

Department of Land Conservation and Development

635 Capitol Street, Suite 150 Salem, OR 97301-2540 (503) 373-0050 Fax (503) 378-5518 www.lcd.state.or.us

NOTICE OF ADOPTED AMENDMENT

June 30, 2008

TO: Subscribers to Notice of Adopted Plan

or Land Use Regulation Amendments

FROM. Mara Ulloa, Plan Amendment Program Specialist

SUBJECT: City of Hillsboro Plan Amendment

DLCD File Number 003-08

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. A copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: July 16, 2008

This amendment was submitted to DLCD for review 45 days prior to adoption. Pursuant to ORS 197.830 (2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

*NOTE: THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAN IT WAS MAILED TO DLCD. AS A RESULT YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.

Cc: Gloria Gardiner, DLCD Urban Planning Specialist Meg Fernekees, DLCD Regional Representative Jennifer Wells, City of Hillsboro

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DLCD

THIS FORM MUST BE MAILED TO DLCD
WITHIN 5 WORKING DAYS AFTER THE FINAL DECISION
PER ORS 197.610, OAR CHAPTER 660 - DIVISION 18

	☐ In person ☐ electronic ☐ mailed
AT	DEPT OF
E	JUN 26 2008
TA	LAND CONSERVATION AND DEVELOPMENT
N/I	For DLCD Use Only

Jurisdiction: Hillsboro	Local file number: HCP 4-08				
Date of Adoption: 6/17/2008	Date Mailed: 6/24/2008				
Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? YesDate: 2/21/2008					
Comprehensive Plan Text Amendment					
☐ Land Use Regulation Amendment	☐ Zoning Map Amendment				
☐ New Land Use Regulation	Other:				
Summarize the adopted amendment. Do not use to	echnical terms. Do not write "See Attached".				
The applicant proposes to change the comprehensive plant consisting of five properties totaling 3.98 acres (Tax Lots 31BB). The majority of subject site (about 3.31 acres) is affordable housing development, with attached- and detay the potential for this type of redevelopment on the remains	s 1900, 2000, 2200, 2300, 2400 on Tax Map 1N2- proposed to be redeveloped with a 55-years+ ched-single family dwelling units, while allowing for				
Does the Adoption differ from proposal? No, no exp	laination is necessary				
Plan Map Changed from: RL Low Density Residen	tial to: RM Medium Density Residential				
Zone Map Changed from:	to:				
Location: All five properties are located on North	1st Ave Acres Involved: 3.98				
Specify Density: Previous: 3-7 du/net ac	New: 8-16 du/net ac				
Applicable statewide planning goals.					
1 2 3 4 5 6 7 8 9 10 11	12 13 14 15 16 17 18 19				
1 2 3 4 5 6 7 8 9 10 11 Was an Exception Adopted? YES NO	12 13 14 15 16 17 18 19				
1 2 3 4 5 6 7 8 9 10 11 Was an Exception Adopted? YES NO Did DLCD receive a Notice of Proposed Amendmen	12 13 14 15 16 17 18 19 tt				
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1 2 3 4 5 6 7 8 9 10 11 Was an Exception Adopted? YES NO Did DLCD receive a Notice of Proposed Amendmen	12 13 14 15 16 17 18 19 tt				

If no, did Emergency Circ	umstances require imme	ediate adoption?	Yes No
DLCD file No. Please list all affected Sta	ate or Federal Agencies,	Local Governments or Speci	al Districts:
Metro and Washington Cou	inty		
Metro and Washington Cou	inty		
Metro and Washington Coulombie Local Contact: Jennifer K		Phone: (503) 681-6214	Extension:
	K. Wells	Phone: (503) 681-6214 Fax Number: 503-681-62	

ADOPTION SUBMITTAL REQUIREMENTS

This form <u>must be mailed</u> to DLCD <u>within 5 working days after the final decision</u> per ORS 197.610, OAR Chapter 660 - Division 18.

