



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager
Steve Koper, Assistant Community Development Director

FROM: Madeleine Nelson, Assistant Planner

DATE: May 22, 2023

SUBJECT:

Consideration of the Norwood Road Plan Text Amendment and Plan Map Amendment (PTA 23-0001 and PMA 23-0001)

EXECUTIVE SUMMARY:

The proposal was submitted by AKS Engineering & Forestry, LLC, on behalf of Vista Residential Partners and Property Owner, Horizon Community Church; the submittal proposes two land use applications – a Plan Text Amendment and a Plan Map Amendment – applicable to a 9.2-acre site at 23370 SW Boones Ferry Road (Tax Lot: 2S135D000106).

Applications Proposed:

Plan Text Amendment:

The applicant, Vista Residential Partners, is requesting approval of a Plan Text Amendment (PTA) that would remove the locational factors from the High-Density High Rise (RH-HR) purpose statement in Tualatin Development Code Section 44.100 and revise Table 44-3 to limit the structure height to 4 stories or 50 feet in the RH-HR zoning district south of Norwood Road, which would be applicable to the subject site.

Plan Map Amendment:

The applicant, Vista Residential Partners, is requesting approval of a Plan Map Amendment (PMA) from Medium-Low Density Residential (RML) and Institutional (IN) to High-Density High Rise (RH-HR) located on a 9.2-acre site at 23370 SW Boones Ferry Road.

The applicant's Narrative (Exhibit A) addresses the applicable criteria to the proposal for Comprehensive Plan Amendments. The applicant has also included a Transportation Impact Analysis (Exhibit D), Economic Needs Analysis (Exhibit L) and Utility Capacity Analysis (Exhibit G).

The Findings and Analysis include a review of the proposal and application materials against the applicable criteria and standards, which include: Statewide Planning Goals, Oregon Administrative Rules, Metro Code, and the Tualatin Comprehensive Plan and Development Code. The specific approval criteria for a Plan Amendment are found at Tualatin Development Code (TDC) Section 33.070(5), and include other applicable criteria and standards that must be met.

Summary of Approval Criteria from TDC 33.070(5) (full criteria and findings are included in Attachment B):

(a) Granting the amendment is in the public interest.

- The applicant has cited the Tualatin Comprehensive Plan Chapter 3 goals and policies and 2019 Housing Needs Analysis (HNA) which showed a deficit of 4 acres of RH-HR land (the proposed zoning) and the goal of increasing the supply of multifamily housing. The HNA also showed limited vacant and underdeveloped lands capable of rezoning to address the deficit of RH-HR in order to achieve more multifamily supply. The applicant has also cited Tualatin's Housing Production Strategy which reiterated a lack of supply of multifamily land and noted challenges (costs and complexity) of private sector development limiting willing participants. The applicant highlighted the "significant" role that increasing the overall supply of available housing (including market-rate housing) plays in overall housing affordability.
- Testimony from members of the public has been both in support and against the proposal. Those in favor of the proposal have made similar arguments to the applicant. Those against the proposal have argued that this is not an appropriate location for application of the proposed zoning and thus not in the public interest.
- On April 20, 2023, the Tualatin Planning Commission voted 5-1 to recommend denial of both the plan text and plan map amendments to the City Council. The Tualatin Planning Commission consciously considered if granting the proposed amendments would be in the public interest. The Planning Commission found that the proposed text and map amendments would not be in the best interest of the public. The Planning Commission found the location of the proposed plan map amendment was not in a location to support housing at the greatest density of household living with the greatest access to amenities consistent with the purpose of the RH-HR zone found in Comprehensive Plan Chapter 10.

(b) The public interest is best protected by granting the amendment at this time.

