

DATE: January 12, 2017  
TO: Project Advisory Committee  
CC: Technical Advisory Committee  
FROM: Beth Goodman  
SUBJECT: HOOD RIVER WESTSIDE AREA CONCEPT PLAN: DRAFT LAND USE PROGRAM

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## Introduction and Purpose

This memorandum presents the draft land use program for the Westside Area Concept Plan (Concept Plan). The purpose of the land use program is to present alternatives of development in the Westside Area. The central questions of the memorandum are: (1) What mix of uses is appropriate for the Westside Area, given existing zoning, potential changes to city policy and zoning, and housing and employment land needs across the city; and (2) How can changes to zoning help address the City's need to provide more workforce and affordable housing?

As used here, the term "land use program" means the amount and types of land uses to be considered for Concept Plan's alternatives. It serves a practical purpose of quantifying how much of various land uses should be drawn in each plan alternative. It also serves a strategic purpose of defining the intended land use outcome of each plan alternative.

This memorandum presents three alternatives for the land use program in the Westside Area. It identifies the range of land uses by type, density and mix of residential development, capacity for a range of housing types, potential development of parks, opportunities for mixed use development, commercial land needed to provide services to households in the Westside Area, and commercial and industrial development.

The land use programs presented in this memorandum are intended as programmatic guidance to the alternatives that will be substantively prepared by the design team. These programs are preliminary and based on draft assessments of buildable land within the project area, together with housing and other land needs previously studied by the City. They will be adjusted based on discussions about this land use program and a separate memorandum discussing land use and community design in the Westside Area. The alternatives will be adjusted and tested as they are "fit" to the spatial realities of the project area.

This memorandum includes the following sections:

- **Context for the Westside Area Land Use Program** includes key findings from the City's *Housing Needs Analysis* and *Economic Opportunities Analysis* and a summary of buildable land in the Westside Area.
- **Land Use Program Alternatives** presents three alternatives for development in the Westside Area, focusing on capacity for residential development.
- **Conclusions** summarizes the land use alternatives.

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## Context for the Westside Area Land Use Program

### Key Findings from the *Housing Needs Analysis* and *Economic Opportunities Analysis*

The land use program for the Westside Area builds from the findings of the City's *Housing Needs Analysis* (2015), *Housing Strategy* (2015), and *Economic Opportunities Analysis* (2011).<sup>1</sup> Where appropriate, the land use program is intended to implement the recommendations in these analyses. The *Housing Needs Analysis* and *Economic Opportunities Analysis* both identified the Westside Area as a key area for housing and employment development.

The *Housing Needs Analysis* concluded that: (1) the city has a limited supply of residential land for multifamily development, (2) the city has an existing deficit of housing affordable to low- and moderate-income households, (3) the city has a limited supply of land for all types of housing, and (4) the City has limited opportunities for future expansion of the urban growth boundary (given the fact that the city is surrounded by the Columbia River Gorge National Scenic Area as well as farmland).

As a result of these limitations, the *Housing Needs Analysis* and *Housing Strategy* recommended that the City develop policies to increase the supply of housing (especially multifamily housing) and increase land use efficiency. The *Housing Strategy* envisioned that the City would evaluate implementation of these policies. The Westside Area Concept Plan process offers an opportunity to evaluate the following policy changes in the Westside Area:

- **Identify land to rezone to allow additional multifamily development.** The strategy involves identifying residential land to rezone for higher development densities, with the intention of providing more opportunities for development of moderate- and high-density multifamily housing. The Westside Area Concept Planning process provides the opportunity for the City to evaluate opportunities to rezone land for housing uses. When selecting land to consider rezoning, the City should focus on land that is vacant, along transportation corridors, in areas with current or planned water and wastewater service, in areas with current or planned access to retail and other services, and in a location that will not disrupt existing neighborhoods. The Westside Area provides areas with these characteristics that may present opportunities for rezoning.
- **Consider allowing a wider range of housing types.** Several of the actions in the *Housing Strategy* focus on identifying opportunities to allow a wider range of housing. They include: (1) allowing townhouses as a permitted use in the R-2 and R-3 zones, (2) revising the development standards for accessory dwelling units to make their development easier, and (3) allowing small single-family housing (e.g., 800 to 1,300 square feet of built space) built in clusters around a common open space. These types of

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<sup>1</sup> *City of Hood River Housing Needs Analysis* and *Hood River Housing Strategy*, September 2015 by ECONorthwest  
*Hood River Economic Opportunities Analysis*, June 2011 by FSC Group

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housing are examples of relatively affordable housing that could be developed in the Westside Area.