1. Send this Form and TWO Complete Copies (documents and maps) of the Adopted Amendment to:

ATTENTION: PLAN AMENDMENT SPECIALIST DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT 635 CAPITOL STREET NE, SUITE 150 SALEM, OREGON 97301-2540

- 2. Electronic Submittals: At least **one** hard copy must be sent by mail or in person, but you may also submit an electronic copy, by either email or FTP. You may connect to this address to FTP proposals and adoptions: **webserver.lcd.state.or.us**. To obtain our Username and password for FTP, call Mara Ulloa at 503-373-0050 extension 238, or by emailing **mara.ulloa@state.or.us**.
- 3. <u>Please Note</u>: Adopted materials must be sent to DLCD not later than **FIVE (5) working days** following the date of the final decision on the amendment.
- 4. Submittal of this Notice of Adoption must include the text of the amendment plus adopted findings and supplementary information.
- 5. The deadline to appeal will not be extended if you submit this notice of adoption within five working days of the final decision. Appeals to LUBA may be filed within **TWENTY-ONE** (21) days of the date, the Notice of Adoption is sent to DLCD.
- 6. In addition to sending the Notice of Adoption to DLCD, you must notify persons who participated in the local hearing and requested notice of the final decision.
- 7. Need More Copies? You can now access these forms online at http://www.lcd.state.or.us/. Please print on 8-1/2x11 green paper only. You may also call the DLCD Office at (503) 373-0050; or Fax your request to: (503) 378-5518; or Email your request to mara.ulloa@state.or.us ATTENTION: PLAN AMENDMENT SPECIALIST.



ORDINANCE NO. 5866

HCP 4-08: HONEY CREST MEADOWS

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN, ORDINANCE NO. 2793 AS AMENDED, SECTION 14 COMPREHENSIVE PLAN MAPS, APPROVING A MINOR COMPREHENSIVE PLAN LAND USE MAP AMENDMENT TO REDESIGNATE CERTAIN TRACTS OF LAND FROM RL LOW DENSITY RESIDENTIAL TO RM MEDIUM DENSITY RESIDENTIAL

WHEREAS, the owners of certain tracts of land, described below, have filed a written application with the City of Hillsboro to change the Comprehensive Plan designation on these properties from RL Low Density Residential to RM Medium Density Residential, and

WHEREAS, the Planning Commission held a public hearing on this application on April 9, May 14, and May 28, 2008, and heard testimony in support of, and in opposition to, the proposed Plan change, and

WHEREAS, based on the testimony and materials received, the Planning Commission recommended approval of the proposed plan change through adoption of Resolution No. 1669-P, based on the findings attached hereto as Attachment "A," and

WHEREAS, the City Council considered the Planning Commission's recommendation at their regular meeting of June 17, 2008, and hereby adopts the findings of the Planning Commission as their own in regard to this matter.

NOW THEREFORE, THE CITY OF HILLSBORO ORDAINS AS FOLLOWS:

<u>Section 1</u>. Comprehensive Plan Ordinance No. 2793 as amended, Section 14 <u>Comprehensive Plan Maps</u>, is further amended by designating the following described tracts of land RM Medium Density Residential on the Comprehensive Plan Land Use Map:

Tax Lots 1900, 2000, 2200, 2300 and 2400 on Washington County Tax Assessor's Map 1N2-31BB, Section 31, Township 1 North, Range 2 West, Willamette Meridian, on record as of March 4, 1998, a copy of which is attached hereto and thereby made a part of this Ordinance.

Section 2. Approval of this plan change is subject to the following condition:

1. The owners of Tax Lots 1900, 2000, 2200, 2300 and 2400 on Washington County Assessor's Tax Map shall record a unilateral development agreement limiting the maximum density for all future residential development on the 3.98-acre subject site to 34 attached and detached single family dwelling units. The agreement shall be recorded prior to submittal of the zone change application for the subject site.

Section 3. The City Planning Director is hereby instructed to cause the official Comprehensive Plan Land Use Map, a part of Ordinance No. 2793, to be amended to include the minor Plan Map change set forth in Section 1 hereof.

