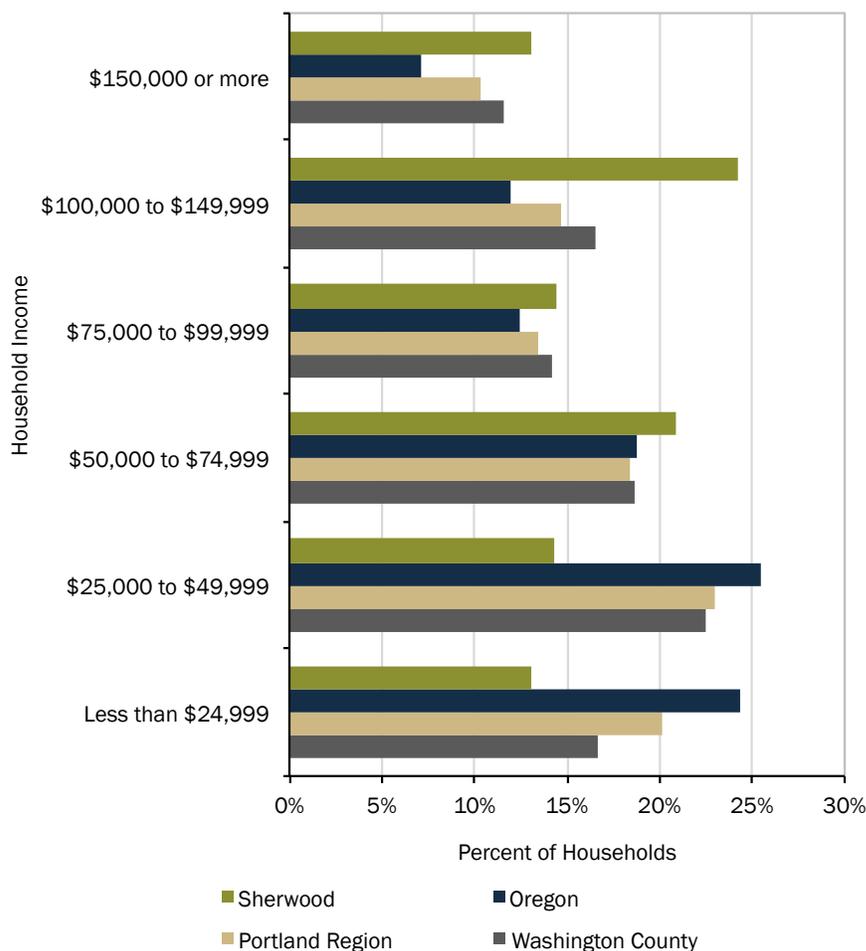
## INCOME AND AFFORDABILITY OF HOUSING

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.**



Source: American Community Survey 2009-2013 Table B19001.

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.<sup>50</sup> 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.

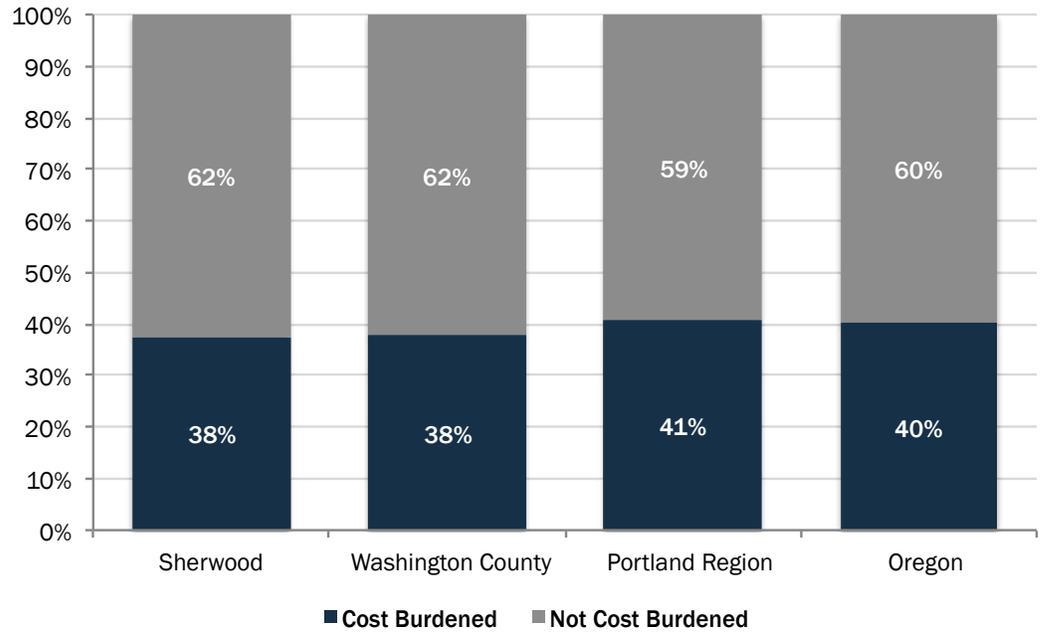
According to the U.S. Census, nearly 2,345 households in Sherwood—or 38%—paid more than 30% of their income for housing expenses in the 2009-2013 period. About 44% of renter households in Sherwood were cost burdened, compared with 35% of owner households. In comparison, 40% of Oregon’s households were cost burdened in the 2009-2013 period, with 54% of renter households and 32% of owner households cost burdened.

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<sup>50</sup> 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.

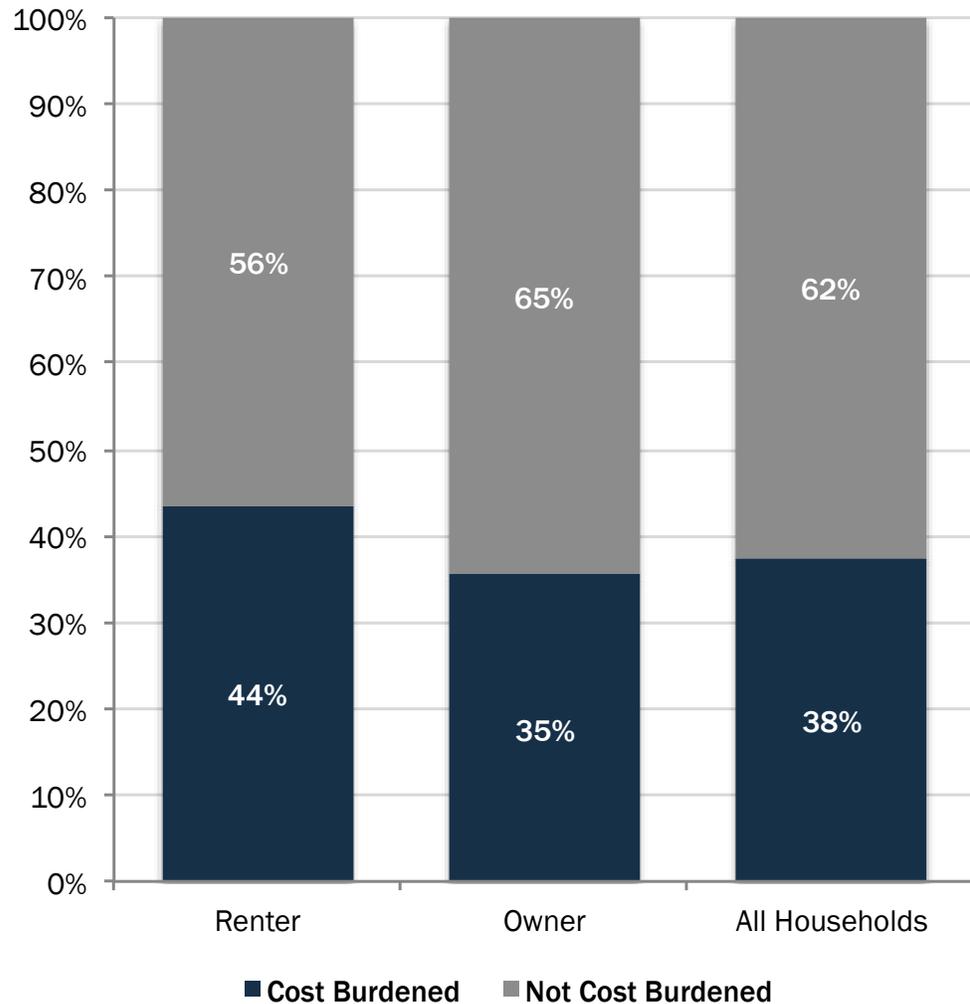
**Figure B- 20. Housing cost burden, Oregon, Portland Region, Washington County and Sherwood, 2009-2013.**



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.**



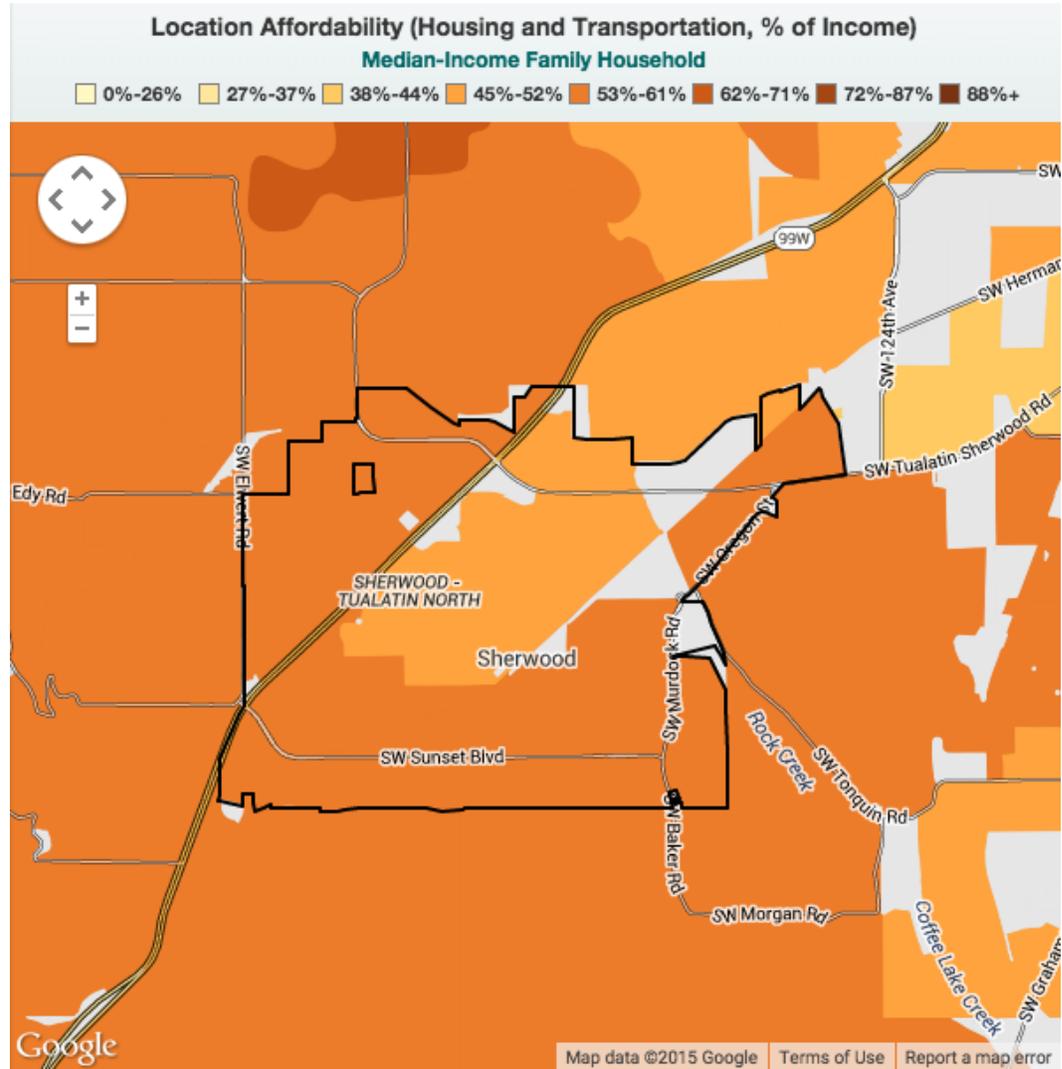
Source: American Community Survey 2009-2013 Tables B25070 and B25091.

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

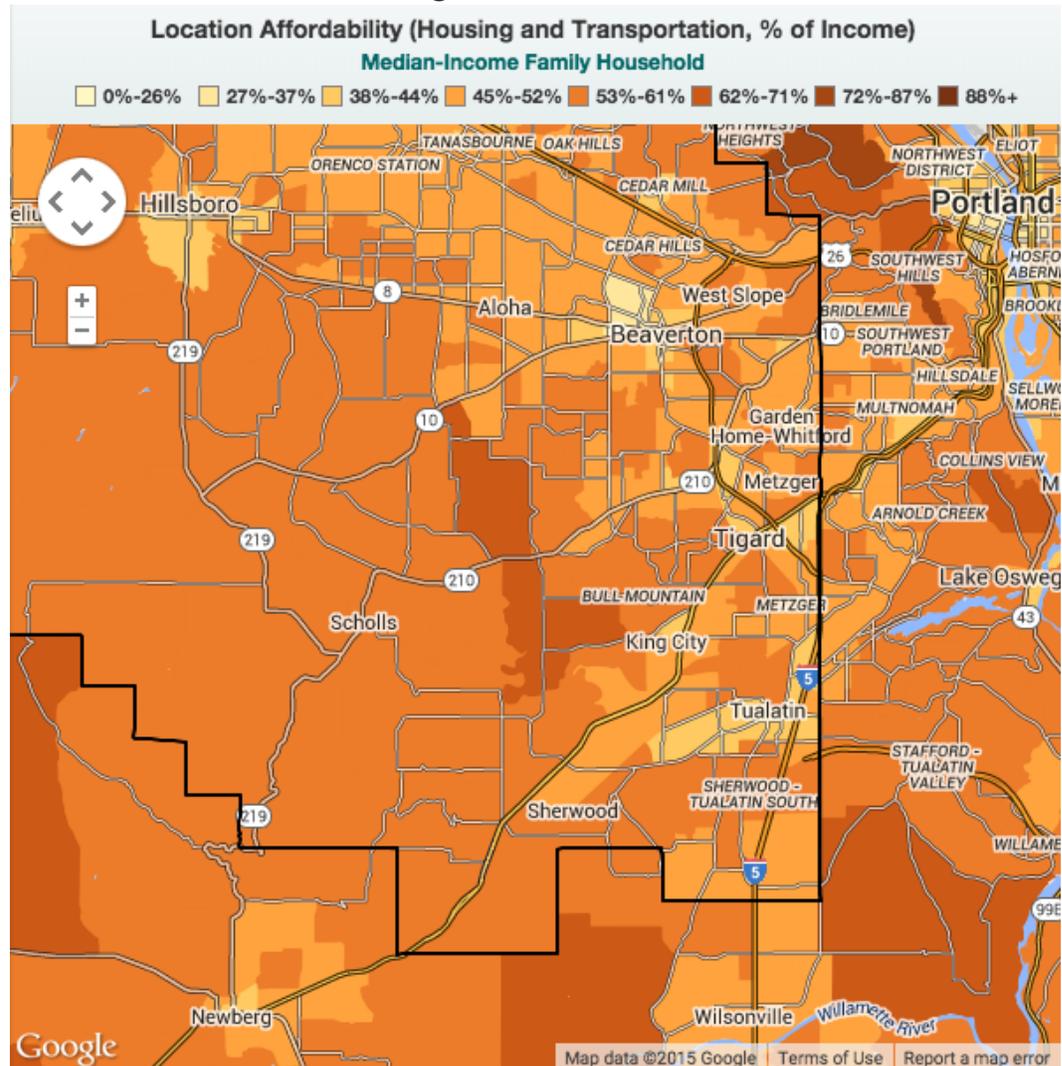
B- 23 show the percentage of income spent on housing and transportation costs in Sherwood and the southwestern part of the Portland region. In comparison to cities such as Tualatin, Wilsonville, and Tigard, households in Sherwood pay a slightly larger percentage of their income on housing and transportation 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**



Source: HUD and US DOT's Location Affordability Portal  
<http://locationaffordability.info/>

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- 15. 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
<b>The Affordable Housing Wage Gap IS:</b>	<b>\$8.63</b>	<b>\$7.72</b>	<b>\$1.05</b>	<b>na</b>	<b>na</b>	<b>na</b>

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- 16. 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)	
\$25,000 to \$34,999	298	5%	\$625 to \$875	\$62,500 to \$87,500	71	111	(116)	Studio: \$666
\$35,000 to \$49,999	618	10%	\$875 to \$1,250	\$87,500 to \$125,000	77	510	(31)	1 bdrm: \$774
\$50,000 to \$74,999	1,333	21%	\$1,250 to \$1,875	\$125,000 to \$187,500	360	678	(295)	2 bdrm: \$922
Portland MSA 2014 MFI: \$69,400			\$1,735	\$173,500				3 bdrm: \$1,359
\$75,000 to \$99,999	922	14%	\$1,875 to \$2,450	\$187,500 to \$245,000	748	172	(2)	4 bdrm: \$1,633
\$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	836	13%	More than \$3,750	More than \$375,000	1,151	23	338	
<b>Total</b>	<b>6,380</b>	<b>100%</b>			<b>4,698</b>	<b>1,682</b>	<b>0</b>	

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- 17. 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
<b>Oregon</b>				
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%
<b>Washington County</b>				
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%
<b>Sherwood</b>				
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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**LIST OF EXHIBITS – Part 2 Sherwood Development Plan**

EXHIBIT A – Housing Needs Analysis 2018-2038 .....	
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# **New Business**

# **Agenda Item C**

CITY OF SHERWOOD

Date: February 13, 2018

Staff Report

PA 18-02 –Transportation System Plan & Sherwood Zoning & Community Development Code Regulations Amendments

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To: SHERWOOD PLANNING COMMISSION

From: PLANNING DEPARTMENT



Erika Palmer, Planning Manager

**Proposal overview:** The City of Sherwood is updating the City's Transportation System Plan (TSP) to address regional requirements for coordination and consistency among plans as well as minor housekeeping edits to the Sherwood Zoning and Community Development Code (SZCDC). The proposed amendments to the City's TSP and SZCDC will ensure consistency with Washington County's TSP.

## I. OVERVIEW

- A. Applicant: This is a City initiated amendment to the City Transportation System Plan and Chapter 16 of Sherwood's Municipal Code, Zoning and Community Development Code
- B. Location: The City's Transportation System Plan (TSP) is a long term guide for the City's transportation system, and applies city wide.
- G. Review Type: The proposed plan amendment 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.
- H. 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 January 9, 2018. Notice of the February 13, 2018 Planning Commission hearing was published in the Tigard Times on January 25, 2018, and in Sherwood Gazette on February 1, 2018 . Notice was also posted in 5 public locations around town.
- I. 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 12 of the Statewide Planning Goals and Chapter 6 of the Comprehensive Plan.
- J. Background:  
The TSP went through its last major update in 2014. Since that last update staff has found minor edits needed to figures in both Volume 1 and Volume 2; a minor text change in Volume 2; and a minor text change to Chapter 16.106 Transportation Facilities of the Sherwood Zoning and Community Development Code. These changes are not substantive in nature

and are seen as housekeeping edits to the plan and development code for consistency with Washington County's TSP. The proposed amendments include the following:

### **Sherwood's TSP Volume 1**

1. Section 7: "The Plan", Figure 11: This figure is modified to show Brookman as an arterial the entire length, not simply the realigned portion. See Exhibit B-1
  - *Note: This is a housekeeping edit because the Arterial Classification is consistent with the Functional Classification map on Figure 17 and is consistent with the project description for road projects in D5 in Section E of Volume 2. This edit also will make Figure 11 consistent with Washington County's Transportation System Plan.*
2. Section 8: "The Standards", Add Figure 17.b "Streets Where Right of Way Is Planned for More Than 2 Lanes." See Exhibit B-2
  - *Note: This map was in the previous TSP prior to the 2014 update. This map is a visual representation of Figures 16A to 16C (in the 2014 TSP) showing streets where right of way is planned for more than two lanes in Sherwood.*

### **Sherwood's TSP Volume 2**

3. Section D: "Project Options Technical Report", Figure 1: Motor Vehicles Projects: This figure is updated to reflect Brookman as an arterial. See Exhibit B-3
  - *Note: This is a housekeeping edit because when updated the change will be reflective of the newly amended Figure 11 from Volume 1, above and consistent with Washington County's Transportation Plan*
4. Section D: "Project Options Technical Report", Sherwood TSP Update -- Project List, adopted 06/17/14. Project #D5, removed "Three Lane Collector" from project name. The project name is "Brookman Road Improvements". The project details reflect "rebuild road to three lane arterial" instead of a collector. See Exhibit B-4
  - *Note: The project detail will match table in Section E (below), which states to build to three lane arterial and reserve right-of-way width for the potential of five lanes.*
5. Section E: "Aspirational Project List". Remove "Three Lane Collector". The project name is simply "Brookman Road Improvements". See Exhibit B-5

### **Sherwood Zoning & Community Development Code**

Chapter 16.106, "Transportation Facilities": Replace all references to Figure 15 to reflect the correct Figure number for the Street Functional Classification Map, which is Figure 17. See Exhibit C.

## II. PUBLIC COMMENTS

The City posted notices of this public hearing in five locations around the city on January 18<sup>th</sup>, 2018. Notice was also in the Sherwood Gazette as stated above.

## III. AGENCY/DEPARTMENTAL COMMENTS

The City requested comments from affected agencies on November 6, 2017. The following information briefly summarizes those comments received. Copies of the full comments are included in the record unless otherwise noted.

Washington County Land Use and Transportation: Formal comments were not submitted from the County on this proposal. However, the city's Planning Department and the County have coordinated and discussed the proposed changes.

Tualatin Valley Fire and Rescue (TVF&R): Tom Mooney, Deputy Fire Marshal, responded to the e-notice but indicated he had no comments.

## IV. APPLICABLE DEVELOPMENT CODE CRITERA

### 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 major Transportation System Plan update for Sherwood occurred in 2014. The 2014 update became a priority for the City to address growing transportation needs. That update was funded through an Oregon Department of Transportation -Transportation and Growth Management grant. In addition to addressing local needs, the plan is intended to be consistent with state and regional policies, such as the Oregon Transportation Planning Rule (TPR), Metro's Regional Transportation Plan (RTP), Metro's Regional Transportation Functional Plan (RTFP), and the Washington County TSP. After adoption the County expressed concern over inconsistencies in how Brookman Road is identified and requires amendments.

The proposed housekeeping amendments to TSP Volume I, II, and Sherwood's Development Code are intended to provide consistency in references and text between Washington County's TSP, and Sherwood Zoning and Community Development Code.

**FINDING:** The proposed amendments are needed to be consistent with state and regional policies, specifically Washington County's TSP, and the city's Development Code. Findings of compliance with the RTFP and TPR are provided in the TSP, Volume II, Section H. No plan amendments are proposed that affect compliance with these two regional and state transportation policy documents.

#### 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 map amendments are intended changes to figures in the city's TSP, not zoning map.

**FINDING:** Provisions of B2 and B4 above are not applicable to this request. Provisions B1 and B3, are addressed through the adoption of the proposed amendments to the TSP figures which are adopted as part of the city's Comprehensive Plan. Considering this premise, the proposed TSP map amendments would be consistent with the goals and policies of the applicable plans and is timely in order to ensure consistency with Washington County's TSP.

### **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.**

**2. "Significant" means that the transportation facility would change the functional classification of an existing or planned transportation facility, change the standards implementing a functional classification, allow types of land use, allow types or levels of land use that would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility, or would reduce the level of service of the facility below the minimum level identified on the Transportation System Plan.**

**3. Per OAR 660-12-0060, Amendments to the Comprehensive Plan or changes to land use regulations which significantly affect a transportation facility shall assure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the Transportation System Plan. This shall be accomplished by one of the following:**

- a. **Limiting allowed uses to be consistent with the planned function of the transportation facility.**
- b. **Amending the Transportation System Plan to ensure that existing, improved, or new transportation facilities are adequate to support the proposed land uses.**
- c. **Altering land use designations, densities or design requirements to reduce demand for automobile travel and meet travel needs through other modes.**

The TPR requires that the City inventory the existing system, identify deficiencies that would negatively affect state facilities, and identify alternatives to address those deficiencies. The proposed amendments to the TSP, do not affect the existing inventory of the existing transportation system because they are minor in nature. The proposed amendments intended to maintain and create regional policy consistency between TSP documents and the city's Development Code. For these reasons noted, the proposed amendments are consistent with the TPR.

The City sent notice of the proposed updated TSP and associated amendments to the Comprehensive Plan and Development Code to the State Department of Land Conservation and Development (DLCD), the Oregon Department of Transportation (ODOT) and Washington County. The City has coordinated with Washington County and will continue to coordinate with the County for future planning efforts regarding the function and classification of Brookman Road and the surrounding road network.

**FINDING:** As noted above, the proposed amendments would make minor changes to the City's TSP for plan consistency. These changes include consistency with functional street classifications, figure numbers, project titles and descriptions. The proposed changes do not significantly change the plan and any of the existing plan policies, therefore the City's TSP document remains consistent with the Transportation Planning Rule.