- The applicant has again cited the 2019 Housing Needs Analysis and argued that the public interest is best protected by granting the amendment at this time due to Tualatin having few vacant lands with willing property owners with the ability to provide housing at the needed densities. Citing the 2021 Housing Production Strategy the applicant has argued that allowing for increased density through the plan map amendment could help alleviate households' cost burdens by providing opportunities to add dwelling units to the housing market. Lastly, the applicant has argued that the subject site is unique in that it is primarily institutionally zoned, and is unlike other vacant or redevelopable employment or residential lands, both of which the City has existing deficits. Lastly, the applicant's proposal includes the installation of a traffic signal at SW Norwood Road and SW Boones Ferry Road, which would address ongoing traffic congestion.
- Testimony from members of the public has been both in support and against the proposal. Those in favor of the proposal have made similar arguments to the applicant. Those against the proposal have argued that the City has already approved most of its needed housing to date (545 units approved after the December 2019 HNA of 1,014 needed with no units at a finished stage of construction), and given that the HNA was a 20-year projection of need, granting the amendment is not timely.
- The applicant has rebutted this evidence by providing a supplemental economic analysis (Exhibit L) that argues that the projected need in the HNA understates the actual market demand for housing.

(c) The proposed amendment is in conformity with the applicable objectives of the Tualatin Community Plan.

- The applicant has argued that the Comprehensive Plan goals and policies serve as the adopted expression of the public interest. The applicant has provided evidence that the proposed map amendment would satisfy several existing Plan policies and goals:
 - GOAL 3.1 HOUSING SUPPLY. Ensure that a 20-year land supply is designated and has urban services planned to support the housing types and densities identified in the Housing

Needs Analysis. The HNA reported 4-acres of RH-HR zoning are needed to provide additional housing in the City. The proposed map amendment would provide a ±9.2-acre site to support the housing types and densities identified within the HNA.

- POLICY 3.1.2 ZONING FOR MULTIFAMILY. Provide zoning for multifamily development, which may be located in areas adjacent to transit. There are no areas of RH-HR zoning that are considered available for additional housing. The plan map amendment would provide zoning for multi-family development near Trimet Bus Route 96 which is located along SW Boones Ferry Road.
- The applicant provided a memorandum from Johnson Economics (Exhibit L) that stated the subject location is advantageous in terms of site size and configuration, transportation access, and multi-family housing will be in demand and market feasible at this location. The memorandum continued to state that buildable residential sites of this size, and roughly rectangular are rare not just locally but in much of the Metro area. This style of site is well suited for multi-family development, while low-density development can more easily adjust to smaller and more irregular parcels. The Johnson Economics memorandum concluded the subject site and location are well-suited for multi-family housing, and the proposal is likely the “highest and best” economic use for a parcel of this size and configuration.
- As discussed above, public testimony against the application argues that the City has made significant strides in addressing its 20-year housing need. The Planning Commission also found that the proposal would create a surplus of RH-HR zoned land.
- The applicant has rebutted this evidence by providing a supplemental economic analysis (Exhibit L) that argues that the projected need in the HNA understates the actual market demand for housing.

(d) *The following factors were consciously considered:*

- (i) The various characteristics of the areas in the City;*
- (ii) The suitability of the areas for particular land uses and improvements in the areas;*
- (iii) Trends in land improvement and development;*
- (iv) Property values;*
- (v) The needs of economic enterprises and the future development of the area; needed right-of-way and access for and to particular sites in the area;*
- (vi) Natural resources of the City and the protection and conservation of said resources;*
- (vii) Prospective requirements for the development of natural resources in the City;*
- (viii) The public need for healthful, safe, esthetic surroundings and conditions; and*
- (ix) Proof of change in a neighborhood or area, or a mistake in the Plan Text or Plan Map for the property under consideration are additional relevant factors to consider.*

- The above criterion calls for the various characteristics of the areas in the City to be “consciously considered” but does not provide a standard by which an amendment should be approved or denied. However, the applicant has identified several characteristics of the area relative to the City’s plans and goals for housing that it argues makes this location suitable for the type of housing that could be developed under the proposed amendment. Conversely, while there is public testimony that argues that the location is unsuitable, there is not sufficient specificity of the identified factors to support a finding that the characteristics of the areas of the city were not considered.
- Public testimony in favor of the applications largely reiterate the applicant’s arguments. Public testimony against the applications argues that the proposed location is not appropriate for the application of the RH-HR zoning due to factors such as traffic and limited public transportation.