Section 4. Except as herein amended, Comprehensive Plan Ordinance No. 2793 as amended shall remain in full force and effect.

Section 5. This ordinance shall be effective from and after 30 days following its passage and approval by the Mayor.

Passed by the Council this 17th day of June 2008

Approved by the Mayor on this 17th day of June 2008

Mayor

ATTEST:

City Placorder

ATTACHMENT "A"

FINDINGS IN SUPPORT

HCP 4-08: HONEY CREST MEADOWS

These findings support the recommendation of the Planning Commission to the City Council that the Hillsboro Comprehensive Plan Land Use Map designation for the property described in the resolution be changed from "RL Low Density Residential" to "RM Medium Density Residential".

The criteria applicable to this proposal include the statewide planning goals and rules and the provisions of the Hillsboro Comprehensive Plan ("HCP"). The application was deemed complete on February 21, 2008. The April 2, 2008, May 9, 2008 and May 21, 2008 staff reports are hereby incorporated by reference in their entirety including any attachments or exhibits. To the extent that there are any conflicts between the incorporated documents and these findings, these findings shall control.

The minor map amendment is for a 3.98-acre site consisting of five tax lots, with four different ownerships. The subject site is currently zoned R-7 Single Family Residential. The property is currently developed with six single family detached dwelling units. Most of the lots are proposed to be combined and developed with medium density housing with a combination of attached and detached housing with the opportunity for 55 year and older housing and housing for handicapped persons.

The approval criteria for minor comprehensive plan map amendments are found in Section 1(IV)(B) of the Hillsboro Comprehensive Plan, where the applicant of a map amendment shall show:

- 1. That the property is better suited for uses proposed than for the uses for which the property is currently designated by the Plan; and
- 2. That a need exists for the proposed Plan Map designation that is not already met by existing Plan Map designations in the general area.

Section I below contains the findings that demonstrate that the subject site is better suited for RM Medium Density Residential plan designation than current RL Low Density Residential plan designation, and that a need exists for the proposed plan map designation that is not already met by the existing plan map designations in the general area.

I. THE HILLSBORO COMPREHENSIVE PLAN

The property is better suited for RM Medium Density Residential plan designation than RL Low Density Residential plan designation for the following reasons:

- 1. The property is adjacent to Medium Density Residential designated land to the south and west.
- 2. The property is isolated by North 1st Avenue to the east, the railroad tracks to the west and developed subdivisions to the north and south without access to the subject property. This site is very unique in that it could develop with uses that are independent of adjacent properties. This isolation creates better compatibility for a Medium Density Residential designation.
- 3. Generally, Medium Density Residential developments in the City of Hillsboro are located adjacent to Major Collector and Arterial Streets. North 1st Avenue is designated as an Arterial. Access through an existing low density residential neighborhood to the subject site is not necessary as this site has direct access to North 1st Avenue.
- 4. The subject property is within close proximity and walking distance of downtown Hillsboro where higher density housing is encouraged.
- 5. North 1st Avenue is a bus route. A bus stop is located directly north of the subject property.
- 6. A Medium Density Residential plan designation would provide an opportunity for affordable age restricted housing that is not possible with a Low Density Residential plan designation and R-7 zoning, with its requirement for a minimum lot size of 7000 square feet.
- 7. Very few appropriate locations are available in the City to change the Comprehensive Plan Map designation to RM Medium Density Residential. This is evidenced by the relatively few RM Plan Map Amendment applications that have been submitted to the City and the limited amount of land designated RM. The Johnson Gardner Report indicates that criteria for evaluating the inventory of available land in Hillsboro for a project like the proposed development included the following:
 - a. Parcels already zoned for residential uses; and
 - b. Parcels of at least one acre in size.