## **V. APPLICABLE COMPREHENSIVE PLAN POLICIES**

### **B. GOALS, POLICIES, AND STRATEGIES**

**Goal 1: Provide a supportive transportation network to the land use plan that provides opportunities for transportation choices and the use of alternative modes serving all neighborhoods and businesses.**

**Goal 2: Develop a transportation system that is consistent with the City's adopted comprehensive land use plan and with the adopted plans of state, local, and regional jurisdictions.**

**Goal 3: Establish a clear and objective set of transportation design and development regulations that addresses all elements of the city transportation system and that promote access to and utilization of a multi-modal transportation system.**

**Goal 4: Develop complementary infrastructure for bicycles and pedestrian facilities to provide a diverse range of transportation choices for city residents.**

**Goal 5: Provide reliable convenient transit service to Sherwood residents and businesses as well as special transit options for the city's elderly and disabled residents.**

**Goal 6: Provide a convenient and safe transportation network within and between the Sherwood Old Town (Town Center) and Six Corners area that enables mixed use development and provides multi-modal access to area businesses and residents.**

**Goal 7: Ensure that efficient and effective freight transportation infrastructure is developed and maintained to support local and regional economic expansion and diversification consistent with City economic plans and policies.**

**Goal 8: The Sherwood City's transportation network will be managed in a manner that ensures the plan is implemented in a timely fashion and is kept up to date with respect to local and regional priorities.**

**FINDING:** The existing goals will remain intact from the last major TSP adoption in 2014. The proposed amendments are not substantive in nature and are intended to provide consistency, removing conflicts within the existing TSP document, the city's Development Code and Washington County's TSP.

See Exhibit B and C, for the specific text and map amendments being proposed to the Sherwood TSP and Zoning and Community Development Code.

## **VI. APPLICABLE STATEWIDE PLANNING GOALS**

### **Goal 1 (Citizen Involvement)**

**FINDING:** Staff utilized the public notice requirements of the Code to notify the public of the proposed plan amendments. The City's public notice requirements have been found to comply with Goal 1 and, therefore, this proposal meets Goal 1.

**Goal 2 (Land Use Planning)**

**FINDING:** The proposed amendments are being processed in compliance with the local, regional and state requirements. The proposed amendments do not alter any goals and policies in the Comprehensive Plan. The proposed amendments deliver consistency within the TSP, Development Code, and Washington County's TSP document.

**Goal 3 (Agricultural Lands)**

**Goal 4 (Forest Lands)**

**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 3-8 do not specifically apply to the proposed plan amendments. In any event, there is no evidence to suggest that the proposal is in conflict with these goals.

**Goal 9 (Economic Development)**

**FINDING:** The TSP and its implementation help to support local and regional economic development goals and plans by the provision of efficient and predictable transportation routes. In addition, it ensures orderly and efficient access to planned commercial and employment uses throughout the City.

**Goal 10 (Housing)**

**FINDING:** The TSP was developed to account for future residential trips. The implementation of the TSP benefits all of the citizens of Sherwood by ensuring that jobs, services, and residences are accessible through a coordinated transportation system. Further, the TSP identifies needed improvements within the project list to assist the community in prioritizing where and how existing and future development is to be served by the transportation system.

**Goal 11 (Public Facilities and Services)**

**FINDING:** The transportation system is inherently one of the community's primary public facilities. The TSP documents existing conditions and future needs for the transportation system within the City, and allows proposed improvements and implementation measures to be tailored to meet those future needs. The TSP assists the City in complying with state and regional rules for the orderly and efficient provision of transportation facilities and services for the community and region.

**Goal 12 (Transportation)**

As discussed throughout this report, and the supporting documents, the proposed amendments are being proposed are minor in nature and will ensure consistency with Washington County's TPR. The city's TSP will remain consistent with the TPR, which implements Goal 12.

**FINDING:** Specific findings of Development Code compliance with TPR Section 660-12-0045 are provided in the TSP, Volume II, Section H, which were adopted in 2014. The proposed amendments to the TSP and the Sherwood Zoning and Community Development Code are clearly housekeeping in nature and provide consistency with planning documents. No goals, policies, street classifications, or new regulatory language is being proposed. For these reasons noted, this amendment is consistent with the TPR.

- Goal 13 (Energy Conservation)
- Goal 14 (Urbanization)
- Goal 15 (Willamette River Greenway)
- Goal 16 (Estuarine Resources)
- Goal 17 (Coastal Shorelands)
- Goal 18 (Beaches and Dunes)
- Goal 19 (Ocean Resources)

**FINDING:** The Statewide Planning Goals 13-19 do not specifically apply to these proposed plan amendments; nor do the proposed amendments conflict with the stated goals.

## VII. RECOMMENDATION

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 and therefore, staff **recommends that the Planning Commission forward a recommendation of APPROVAL** of PA 18-02 amendments to the City of Sherwood Transportation System Plan and Zoning and Community Development Code.

## VIII. EXHIBITS

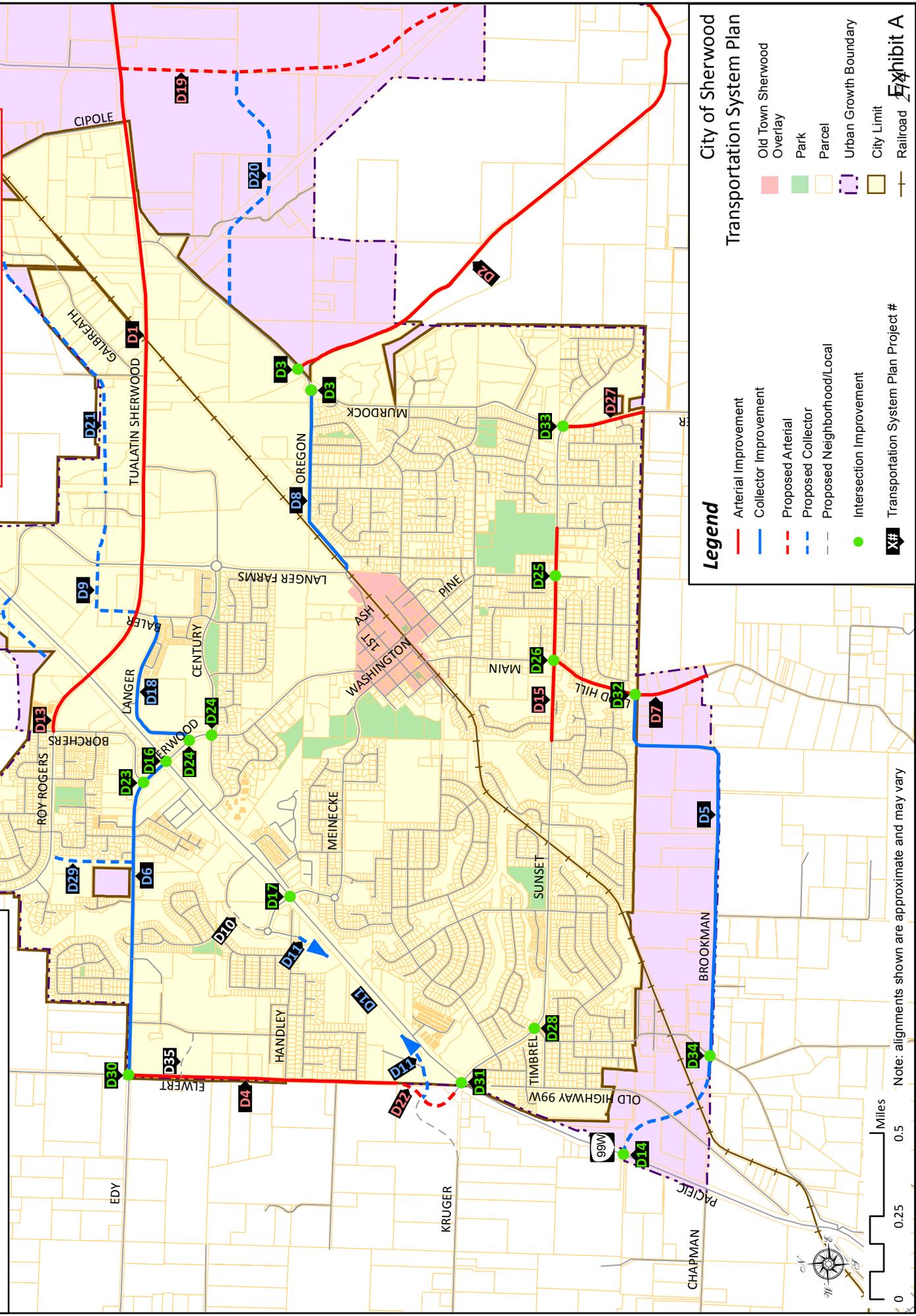
- A. Currently adopted Figures, Tables, of Volume I and II of the Sherwood Transportation Plan and Sherwood Zoning and Community Development Code text.
- B. Proposed amendments to Volume I and Volume II of the Sherwood Transportation Plan
- C. Proposed amendment to Chapter 16.106, Transportation Facilities of the Sherwood Zoning and Community Development Code.

**Note:** Volumes I and II of the TSP were provided to the Planning Commission under separate cover and can be provided at cost by contacting the Planning Department at (503) 925-2308, can be viewed at City Hall between the hours of 8AM and 5PM, Monday through Friday, or can be found on the project website at: <https://www.sherwoodoregon.gov/engineering/page/transportation-system-plan-tsp>

**Figure 1**  
Motor Vehicle Projects

DRAFT 04/10/14

Existing Figure 1, Vol 1.  
To be amended



**City of Sherwood**  
**Transportation System Plan**

**Legend**

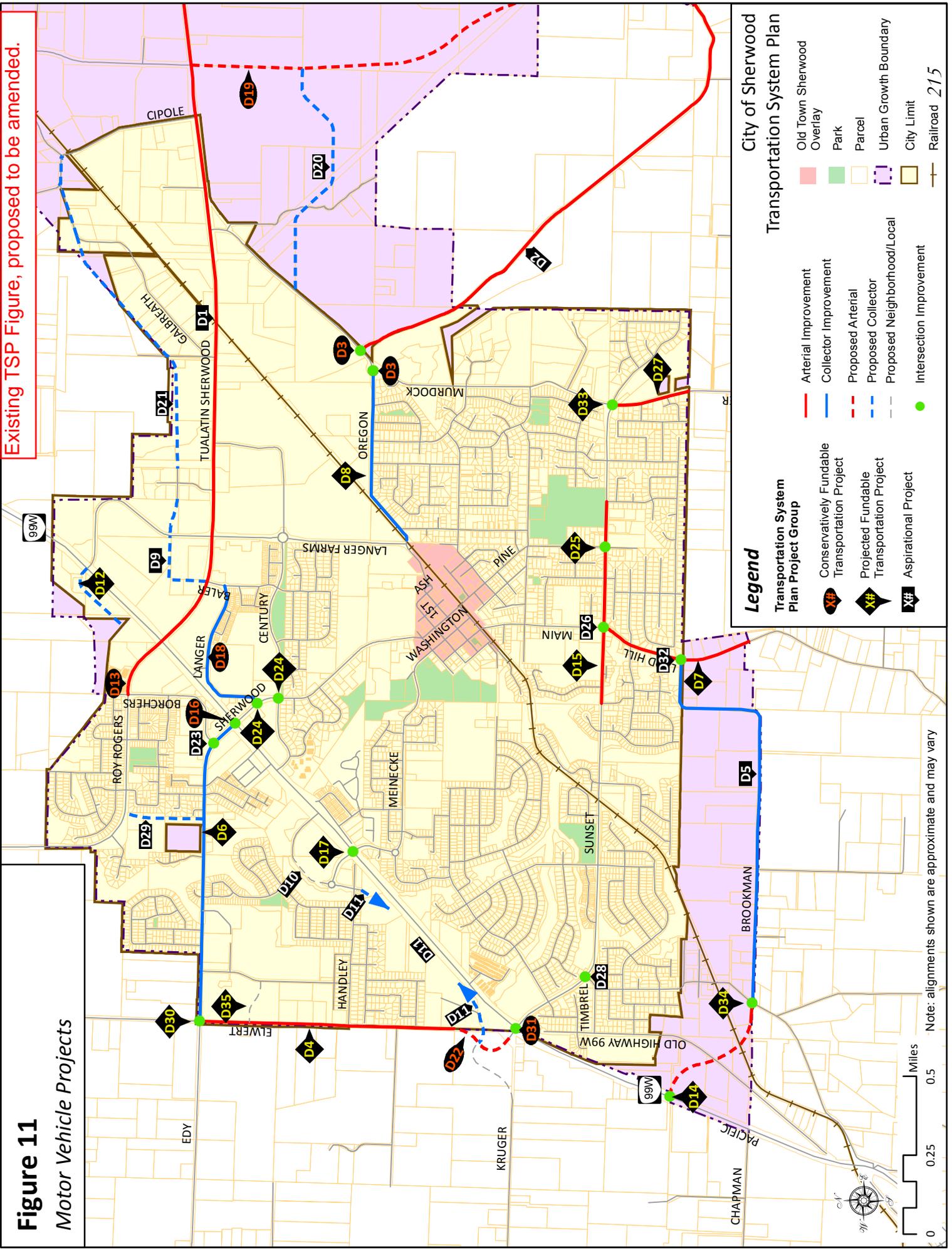
- Arterial Improvement (Red line)
- Collector Improvement (Blue line)
- Proposed Arterial (Red dashed line)
- Proposed Collector (Blue dashed line)
- Proposed Neighborhood/Local (Black dashed line)
- Intersection Improvement (Green dot)
- Transportation System Plan Project # (X#)
- Old Town Sherwood Overlay (Pink shaded area)
- Park (Green shaded area)
- Parcel (Yellow shaded area)
- Urban Growth Boundary (Purple dashed line)
- City Limit (Yellow dashed line)
- Railroad (Black line with cross-ticks)

Note: alignments shown are approximate and may vary

0 0.25 0.5 Miles

Existing TSP Figure, proposed to be amended.

**Figure 11**  
Motor Vehicle Projects



**City of Sherwood**  
**Transportation System Plan**

**Legend**

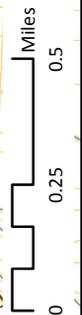
**Transportation System Plan Project Group**

- Arterial Improvement
- Collector Improvement
- Proposed Arterial
- Proposed Collector
- Proposed Neighborhood/Local
- Intersection Improvement
- Conservatively Fundable Transportation Project
- Projected Fundable Transportation Project
- Aspirational Project

**Transportation System Plan**

- Old Town Sherwood Overlay
- Park
- Parcel
- Urban Growth Boundary
- City Limit
- Railroad

Note: alignments shown are approximate and may vary



# Sherwood TSP Update - Project List - ADOPTED 06/17/14

Planning Commission Meeting February 13, 2018

Existing Project List, to be amended

## Legend

Financially Constrained Group 1 (\$11 million through 2035)

Financially Constrained Group 2 (\$60 million through 2035)

## Project List

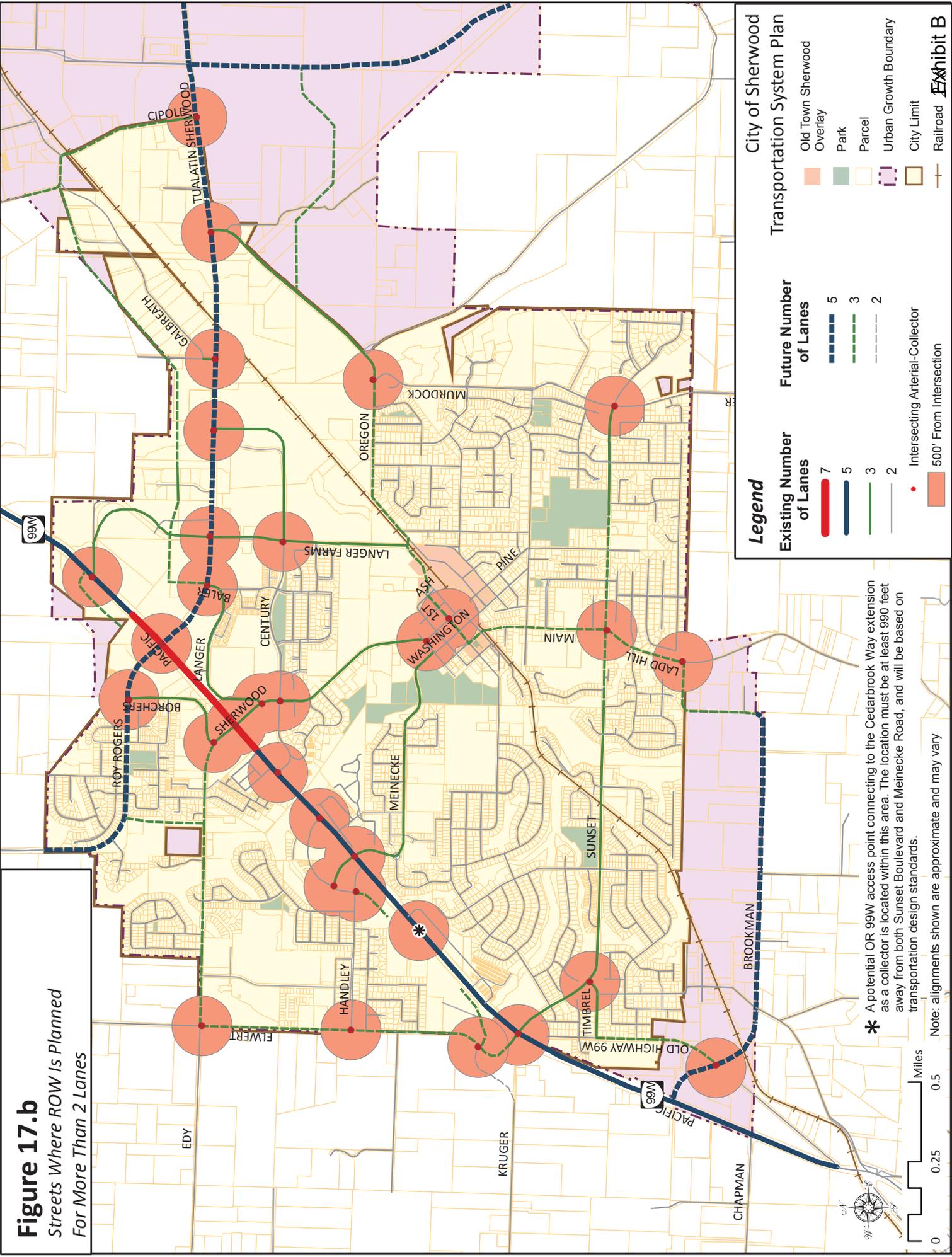
Project #	Project Name	Primary Mode	Project Start Point	Project End Point	Project Details	Evaluation Score	Need Reference #
D1	Tualatin-Sherwood Road Improvements - Phase 2	Roads/bridges	Langer Farms Parkway	Teton Avenue	Widen Tualatin-Sherwood Road (from Langer Farms Parkway to Teton Avenue) to five lanes with bike lanes and sidewalks.	2.5	102-107
D2	Tonquin Road Safety Improvements	Roads/bridges	Grahams Ferry Road	Oregon Street	Widen Tonquin Road (from Grahams Ferry Road to Oregon Street) to provide shoulders.	2.5	32, 68
D3	Oregon Intersections Improvements at Murdock and Tonquin	Roads/bridges	Oregon Street/Tonquin Road	Oregon Street/Murdock Road	Install a roundabout at the Tonquin Road/Oregon Street intersection with dual westbound through lanes and a single eastbound through/right lane. Consider creating a "Dumbbell Roundabout" with the Oregon/Murdock roundabout by disallowing the west circulating lane at Oregon/Tonquin and disallowing the east circulating lane at Oregon/Murdock. Add a second westbound approach lane to the Murdock Road Oregon Street roundabout for separated westbound left and westbound through lanes. Keep three lanes on the bridge structure.	3.5	129, 130
D4	Elwert Road Improvements	Roads/bridges	Highway 99W	Edy Road	Upgrade Elwert Road (from Highway 99W to Edy Road) to a three lane arterial with bike lanes and sidewalks. This project may be phased with D30 for design and construction purposes.	3.5	11, 119, 120, 121
D5	Brookman Road Improvements (Three Lane Collector)	Roads/bridges	Highway 99W	Middleton Road	Implement Brookman Road Concept Plan improvements to Brookman Road from Highway 99W to Middleton Road. Major improvements include: rebuild road to a three lane collector facility, and a shared-use path along the north side. The Concept Plan identifies Brookman Road as a collector with the intended function of also providing access to neighborhoods to the north. In addition, reserve right-of-way for the potential widening to five lanes in the event that further refinements to the I-5/99W Connector Plan identify Brookman Road as the Southern Arterial to serve as the primary route for east-west mobility.	1.5	58, 146, 147, 94
							216
							5, 10, 55, 56, 122

**Sherwood TSP Project List**

**Existing TSP Project List, proposed to be amended**

Project #	Project Name	Project Details	Score	Cost		
<b>Motor Vehicle Projects</b>						
D1	Tualatin-Sherwood Road Improvements - Phase 2	Widen Tualatin-Sherwood Road (from Langer Farms Parkway to Teton Avenue) to five lanes with bike lanes and sidewalks.	2.5	\$43,042,500	\$0	Long-Term
D2	Tonquin Road Safety Improvements	Widen Tonquin Road (from Grahams Ferry Road to Oregon Street) to provide shoulders.	2.5	\$28,406,000	\$0	Long-Term
D3	Oregon Intersections Improvements at Murdock and Tonquin	Install a roundabout at the Tonquin Road/Oregon Street intersection with dual westbound through lanes and a single eastbound through/right lane. Consider creating a "Dumbbell Roundabout" with the Oregon/Murdock roundabout by disallowing the west circulating lane at Oregon/Tonquin and disallowing the east circulating lane at Oregon/Murdock. Add a second westbound approach lane to the Murdock Road Oregon Street roundabout for separated westbound left and westbound through lanes. Keep three lanes on the bridge structure.	3.5	\$2,945,000	\$1,389,000	Short-Term
D4	Elwert Road Improvements	Upgrade Elwert Road (from Highway 99W to Edy Road) to a three lane arterial with bike lanes and sidewalks. This project may be phased with D30 for design and construction purposes.	3.5	\$11,430,000	\$2,286,000	Medium-Term
D5	Brookman Road Improvements (Three Lane Arterial)	Implement Brookman Road Concept Plan improvements to Brookman Road from Highway 99W to Middleton Road. Major improvements include: rebuild road to a three lane arterial facility, and a shared-use path along the north side. In addition, reserve right-of-way for the potential widening to five lanes in the event that further refinements to the I-5/99W Connector Plan identify Brookman Road as the Southern Arterial to serve as the primary route for east-west mobility.	1.5	\$15,300,000	\$3,060,000	Long-Term
D6	Edy Road Improvements	Upgrade Edy Road (from Borchers Drive to City Limits) to a three lane collector with bike lanes and sidewalks.	4	\$8,760,000	\$8,760,000	Medium-Term

**Figure 17.b**  
 Streets Where ROW Is Planned  
 For More Than 2 Lanes



**City of Sherwood**  
 Transportation System Plan

**Legend**

<b>Existing Number of Lanes</b>	<b>Future Number of Lanes</b>	<b>City of Sherwood Transportation System Plan</b>
7 (Red circle)	5 (Blue dashed line)	Old Town Sherwood Overlay (Orange)
5 (Blue circle)	3 (Green dashed line)	Park (Green)
3 (Green circle)	2 (Black dashed line)	Parcel (Yellow)
2 (Black circle)	Intersecting Arterial-Collector (Red dot)	Urban Growth Boundary (Purple dashed line)
	500' From Intersection (Orange square)	City Limit (Yellow dashed line)
		Railroad (Brown line)

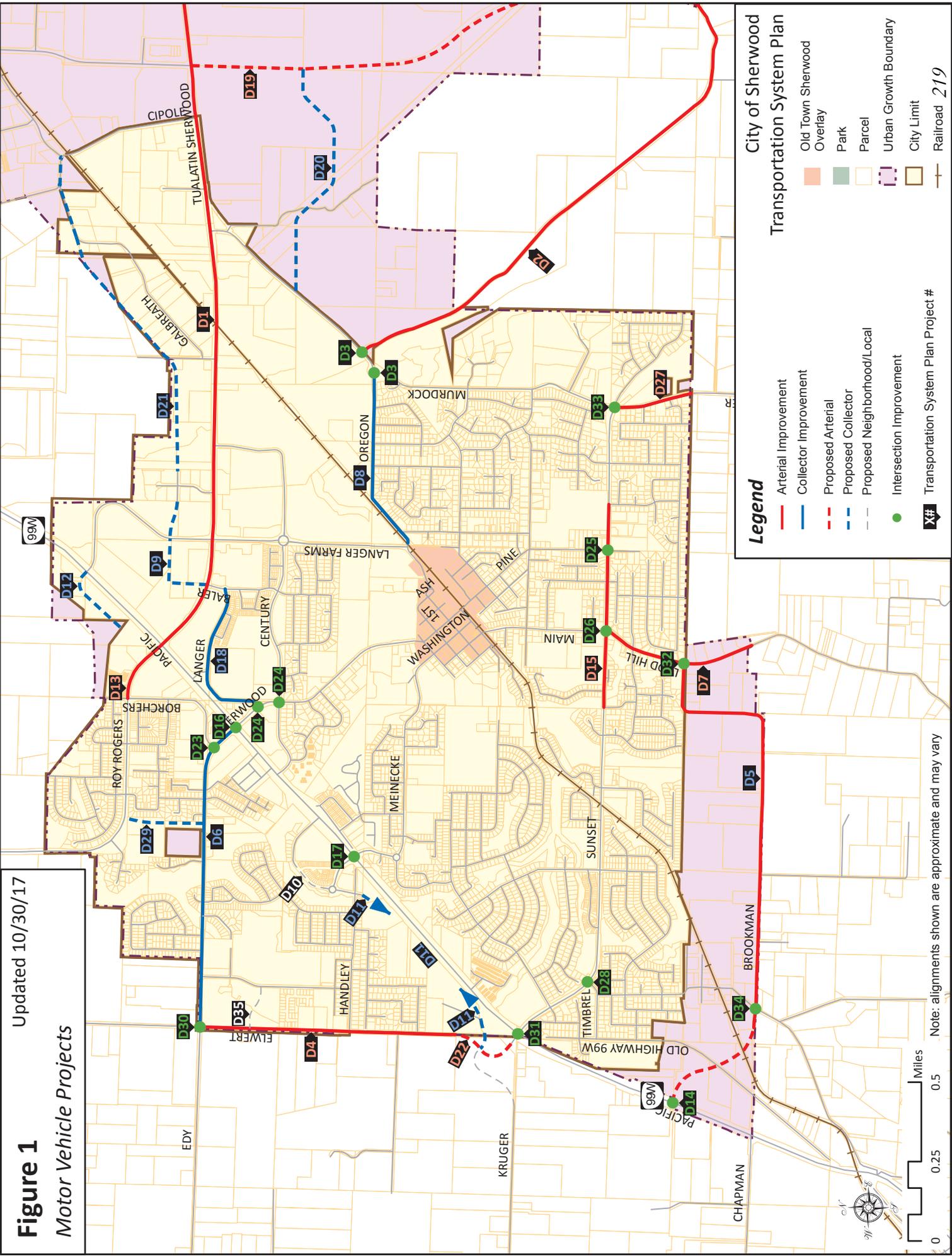
\* A potential OR 99W access point connecting to the Cedarbrook Way extension as a collector is located within this area. The location must be at least 990 feet away from both Sunset Boulevard and Meinecke Road, and will be based on transportation design standards.