(e) *If the amendment involves residential uses, then the appropriate school district or districts must be able to reasonably accommodate additional residential capacity by means determined by any affected school district.*

- The applicant provided comments from the Sherwood School District included as Exhibit J. Sherwood School District Chief Operations Officer, Jim Rose, provided confirmation that the school district could accommodate any additional students from the future multifamily development on the subject site.

(f) Granting the amendment is consistent with the applicable State of Oregon Planning Goals and applicable Oregon Administrative Rules, including compliance with the Transportation Planning Rule TPR (OAR 660-012-0060).

- The applicant has provided a Transportation Impact Analysis (Exhibit D) which concludes that the proposed amendments are consistent with the above standard with the imposition of a condition of approval requiring the applicant to construct a traffic signal at the SW Boones Ferry Road and SW Norwood Road intersection. The City's Traffic Engineer and Washington County transportation engineering staff have reviewed the applicant's analysis and agreed with its conclusions.
- Public testimony against the application has argued that existing traffic is an issue and that therefore the proposed amendments should not be approved as the future development would create more traffic.
- The applicant has highlighted the fact that this standard requires a comparison of the impact of "worst-case" development that could reasonably be approved in the existing zone and proposed development under the RH-HR zone and that through that lens the proposed amendments meet the standard.

(g) Granting the amendment is consistent with the Metropolitan Service District's Urban Growth Management Functional Plan.

- The applicant has argued the proposed amendments would not adversely impact the City's compliance with Titles 1-14 of the Metro Chapter 3.07, Urban Growth Management Functional Plan.

(h) Granting the amendment is consistent with Level of Service F for the p.m. peak hour and E for the one-half hour before and after the p.m. peak hour for the Town Center 2040 Design Type (TDC Map 10-4), and E/E for the rest of the 2040 Design Types in the City's planning area.

- The attached Transportation Impact Analysis (Exhibit D) concludes that the proposed amendments are consistent with the above standard with the imposition of a condition of approval requiring the applicant to construct a traffic signal at the SW Boones Ferry Road and SW Norwood Road intersection. The City's Traffic Engineer and Washington County transportation engineering staff have reviewed the applicant's analysis and agreed with its conclusions.
- Public testimony against the application has argued that existing traffic is an issue and that therefore the proposed amendments should not be approved.

(i) Granting the amendment is consistent with the objectives and policies regarding potable water, sanitary sewer, and surface water management pursuant to TDC 12.020, water management issues are adequately addressed during development or redevelopment anticipated to follow the granting of a plan amendment.

[...]

- The applicant submitted a Utility Capacity Analysis (Exhibit G) in response to the City's objectives and policies regarding potable water, sanitary sewer, and stormwater management.
- Public testimony has identified stormwater management as a public facility of concern, however full compliance with applicable standards would be ensured through the Architectural Review process, should the amendments be approved.

Housing Need:

In 2019, the City adopted a Housing Needs Analysis (HNA) into its Comprehensive Plan. The following conclusions were part of the 2019 HNA.

Exhibit 4. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Tualatin City Limits and Basalt Creek, 2020 to 2040

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Residential Plan Designations	Capacity (Dwelling Units)	Demand for New Housing	Remaining Capacity (Supply minus Demand)	Land Surplus or (Deficit) Gross Acres
Low Density	523	466	57	10
Medium Low Density	386	71	315	27
Medium High Density	13	122	(109)	(7)
High Density	285	254	31	2
High Density High-Rise	-	101	(101)	(4)

The key findings of the Tualatin's Housing Needs Analysis are that:

- **Tualatin is planning for 1,014 new dwelling units.** The growth of 1,014 households will result in demand for 1,014 new dwelling units over the 20-year planning period, averaging 51 new dwelling units annually.
- **Tualatin will plan for more single-family attached and multifamily dwelling units in the future to meet the City's housing needs.** Historically, about 53% of Tualatin's housing was single-family detached. While 40% of new housing in Tualatin is forecast to be single-family detached, the City will need to provide opportunities for development of new single-family attached (15% of new housing) and multifamily units (45% of new housing).