Under these criteria, the current City of Hillsboro vacant buildable land inventory identifies eleven parcels for a total acreage of 34.95 acres. Vacant, buildable parcels zoned for residential development suitable for 55+ Community developments are estimated to total of 20.07 gross acres and roughly 15.0 net acres. Assuming realized densities for each parcel are 80% of maximum densities for each zoning designation, Johnson Gardner estimates that remaining, suitable inventory of vacant buildable land in Hillsboro will yield 149 residential units.

- a. Available and buildable land represents a 1.4 years of potential demand for needed new 55+ Community residential for new residents over the next five years.
- b. Identified, suitable land represents only 1.1 years of potential demand for 55+ Community product from existing Hillsboro residents seeking affordable, move-down opportunities.
- 8. The Johnson Gardner Report clearly demonstrates that the subject property is better suited for Medium Density Residential development compared to low density residential development and that a significant need exists for more medium density residential designated land in the City of Hillsboro. A medium density residential plan designation would allow for alternative and cost effective housing to be developed on the subject property. Exhibit 8 shows that almost all medium density residential designated land in the northwest portion of the City of Hillsboro is already developed. The Johnson Gardner Report shows that over 12,000 people aged 55 years and older currently live in the City. It is assumed that a vast majority of these people desire new single story accessible homes, with very limited maintenance. It is also assumed that these people would want to live in a neighborhood with people their own age for social reasons.
- 9. Development of the subject property will provide benefits to the City by providing alternative housing for people aged 55 years and older, especially if the housing is handicapped accessible and allows them to age in place. North 1st Avenue would be improved to add sidewalks where they currently do not exist, which will improve pedestrian access from the proposed development to downtown Hillsboro.
- 10. Portions of the subject property are highly deteriorated and need to be redeveloped to be compatible with the neighborhood.

- 11. Johnson Gardner finds in their report, that within an already documented supply-constrained jurisdiction, residential land within Hillsboro suitable for 55+ Community/active senior development represents less than two years of potential supply for this increasingly demanded product type. While different residential unit types can certainly be purchased by households aged 55 years and over, the product type proposed for the subject property is consistent with a specific senior housing product known as 55+ Community development, which consists of a specific parcel size, configuration, unit clustering, common area need, and unit types increasingly identified as crucial to satisfying needs of households aged 55 and older as they age in place. Johnson Gardner finds that the subject site enjoys numerous qualities that position it to strongly serve as a successful 55+ Community site. Features of desirable sites can be summarized in two general categories, as follows:
 - Physical Features. It is of a sufficient size for smaller, cohesive community creation; the site is reasonably shaped and can provide both the necessary clustering of homes for security and a central common area for recreation and social opportunities; and, it has reasonably flat topography that enhances residential unit accessibility/universal design
 - Locational Features: Modern active senior/55+ Community development trends and appeal reflect strong premiums placed on integration with existing urbanized neighborhoods, proximity to public transportation, quality health care, diverse commercial retail and services opportunities; proximity to employers for pre-retirees; and proximity to cultural, social, and volunteer opportunities for residents. Located along North 1st Avenue just south of the transition to NW Glencoe Road, the subject property enjoys all of the above features due to proximity to downtown Hillsboro, high-tech employment, the City of Hillsboro and Washington County government centers, Tuality Hospital and related medical infrastructure, many of Hillsboro's churches and social service organizations, and a roughly five-minute Tri-Met bus ride to the MAX line, among other amenities.
- 12. Johnson Gardner, in their report, find that existing market pricing of homes frequently delivered on residential land zoned R-7 Single Family Residential are not affordable to over 60% of existing Hillsboro residents that would be age qualified for age-restricted development and over 45% of population growth over the next five years. Johnson Gardner further finds that new residential development frequently delivered in R-7 zoned land is nearly never single-story product, a crucial product type to the 55+ Community demographic.

Accordingly, Johnson Gardner finds it increasingly improbable that densities with lots generally larger than 5,000 square feet and/or do not deliver single-story units will satisfy this far more price sensitive, move-down residential market seeking a smaller, lower-maintenance lifestyle. Finally, in a jurisdiction with a documented, constrained residential land capacity, we also find it inevitable that higher-value, nonage restricted residential development will nearly always outbid similar unit density development at lower price points and smaller unit sizes as is needed for 55+ Communities.