Note: alignments shown are approximate and may vary

Miles  
 0 0.25 0.5

**Figure 1**  
Motor Vehicle Projects

Updated 10/30/17



**City of Sherwood**  
**Transportation System Plan**

**Legend**

- Arterial Improvement
- Collector Improvement
- - - Proposed Arterial
- - - Proposed Collector
- - - Proposed Neighborhood/Local
- Intersection Improvement
- X# Transportation System Plan Project #
- Old Town Sherwood Overlay
- Park
- Parcel
- Urban Growth Boundary
- City Limit
- Railroad

Note: alignments shown are approximate and may vary





**Sherwood TSP Update - Project List - ADOPTED 06/17/14**

**Legend**

- Financially Constrained Group 1 (\$11 million through 2035)
- Financially Constrained Group 2 (\$60 million through 2035)

**Project List**

Project #	Project Name	Primary Mode	Project Start Point	Project End Point	Project Details	Evaluation Score	Need Reference #
D1	Tualatin-Sherwood Road Improvements - Phase 2	Roads/bridges	Langer Farms Parkway	Teton Avenue	Widen Tualatin-Sherwood Road (from Langer Farms Parkway to Teton Avenue) to five lanes with bike lanes and sidewalks.	2.5	102-107
D2	Tonquin Road Safety Improvements	Roads/bridges	Grahams Ferry Road	Oregon Street	Widen Tonquin Road (from Grahams Ferry Road to Oregon Street) to provide shoulders.	2.5	32, 68
D3	Oregon Intersections Improvements at Murdock and Tonquin	Roads/bridges	Oregon Street/Tonquin Road	Oregon Street/Murdock Road	Install a roundabout at the Tonquin Road/Oregon Street intersection with dual westbound through lanes and a single eastbound through/right lane. Consider creating a "Dumbbell Roundabout" with the Oregon/Murdock roundabout by disallowing the west circulating lane at Oregon/Tonquin and disallowing the east circulating lane at Oregon/Murdock. Add a second westbound approach lane to the Murdock Road Oregon Street roundabout for separated westbound left and westbound through lanes. Keep three lanes on the bridge structure.	3.5	129, 130
D4	Elwert Road Improvements	Roads/bridges	Highway 99W	Edy Road	Upgrade Elwert Road (from Highway 99W to Edy Road) to a three lane arterial with bike lanes and sidewalks. This project may be phased with D30 for design and construction purposes.	3.5	11, 119, 120, 121
D5	Brookman Road Improvements	Roads/bridges	Highway 99W	Middleton Road	Implement Brookman Road Concept Plan improvements to Brookman Road from Highway 99W to Middleton Road. Major improvements include: rebuild road to a three lane arterial facility, and a shared-use path along the north side. In addition, reserve right-of-way for the potential widening to five lanes in the event that further refinements to the I-5/99W Connector Plan identify Brookman Road as the Southern Arterial to serve as the primary route for east-west mobility.	1.5	58, 146, 147, 94
D6	Edy Road Improvements	Roads/bridges	Borchers Drive	City Limits	Upgrade Edy Road (from Borchers Drive to City Limits) to a three lane collector with bike lanes and sidewalks.	4.0	5, 10, 55, 56, 122, 123, 124
D7	Ladd Hill Road Improvements	Roads/bridges	Sunset Boulevard	Urban Growth Boundary	Upgrade Ladd Hill Road (from Sunset Boulevard to the Urban Growth Boundary) to a three arterial with bike lanes and sidewalks.	3.5	53, 57, 146
D8	Oregon Street Improvements	Roads/bridges	Murdock Road	Railroad Crossing	Upgrade Oregon Street (from Murdock Road to the railroad crossing) to a three lane collector with sidewalks on south side and a shared-use path on the north side (part of the Ice Age Tonquin Trail).	3.0	28, 29, 49, 130
D9	Baler to Herman Connection	Roads/bridges	Baler Way/Tualatin-Sherwood Road	Herman Road/Langer Farms Parkway	Build a collector roadway, connecting Baler Way at Tualatin-Sherwood Road to the future terminus of the Herman Road at Langer Farms Parkway.	2.0	None (previously planned project)
D10	Cedar Brook Way Extension Segment 1	Roads/bridges	Meinecke Road	Existing Terminus	Extend Cedar Brook Way from its existing terminus to Meinecke Road as a two lane local road.	2.0	None (previously planned project)
D11	Cedar Brook Way Extension Segment 2	Roads/bridges	Handley Street	Highway 99W	Extend Cedar Brook Way from its existing terminus at Handley Street south to Elwert Road as a two lane collector road.	2.0	None (previously planned project)
D12	Extension of Langer Farms Parkway at 99W	Roads/bridges	Highway 99W	-	Extend Langer Farms Parkway from 99W west as a collector road.	2.5	None (previously planned project)
D13	Tualatin-Sherwood Improvements – Phase 1	Roads/bridges	Borchers Drive	Baler Way	Widen Tualatin-Sherwood Road/Roy Rogers Road between Borchers Drive and Baler Way to five lanes. Includes intersection modifications at OR 99W, the Sherwood Market Center, and at Baler Way.	-	None (previously planned project)
D14	Highway 99W/Brookman Traffic Signal and Realignment	Roads/bridges	Highway 99W	Middleton Road	Realign Brookman Road to intersect with Highway 99W approximately 1/4 mile north of its existing intersection; this improvement includes a traffic signal at the realigned intersection with a westbound left and southbound right turn lane, and a grade separated railroad crossing.	5.0	94
D15	Sunset Boulevard Improvements	Roads/bridges	Aldergrove Avenue	Eucalyptus Terrace	Upgrade Sunset Boulevard (from Aldergrove Avenue to Eucalyptus Terrace) to a three lane arterial with sidewalks and bike lanes. Address vertical crest sight distance issues near Pine Street.	3.5	15, 51, 139-143
D16	Edy/Highway 99W Intersection Improvements	Roads/bridges	Edy Road/Highway 99W	-	Restripe the westbound Sherwood Boulevard approach to have a single left turn lane, a single through lane, and a single right turn lane. Eliminate the split phase timing for the side streets, and maintain the existing green time on OR 99W for the northbound and southbound through movements. Add the missing crosswalk to the south approach. Consider implementing P3 alongside this project.	5.5	92
D17	Meinecke/Highway 99W Intersection Improvements	Roads/bridges	Meinecke Road/Highway 99W	-	Change the eastbound and westbound left turn phasing on Meinecke Road from permitted to permitted/protected and maintaining the existing green time on OR 99W for the northbound and southbound through movements. Consider implementing P3 alongside this project.	2.5	99
D18	Langer Drive Improvements	Roads/bridges	Baler Way	Sherwood Boulevard	Construct improvements to Langer Drive between Baler Way and Sherwood Boulevard that are consistent with the Sherwood Town Center Plan. Major improvements include: buffered bike lanes, on-street parking, wider sidewalks, narrower travel lanes, removal of the center turn lane, and landscaping.	4.5	41
D19	124th Avenue Extension	Roads/bridges	Tualatin-Sherwood Road	Tonquin Road	Extend 124th Avenue as an arterial from Tualatin-Sherwood Road to Tonquin Road.	1.0	None (previously planned project)
D20	Tonquin Employment Area East-West Collector	Roads/bridges	Oregon Street	124th Avenue Extension	Build an east-west collector facility between Oregon Street and the 124th Avenue extension in the Tonquin Employment Area; improvement includes a roundabout at the Oregon Street intersection.	2.0	None (previously planned project)
D21	Herman Road Extension	Roads/bridges	Cipole Road	Highway 99W or Langer Farms Parkway	Extend Herman Road from its existing terminus at Cipole Road west to either Highway 99W or Langer Farms Parkway as a two to three lane collector facility.	4.0	None (previously planned project)
D22	Kruger/Elwert Intersection Safety Improvement	Roads/bridges	Kruger Road/Elwert Road	-	Realign Elwert Road to provide more storage at Highway 99W, and realign the Kruger Road intersection to the Cedarbrook extension as a single lane roundabout. Consider implementing D31 with this project.	2.5	153
D23	Edy/Borchers Right-In/Right-Out and Eastbound Lefts	Roads/bridges	Edy Road/Borchers Drive	-	Convert the Edy Road/Borchers Drive intersection to only allow right-in/right-out and eastbound left in; build a roundabout on Edy Road to the west at the south property's existing driveway.	3.0	None (previously planned project)
D24	Sherwood Boulevard Intersection Modifications	Roads/bridges	Sherwood Boulevard/ Langer Drive	Sherwood Boulevard/ Century Drive	Remove the Sherwood Boulevard/Langer Drive traffic signal (allow right-in, right-out, and left-in movements only), and install a traffic signal at the Sherwood Boulevard/Century Drive intersection (add eastbound and westbound left turn lanes).	4.0	126
D25	Sunset/Pine Improvements	Roads/bridges	Sunset Boulevard/ Pine Street	-	Restripe Sunset Boulevard at Pine Street to add eastbound and westbound left turn lanes.	2.5	142

Sherwood TSP Project List

Project #	Project Name	Project Details	Evaluation Score	Estimated Cost	City Cost	Priority
<b>Motor Vehicle Projects</b>						
D1	Tualatin-Sherwood Road Improvements - Phase 2	Widen Tualatin-Sherwood Road (from Langer Farms Parkway to Teton Avenue) to five lanes with bike lanes and sidewalks.	2.5	\$43,042,500	\$0	Long-Term
D2	Tonquin Road Safety Improvements	Widen Tonquin Road (from Grahams Ferry Road to Oregon Street) to provide shoulders.	2.5	\$28,406,000	\$0	Long-Term
D3	Oregon Intersections Improvements at Murdock and Tonquin	Install a roundabout at the Tonquin Road/Oregon Street intersection with dual westbound through lanes and a single eastbound through/right lane. Consider creating a "Dumbbell Roundabout" with the Oregon/Murdock roundabout by disallowing the west circulating lane at Oregon/Tonquin and disallowing the east circulating lane at Oregon/Murdock. Add a second westbound approach lane to the Murdock Road Oregon Street roundabout for separated westbound left and westbound through lanes. Keep three lanes on the bridge structure.	3.5	\$2,945,000	\$1,389,000	Short-Term
D4	Elwert Road Improvements	Upgrade Elwert Road (from Highway 99W to Edy Road) to a three lane arterial with bike lanes and sidewalks. This project may be phased with D30 for design and construction purposes.	3.5	\$11,430,000	\$2,286,000	Medium-Term
D5	Brookman Road Improvements	Implement Brookman Road Concept Plan improvements to Brookman Road from Highway 99W to Middleton Road. Major improvements include: rebuild road to a three lane arterial facility, and a shared-use path along the north side. In addition, reserve right-of-way for the potential widening to five lanes in the event that further refinements to the I-5/99W Connector Plan identify Brookman Road as the Southern Arterial to serve as the primary route for east-west mobility.	1.5	\$15,300,000	\$3,060,000	Long-Term
D6	Edy Road Improvements	Upgrade Edy Road (from Borchers Drive to City Limits) to a three lane collector with bike lanes and sidewalks.	4	\$8,760,000	\$8,760,000	Medium-Term
D7	Ladd Hill Road Improvements	Upgrade Ladd Hill Road (from Sunset Boulevard to the Urban Growth Boundary) to a three arterial with bike lanes and sidewalks.	3.5	\$6,340,000	\$6,340,000	Medium-Term
D8	Oregon Street Improvements	Upgrade Oregon Street (from Murdock Road to the railroad crossing) to a three lane collector with sidewalks on south side and a shared-use path on the north side (part of the Ice Age Tonquin Trail).	3	\$6,712,000	\$6,712,000	Medium-Term
D9	Baler to Herman Connection	Build a collector roadway, connecting Baler Way at Tualatin-Sherwood Road to the future terminus of the Herman Road at Langer Farms Parkway.	2	\$3,802,000	\$3,802,000	Long-Term
D10	Cedar Brook Way Extension Segment 1	Extend Cedar Brook Way from its existing terminus to Meinecke Road as a two lane local road.	2	\$596,000	\$596,000	Long-Term
D11	Cedar Brook Way Extension Segment 2	Extend Cedar Brook Way from its existing terminus at Handley Street south to Elwert Road as a two lane collector road.	2	\$13,000,000	\$13,000,000	Long-Term
D12	Extension of Langer Farms Parkway at 99W	Extend Langer Farms Parkway from 99W west as a collector road.	2.5	\$3,243,000	\$3,243,000	Medium-Term
D13	Tualatin-Sherwood Improvements – Phase 1	Widen Tualatin-Sherwood Road/Roy Rogers Road between Borchers Drive and Baler Way to five lanes. Includes intersection modifications at OR 99W, the Sherwood Market Center, and at Baler Way.	-	\$0	\$0	Committed Funding
D14	Highway 99W/Brookman Traffic Signal and Realignment	Realign Brookman Road to intersect with Highway 99W approximately 1/4 mile north of its existing intersection; this improvement includes a traffic signal at the realigned intersection with a westbound left and southbound right turn lane, and a grade separated railroad crossing.	5	\$7,020,000	\$1,404,000	Medium-Term
D15	Sunset Boulevard Improvements	Upgrade Sunset Boulevard (from Aldergrove Avenue to Eucalyptus Terrace) to a three lane arterial with sidewalks and bike lanes. Address vertical crest sight distance issues near Pine Street.	3.5	\$8,316,000	\$8,316,000	Medium-Term
D16	Edy/Highway 99W Intersection Improvements	Restripe the westbound Sherwood Boulevard approach to have a single left turn lane, a single through lane, and a single right turn lane. Eliminate the split phase timing for the side streets, and maintain the existing green time on OR 99W for the northbound and southbound through movements. Add the missing crosswalk to the south approach. Consider implementing P3 alongside this project.	5.5	\$1,070,000	\$214,000	Short-Term
D17	Meinecke/Highway 99W Intersection Improvements	Change the eastbound and westbound left turn phasing on Meinecke Road from permitted to permitted/protected and maintaining the existing green time on OR 99W for the northbound and southbound through movements. Consider implementing P3 alongside this project.	2.5	\$5,000	\$1,000	Medium-Term
D18	Langer Drive Improvements	Construct improvements to Langer Drive between Baler Way and Sherwood Boulevard that are consistent with the Sherwood Town Center Plan. Major improvements include: buffered bike lanes, on-street parking, wider sidewalks, narrower travel lanes, removal of the center turn lane, and landscaping.	4.5	\$2,000,000	\$2,000,000	Short-Term
D19	124th Avenue Extension	Extend 124th Avenue as an arterial from Tualatin-Sherwood Road to Tonquin Road.	1	\$82,500,000	\$0	Committed Funding
D20	Tonquin Employment Area East-West Collector	Build an east-west collector facility between Oregon Street and the 124th Avenue extension in the Tonquin Employment Area; improvement includes a roundabout at the Oregon Street intersection.	2	\$6,400,000	\$6,400,000	Long-Term
D21	Herman Road Extension	Extend Herman Road from its existing terminus at Cipole Road west to either Highway 99W or Langer Farms Parkway as a two to three lane collector facility.	4	\$8,190,000	\$8,190,000	Long-Term
D22	Kruger/Elwert Intersection Safety Improvement	Realign Elwert Road to provide more storage at Highway 99W, and realign the Kruger Road intersection to the Cedarbrook extension as a single lane roundabout. Consider implementing D31 with this project.	2.5	\$1,550,000	\$0	Committed Funding
D23	Edy/Borchers Right-In/Right-Out and Eastbound Lefts	Convert the Edy Road/Borchers Drive intersection to only allow right-in/right-out and eastbound left in; build a roundabout on Edy Road to the west at the south property's existing driveway.	3	\$2,000,000	\$2,000,000	Long-Term
D24	Sherwood Boulevard Intersection Modifications	Remove the Sherwood Boulevard/Langer Drive traffic signal (allow right-in, right-out, and left-in movements only), and install a traffic signal at the Sherwood Boulevard/Century Drive intersection (add eastbound and westbound left turn lanes).	4	\$900,000	\$900,000	Medium-Term
D25	Sunset/Pine Improvements	Restripe Sunset Boulevard at Pine Street to add eastbound and westbound left turn lanes.	2.5	\$6,000	\$6,000	Medium-Term
D26	Sunset/Main Traffic Control Enhancement	Install a traffic signal at the Sunset Boulevard/Main Street intersection	4	\$250,000	\$250,000	Long-Term
D27	Baker Road Improvements	Upgrade Baker Road (from Sunset Boulevard to the urban growth boundary) to a two lane arterial with bike lanes and sidewalks.	3	\$779,000	\$779,000	Medium-Term
D28	Sunset/Timbrel Traffic Control Enhancement	Install a single lane roundabout at the Sunset Boulevard/Timbrel Lane intersection.	2.5	\$300,000	\$300,000	Long-Term
D29	Edy to Roy Rogers Collector Roadway	Build a collector roadway from Edy Road to Roy Rogers Road, between Cedarview Way and Lynnly Way.	2.5	\$3,400,000	\$3,400,000	Long-Term
D30	Elwert/Edy Roundabout	Install a single lane roundabout at the Elwert Road/Edy Road intersection. This project may be phased with D4 for design and construction purposes.	2.5	\$1,500,000	\$750,000	Medium-Term

Application File: PA-17-02; Sherwood TSP & SZCDC Chapter 16.106 Amendments

Existing code language, to be amended

#### Chapter 16.106 - TRANSPORTATION FACILITIES

##### 16.106.010 - Generally

###### A. Creation

Public streets shall be created in accordance with provisions of this Chapter. Except as otherwise provided, all street improvements and rights-of-way shall conform to standards for the City's functional street classification, as shown on the Transportation System Plan (TSP) Map (Figure 15) and other applicable City standards. The following table depicts the guidelines for the street characteristics.

##### 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 15.

Application File: PA-17-02; Sherwood TSP & SZCDC Chapter 16.106 Amendments

*PROPOSED CHANGES TO CHAPTER 16.106 TRANSPORTATION FACILITIES*

~~STRIKEOUT~~ = DELETED TEXT

**BOLD UNDERLINE** = NEW TEXT

Chapter 16.106 - TRANSPORTATION FACILITIES

16.106.010 - Generally

A. Creation

Public streets shall be created in accordance with provisions of this Chapter. Except as otherwise provided, all street improvements and rights-of-way shall conform to standards for the City's functional street classification, as shown on the Transportation System Plan (TSP) Map (Figure ~~15~~ **17**) and other applicable City standards. The following table depicts the guidelines for the street characteristics.

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 ~~15~~ **17**.

Sherwood Planning Commission Meeting

Date: February 13, 2018

Meeting Packet

Approved Minutes

Date Approved: April 10, 2018

Request to Speak Forms

Documents submitted at meeting:

Exhibit 1- Memo - Planned Unit Developments  
and Development Process

Exhibit 2- Presentation - Denali Lane PAD  
February 13, 2018

Exhibit 3- Sherwood TSP Update Presentation

Exhibit 4- Written Testimony - Michael Robinson

Exhibit 5- Housing Needs Analysis Presentation

Exhibit 6- Written Testimony - Dian Matthews

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**I HAVE READ AND UNDERSTOOD THE RULES FOR MEETINGS IN THE CITY OF SHERWOOD.**

**1. PLEASE INDICATE THE ITEM YOU WOULD LIKE TO SPEAK ABOUT**

Date: 2/13 Agenda Item: a PUD 17-01/Sub 1701 (From Agenda)

**NOTE: If you want to speak to the Commission about more than one subject, please submit a separate form for each item.**

**2. PLEASE MARK YOUR POSITION/INTEREST ON THE AGENDA ITEM**

Applicant:  Proponent:  Opponent:  Other:

**3. PLEASE PROVIDE YOUR NAME AND ADDRESS IN A LEGIBLE FORMAT TO RECEIVE A COPY OF THE NOTICE OF DECISION ON THIS MATTER.**

Name: Steve Miller

Address: 6445 SW Fallbrook Pl. Ste 100

City/State/Zip: Bowen OR 97008

Email Address: SteveM@emeriodesign.com

I represent: **Myself**  **Other**  Applicant

**4. PLEASE GIVE THIS FORM TO THE RECORDING SECRETARY PRIOR TO YOU ADDRESSING THE PLANNING COMMISSION. Thank you.**

**I HAVE READ AND UNDERSTOOD THE RULES FOR MEETINGS IN THE CITY OF SHERWOOD.**

**1. PLEASE INDICATE THE ITEM YOU WOULD LIKE TO SPEAK ABOUT**

Date: 2.13.18 Agenda Item: 7.b. (From Agenda)

**NOTE: If you want to speak to the Commission about more than one subject, please submit a separate form for each item.**

**2. PLEASE MARK YOUR POSITION/INTEREST ON THE AGENDA ITEM**

Applicant: \_\_\_\_\_ Proponent:  Opponent: \_\_\_\_\_ Other: \_\_\_\_\_

**3. PLEASE PROVIDE YOUR NAME AND ADDRESS IN A LEGIBLE FORMAT TO RECEIVE A COPY OF THE NOTICE OF DECISION ON THIS MATTER.**

Name: MICHAEL C. ROBINSON

Address: 1211 SW 5th AVENUE, SUITE 1900

City/State/Zip: PORTLAND, OR ~~97209-4128~~ 97204

Email Address: MRROBINSON@SCHWABE.COM

I represent: **Myself** \_\_\_\_\_ **Other**

**4. PLEASE GIVE THIS FORM TO THE RECORDING SECRETARY PRIOR TO YOU ADDRESSING THE PLANNING COMMISSION. Thank you.**

**I HAVE READ AND UNDERSTOOD THE RULES FOR MEETINGS IN THE CITY OF SHERWOOD.**

**1. PLEASE INDICATE THE ITEM YOU WOULD LIKE TO SPEAK ABOUT**

Date: 2/13/2018 Agenda Item: Brookman Amendments (From Agenda)

**NOTE: If you want to speak to the Commission about more than one subject, please submit a separate form for each item.**

**2. PLEASE MARK YOUR POSITION/INTEREST ON THE AGENDA ITEM**

Applicant: \_\_\_\_\_ Proponent: \_\_\_\_\_ Opponent: \_\_\_\_\_ Other: X  
Impacted

**3. PLEASE PROVIDE YOUR NAME AND ADDRESS IN A LEGIBLE FORMAT TO RECEIVE A COPY OF THE NOTICE OF DECISION ON THIS MATTER.**

Name: Melvin L Taylor  
Address: 16464 SW Brookman Rd  
City/State/Zip: Sherwood OR 97140

Email Address: mel Taylor 100@gmail.com

I represent: **Myself** X **Other** \_\_\_\_\_

**4. PLEASE GIVE THIS FORM TO THE RECORDING SECRETARY PRIOR TO YOU ADDRESSING THE PLANNING COMMISSION. Thank you.**



TO: City of Sherwood Planning Commission  
FROM: Erika Palmer, Planning Manager  
RE: Planned Unit Developments and Development Process

Date: February 6, 2018

---

Given the number of new Commissioners and the fact that the Commission is currently reviewing a Planned Unit Development (PUD), we wanted to make sure that everyone has a solid foundation on the process.

PUDs allow creativity and flexibility in site design review, which cannot be achieved through a strict adherence to existing zoning and subdivision standards. Essentially, a PUD permits a development to meet overall density and land use objectives (see Sherwood's objectives SZDC 16.40.010.B) without being bound by rigid requirements (clear and objective standards) such as minimum lot standards, setbacks, or lot coverage. This allows developers to provide greater creativity and flexibility in design, layout of lots and streets, and use of open spaces.

In Sherwood PUDs shall be considered on: a) sites that are unusually constrained or limited in development potential, as compared to other land with the same underlying zoning designation, because of: natural features such as floodplains, wetlands, and extreme topography, or man-made features, such as parcel configuration and surrounding development; or b) sites within the Urban Renewal Area.

All PUDs in Sherwood have a PUD Overlay on the zoning map.

The Planned Unit Development (PUD) Process is three-step review process before building permits are issued.

.....