HOUSING APPROVED IN SINCE ADOPTION OF THE HNA IN DECEMBER 2019

NAME	HOUSING TYPE	APPROVED	NUMBER OF UNITS APPROVED	NUMBER OF UNITS BUILT W/ CERTIFICATE OF OCCUPANCY
AUTUMN SUNRISE	SINGLE FAMILY SUBDIVISION	DECEMBER 2021	400	0
ALDEN APARTMENTS	TOWNHOMES	FEBRUARY 2023	29	0
PLAMBECK GARDENS	MULTI-FAMILY	JUNE 2022	116	0
TUALATIN HEIGHTS APARTMENTS *PMA21-0001 APPROVED TO ALLOW A DENSITY OF 15 DWELLING UNITS PER ACRE. APPLICANT INTENDS TO ADD UP TO 116 ADDITIONAL DWELLING UNITS. NO ARCHITECTURAL REVIEW HAS BEEN SUBMITTED AT THIS TIME.	MULTI-FAMILY	PMA21-0001 APPROVED FEBRUARY 2022	0*	0
TOTAL APPROVED:	545			
TOTAL BUILT:	0			

POTENTIAL DECISIONS:

If the Plan Text Amendment application is approved by the Council, then the purpose statement in Tualatin Development Code Section 44.100 and Table 44-3 would be amended to remove the locational factors and limit the structure height to 4 stories or 50 feet in the RH-HR zoning district south of Norwood Road. If the Plan Text Amendment is denied by the Council then the purpose statement in TDC 44.100 and the development standards in Table 44-3 would remain unchanged and the Plan Map Amendment would not be able to be approved.

If the Plan Text Amendment is approved, the Council may consider the Plan Map Amendment, which, if approved, would change the subject property’s zoning designation to High-Density High Rise (RH-HR). If the application is denied, the existing zoning would continue to apply.

In sum, the Council may:

- Approve the PTA and PMA;
- Deny the PTA and PMA; or

- Approve the PTA but deny the PMA.

ALTERNATIVES TO A DECISION:

Alternatively, the Council may:

- Continue consideration of the applications to a specified future Council hearing, leaving the hearing and written record open.
 - Close the hearing, but leave the written record open for 7 days, allow an additional 7 days for responses but not new evidence, and a final 7 days for applicant rebuttal but not new evidence, and reconvene at a specified future Council hearing to deliberate and reach a decision; or
 - Close the hearing and the written record, but continue Council deliberations on the applications to a specified future Council hearing.
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ATTACHMENTS:

- Attachment 1: Presentation
- Attachment 2: Analysis & Findings
- Exhibit A: Application & Narrative
- Exhibit B: Existing and Proposed Zoning Maps
- Exhibit C: Proposed Development Code
- Exhibit D: Transportation Impact Analysis
- Exhibit E: DKS Memorandum
- Exhibit F: Tualatin Engineering Memorandum
- Exhibit G: Utility Capacity Analysis
- Exhibit H: Murraysmith Water Capacity Memorandum
- Exhibit I: Preliminary Layouts & Maps
- Exhibit J: Supporting Documents
- Exhibit K: Arborist Report
- Exhibit L: Johnson Economics Needs Analysis
- Exhibit M: School Capacity Memorandum
- Exhibit N: Public Noticing
- Exhibit O: Housing Needs Analysis (2019)
- Exhibit P: Housing Production Strategies (2021)
- Exhibit Q: Economic Opportunities Analysis (2019)
- Exhibit R: Public Comments
- Exhibit S: Agency Comments