The resulting residential housing product will need to be a 55+ Community to be a financially feasible development. 55+ Communities are perhaps the fastest-growing segment of senior housing development nationwide as a number of demographic, economic, and health care issues evolve, including:

- a. Recognition that "Aging in Place", or at-home health care is preferable to individuals, as well as far less expensive than nursing home/institutional care.
- b. Advances in health care and economic well-being have resulted in extended life spans and have thus extended the time period that individuals live at home prior to more intensive health services are needed.
- c. Longer lives have translated into a longer need to stay within the workforce, even parttime, thus the need to extend time span of independent living.
- d. The Baby Boom generation is only now beginning to reach age 60 as a larger percentage of that demographic cohort.
- 13. Johnson Gardner, in their report, find that a 55+ Community development, that provides more traditional residential choices with key differences from existing housing stock, has therefore emerged from niche market status to an increasingly common product type nationwide, as will be discussed later. This product type is relatively lacking in availability in Washington County and Hillsboro, specifically in the face of overwhelming demographic transition over the next ten years. Figure 18 provides a summary of key features and needs of the 55+ Community product type. In a nutshell, however, the following represents the essence of such development:
 - Age In Place: As opposed to existing housing stock, new community development requires the ability of the resident to feasibly live longer independently from preretirement through anticipated decline in health through "Visibility" and "Universal

Design" architectural features but within significant changes in residential environment, i.e. detached residential home transition to high-density senior facilities.

- Community Integration: Younger retirees/55+ households put strong premiums on proximity to existing employment, urban commercial services, high-quality health care services, and likely cultural, social and volunteer opportunities. Projects themselves are clustered in ways that maximize community feel, integrated and central common areas, and social connectedness.
- Safety: 55+ Communities are populated by residents increasingly concerned about day-to-day safety as well as households that are increasingly absent for extended vacations, visits to family, and other activities. Low maintenance, security and residential visibility all translate in the ability of the resident to "Lock & Leave."
- Affordability: Residential purchases are made with a higher percentage of existing residential equity/wealth that other demographics and plan to spend a decreasing percentage of declining income on mortgage expense. Health care, greater travel, leisure time, and social activity indicate greater non-mortgage spending in later years.
- 14. Johnson Gardner, in their report, find that Hillsboro households eligible to live in a 55+ Community are expected to grow to 10,914 (30.6% of total Hillsboro households) by 2012 from the current estimate of 7,294 (23.2% of total city households). Among candidate age-qualified households, or those aged between 55 and 74 years, annual new population demand is estimated at 1,364 total sales through the year 2012 or 273 sales annually. Over 45% of demand for homes by age-qualified, new Hillsboro residents over the next five years cannot afford the current average price in Hillsboro of \$396,000.
- 15. Johnson Gardner, in their report, find that, based on a comparison of recorded 55+ Community sales throughout Washington County and demographically-driven residential demand expressed in the previous section, the depth of community need for 55+ housing is overwhelming in Washington County and specifically in the City of Hillsboro. Over the next five years an estimated 31% of existing resident demand and 47% of net new ownership demand is expected to be driven by 55+ households. Taken together, the primary market area has a potential market depth of 3,000 households over the next five years.

The primary factor limiting the market's capability to satisfy un-met demand for 55+ household housing has been inability of the market to deliver appropriate product at appropriate price points. As will be more fully discussed in a later section, Hillsboro is a known-constrained residential market. Accordingly, residential parcels are more easily outbid by higher-value residential development, thus creating chronic undersupply of land for mid-level suburban detached product.

Affordable small-lot, low maintenance, community oriented product that market research suggests is a staple of demand in the senior market will seemingly require land zoned for higher density than the common R-7 zoning designation will allow. For example, of the 1,705 existing resident households expected to comprise 55+ turnover demand 87% are effectively priced below existing median values. Similarly, 68% of anticipated net new households are priced below today's median cap. It is apparent that residential land value escalation has made lot sizes over 5,000 square feet generally unfeasible for detached residential product priced below \$300,000, particularly new single-story units better suited for households planning to age in place.