**Step One: Preliminary PUD Approval**

The City Council is the final review authority for the preliminary PUD. An applicant submits a PUD application, which requests approval of a PUD overlay zone and preliminary plan approval. This step provides the Planning Commission, and ultimately the Council, to review the "preliminary concept". Planning Commission reviews details of specific uses, densities, building types and architectural controls proposed, form of ownership, open spaces and/or public facilities provided, and the specific variations from the standards of any underlying zoning district or other provision in the code.

2-13-18      PC-WS  
Date                      Gov. Body  
  
1                              1  
Agenda Item                      Exhibit #

At this step the applicant provides an Architectural Pattern Book: A collection of architectural elevations, details, and colors of each building type. A pattern book shall act as the architectural control for the homeowner's association or the commercial owner. An Architectural Pattern Book shall address the following:

- a. Illustrative areas within the development application covered by the pattern book.
- b. An explanation of how the pattern book is organized, and how it is to be used.
- c. Define specific standards for architecture, color, texture, materials, and other design elements.
- d. Include a measurement or checklist system to facilitate review of the development for conformity with the pattern book.
- e. Include the following information for each building type permitted outright or conditionally proposed in the PUD:
  - (1) Massing, facades, elevations, roof forms, proportions, materials, and color palette.
  - (2) Architectural relevance or vernacular to the Pacific Northwest.
  - (3) Doors, windows, siding, and entrances, including sash and trim details.
  - (4) Porches, chimneys, light fixtures, and any other unique details, ornamentation, or accents.
  - (5) A fencing plan with details that addresses the relationship between public space and maintaining individual privacy subject to Section 16.58.020.

At this step, Planning Commission can offer additional input and recommend conditions of approval of the preliminary concept. Staff, in their initial recommendation to the Planning Commission, and/or Planning Commission may condition the applicant to revise plans, to better achieve the objectives of the PUD overlay or and community benefits. The applicant can and will most likely make minor modifications to their application prior to the second-step, Final Development Plan, review through Planning Commission.

The Commission shall make their decision based on the following criteria:

1. The proposed development is in substantial conformance with the Comprehensive Plan and is eligible for PUD consideration.
2. The preliminary development plans include dedication of at least 15 percent of the buildable portion of the site to the public in the form of usable open space, park or other public space, (subject to the review of the Parks & Recreation Board) or to a private entity managed by a homeowners association. Alternatively, if the project is located within close proximity to existing public spaces such as parks, libraries or plazas the development plan may propose no less than 5% on-site public space with a detailed explanation of how the proposed development and existing public spaces will together equally or better meet community needs.

3. That exceptions from the standards of the underlying zoning district are warranted by the unique design and amenities incorporated in the development plan.
4. That the proposal is in harmony with the surrounding area or its potential future use, and incorporates unified or internally compatible architectural treatments, vernacular, and scale.
5. That the system of ownership and the means of developing, preserving and maintaining parks and open spaces are acceptable.
6. That the PUD will have a beneficial effect on the area which could not be achieved using the underlying zoning district.
7. That the proposed development, or an independent phase of the development, can be substantially completed within one (1) year from date of approval.
8. That adequate public facilities and services are available or are made available by the construction of the project.
9. That the general objectives of the PUD concept and the specific objectives of the various categories of the PUDs described in this Chapter have been met.
10. The minimum area for a Residential PUD shall be five (5) acres, unless the Commission finds that a specific property of lesser area is suitable as a PUD because it is unusually constrained by topography, landscape features, location, or surrounding development, or qualifies as "infill".

Staff provides their analysis, via the staff report, of how the applicant meets the requirements and recommends conditions as warranted. However, because a PUD is discretionary, it is not uncommon for the public and/or commissioners to have a different view of compliance. If a Planning Commissioner does not support a finding that the applicant has satisfied a requirement, the Commissioner and/or Commission must provide a finding why the applicant is not meeting the objectives of the PUD and other code criteria. A motion by the Commission to modify the findings (being specific with what the modified finding would say) and/or add conditions (again, being specific) would be made and the Planning Commission's recommendation is then forwarded to City Council for PUD approval.

The Council holds a public hearing, after review of the Commission's recommendation, and would approve the PUD via Ordinance. The approval will include any conditions necessary to be provided at the Final Development Plan future stages.

### ***Step Two: Final Development Plan Approval***

The applicant provides a Final Development Plan. This is often combined with Site Plan application, however with a single family subdivision application it generally stands alone. Planning Commission is the review authority for the Final Development Plan. The applicant has heard input from the Planning Commission and Council. Revised plans and additional detailed information are provided to demonstrate compliance with the preliminary PUD approval and conditions. The Final Development Plan will need to meet all conditions applied to, "Prior to Final Development Plan approval," in the Preliminary PUD approval staff report. A final plat and or final site plan is prepared after the Commission approves the Final Development Plan.

### ***Step Three: Building Plan Review***

The applicant submits a building permit and the building plan. Planning Staff reviews the plan to ensure the building is meeting the details in the approved Architectural Pattern book and any other applicable conditions of approval.

If you have any questions or concerns about an application, and how it meets code standards and/or objectives in the staff report, planning staff recommends that you contact us. There must be evidence in the record to support the findings. Evidence may consist of analysis in the staff report, written and oral testimony on a specific code criterion, exhibits and the like. It is okay to disagree with staff analysis findings and or condition of approval in the staff report. The Planning Commission has the opportunity to modify a finding, but evidence to clearly support the modifications based on facts are needed.



# Denali Lane PUD/SUB

PUD 17-01 / SUB 17-01

Planned Unit Development and Subdivision Reviews

Planning Commission Hearing – Continued from January 23, 2018

February 13, 2018

2-13-18

Date

PC

Gov. Body

10a

Agenda Item

2

Exhibit #



# **January 23<sup>rd</sup> PC Hearing**

## **Key Topics Identified**

- 1. Environmental**
  - 2. Transportation**
  - 3. SZCDC Requirements**
-

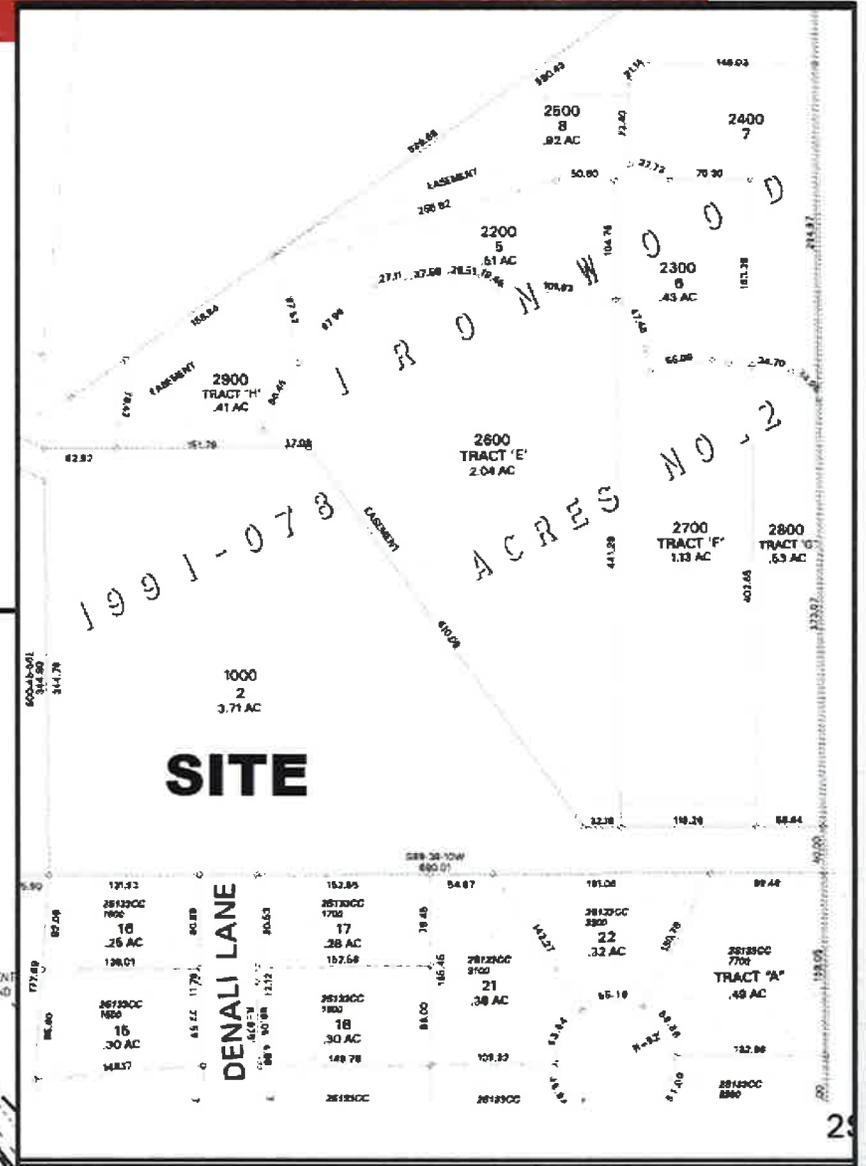
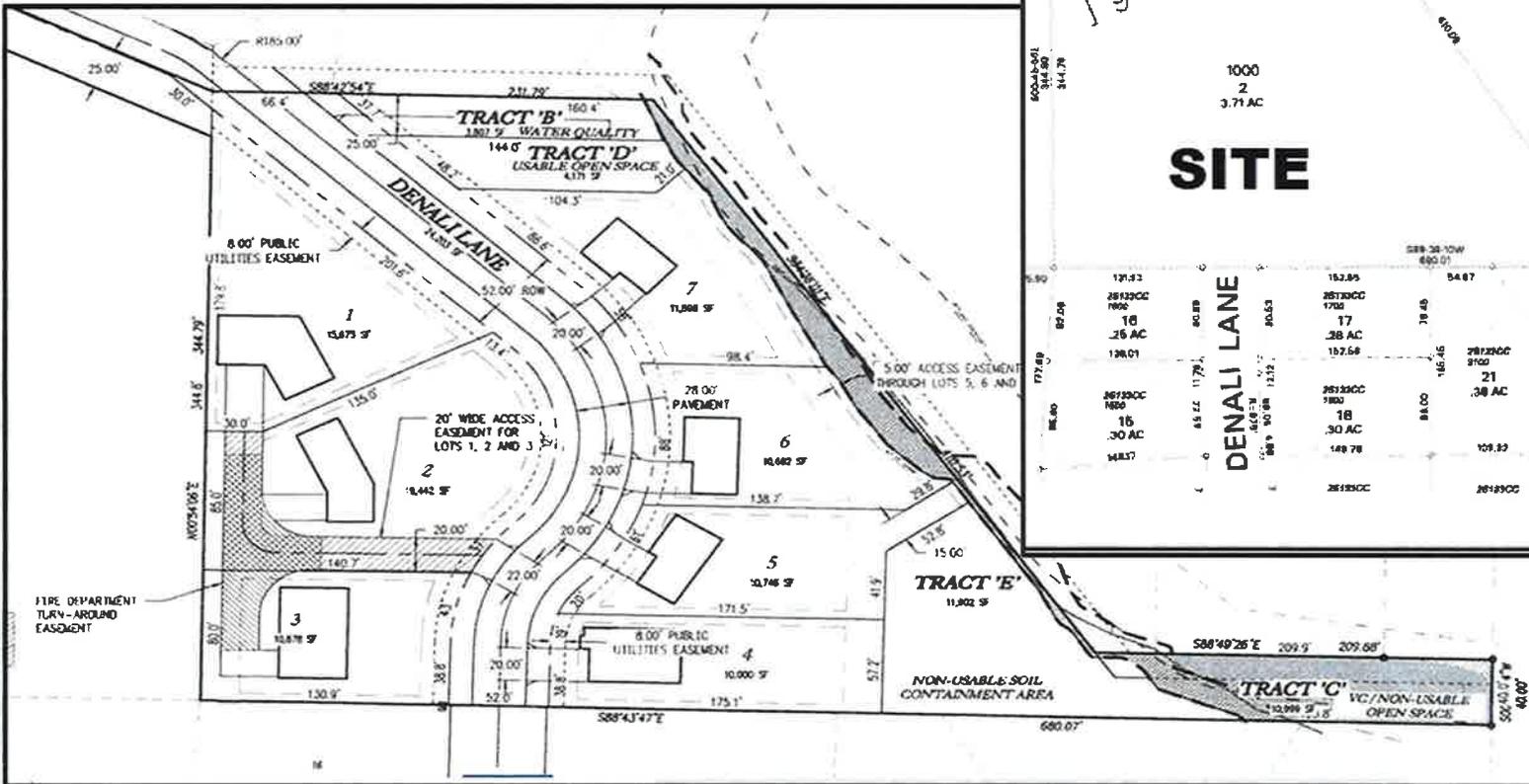


# **Key Items Identified**

## **Environmental**

- **DEQ Clean-Up**
  - **Existing Trees on Lots 1 and 3**
  - **Natural Habitat**
  - **Preservation of Open Space**
-

# Environmental Open Space

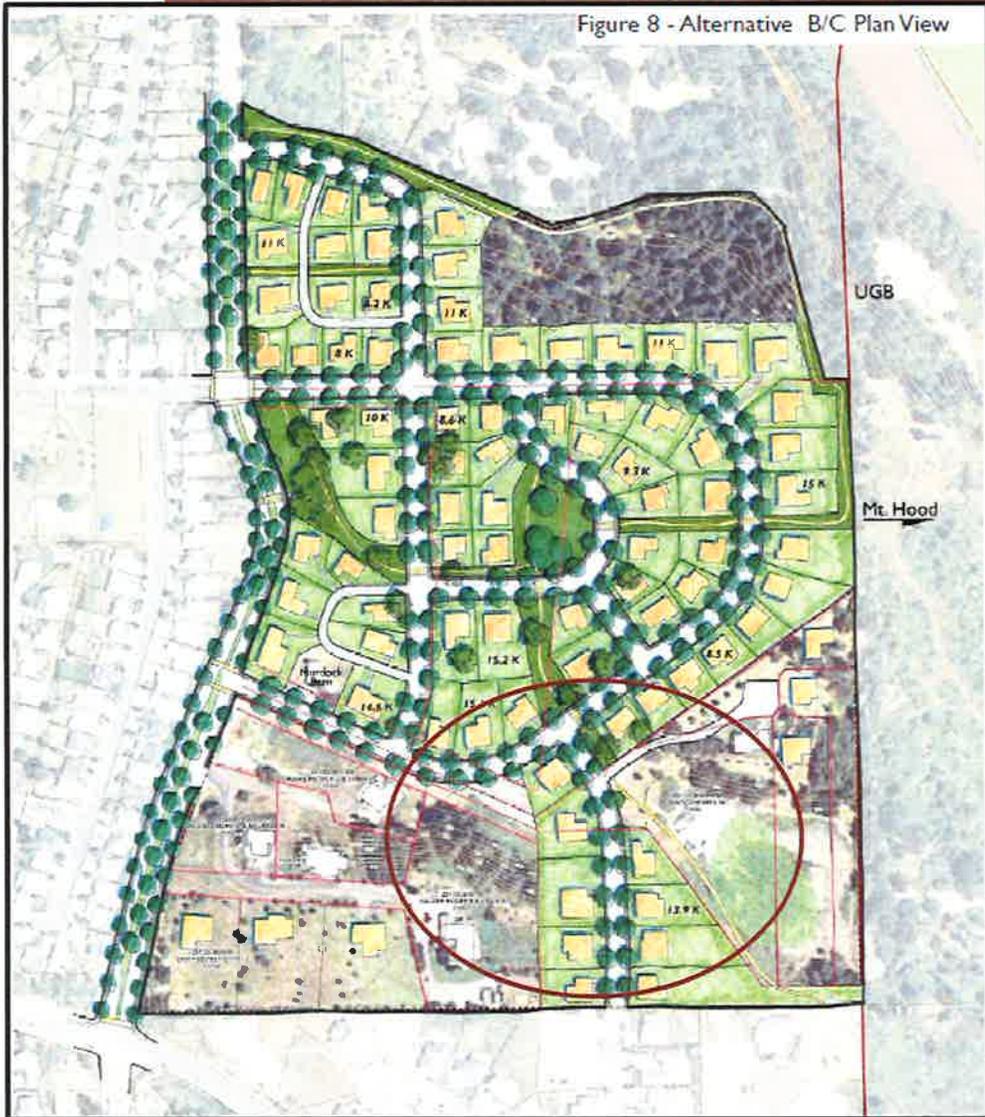


# **Key Items Identified - Continued**

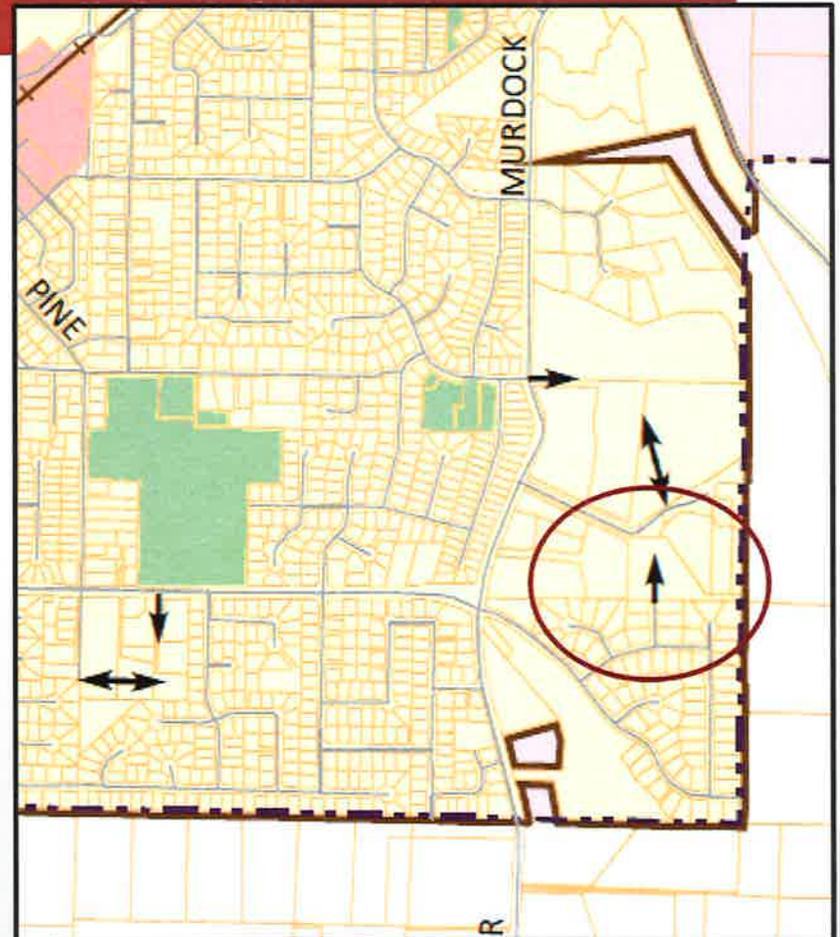
## **Transportation**

- **Increase in Traffic (connectivity)**
  - **Pedestrian & Construction Safety**
  - **Tract A - Access to adjacent parcel**
-

Figure 8 - Alternative B/C Plan View



Recommended Alternative B/C SE Sherwood Master Plan



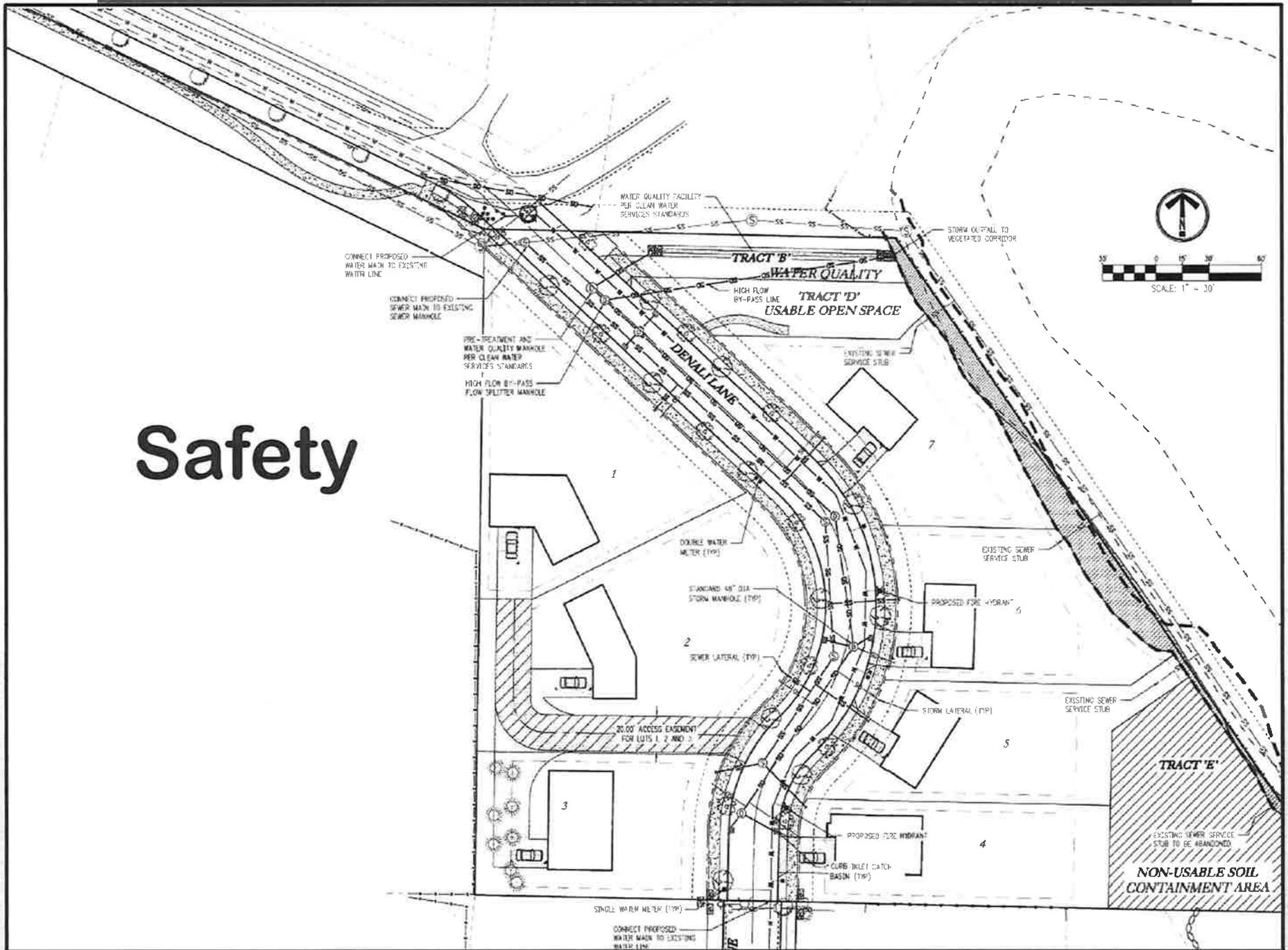
**Legend**

← Conceptual Street Connection

TSP Figure 18 Local Street Connectivity

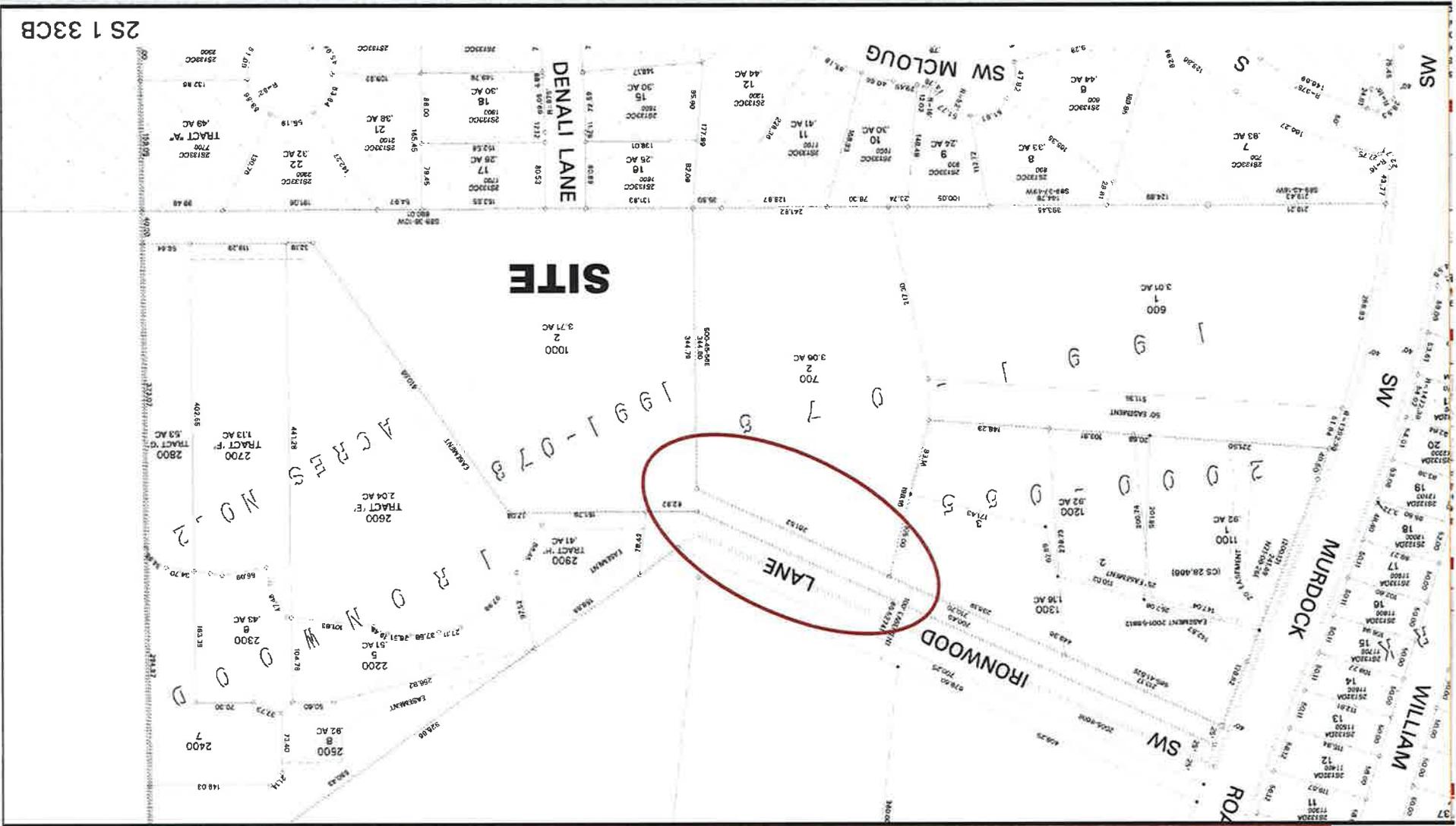
**Connectivity**

# Safety



NON-USABLE SOIL  
CONTAINMENT AREA

# Adjacent Property Access



2S 1 33CB



## **Key Items Identified - Continued**

### **SZCDC Standards**

- **Amended Conditions of Approvals**
  - **Density Allowance**
  - **Setbacks**
    - **Side Yard vs Rear Yard**
  - **View Corridor – Revised Plans**
  - **Pattern Book - Revised**
-



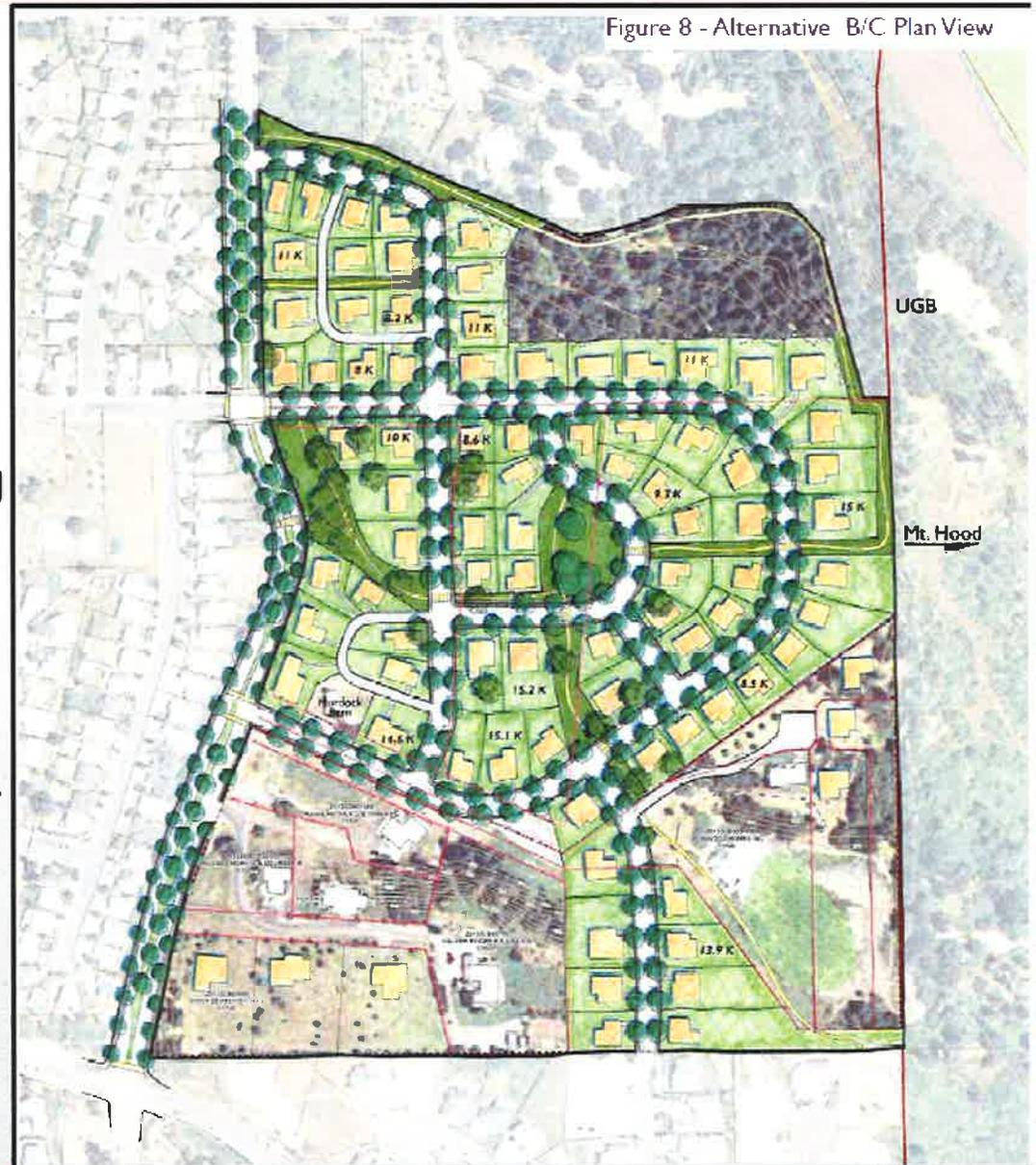
# Amended Conditions of Approval

- Amendments are reflected on Exhibit G – Revised Conditions of Approval February 6, 2018
  - Modified language on several conditions, for clarity, as shown in Exhibit G
  - Deleted original Condition B14 that required for a final tree preservation plan on existing street trees along SW Ironwood Lane- street trees were not on the property
  - Added new Condition B14 requesting more detailed View Corridor Plan.
-

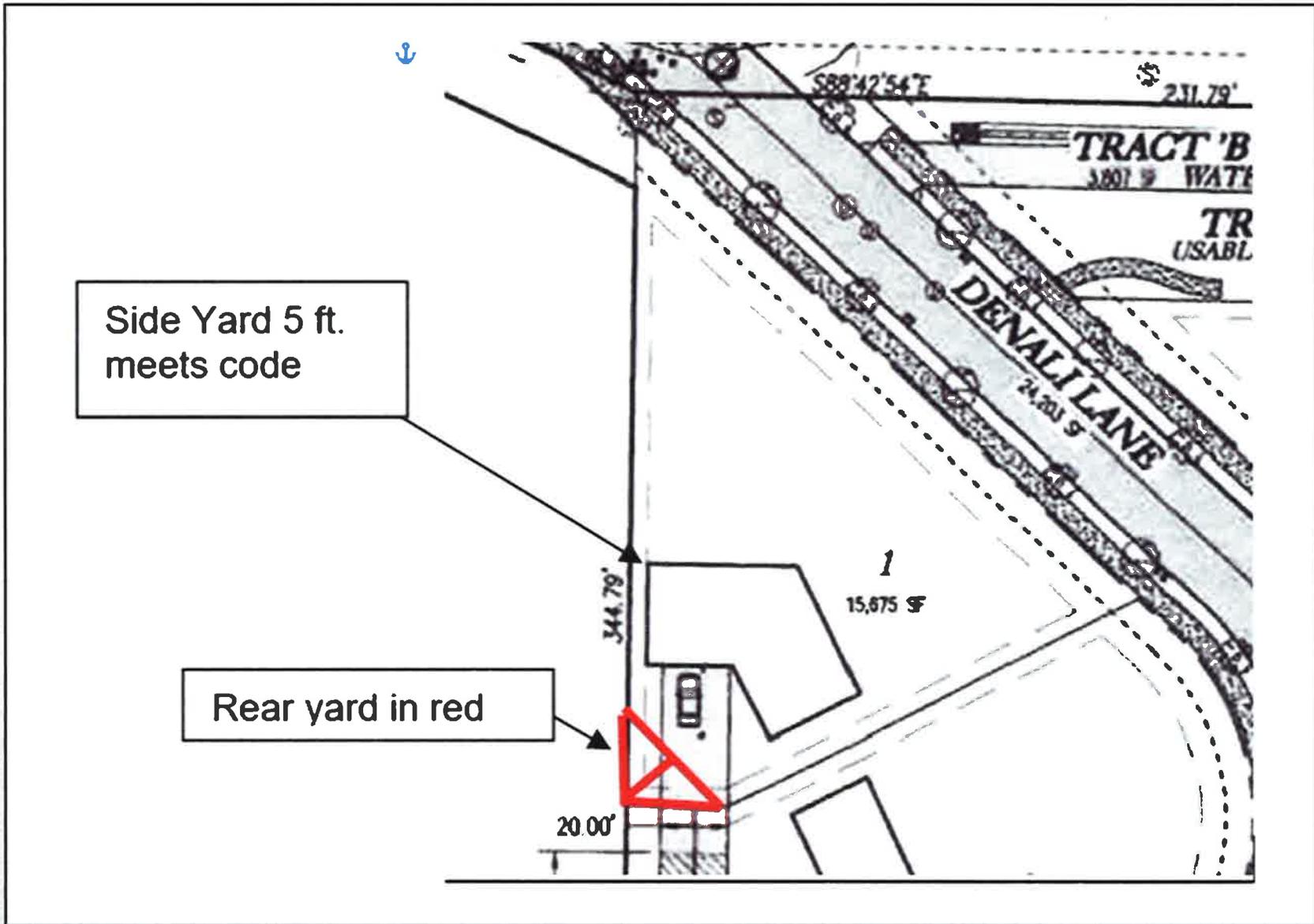
# Density Allowance

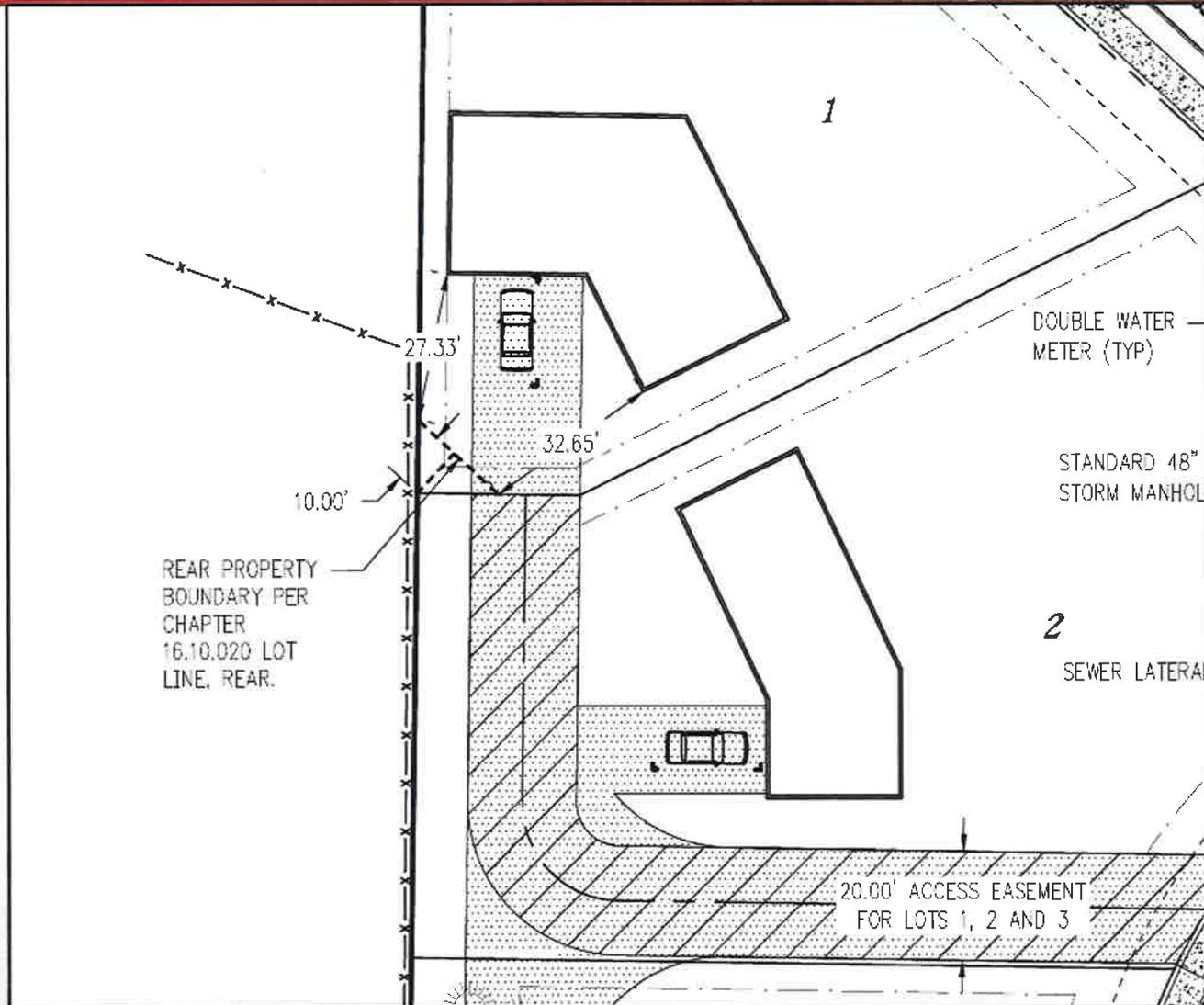
- Recommended Alternative B/C SE Sherwood Master Plan
- SZCDC 16.12.010.A.3 - Maximum Density of 4 dwelling units per net buildable acre
- Net Building area is 2.60 acres
- Site can be developed with 10 lots, applicant proposal is for 7 lots.

Figure 8 - Alternative B/C Plan View

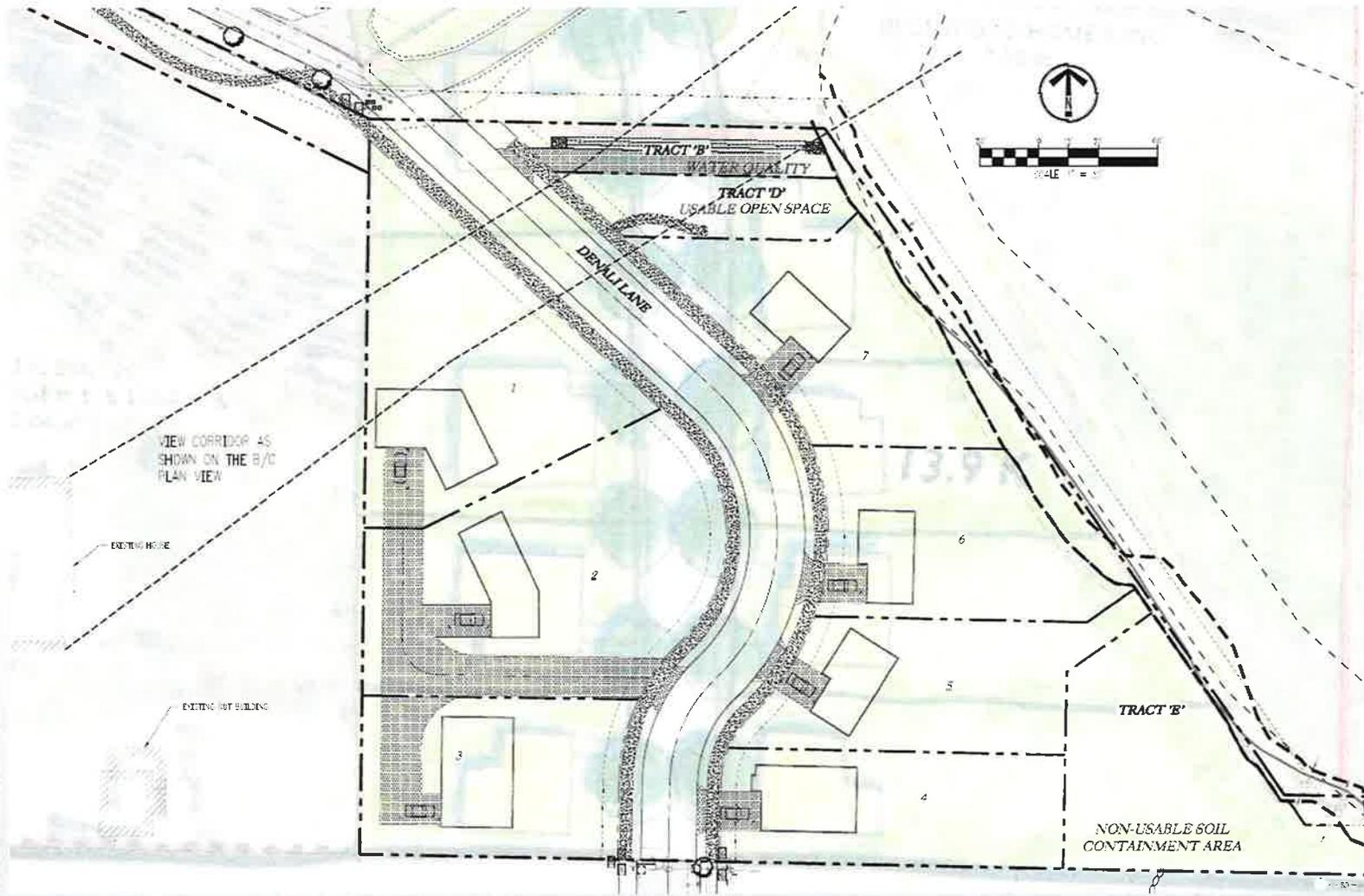


# Setbacks – Side and Rear





# Applicant's Map - Rear Setback



**Applicant's Map – View Corridor**

**Building Elevations (conceptual)**

*Contemporary*



*Transitional*



*Modern*



*Traditional*



*Low pitch Traditional*



*Early American*



**Minor Revisions**

- More complete and better address the styles of homes the applicant would like to build
- References to the Arch. Review Committee was removed and now references Architectural Review Checklist

**Applicant's Revised Pattern Book**

The design theme is intended to follow a land use plan that provides for a Mix of housing types that is compatible with adjacent uses .



# **Recommendation**

**Staff recommends that the Planning Commission forward a recommendation of APPROVAL with conditions of Denali Lane PUD (PUD 17-01 / SUB 17-01) to City Council.**

---

# Sherwood Transportation Plan Update – PA 18-02

February 13, 2018

Public Hearing

Sherwood Planning Commission

2-13-18  
Date

PC  
Gov. Body

7b  
Agenda Item

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Exhibit #

# What is the purpose of the TSP?

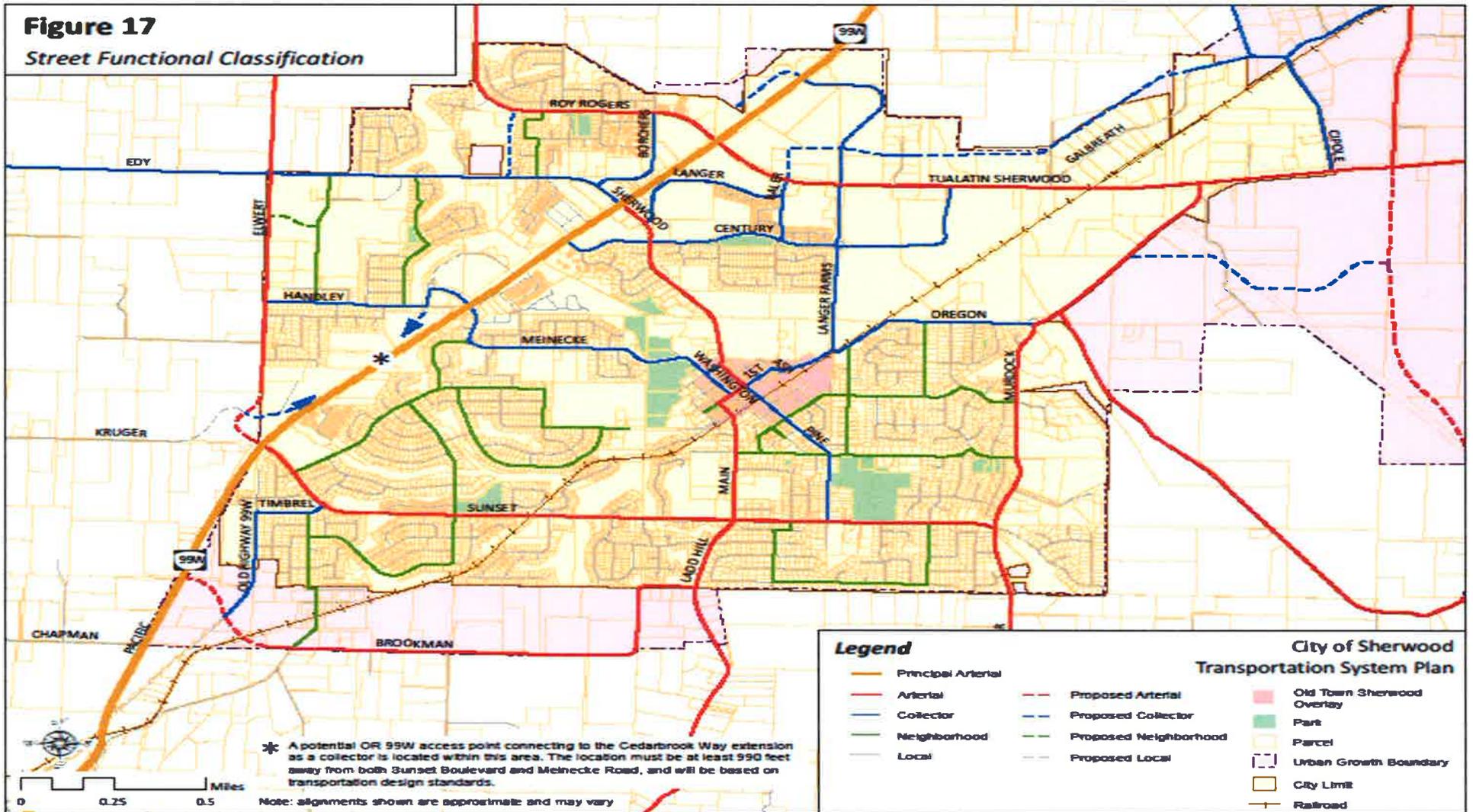
The TSP provides a framework for the long-term vision of Sherwood's transportation system including strategies and improvement projects for all modes of travel (auto, ped, bike, transit).

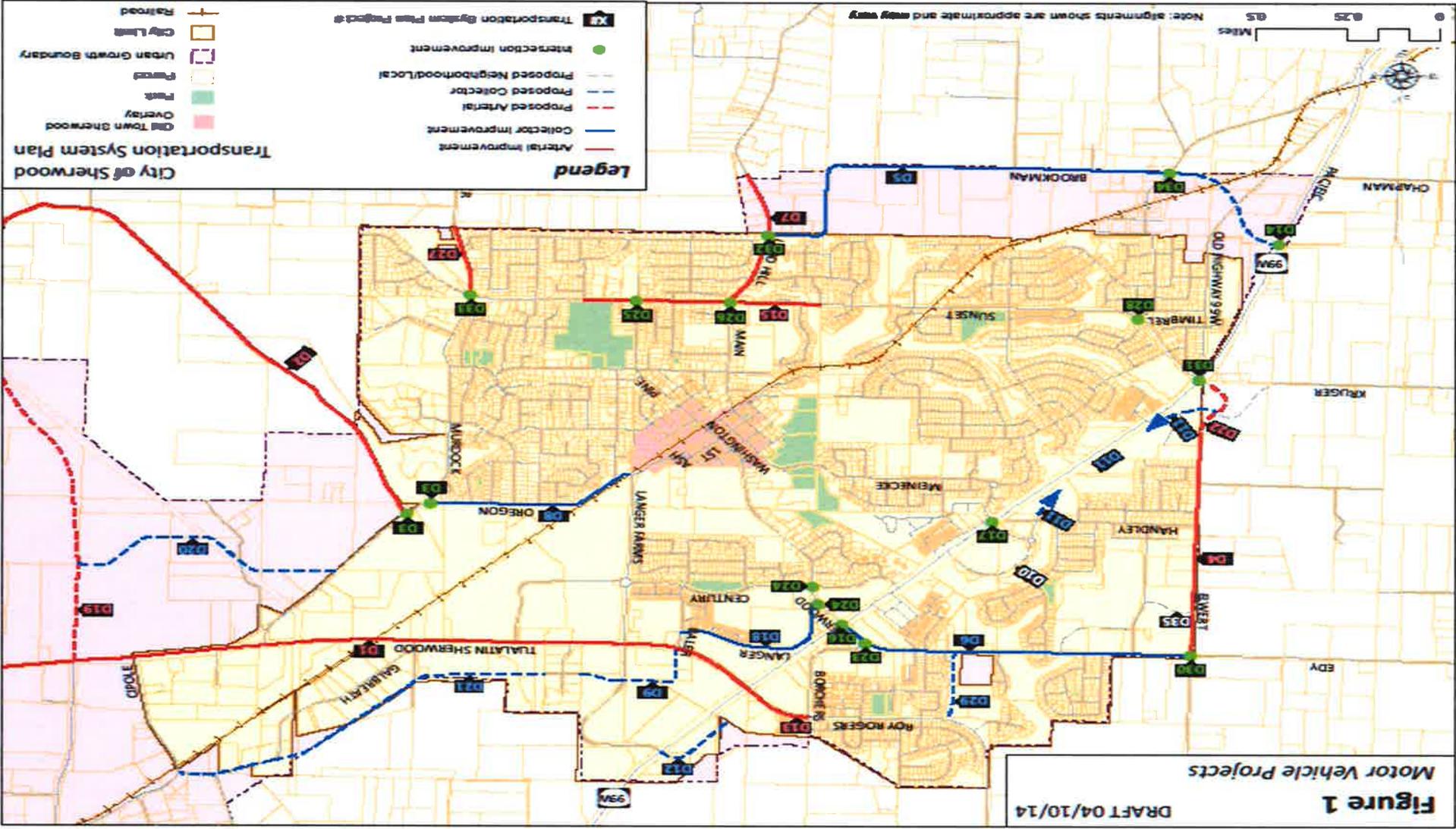
The Plan needs to be consistent with local, regional and state plans.