- 16. Based on likely household demographics and housing preferences, Johnson Gardner, in their report, estimates that of 5,058 estimated households aged 55 and over, 2,343 will most likely seek residential opportunity similar to that offered by the proposed development.
- 17. In May of 2007, Johnson Gardner, in their report, considered the impact of substantial employment growth in the Shute Road/Helvetia Industrial Concept Planning Areas would have on residential demand and land need within the City of Hillsboro. The Johnson Gardner Report provides a graphical summary of the quantitative results of that analysis. Analysis behind the findings concluded the following:

Projected Demand for Housing by 2020:		
+ Additional Housing Unit Demand per Shute Road Condition:		
+ New Housing Demand Attributable to Helvetia and Evergreen Employment:	8,787	
= Total Housing Demand by 2020:	21,862	
- Permits for Dwelling Units Issued Jan 2000 through Feb 2007:	7,960	
- Dwelling Unit Capacity of Vacant and Committed Land:	2,253	
- County Island Land:	1,580	
= New Housing Unit Deficit		

This analysis generally concluded that the likely addition of significant new employment in Hillsboro would create a sizeable residential land capacity shortage of over 10,000 units of all types by 2020. This analysis also found that Hillsboro will conceivably run out of residential land completely by 2012 should accelerated employment growth occur in the City resembling that posed by Shute Road and Helvetia Planning Area industrial development. Finally, the analysis found that price pressures of constrained residential land capacity would likely have negative effects upon City housing affordability, which would certainly include vulnerable populations such as senior citizens and low income households.

Given the findings above, the Commission concludes that the subject site is "better suited" for Medium Density Residential than Low Density Residential and a "need" exists for the proposed Medium Density Residential Plan designation that is not met by the existing Low Density Residential Plan designation. The Commission also finds that the applicants' responses to applicable comprehensive plan goals, policies and implementation measures as listed in the application narrative and incorporated by reference, demonstrate that the proposed change in the plan designation from Low Density Residential to Medium Density Residential for the 3.98-acre subject site is consistent with the intent of those plan goals and policies and would implement the implementation measures identified.

II. FUTURE RESIDENTIAL DEVELOPMENT DIRECTION

Although the Planning Commission finds that the applicant has met the approval criteria for the minor plan amendment, the Commission has concerns that if the subject site were to develop at the maximum density of 48 dwelling units as illustrated by the applicant in the application materials, and future residential development on the subject site is not consistent with the applicant's proposal for a 55 year and older residential development, that such future development would not be compatible with existing residential development. To address these concerns, the applicant proposed an agreement that would limit the maximum density for all future residential development to 34 attached and detached single family dwelling units on the subject site. The Commission agreed that an agreement limiting the maximum density for future residential development on the 3.98-acre subject site to 34 attached and detached single family dwelling units would need to be recorded prior to submittal of a zone change application in order to address their concerns. Said agreement would run with the land (e.g. the subject site) and would be binding upon the property owners of the five properties that make up the subject site, their successors, heirs and assigns. A copy of the proposed agreement (as revised from the version attached to the May 21, 2008 Supplemental Staff Report), is included in the case file (File No. HCP 4-08) and is hereby incorporated by reference.

III. CONCLUSION

For the reasons set forth above, the Planning Commission finds that the proposed minor comprehensive plan map change from RL Low Density Residential plan designation to RM Medium Density Residential meets the approval criteria for a minor comprehensive plan map amendment and is consistent with the applicable comprehensive plan goals, policies and implementation measures. The Planning Commission hereby recommends approval of this application as supported by these findings.













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Planning Department 150 E. Main Street, Fourth Floor Hillsboro OR 97123

CITY OF HILLSBORO



Attn: Plan Amendment Specialist Dept of Land Conservation & Development 635 Capitol Street NE Suite 150 Salem Oregon 97301