# Required Findings for Plan Amendments

1. SZCDC 16.80.030 – Review Criteria
  - A. Text Amendment
  - B. Map Amendment
  - C. Transportation Planning Rule Consistency
2. Consistent with applicable Comprehensive Plan policies
3. Consistent with Statewide Planning Goals

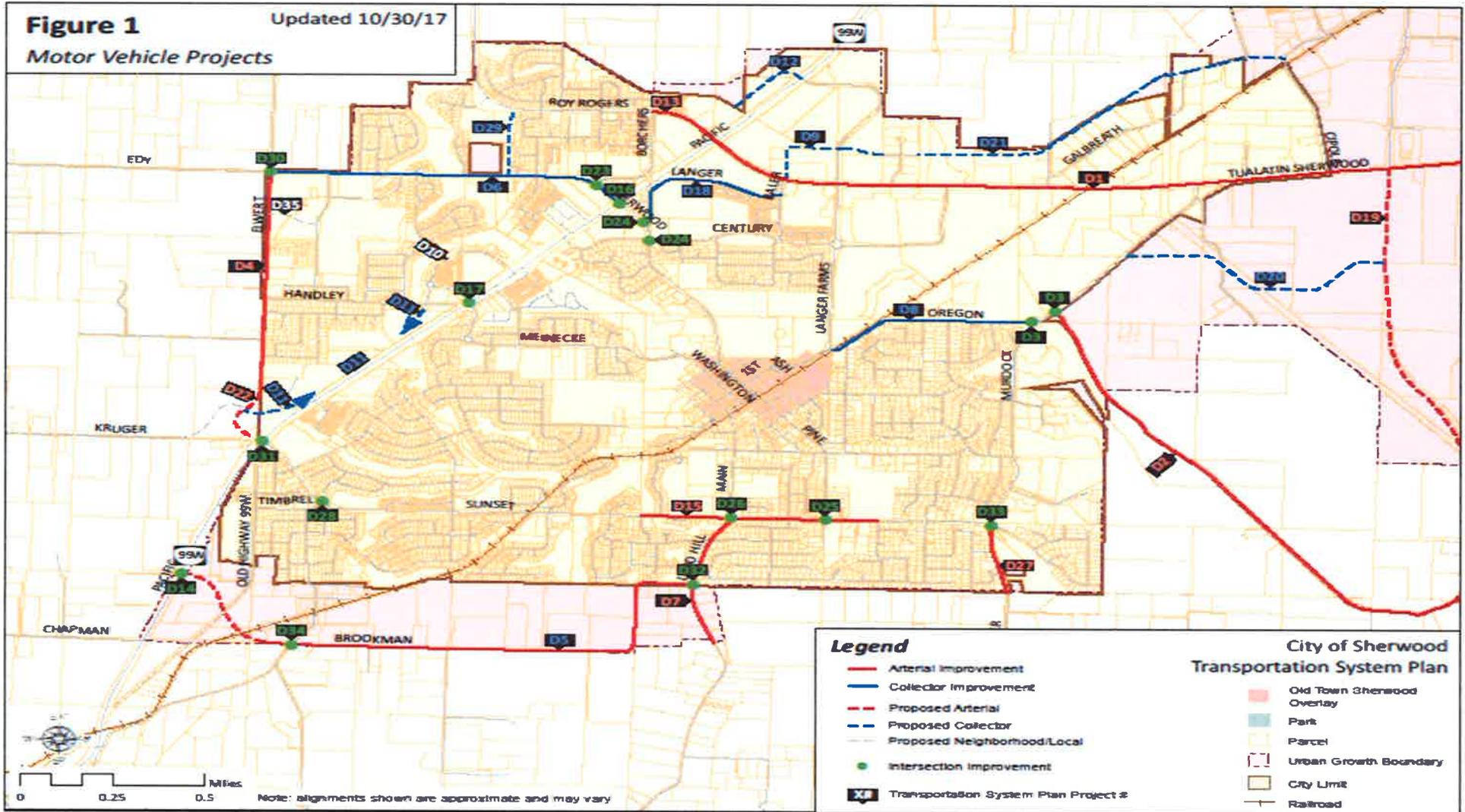
**Figure 17**  
**Street Functional Classification**



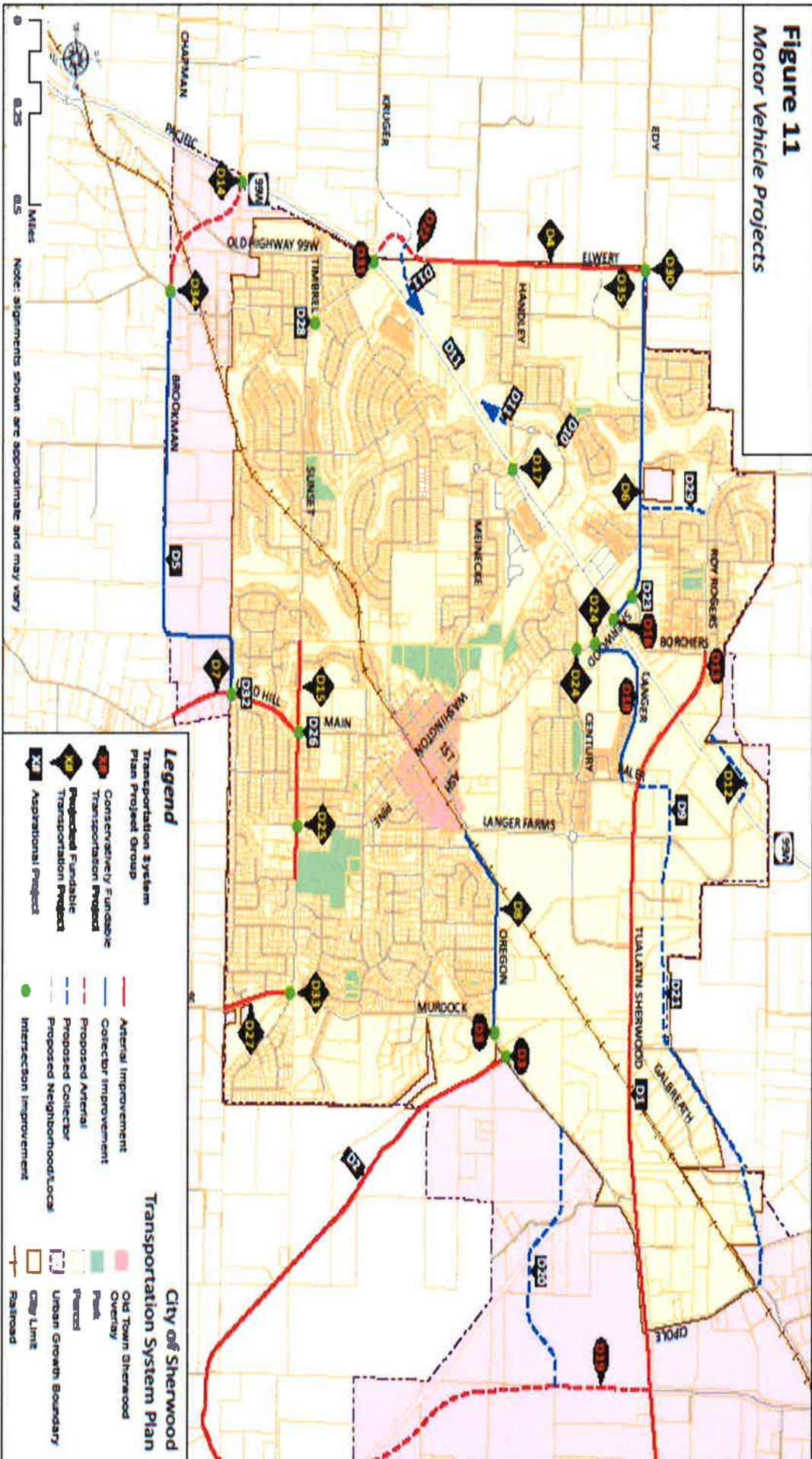


**Figure 1**  
Motor Vehicle Projects

Updated 10/30/17

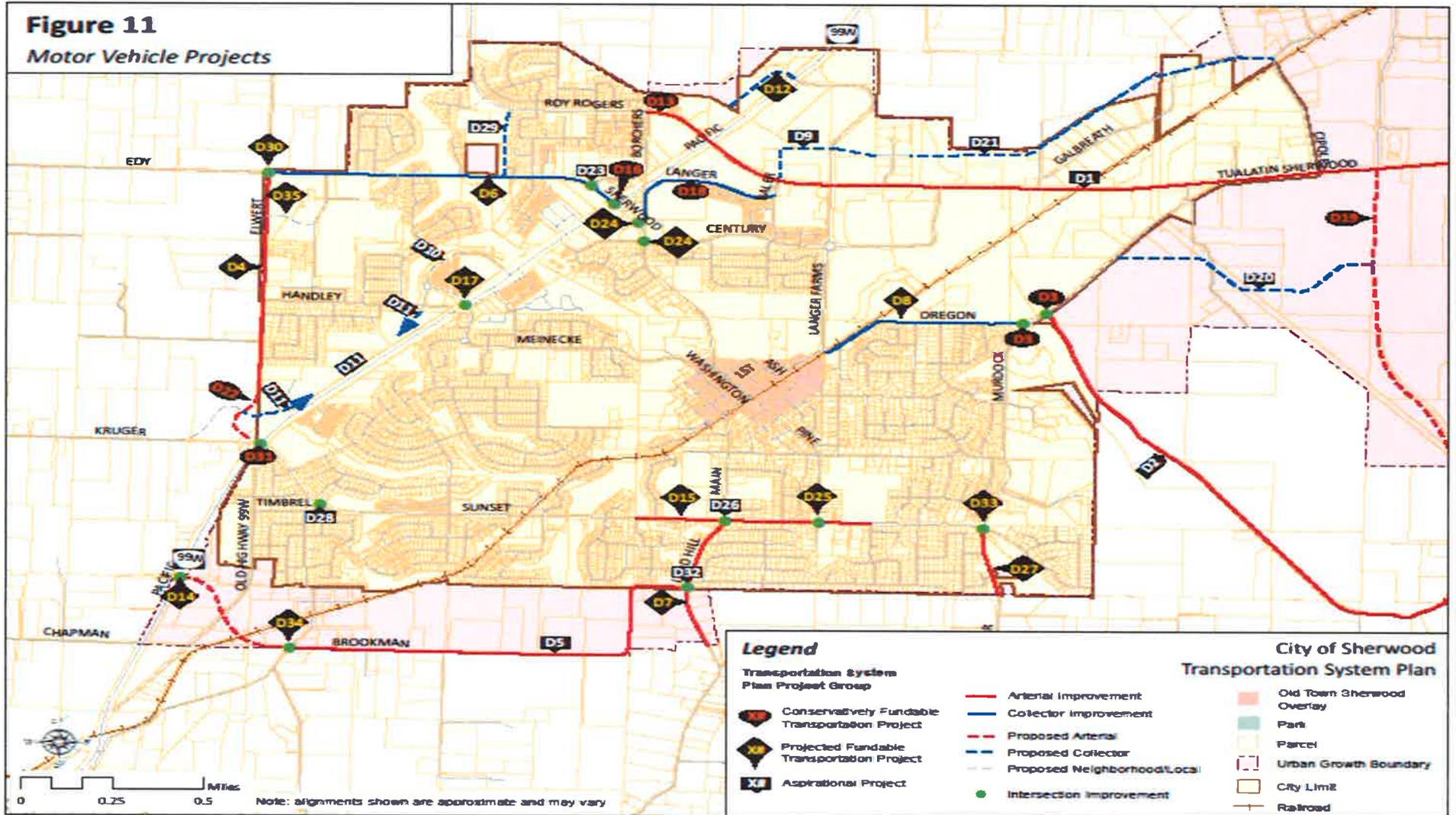


**Figure 11**  
Motor Vehicle Projects



0 0.25 0.5 Miles  
Note: alignments shown are approximate and may vary

**Figure 11**  
Motor Vehicle Projects



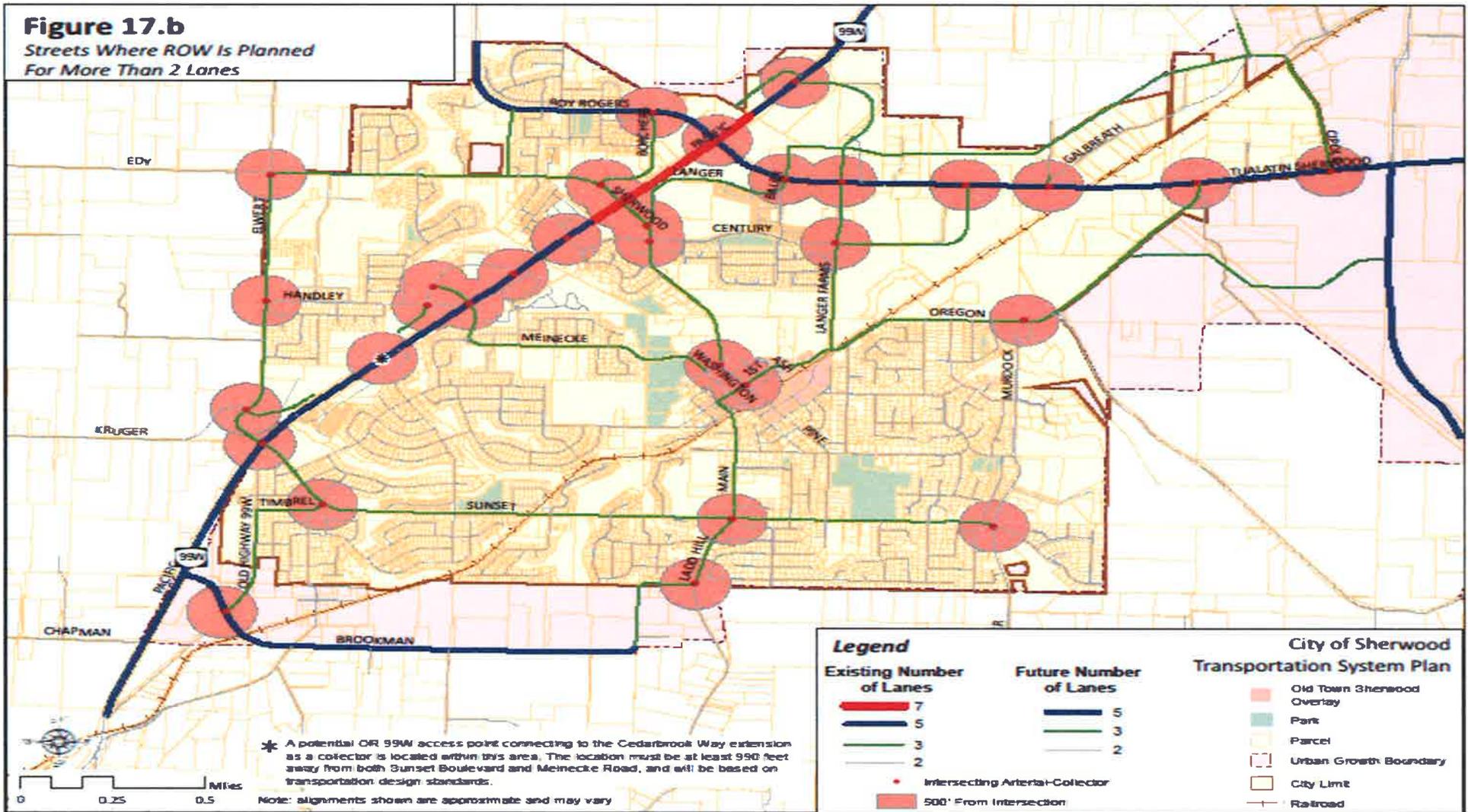
# PROJECT TABLES

Project Title #D5 in the City's TSP is proposed to be called Brookman Road Improvements

Proposed amendment removes, Three Lane Collector, from the project title.

\*\* Note the project details, do not change\*\*

**Figure 17.b**  
**Streets Where ROW Is Planned**  
**For More Than 2 Lanes**



*PROPOSED CHANGES TO CHAPTER 16.106 TRANSPORTATION FACILITIES*

~~STRIKEOUT~~ = DELETED TEXT

**BOLD UNDERLINE** = NEW TEXT

Chapter 16.106 - TRANSPORTATION FACILITIES

16.106.010 - Generally

A. Creation

Public streets shall be created in accordance with provisions of this Chapter. Except as otherwise provided, all street improvements and rights-of-way shall conform to standards for the City's functional street classification, as shown on the Transportation System Plan (TSP) Map (Figure ~~15~~ **17**) and other applicable City standards. The following table depicts the guidelines for the street characteristics.

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 ~~15~~ **17**.

## STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward a recommendation of Approval of the proposed TSP amendments to City Council.



City of  
**Sherwood**  
Oregon

*Home of the Tualatin River National Wildlife Refuge*

---

February 13, 2018

**Michael C. Robinson**  
Admitted in Oregon  
T: 503-796-3756  
C: 503-407-2578  
mrobinson@schwabe.com

**VIA EMAIL**

Ms. Jean Simson, Chair  
Sherwood Planning Commission  
Sherwood City Hall  
22560 SW Pine Street  
Sherwood, OR 97140

RE: Amendment to Sherwood Transportation System Plan ("TSP")

Dear Ms. Simson:

This office represents Holt Homes ("Holt"). Holt supports the proposed amendments to the Sherwood Transportation System Plan (the "TSP"), including the amendment to TSP Figure 11. As the Staff Report explains at page 2, the amendment to Figure 11 is a "housekeeping" amendment which will have the effect of making the Brookman Road arterial street classification consistent with Washington County's Transportation System Plan for Brookman Road. The amendment is required as the result of a settlement agreement between the City and Washington County entered into in order to resolve the appeal of the City's annexation of property adjacent to Brookman Road.

I have asked Ms. Palmer to place this letter in the official Planning Department file for this legislative matter and before you at the initial evidentiary hearing on February 13, 2018. I have asked Ms. Palmer to provide me with notice of the Planning Commission's recommendation to the Sherwood City Council and to provide me with notice of the City Council's final decision on the TSP amendment.

Very truly yours,



Michael C. Robinson

MCR:erh

cc: Client (via email)  
Ms. Erika Palmer (via email)

2-13-18  
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Ms. Jean Simson, Chair  
February 13, 2018  
Page 2

bc: Mr. Joe Schiewe (via email)  
Mr. Rian Tuttle (via email)  
Mr. Alex Hurley (via email)  
Mr. Chris Goodell (via email)  
Mr. Chris Brehmer (via email)

PDX\132609\237630\MCR\22386367.1

# Housing Needs Analysis

PA 18-01

- 1) Adopt the Housing Needs Analysis 2018-2038
- 2) Amend the Comprehensive Plan text

2-13-18  
Date

PC  
Gov. Body

7a  
Agenda Item

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Exhibit #

## What is a Housing Needs Analysis?

Statewide Planning 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.

- Describes the current housing market and historical and recent housing trends,
- Describes current and future demographic characteristics of Sherwood,
- Forecasts future housing needs based on these considerations and the Metro 2016 Urban Growth Report forecasted growth rate
- Provides a Buildable Lands Inventory and addresses residential land sufficiency inside the UGB to meet Sherwood's housing needs for the 20-year planning horizon.

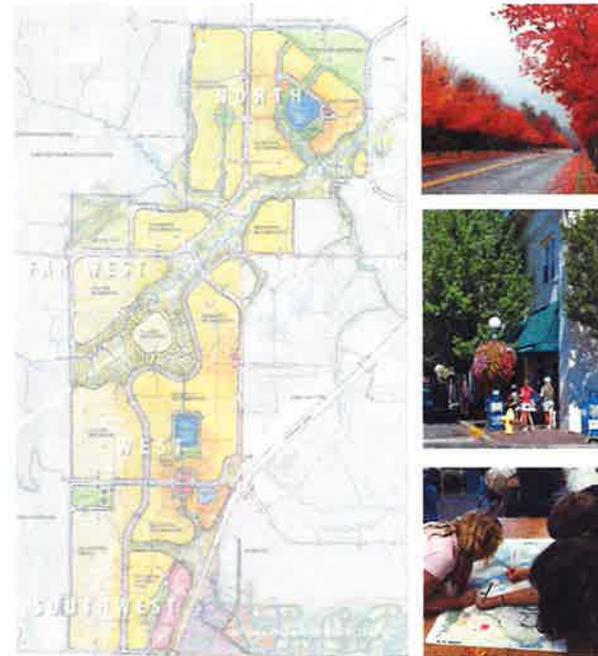
## Why do we need an HNA?

- HNAs are developed to comply with the requirements of statewide planning policies that govern planning for housing and residential development, Goal 10, its implementing Metropolitan Housing Rule and Metro's 2040 Functional Growth Management Plan.
- Taken together the city's obligations are:
  1. Provide enough land to accommodate the forecasted housing needs for the next 20 years
  2. Designate land that provides the opportunity for 50% of new housing to be developed as multi-family or single family attached
  3. Achieve the average density of six dwelling units per acre

# City of Sherwood Oregon

This HNA was initially developed as part of the Sherwood West Preliminary Concept Plan in 2015.

- The initial version of the HNA was for the time period 2015-2035
- The HNA informed the preliminary concept plan process for an area of Sherwood's Urban Reserve Area 5B.
- The HNA 2015-2035 was not adopted by the City or processed as an amendment to the City's Comprehensive Plan.



## Sherwood West Preliminary Concept Plan

*A long range look at our future.*  
December 8, 2015

## Why adopt the HNA before the comprehensive plan update?

- For the purposes of submitting a proposal for Metro's 2018 Urban Growth Management Decision, the City updated the HNA to reflect the 2018-2038 time period. An adopted and acknowledged HNA within the last 5 years is a requirement of the proposal.
- The proposed amendment to the Comprehensive Plan for the inclusion of the HNA 2018-2038 contains no 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 for background information and data purposes only and prepares for the update and revision to the housing element of the City's Comprehensive Plan.

## What does the HNA 2018-2038 conclude?

How has Sherwood's population changed over recent years?

- Sherwood population grew relatively fast – 8% annual growth 1990-2013
- Sherwood's population is aging – people over 45 is the fastest growing group
- Sherwood is attractive to younger people and households with children – 47% of households have children, millennials will be the fastest growing group over the next 20 years
- Sherwood's population is slowly becoming more ethnically diverse

If these trends continue, it will result in a changes in types of housing demanded or “needed” in Sherwood:

- Aging population is likely to result in increased demand for smaller single-family housing, multi-family housing, and housing for seniors
- The growth of younger diversified households is likely to result in increased demand for a wider variety of affordable housing appropriate for families with children on moderate incomes such as smaller single family houses, townhouses, duplexes and multi-family housing



- Changes in commuting patterns could affect future growth in Sherwood
- Sherwood households have relatively high income, which affects the type of housing that is affordable



How much housing growth is forecast, and can that growth be accommodated with Sherwood:

- Sherwood is forecasted to add 1,653 new households between 2018 and 2038. Of these 697 are inside city limits, 956 in the Brookman Area
- Sherwood's planning area (city limits and Brookman) can accommodate most of the forecast growth – 70%
- Sherwood has a deficit of land for housing. The deficit of land is for 497 dwelling units. The largest of deficits are in Medium Density-Low, Medium Density- High, and High Density Residential.
- To provide land supply, Sherwood will need to continue to annex the Brookman area.

# City of Sherwood

Oregon

Summary of development capacity based on changes from 2015 to 2017, dwelling units, Sherwood city limits and Brookman and other unincorporated areas

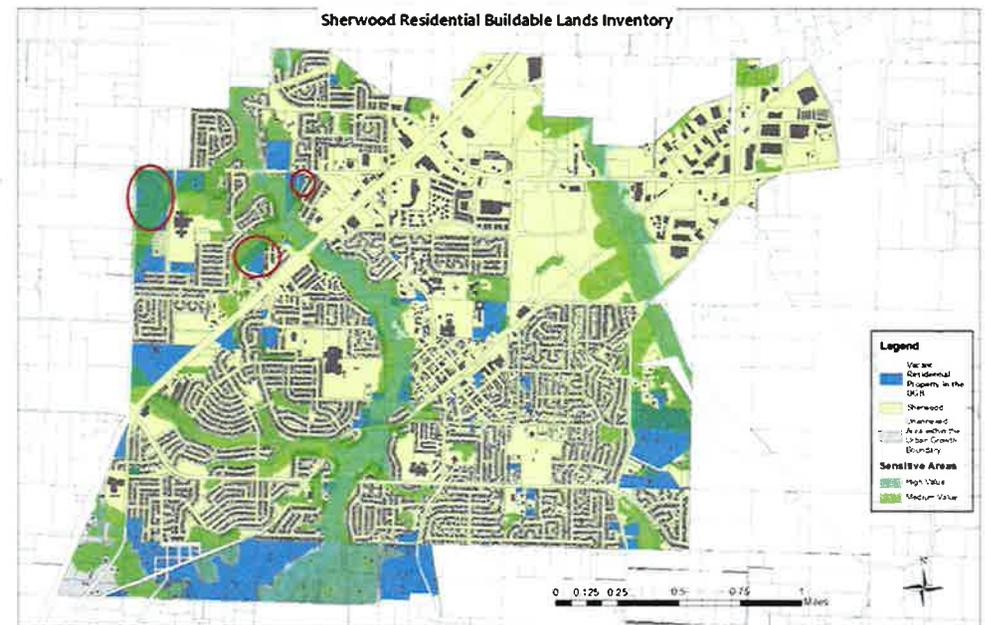
	<b>Buildable Acres</b>	<b>Density Assumption</b>	<b>Dwelling units</b>
Very Low Density Residential	26	2.9	76
Low Density Residential	22	6.5	144
Medium Density Residential-Low	68	6.1	392
Medium Density Residential-High	41	7.7	291
High Density Residential	17	19.1	253
<b>Total</b>	<b>175</b>	<b>6.6</b>	<b>1,156</b>

Comparison of capacity of existing residential land with demand for new dwelling units, dwelling units, Sherwood planning area, 2018-2038

<b>Zone</b>	<b>Capacity (Needed Densities)</b>	<b>Housing Demand</b>	<b>Comparison Capacity minus</b>
Very Low Density Residential	76	90	-14
Low Density Residential	144	174	-30
Medium Density Residential-Low	392	513	-121
Medium Density Residential-High	291	444	-153
High Density Residential	253	432	-179
<b>Total</b>	<b>1,156</b>	<b>1,653</b>	<b>-497</b>

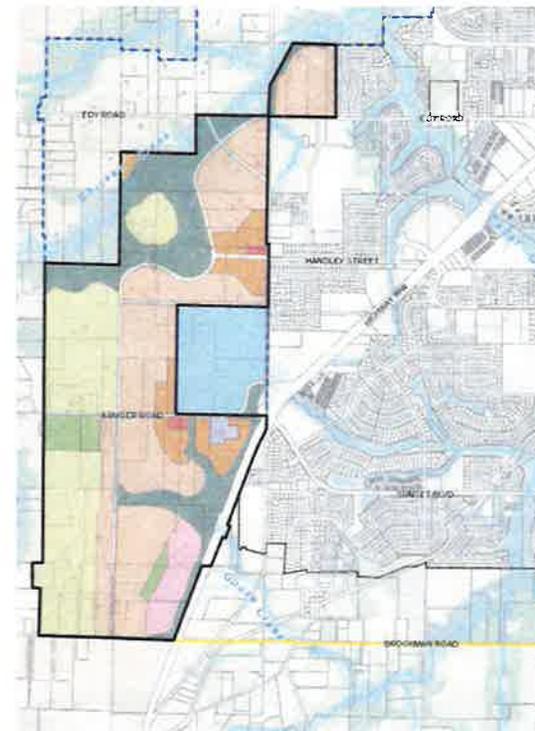
## What if Sherwood grows faster:

- The Metro's forecasted growth for Sherwood is considerably below historical growth rates. Metro forecast is less than 1% per year. Sherwood grew 3.4 % per year 2000-2013 and 8% per year 1990-2013
- At faster growth rate, Sherwood's land base has capacity for 4-10 years of growth.
- Additional housing growth in Sherwood depends on the availability of development-ready land



## What are the implications for Sherwood's UGB?

- Sherwood will need Sherwood West to accommodate future growth beyond existing city limits and the Brookman area. Sherwood is not meeting its Goal 10 obligation of having 20-year supply of land for housing



## What are the implications for Sherwood's housing policies as the City moves forward updating the Comprehensive Plan?

- Sherwood has a limited supply of land for moderate- and higher density multifamily housing. The limited supply in these zones is a barrier to development of townhouses and multifamily housing, which is needed to meet the demand resulting from growth of people over 65, young families, and moderate income households.
- Sherwood will have an ongoing need for providing affordable housing to lower-income households which will need range of housing including lower cost single family houses, duplexes and multifamily residences. Sherwood currently has a limited supply of land available in its planning area for moderate and high density housing.

## What are the requirements for Comprehensive Plan amendments in the Sherwood Code?

### 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.

## What are the requirements for Comprehensive Plan amendments in the Sherwood Code?

- The last complete HNA update for Sherwood occurred in 1990
- The proposed Comprehensive Plan Part II amendment to include the HNA 2018-2038 as Exhibit A, is needed in order for the City to submit a complete application to Metro for the 2018 Urban Growth Management Decision. The findings of the HNA are that the City is not compliant with Goal 10. As a result, Sherwood is asking for inclusion of land in Sherwood West in the 2018 Urban Growth Management Decision
- The City Council in December 2017 supported a letter of interest sent to Metro as an initial first step toward an UGB expansion in Metro's 2018 Urban Growth Management Decision
- Sherwood's HNA 2018-2038 is constant with the requirements of applicable State statutes, specifically Statewide Planning Goal 10 and the Metropolitan Housing Rule (OAR 600-007), and will be used to further refine and update goals and policies related to housing needs through the city's Comprehensive Plan update

## Public/Agency Comments

Staff received one written comment in support of PA 18-01 prior to the public hearing.

## Staff Recommendation

Staff recommends that the Planning Commission forward a recommendation of APPROVAL of:

- Housing Needs Analysis 2018-2038 and;
- PA 18-01 amendment to the City of Sherwood Comprehensive, Part 2 to include the HNA 2018-2035 as Exhibit A

**Carrie Brennecke**

---

**From:** Matthews, Diann <Diann.Matthews@merz.com>  
**Sent:** Tuesday, February 13, 2018 12:53 PM  
**To:** Carrie Brennecke  
**Subject:** Housing Needs Analysis

Dear Carrie,

I want to go on record for myself and my sister, Marleen Mandel that we are in support of the adoption of the Housing Need Analysis that you will be presenting to the commissioners this evening, Feb. 13, 2018.

If you have any questions or need me for anything, please do not hesitate to contact me directly.

Regards,

Diann

**Diann Matthews**  
*National Account Director, Managed Markets*  
**Merz Neurosciences**  
6501 Six Forks Road, Raleigh, NC 27615  
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# **APPROVED MINUTES**

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**City of Sherwood, Oregon**  
**Planning Commission**  
**February 13, 2018**

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**Planning Commissioners Present:**

Chair Jean Simson  
Vice Chair Christopher Flores  
Commissioner Justin Kai  
Commissioner Kara Repp  
Commissioner Doug Scott

**Staff Present:**

Julia Hajduk, Community Development Director  
Bob Galati, City Engineer  
Erika Palmer, Planning Manager  
Carrie Brennecke, Senior Planner  
Joy Chang, Associate Planner  
Kirsten Allen, Dept. Program Coordinator

**Planning Commission Members Absent:**

Commissioner Daniel Matzinger  
Commissioner Rob Rettig

**Council Members Present:**

Council President Sean Garland

**Work Session**

**1. Planned Unit Development Review Process**

Erika Palmer, Planning Manager provided a memo and explained the how a Planned Unit Development (PUD) allowed flexibility in side design review (see record, Exhibit 1). Discussion followed.

The work session ended at 6:59 pm.

**1. Call to Order/Roll Call**

Chair Jean Simson convened the meeting at 7:05 pm.

**2. Consent Agenda**

- a. January 23, 2018 Planning Commission Meeting Minutes approval

**Motion: From Vice Chair Christopher Flores to approve the minutes, seconded by Commissioner Doug Scott.**

Chair Simson and Commissioner Kai suggested minor edits to the minutes.

**Motion: From Vice Chair Christopher Flores to accept the amendments minutes, seconded by Commissioner Doug Scott. All Present Commissioners voted in favor.**

**3. Council Liaison Announcements**

Council President Sean Garland did not have any announcements.

**4. Staff Announcements**

Erika Palmer, Planning Manager stated the next Planning Commission meeting would be in on February 27, 2017 with a public hearing for The Spring Living PUD Final Development Plan and the City had chosen 3J Consulting as the consultant for the Comprehensive Plan visioning process.

**5. Community Comments**

No comments were received.

## **6. Old Business**

### **a. Public Hearing – PUD 17-01/SUB 17-01 Denali Lane PUD**

Chair Simson confirmed with the Josh Soper, City Attorney, that the public hearing statement did not need to be read because the public hearing was closed at the previous meeting.

Joy Chang, Associate Planner, gave a presentation of the addendum staff report (see record, Exhibit 2). She said environmental and transportation concerns as well as questions about the Code requirements had come up at the hearing held January 23, 2018.

Ms. Chang referred to the Remedial Action Work Plan dated December 15, 2017, approved by the Oregon Department of Environmental Services (DEQ) and requested those questions be raised to the DEQ. Regarding the trees on Lots 1 and 3, Section 16.142.070 of the Code allowed tree removal in order to accommodate the development including buildings, parking, walkways, grading provided the development satisfied certain standards. The applicant provided a landscaped plan to meet the standards which included the required minimum 40% canopy cover, based on the expected mature canopy calculation. The plan showed a total of 103,699 square feet of canopy, which exceeded the 40% minimum requirement of 64,469 square feet. The applicant proposed all trees and vegetation in the vegetated corridor and wetland area buffers would remain. Ms. Chang stated the site did not have upland and riparian habitat, but there was preserved habitat east of the site on non-buildable Tracts E, F, and G of the Ironwood Acres No. 2 subdivision. The applicant proposed open space tracts (Tracts A, C, D, and E). Tracts C and E would further enhance the non-buildable tracts at Ironwood Acres.

Ms. Chang showed Alternative B/C from the SE Sherwood Master Plan and the Local Street Connectivity Map from the Transportation System Plan (TSP) and said the proposal was consistent with both plans with the connection of SW Denali Lane connecting to SW Murdock Road via SW Ironwood Lane; a cul-de-sac was never envisioned for the area. SW Denali Lane would be fully improved to local street standards with sidewalks on both sides. Tract A, adjacent to SW Ironwood Lane, would have a pedestrian path to connect pedestrians from SW Murdock Road to SW Denali Lane. The transportation and pedestrian improvements would add safety to all users of the facilities. She reminded that Commission that the City Engineer stated that construction traffic could be accommodated.

Ms. Chang showed the site and surrounding properties and said the owners of Tax Lot 700 requested a future access through proposed Tract A. She stated the City Engineer had reviewed the request and it was difficult to condition a future access point without a specific location identified. The future access point would need to meet right-of-way design requirements, which was typically addressed once a site proposed to subdivide. Additionally, the neighboring site had legal access to SW Murdock Road through a 50-foot wide easement and was not landlocked.

Ms. Chang reported a number of conditions of approval were modified for clarity. Amended conditions of approval were reflected in Exhibit G. Condition B14 that required a final tree preservation plan for existing street trees along SW Ironwood Lane was removed since the street trees were not on the applicant's property and a new Condition B14 requesting more detailed View Corridor Plan was added.

Ms. Chang explained the maximum density for the SE Sherwood Master Plan was four dwelling units per net buildable acre under the Section 16.12.010.A.3 of the code. The net buildable area for the site was 2.60 acres, after subtracting right of way and environmentally constrained areas the site could be developed with 10 lots, and the applicant was proposing seven, meeting the standard. Lot 1 was an irregularly shaped lot. The definition of a rear yard lot line as was the opposite and most distant from the front lot line, for irregular and triangular lots the rear lot line was a line ten feet in length within the lot, parallel to and most distant from the front lot line. Per the definition, rear yard setback under discussion was a side yard setback

and the proposed building location on Lot 1 could meet the required 20 feet rear yard setback in the VLDR. Ms. Chang showed a view corridor map overlaid on the SE Sherwood Master Plan provided by the applicant. It showed that the view corridor of the existing home to the west and how the proposed subdivision could affect its views. She displayed proposed building elevations from the revised Architectural Pattern Book with updated elevations to address the styles of homes the applicant would like to build. References to Architectural Review Committee were also modified and now referenced as an Architectural Review Checklist that staff would use at time of building permitting.

Ms. Chang said staff had determined that the approval criteria had either been met or could be satisfied as conditioned. Staff recommended the Planning Commission forward a recommendation of approval with conditions of Denali Lane PUD to City Council. She offered to answer questions from the Commission.

Commissioner Kai asked if the side yard setback could be increased for additional buffering to the neighboring property. Chair Simson stated it could be based on the SE Sherwood Master Plan where buffering to the neighboring properties was very important. She understood the code allowed for a five foot setback, but because a PUD allowed for increased density, the Commission could buffer existing neighborhoods. She noted the decision would be the first of many for the SE Sherwood Master Plan area and acknowledged the City had not adopted the entire SE Sherwood Master Plan, but emphasized the spirit of the concept plan should be carried forward. She asked if other members of the Commission were in favor of maintaining the five foot setback or utilizing the PUD to implement buffering.

Commissioner Scott said a five foot setback on a 16,000 square foot lot seemed small considering the impact to the property to the west. Chair Simson wanted to buffer and screen the driveways as well. Stating the lots were envisioned as being accessed from Denali Lane with houses closer to the road. She said the applicant was creating their own hardship by their design and enforcing an unusual hammerhead on the back of the property.

Commissioner Scott referred to the view corridor drawings submitted by the applicant and asked what was required to maintain the view corridor according to the master plan. Ms. Palmer explained there was no criteria adopted in the code for what was required of a view corridor, just that the view corridor should be preserved. Chair Simson said how to address the view corridor should be established.

Commissioner Kai asked about adopting of the SE Sherwood Master Plan in full. Julia Hajduk, Community Development Director, advised it was unlikely and said there was a lot of process and public involvement that took place for the SE Sherwood Master Plan as well as Planning Commission level hearings. It was a valid concept plan that was not adopted by City Council and she thought the amendments to the Sherwood Zoning and Community Development Code by City Council to allow the PUD process acknowledged the SE Sherwood Master Plan, even though it was not formally adopted into a concept plan.

Chair Simson was reminded that the applicant still had ten minutes of rebuttal time. Chair Simson gave the applicant ten minutes for rebuttal.

**Steve Miller**, Emerio Design, for the applicant came forward and said in terms of the setbacks the underlying zoning was important, because it was a tool to address buffering and added the SE Sherwood Master Plan was not adopted, but only portions of it codified to help provide direction for future development. In addition, the Plan said large lots provided buffering from the existing lots, Mr. Miller said the lot to the west was steeply sloped in that area, so being able to develop within the proximity of the home on Lot 1 was highly unlikely due to the topography and street access requirements to get access to the property. He said north and west of Lot 1 was very steep and heavily treed on that side of Ironwood

Lane and he thought there were development limitations in the area to say the proposed home was too close when the existing home was 150 feet away. He did not think there was much capability to build on the adjacent property.

Mr. Miller commented that during the SE Sherwood Master Plan process the neighbors in the southwest quadrant of the study area indicated they did not want to redevelop their property, in essence, withdrawing their properties from the master planning area and were not included. The master planning process looked at the rest of the planning area to come up with alternative B/C. During that process, they also identified two specific view corridors, one in the central area of the master plan area and one in the southwest corner. It was clear in the plan that Mount Hood was the predominant feature. In the area to the north, a park area with open space was put in to provide a view shed to the east. For the property to the west of the applicant's property, they identified the view as shown in the view corridor drawing. He said the applicant relied on the SE Sherwood Master Plan documents to provide guidance and to create a plan that met the intent to the greatest extent practicable. He said a lot of open space was provided on the north end of Lot 1 to help protect that view corridor and the homes were put to the south. Mr. Miller noted there was an economic element to developing property and it was important to take advantage of sloped terrain and not fight it, which was why the homes on Lots 1-3 were pushed to the back of each site. It was impractical to put the street in with the contours and have to go up the rock hill, which added a significant cost. The proposal was a way to develop the area, with all of the topography constraints taken into consideration. The homes were located to make the most from an efficiency standpoint. He said the homes were moved to the south to provide buffering with only one home set at the side yard setback, the others were further away. He thought the applicant had done a good job of providing protection for the view corridor.

Mr. Miller reported the architectural pattern book was revised to better address the home styles in Sherwood. There was acknowledgement the flat roofs would help protect the view corridor so maybe a blended style would work. He said the applicant was trying to listen to the Planning Commission and submitted a proposal that met SE Sherwood Master Plan to the highest degree possible. He commented curved streets created a traffic calming effect deterring the higher speeds of a straight road. Mr. Miller asked to preserve five minutes to respond to questions about the proposal.

There were no questions from the Commission. Chair Simson closed the public testimony and moved to deliberation.

Commissioner Kai asked if the SE Master Plan indicated any concrete measurements or parameters for buffering.

Commissioner Scott said looking at the cross section submitted on sheets 11 and 11A of the view corridor, if the slope shown on 11A was accurate then it would appear the property to the west had the same slope as Lot 1. It seemed if a house could be built on that slope, then a house could be built on the adjacent slope. He was uncertain how much weight should be put into Mr. Miller's statement because the adjacent property may or may not be developed, but it was someone else property. He was dubious about accepting testimony regarding how someone else might develop their property.

Chair Simson asked the Commission to look at what a PUD in the SE Sherwood Master Plan area would look like as the request was one of the first to be developed in the area and it would be setting a precedent of how development would be addressed. She had angst about not complying with buffering in the SE Sherwood Master Plan. All of the drawings from the plan had the homes pushed away from their neighbors and she did not believe the Commission would be doing justice by allowing the underlying code language to dictate a buffering zone in this PUD. She said a minimum buffering of 20 feet all around with a landscape barrier between the lots and adjacent developments should be established, because the Very Low

Density Residential (VLDR) zone was intended to be one lot per acre. In order to protect the integrity of the area the Commission needed to provide what one unit per acre would have done; lots of buffering and spacing between houses. Commissioner Scott agreed. Chair Simson asked for a consensus from commission members.

Commissioner Repp struggled with overwriting the setbacks established in the code. She felt the applicant had met the standards of the code. She noted the potential for another house on Lot 1, but it was unclear if that would happen in the future. She had visited the area and though it looked like the same elevation on the map, in person it did not seem that redevelopment would put houses close together. If it were her home, she would want more buffering, but suggested sticking to the code. Vice Chair Flores was torn.

Ms. Hajduk offered proposed language for a condition of approval, "Prior to the final PUD approval demonstrate a 20 foot landscape buffer as provided between this property and adjacent properties outside the SE Sherwood Master Plan area".

Commissioner Scott offered to split the difference and suggested a 20 foot buffer to front and back and a 15 foot buffer to side yards. Discussion followed. Ms. Hajduk clarified the properties west and to the south were not part of the SE Sherwood Master Plan and if they developed further it would be one acre lots in the VLDR zone. A PUD could be utilized with a minimum two acres, however they would not have the ability to gain the same densities, because they were not with the Plan area. When asked if adjacent properties could be added to the SE Sherwood Master Plan area, she was unsure how, but did not rule it out.

The following motions was received.

**Motion: From Commissioner Doug Scott to adopt the language proposed by Ms. Hajduk changing from 20 feet to 15 feet. Seconded by Commission Kai for the purpose of discussion.**

Commissioner Kai asked if any Commissioners felt 10 feet was acceptable in place of 15 feet. Chair Simson did not think a 10 foot buffer was sufficient to block lights and other nuisances.

Vice Chair Flores was leaning towards leaving the setback alone. He said the adjacent development would not build a house so close and would want a greater distance between the homes.

Commissioner Kai asked if the adjacent property owner could utilize the PUD process and develop their property into seven lots as shown in the exhibit provided in Lisa Walker's testimony (see page 34 of the packet). Ms. Hajduk noted the lot sizes appeared to be larger than the proposed Denali Lane PUD lots and supposed they were roughly one half an acre, which could potentially be accomplished through a PUD. Commissioner Scott stated it was the Commission's opportunity to codify the buffer and ensure protections were in place as intended by the Master Plan.

With no further discussion, Chair Simson asked for a vote. **Chair Simson, Commissioners Kai and Commissioner Scott voted in favor. Vice Chair Flores and Commissioner Repp voted against. Motion passed.**

Chair Simson stated the view corridor was part of the SE Sherwood Master Plan and asked if the development code had language that would enable the Planning Commission to quantify what the view corridor was. She reported there was a view corridor in Portland under scrutiny because the buildings were designated to be stair stepped to protect the view. Ms. Palmer said the applicant provided the view corridor for the SE Sherwood Master Plan overlaid onto Lot 1 and the Code had no criteria for how the view corridor should be preserved. She noted there were housing styles in the architectural pattern book with flatter roofs that would preserve more of the visual corridor, the Commission could require a condition

that a more contemporary or modern style home with a flatter roof line be built on the lot. Chair Simson was looking for a height restriction. Ms. Palmer said the building height was restricted to 30 feet or two stories. Ms. Hajduk said the view corridor could be defined by the Commission as no trees, no structures, an established roof height or not to completely block the corridor. She said it was important for the Commission to establish what was meant by the view corridor so it was clear at final development plan review and for building permits. Chair Simson did not want to dictate which house on the lot, but when the building permit for the house came in it should preserve the view corridor.

Commissioner Scott noted that on the master plan alternative B/C none of the structures intersected the view corridor at all, but the overlay of the proposed Lot 1 did. The Section A-A elevation on sheet 11A, showed the proposed house in Lot 1 clearly impacted the view corridor on a corner section of the house. He thought the 15 foot buffer might solve this, but the Commission should make sure.

Chair Simson suggested that if the house intersected the view corridor the top of the house could be no taller than the highest ground elevation of their own lot. She stated if the house on Lot 1 was moved closer to Denali Lane, they could put it any place, even inside the dotted line, as long as the top of the building was not any greater than the top of the slope of their own lot.

Commissioner Repp said the applicant was already going to have to push the house back from the property line because of the increased setback so it would be away from the dotted line already. She said there were ways to make it work as the applicant talked about putting in a ranch style home or a home with a flat roof.

Ms. Hajduk offered proposed language that “no structure on Lot 1 shall be located within the view corridor or shall have a roof height no taller than the top of grade of the western property line in order to preserve the view corridor shown in B/C of the SE Sherwood Master Plan”.

**Motion: From Commissioner Doug Scott to use the language proposed by Ms. Hajduk. Seconded by Vice Chair Flores.**

Chair Simson asked for a discussion. Vice Chair Flores noted it was specific to Lot 1. Ms. Hajduk said even though it was specific to Lot 1 the Commission was establishing the intent. She reminded the Commission they were talking about the view corridors identified in the SE Sherwood Master Plan.

**Motion: From Chair Simson to remove the words “on Lot 1”. Seconded by Vice Chair Flores. All present Commissioners voted in favor.**

Chair Simson turned to the building design language on page 3 of the revised Architectural Pattern Book (see record, Exhibit L). She noted there was no indication of which architectural features, design criteria or housing style the applicant would use. Additionally, it said they would comply with CCRs specific to the project, which were not provided.

Commissioner Repp pointed to #4 of the Building Design, “the architecture of each home should complement the existing homes”. Discussion followed regarding the homes in the neighborhood to the south being mostly traditional, early American, or transitional.

Chair Simson asked what staff would review to confirm compliance with the design criteria of the architectural pattern book when the final site plan came in. Ms. Palmer responded that staff would look at the building elevations and determine the housing style. She said the applicant included the types of homes and different siding materials, masonry, exterior lighting, overhead doors and paint colors to from which to choose. Staff would confirm with the provided checklist with each building permit submittal to ensure they met the elements provided in the pattern book.

Chair Simson did not think composite paneling looked like the natural wood or stone seen in the rest of

the community. She asked if it was under the Commission's purview to refine the pattern book and remove those items that did not fit. Staff said it was.

Commissioner Scott asked how much weight Building Design #4 carried. Chair Simson answered if the pattern book was accepted applications that complied with it would have to be approved. Ms. Hajduk added that the plot plan review was done by staff, who would look at the architectural pattern book and ensure it met the benchmarks. She gave the example of the Cedar Brook PUD where a requirement was to have three different materials and varying colors. The criteria was not subjective; either there were three material types or not. She said if the Commission wanted specific benchmarks met, staff needed to be directed in those decisions.

Chair Simson said contemporary or modern homes were not found anywhere within the neighboring houses nor the community. She worried about the burden placed on staff to determine if a house matched the architecture of existing homes.

Ms. Hajduk suggested the Commission not worry about the architecture and focus instead on the materials. As long as the materials were compatible, maybe that was okay. Vice Chair Flores said the contemporary example had a number of elements with the wood and stone and he thought it would fit.

Commissioner Kai stated that contemporary and modern style homes were completely different from the neighboring homes architecturally. He questioned if similar materials would be enough for the newer styles homes. Vice Chair Flores said using the same materials would blend it fine. Commissioner Scott agreed. Commissioner Repp commented in Sherwood there was a lot of the same style and some variation, if done responsibly, would be an attractive feature for the city. Toned down, natural colors would be a nice addition to the community and she would welcome the variation. Commissioner Scott agreed the focus should be on the materials and the colors. He was uncomfortable with dictating architectural style. If that is what people wanted to build and buy as long as it blended using appropriate materials and colors.

Commissioner Kai said it was clear to him the applicant's intent was to build only contemporary and modern homes on the seven lots. He felt it was important for the Commission to include a condition to ensure there was a range of styles from the pattern book built on the seven lots, or that Lots 4-7 were built as transitional, traditional or early American. Lots 1-3 could be from contemporary, modern or low pitch traditional to take advantage of the lower pitched roofs on the higher elevation properties.

Commissioner Repp remembered that the intent was not to build all contemporary and modern, but that those styles were popular. The proposal was more to do lots in contemporary and modern with styles that would transition better. She said using the extreme example of a modern home with a black and white exterior on Lots 3 or 4 did not complement the existing homes, but she was not comfortable with dictating which house could go where. Commissioner Scott recalled the applicant was not sure if they would build any modern, even then it would be one. He said the modern style was the biggest outlier. The other styles, even the contemporary and low pitched traditional, with the right materials and colors, would blend in. He suggested striking the modern and confirming the colors and materials. Vice Chair Flores questioned the difference between contemporary and modern and stated, with the right materials, he would like either.

Ms. Hajduk reminded the Commission their recommendation would go to City Council, and it was up to Council to approve the preliminary PUD, which would include the pattern book. The applicant would come back to the Planning Commission for the final PUD approval, but the Planning Commission would not approve individual house plans. City staff would review building permit applications for consistency with the pattern book and the Planning Commission would indicate, through the pattern book, what was compatible.

Commissioner Kai pointed out that was why it was important to condition variety from the pattern book. Chair Simson noted #2 of the Building Design criteria in the pattern book stated “each structure shall have an individual and distinctive appearance”. She suggested it be changed to require at least four of the six home styles be represented to ensure a variety of housing types. Discussion followed.

Vice Chair Flores pointed out the developer would want to sell the homes and it was important for the neighborhoods to be cohesive. Commissioner Repp suggested restricting a modern or contemporary from Lots 3 or 4 to ensure a transitional period. Commissioner Scott suggested three of the six home styles be represented in the neighborhood. There was general agreement between commission members to change Building Design #2 to require three home styles be used.

Regarding materials, the Commission discussed restricting the composite paneling to 10% or striking it from the pattern book. It was removed from the list of siding materials. References to an Architectural Review Committee were also removed. No other changes were made to the pattern book.

Commissioner Scott asked Building Design #5 stated “each structure shall be constructed to maximize the use of the lot with orientation toward the front property line” was contradictory. The Commission understood this to mean the elevation facing Denali Lane would be the front of the house. Staff confirmed and said if it was not the applicant’s intent they could ask Council for a change in the Architectural Pattern Book as City Council would have the discretion to change the recommendation. No changes were made.

Chair Simson noted a four foot retaining wall proposed on Lots 2 and 3 and asked if there were any concerns about screening at the hammerhead driveway. None were expressed.

Chair Simson asked the City Engineer if the actions taken by the Planning Commission would preclude the property owner to the west from accessing their property across Tract A. Mr. Galati responded it would not. Access to the property through Tract A could be negotiated between property owners that would be reviewed by engineering staff at time of land use submittal. Mr. Galati indicated it was better not to have a condition of approval because it could potentially be more restrictive.

The following motion was received.

**Motion: From Vice Chair Christopher Flores to forward a recommendation of approval to the City Council for PUD 17-01/SUB 17-01 Denali Lane Planned Unit Development and Subdivision based on the applicant testimony, public testimony received, and the analysis, findings, and conditions in the staff report with all of the modifications stated through our deliberation for a hearing on March 6, 2018 to the City Council. Seconded by Commissioner Kara Repp. All present Commissioners voted in favor.**

Chair Simson called for a recess at 8:58 pm and reconvened at 9:07 pm. She proposed to the Commission that the hearings for the Transportation System Plan and the Housing Needs Analysis be switched for those waiting to testify on the Transportation System Plan Amendments.

**Motion: From Vice Chair Christopher Flores to hear agenda item c. before agenda item b. Seconded by Commissioner Kara Repp. All present Commissioners voted in favor.**

Note: Vice Chair Flores motion moved to hear the PA 18-02 Transportation System Plan and Sherwood Zoning and Community Development Code Amendments before hearing PA 18-01 Housing Needs Analysis Adoption and Text Amendment to the Comprehensive Plan as stated in the agenda.

## 7. New Business

### b. Public Hearing – PA 18-02 Sherwood Transportation System Plan and Sherwood Zoning and Community Development Code Amendments

Chair Simson read the public hearing statement and stated the Planning Commission was making a recommendation to City Council tentatively scheduled for March 6, 2018.

Erika Palmer, Planning Manager gave a presentation of the staff report (see record Exhibit 3) and explained the Transportation System Plan (TSP) provided a roadmap for the long-term vision of Sherwood's Transportation System Plan including strategies and improvement projects for all modes of travel including cars, pedestrians, bikes and transit.

Ms. Palmer explained text and map amendments needed to be consistent with the City's Comprehensive Plan and Transportation System Plan, and the State Transportation Planning Rule. She said the proposed amendments would provide consistency within the City's TSP document. There were figures (maps) in the TSP that should show the same information, but were inconsistent. She showed Figure 17, which identified Brookman Road as an arterial and said it was adopted in 2014 into the City's TSP, however there were two other maps in the Plan that were not consistent with Figure 17. The proposed amendments provided consistency with Washington County's Transportation Plan, which also identified Brookman Road as an arterial. The proposed amendments would ensure the City's TSP was consistent within the document itself as well as with Washington County's TSP.

Ms. Palmer explained the proposed amendment was to show Brookman Road as an arterial all the way through. She showed Figure 1, which showed Brookman Road as a collector and Figure 11, which had a realigned portion at 99W end as an arterial, but not the entire length of Brookman Road to Ladd Hill Road, which was designated as a collector.

Ms. Palmer said the proposed amendment had some text changes to two project tables in the TSP, removing the words "three lane collector" from the title. The project details for the road did not change.

Ms. Palmer showed a new Figure 17.b and said it was in the TSP prior to the 2014 update and engineering staff would like to return the map to the TSP document. The map depicted where the right of way would be more than two lanes.

Planning staff recognized the need for additional refinements to the transportation network in Brookman Road Concept Plan and were actively looking for funding opportunities that would revisit and refresh the plan, including engaging with neighbors on any proposed updates to the Brookman Road Concept Plan.

Ms. Palmer reported that to be consistent with the Development Code there was a proposed a text change in section 16.106.010 in the Transportation Facilities chapter to rename Figure 15 to Figure 17. Staff recommended the Planning Commission forward a recommendation of approval of the proposed TSP amendments to City Council for the March 6, 2018 hearing date.

Ms. Palmer stated written comments were received from Mike Robinson (see record, Exhibit D). Chair Simson called for public testimony.

**Michael Robinson**, land use attorney representing Holt Homes said he submitted the comments and his client agreed with the recommendation made by staff. He asked the Planning Commission to forward a recommendation of approval to City Council.

Chair Simson thought based on the Brookman Road Concept Plan the collector status of the road should be preserved so that access spacing on the road would not be hindered. She asked Mr. Robinson about Washington County's spacing standards. Mr. Robinson thought the issue was the cross section and pursuant to the IGA between the City and Washington County the City's TSP was required to match the County's TSP. Holt Homes operated under the assumption that the development would follow the

standards applied. He reminded the Commission that at the end of the recent annexation for a portion of the Brookman area, Washington County appealed the City's approval of the annexation, because the Plans were inconsistent.

**Melvin Taylor**, resident on the east end of Brookman Road between the two 90° corners thought it was not a trivial thing to change it from a collector to an arterial, especially on the east end. The route shown would change due to the 90° corners. He said there were one acre lots on the north end and if the right of way was added plus another sixty feet for a side street there was not that much right of way available. He compared Brookman Road to a Tualatin Sherwood Road or a Sunset Blvd and wondered what the plan was. He acknowledged Metro, Washington and Clackamas County and City of Sherwood would be involved and wondered about the effect to Washington County and Clackamas County residents. He said there seemed to be a lot of work to be done on the east end and it would impact him and his neighbors as any road alignment would have to take the corner out. There was also the Southern bypass project that had been in the planning stages forever. He said residents were watching and concerned.

With no other comments, Chair Simson closed the public hearing and asked for comments from staff.

Bob Galati, City Engineer, answered starting at the west end, eastward. He said the realignment of Brookman Road was for safety concerns and to meet the requirement for a road improvements across a railroad right of way. The realignment of Brookman Road to Hwy 99W was required because the intersection of the roadway would not meet spacing for the railroad. In order to cross the railroad with any future road the realignment would have to meet the rail standards for spacing and distance. There was also a gas line and a gas pumping station, which further limited the roadway for any type of improvements. The intersection had grade issues and there have been accidents there.

Mr. Galati stated Washington County had jurisdiction over Brookman proper. The County owned the right of way and the City's TSP had to match the County's TSP. He thought discussions about whether Brookman Road had three lane or five lane spacing standards would come with a regional discussion about the regional transportation needs and discussions were ongoing. The County was reserving the area needed for the five lane, but he hoped not to go beyond three lanes.

Mr. Galati said he did not think there would be a five lane road through the S-curve nor a five lane road into town. It was not set in stone that a southern arterial or bypass could be located there or further south. Those are all still subjects open to discussion. Ms. Hajduk added most of the Brookman area was Washington County until the S-curve on the east end and the portion east of the curve was Clackamas County, but the road remained in Washington County's jurisdiction and the county line was Brookman Road. For the purpose of the application it was a County Road, the County said it was an arterial, the county was planning on five lanes and they have told us they want us to make our TSP consistent.

Commissioner Scott received confirmation that Brookman Road was already an arterial per Washington County and the City's action was aligning our TSP to match Washington County's TSP. Mr. Galati noted the lane count would change from a three lane arterial to a five lane arterial in the City's TSP. The project list was to build the road to three lanes, but reserve right of way for five lanes and require any developer to build to those standards.

Chair Simson disclosed she was part of the original Brookman Road planning process and she had asked staff to send additional notice to Brookman Road residents. She was concerned that the original concept plan for Brookman Road had a lot of density where Old Hwy 99 would connect to Brookman Road and the expectation was that there would be easy access from high density apartments to Brookman Road and Hwy 99w. There was a potential for high density areas to push traffic up Timbrel Lane for access to Sunset Blvd. She said the TSP update seemed to change the flavor of the road from a collector to potentially a five lane arterial with limited access. Chari Simson voiced concern that there was no money for the City to

revisit the density of Brookman Road and said she believed the people in the Brookman area and the citizens should revisit if the concept plan was right because it was based on a certain road design. Ms. Palmer reported the city was looking for funding opportunities for future refinements to the Brookman Road Concept Plan. Ms. Hajduk acknowledge it had been ten years since the plan was adopted and there was more information available. Chair Simson suggested special focus on the area during the Comprehensive Plan Update.

Chair Simson pointed out some typos in the staff report.

The following motion was received.

**Motion: From Vice Chair Christopher Flores to forward a recommendation of approval to the City Council on March 6, 2018 for PA 18-02 Sherwood Transportation System Plan and Sherwood Zoning and Community Development Code Amendments based on the applicant testimony, public testimony received, and the analysis findings and conditions in the staff report. Seconded by Commissioner Just Kai. All present members voted in favor.**

**a. Public Hearing – PA 18-01 Housing Needs Analysis Adoption and Text Amendment to the Comprehensive Plan**

Carrie Brennecke, Senior Planner gave a presentation of the staff report (see record, Exhibit 5) and said the proposal was to adopt the Housing Needs Analysis and amend Comprehensive Plan text to include the Housing Needs Analysis. She explained Statewide Planning Goal 10 required 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 adequate with the financial capabilities of its households. She said an HNA would first describe the current housing market from historic, recent and overall trends. It described current and future demographic characteristics of Sherwood and forecasted future housing needs based on these considerations and the Metro 2016 Urban Growth Report forecasted growth rate; how many people are coming, what kind of housing they are going to need based on demographics and trends and forecast a number. The HNA also provided a Buildable Lands Inventory and addressed residential land sufficiency inside the Urban Growth Boundary (UGB) to meet Sherwood's housing needs for the 20-year planning horizon.

Ms. Brennecke said an HNA was needed to comply with the requirements of statewide planning policies for housing and residential development, Goal 10, the Metropolitan Housing Rule and Metro's 2040 Functional Growth Management Plan. The city's obligation was to provide enough land to accommodate the forecasted housing needs for the next 20 years, designate land that provided the opportunity for 50% of new housing to be developed as multi-family or single family attached, and to achieve the average density of six dwelling units per acre. She said the HNA was initially developed as part of the Sherwood West Preliminary Concept Plan in 2015 for the period from 2015-2035. It informed the preliminary concept plan process for an area of Sherwood's Urban Reserve Area 5B, but was not adopted by the City or processed as an amendment to the City's Comprehensive Plan.

Ms. Brennecke explained the City updated the HNA to reflect the 2018-2038 period and stressed the importance to adopt the HNA before the Comprehensive Plan in order to submit a proposal for Metro's 2018 Urban Growth Management Decision, because an adopted HNA within the last 5 years was a requirement. She noted the proposed amendment to include the HNA 2018-2038 in the Comprehensive Plan contained no updates to the Comprehensive Plan goals and policies, no updates to the Plan and Zoning Map, nor any updates to the Zoning and Development Code. It was only for background information and data purposes and prepared for the update and revision to the housing element of the City's Comprehensive Plan.

Chair Simson asked how the data would change the density standards or lot sizes within the community.

Ms. Brennecke responded it would inform the goals and policies of what would move forward. She reviewed the HNA conclusions.

- Sherwood population grew relatively fast at 8% annual growth from 1990-2013
- Sherwood's population is aging with people over 45 as the fastest growing group
- Sherwood is attractive to younger people and households with children; 47% of households have children, millennials will be the fastest growing group over the next 20 years
- Sherwood's population is slowly becoming more ethnically diverse

Ms. Brennecke said if the trends continued it would result in a change in types of housing demanded or "needed" in Sherwood. The aging population was likely to result in increased demand for smaller single-family housing, multi-family housing, and housing for seniors. As well as an increased demand for a wider variety of affordable housing appropriate for families with children on moderate incomes such as smaller single family houses, townhouses, duplexes and multi-family housing from the growth of younger diversified households. The HNA was projecting a need for this missing middle housing as Sherwood households have relatively high income, which affected the type of affordable housing.

Ms. Brennecke said the HNA forecasted to add 1,653 new households between 2018 and 2038. Sherwood's planning area (city limits and Brookman) could accommodate 70% of the forecasted growth, but there would be a deficit of land for housing. This was important for our Goal 10 findings. The deficit of land was for 497 dwelling units. The largest deficits were in Medium Density Low, Medium Density High, and High Density Residential and to provide land supply, Sherwood will need to continue to annex the Brookman area.

Ms. Brennecke revealed that Metro forecasted a 0.08% annual growth rate for Sherwood over the next twenty years, but Sherwood had a historical growth rate of 8%. At the faster rate, Sherwood's land base had a capacity for 4-10 years of growth. The housing growth in Sherwood depended on the availability of development ready land. That meant Sherwood was not meeting its Goal 10 obligation of having 20-year supply of land for housing and would need Sherwood West to accommodate future growth beyond existing city limits and the Brookman area. The implication as Sherwood moved forward with the Comprehensive Plan was that there was a limited supply of moderate and high density zones for young families and seniors and affordable housing for lower income households, which are also the missing middle housing types.

Ms. Brennecke clarified the text amendment criteria needed consistency with local, regional and state plans. She pointed out that the last HNA was completed in 1990 and was overdue. The findings of the HNA show the City was not compliant with Goal 10 and, as a result, Sherwood was asking for inclusion of land in Sherwood West in the 2018 Urban Growth Management Decision. The text amendment was needed for a complete application for the Metro urban growth management decision.

Ms. Brennecke reminded the Commission that in December 2017 City Council supported a letter of interest to Metro as an initial first step toward an UGB expansion. Sherwood's HNA 2018-2038 was consistent with the requirements of applicable State statutes, specifically Statewide Planning Goal 10 and the Metropolitan Housing Rule. All the information would be used to make the city more consistent and enhance Sherwood's compliance as we move forward with the Comprehensive Plan Update. The current Comprehensive Plan and Zoning Code did meet the bare minimum of the requirement.

Ms. Brennecke handed out a written comment in support (see record, exhibit 6) and said staff recommended the Planning Commission forward a recommendation of approval of the Housing Needs Analysis 2018-2038 and PA 18-01 amendment to the City of Sherwood Comprehensive Plan.

Ms. Hajduk added this was the first step of Comprehensive Plan. The next step would be an Economic

Opportunities Analysis (EOA), which would be background information and policies, but also the policy component of the HNA through a technical assistance grant received from the State. The Housing Needs Analysis was intended to become an exhibit to the Comprehensive Plan because the current Plan did not have appendices.

Chair Simson noted the HNA used Portland's median family income (MFI) and asked why Sherwood's MFI was not used. She asked if the regional income was used for basing affordable housing in Sherwood. Ms. Simson believed Sherwood's median family income was different. Ms. Brennecke explained the Metropolitan Housing Rule required the area be looked at regionally. Chair Simson argued those same Metro numbers would be used to define the Sherwood community; instead of being Sherwood specific the community would be homogenous to the regional area.

Commissioner Kai asked what would happen if the Planning Commission did not approve the HNA. Ms. Hajduk maintained the state had certain requirements for Housing Needs Analyses and it could not be isolated to just the community. Chair Simson stated Metro was continually requiring the City to comply with the same standards set for Gresham, Beaverton, and other Metro cities.

Commissioner Scott's concerns was Metro's one size fits all approach to everyone in Metro.

Commissioner Kai was concerned by the implications of the information and data in the analysis and how that translated when planning for the future.

Chair Simson said the Planning Commission should probably pass it forward, but wanted to keep in mind that all the numbers used to base assumptions for affordability or housing densities were based on Metro's mandates to cities. She cautioned the commission that accepting those numbers that may have consequences in the future. She said Sherwood had complied with Metro, but she wanted to know what the citizens wanted so as not to deviate with the community's core values.

Commissioner Kai stated the HNA was advocating for a different city than he understood Sherwood to be. He said the analysis felt heavy handed and he was concerned how it would influence future decisions.

Commissioner Repp recalled information provided at the Sherwood West expansion meeting and asked if it was based off of the old HNA. Ms. Hajduk stated Metro recently added the requirement for an adopted HNA in order to apply for the Urban Growth Boundary expansion request. The City was able to refresh the information from the analysis done for the Sherwood West Preliminary Concept Plan.

Commissioner Repp said the original intent was to ask for 300 acres. Ms. Hajduk revealed the letter of intent to Metro indicated 626 acres total with 455 acres of net developable land. The 300 acres was an arbitrary number, not based on specific data. During the Sherwood West UGB expansion discussion a lot of feedback was received from property owners that wanted to be included, though not all of that was included. The highpoint was the difficulties funding infrastructure needed for the new school. By bringing in more land the cost of infrastructure would be spread out more. City Council supported the area. Staff was still working on the final submittal that will need to be approved by Council via resolution before submitting it to Metro. The 626 acres is about half of the Sherwood West planning area south of Chicken Creek.

Chair Simson said according to the forecast the City was short 497 housing units needed for the next 20 years, but instead of asking for what was needed, the ask was for over 400 acres of developable land. At an average of seven units/acre that totals 2800 housing units to meet a 500 unit deficit. Ms. Hajduk stated the UGB ask was not the decision before the Commission. Chair Simson maintained that was the impact of the path before them. Ms. Hajduk emphasized the 497 housing unit deficit was an estimate based on Sherwood growing at 0.08%, which was unrealistic. Just because it land was in the UGB did not mean it was going to develop soon as evidenced by the Brookman Road area. If land was not brought into the city, the city would have five years' worth of land. There was not a need for a perfect balance, because we know

development would not happen the way Metro said it would. Metro could grant the city no land, the requested amount of acreage, or something in between, into the UGB, because they look regionally not community specific.

Ms. Brennecke explained Metro had a big model, called Metroscope based on transportation, zoning, and the like which it forecasted the .08% growth. The 0.08% was mostly based on the fact that Sherwood did not have a lot of land in the UGB. We know historically that Sherwood has grown at 8% and the impacts if we do not grow was that housing would become extremely unaffordable and development would be forced to grow up instead of growing out. Sherwood was going to have to talk to decide if the community wanted to increase density inside the UGB or wanted to grow out. Ms. Brennecke stated this was not the discussion of the HNA, because the HNA was housing data with a forecast. What was ultimately done about it would be through the policy component of the Comprehensive Plan Update. There will need to be many community conversations. The community cannot disallow poor people from living here, but it can say it does not want to grow more than .08% a year. With the policy discussion the city could meet growth through annexation and have residential or infill design standards from the policy discussions.

Ms. Palmer pointed out that the market would drive growth and reminded the Commission of the recession where there was not a lot of housing development within the Portland metro area for a couple of years. There will always be fluctuations.

Chair Simson stated the HNA said there were two things that made Sherwood; 5000 square foot lots and the missing middle. Right wrong or indifferent, Sherwood was single family detached homes, but Metro was requiring a 50% opportunity for multi-family and detached. Ms. Hajduk said the data indicated what Sherwood already had, and based on demographics and regional needs, what was be needed. Commissioner Kai said it would be hard to disagree with the data in the future if it was accepted. One of his concerns was regarding the 50% requirement for multi-family or single family attached and the recommendation to make 40% multifamily housing with only 10% as single family attached. Note: there is a Metropolitan Planning Rule that requires Sherwood to provide the opportunity for 50%.

Ms. Palmer said the requirement was for the opportunity and we offer that opportunity now in Sherwood. It was unlikely Sherwood would ever get to that threshold. The code provides the opportunity the question was whether a developer would actually provide the type of housing was a different story.

Commissioner Scott stated it was not just data when there were recommendations built into the document. There were recommendations within the document that he did not agree with.

Ms. Hajduk said the Housing Needs Analysis was intended to be data only and asked staff if there were ways to reword the recommendations to help with the Commission's concerns that the document was mandating change. Ms. Brennecke answered that the conclusions and recommendations could be eliminated; she did not think it was necessary to meet the city's obligation for an HNA.

Chair Simson said the HNA went from factual data with historical references to a presumption of how the city would increase density.

Ms. Palmer suggested the section provided options for the next steps of developing goals and policies for housing in Sherwood. As we look for goals and policies for housing in the future they were recommendations for certain action items the City could take and she did not think it was mandating those changes. Planning Commission members disagreed.

Ms. Hajduk suggested the hearing be continued to allow commission members to send concerns to staff and for staff address those concerns.

Chair Simson said with some planning documents, such as the Water System Master Plan, the planning commission was presented with facts that are accepted and pushed through. She thought it was different

with the HNA and was concerned about hindering the community.

Ms. Palmer reiterated that the HNA was not explicitly stating the City of Sherwood should increase density. That would be a conversation down the road.

Ms. Hajduk wanted to clarify that what was being adopted was just data and moving forward the policies and goals would be informed by the data, but not bound by the data. Staff would double check with Metro and the Department of Land Conservation and Development (DLCD). The whole point of the Comprehensive Plan was as a road map to get where we want to go. The HNA showed the demographics and trends, which would inform the next step of the process. If the Planning Commission was not comfortable with the document policy elements, they would not have to be implemented.

Commissioner Repp wanted it on the record that approving the HNA would not bind the city to any decisions. Ms. Brennecke noted it would go into the current Comprehensive Plan and the city would be adopting a new Comprehensive Plan.

Commissioners Kai was more comfortable with the opinions left out. He wanted historical data without opinions or projected data.

Chair Simson did not want recommendations when there was no citizen input towards those recommendations. She asked if Council President Garland had an opinion. He said it was data that was not binding or suggesting anything past what it said on the paper and he agreed with Ms. Palmer that the Planning commission was not bound by the results of the analysis. He thought there had to be some projections because the analysis intended to protect out for 20 years.

Josh Soper, City Attorney advised the Commission to look at the language in the recommendations more closely. The language said, "if the city wants more multi-family housing growth in core areas of Sherwood the city should evaluate whether to make policy changes". In each bullet point the recommendations suggested the City consider options.

Commissioner Scott said that all of the recommendations pointed in one direction and to him it showed a potential bias.

Vice Chair Flores commented that was what the region needed and he was not surprised by the recommendation. He said we already know the citizens did not want to meet the needs of the middle housing. Sherwood wants a certain feel about it; there is no missing middle because nobody wants it.

Commissioner Kai asked if there was real data for how accurate projections have been in the past.

Ms. Hajduk said that Metro was required to do an Urban Growth Report every six years. In the last cycle three years ago, projections based on past trends showed there was not a need to expand the UGB. That was primarily due to recession so Metro committed to look at it again. Sherwood should collect data more often and there was no data.

Chair Simson asked about refining the conclusions and recommendations section with a statement disclaimer that it was not the opinion of the citizens of Sherwood. Vice Chair Flores suggested letting City Council make the decision. Councilor Garland asked if there would still be objections if the conclusions and recommendations were removed.

Commissioner Scott's concern was using the Portland data instead of Sherwood data. He could push his other concerns to the Comprehensive Plan Update, because after rereading the recommendations it was clear they were suggestions.

Commissioner Repp was not surprised by the data and said she was comfortable with the document as written, given that it was data being provided and its recommendations were not required to act on. She would also be open to removing the recommendations. Commissioner Kai felt the analysis was done with

a desired result and the document was created to meet those recommendations. Commissioner Repp did not think there was any other outcome that could have been concluded from the data. Sherwood did have a limited number of acres and the conclusions should not have been a surprise to anyone. She was comfortable by the option to address it later.

Chair Simson was concerned about setting the bar in relation to the Portland data and not Sherwood data. The Planning Commission was in general agreement. Staff said the report was prepared to comply with the Metropolitan Housing Rule and would confirm with the statutes to make it clearer. Staff was directed to determine Sherwood data as a comparison if possible.

Chair Simson read the public hearing statement and said the Planning Commission would make a recommendation to City Council. There was no public testimony. Chair Simson closed the public hearing and the following motion was received.

Motion: Vice Chair Christopher Flores to closed the public hearing and continue deliberation on the application for PA 18-01 Housing Needs Analysis Adoption and Text Amendment to the Comprehensive Plan until February 27, 2018. Seconded by Commissioner Kara Repp. All commissioner present voted in favor.

### **8. Planning Commissioner Announcements**

Vice Chair Flores announced auditions for Hello Dolly would be in March.

Chair Simson confirmed the next Comprehensive Plan Meeting would be in April 2018.

### **8. Adjourn**

Chair Simson adjourned the meeting at 11:02 pm.

Submitted by:

  
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Kirsten Allen, Planning Department Program Coordinator

Approval Date: April 10, 2018