- **Evaluate reducing lot size in the R-1 Zone to 5,000 square feet.** This change would allow for development 5,000 square foot lots in the R-1 zone, smaller than the existing minimum lot size of 7,000 square feet. Allowing smaller-lot single-family detached housing in R-1 would increase development capacity in the Westside Area.
- **Evaluate reducing lot size in the R-2 Zone.** This would allow for development of smaller lots in R-2, such as 4,000 square foot lots, or even 2,500 square foot lots. Allowing smaller-lot single-family detached housing in R-2 would increase development capacity in the Westside Area.
- **Identify publicly-owned properties that could be used for affordable housing and partner with the Mid-Columbia Housing Authority to develop affordable housing.** The Westside Area includes one property owned by Hood River County that the County has identified as surplus that might be appropriate for developing affordable housing.

The *Economic Opportunities Analysis* presented information that shows the Westside Area is an area with significant employment growth potential, along with the Waterfront area. The *Economic Opportunities Analysis* concluded that, based on the forecast of employment growth, Hood River had a 16-acre deficit of Office/Residential land, a 46-acre surplus of General Commercial land, and a 22-acre surplus of Light Industrial land. The City has four sites larger than five acres, two in General Commercial and two in Light Industrial. Two of these sites are in the Westside Area, one in General Commercial, and one in Light Industrial. These two development sites present development opportunities to accommodate large employers in Hood River, which is important for development of the Westside Area and the entire City.

The policy recommendations from the *Economic Opportunities Analysis* with implications for development in the Westside Area are:

- **Develop policies to promote targeted development and redevelopment in the west gateway area.** The area around the West Cascade Avenue District is one of the key employment centers in the city, with a substantial amount of the vacant employment land within the city. This area was identified as having development and redevelopment potential, especially as a gateway to Hood River from the west.
- **In the General Commercial zone, residential uses are permitted and they use commercial land.** The *Economic Opportunities Analysis* recommends that the City limit low density residential uses in Commercial zones. The *Housing Needs Analysis* assumed that about 12 acres of General Commercial land will develop with multifamily housing, at a density of 25 dwelling units per acre, as part of a mixed-use development or through re-zoning General Commercial to High-Density Residential. Residential development in General Commercial land may be an area of discussion, such as changes to zoning to increase the minimum density of 11 dwelling units per acre for residential development in this zone, in the West Cascade Avenue District.

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- **Preserve prime light industrial and commercial land on large lots for development of light industrial and commercial businesses that require larger sites.** The City should protect the few larger (5-10.5 acre) Light Industrial and General Commercial sites for future employment development, including ensuring compatibility with light industrial uses and adjacent uses. This recommendation includes promoting industries that would locate on these sites, such as technology and research and development. The Country Club Road District includes one of the larger Light Industrial sites and one of the larger General Commercial sites in the city.

## Buildable Land by Districts and Neighborhoods

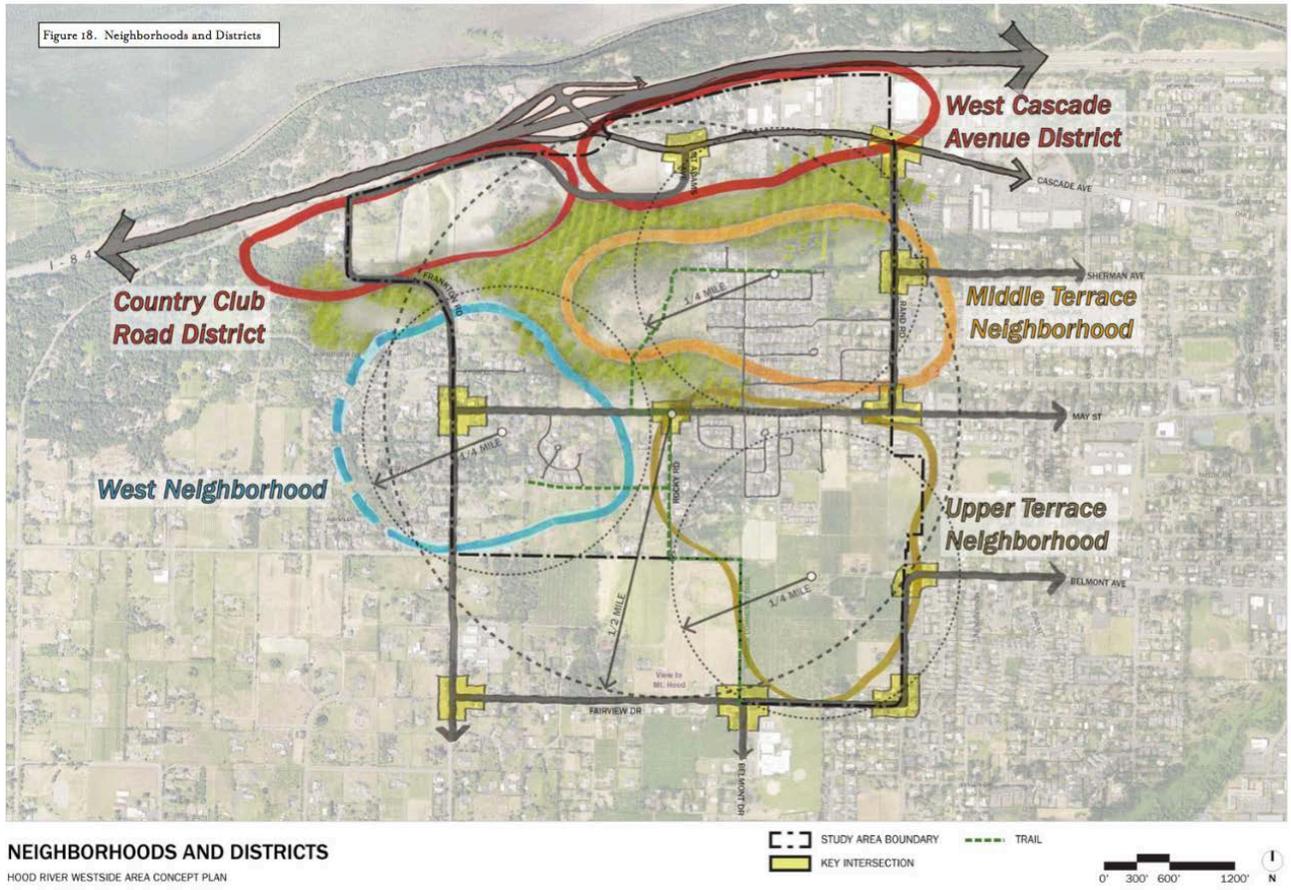
Map 1 shows the Westside Area. Table 1 shows buildable land within each districts and neighborhoods in the study area.<sup>2</sup> The districts and neighborhoods are:

- **West Cascade Avenue District.** The existing uses in this district are predominantly commercial with some residential. The district is zoned to allow more commercial and a little high density residential development. Eight percent of the vacant land in the Westside Area is in this district.
- **Country Club Road District.** This district is predominantly vacant land with some commercial and light industrial uses. The district accounts for 14% of vacant land in the Westside Area, nearly all of it commercial and light industrial.
- **Middle Terrace Neighborhood.** This area is zoned for housing at all densities, from low to high density. It also includes a small amount of land zoned for commercial. This neighborhood has the majority of existing residential development in the Westside Area, all in Urban Standard Density Residential (R-2) zoning. Twenty-one percent of the vacant land in the Westside Area is in this neighborhood.
- **West Neighborhood.** This neighborhood is zoned for Urban Low Density Residential (R-1). Most of the land in this neighborhood is vacant. It accounts for 25% of the vacant land in the Westside Area.
- **Upper Terrace Neighborhood.** This neighborhood is zoned for a mixture of low density and standard density residential development. Most of the land in this area is vacant and it accounts for 33% of vacant land in the Westside Area.

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<sup>2</sup> The buildable lands inventory is depicted in the Opportunities and Constraints Report. The estimate of vacant residential land is based on the Hood River's *Housing Needs Analysis* (2015) by ECONorthwest and excludes constrained lands (e.g., vacant land on slopes steeper than 25%). The estimate of vacant employment land is based on assessor data and aerial photograph review. Both estimates exclude constrained lands (e.g., vacant land on slopes steeper than 25%).

**Map 1. Neighborhoods and Districts in the Westside Area**



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**Table 1. Vacant residential and employment land, Hood River Westside Area**

| Neighborhood or District         | Vacant Land<br>(acres) | Percent of<br>Total |
|----------------------------------|------------------------|---------------------|
| <b>West Cascade Avenue</b>       | <b>18</b>              | <b>8%</b>           |
| Urban High Density (R-3)         | 5                      | 2%                  |
| General Commercial (C-2)         | 13                     | 6%                  |
| <b>Country Club Road</b>         | <b>33</b>              | <b>14%</b>          |
| Urban Low Density (R-1)          | 0                      | 0%                  |
| Urban Low Density (U-R-1)        | 1                      | 1%                  |
| General Commercial (C-2)         | 8                      | 3%                  |
| Urban General Commercial (U-C-2) | 14                     | 6%                  |
| Light Industrial (LI)            | 9                      | 4%                  |
| <b>Middle Terrace</b>            | <b>49</b>              | <b>21%</b>          |
| Urban Low Density (R-1)          | 29                     | 12%                 |
| Urban Standard Density (R-2)     | 5                      | 2%                  |
| Urban High Density (R-3)         | 4                      | 2%                  |
| Urban Low Density (U-R-1)        | 4                      | 2%                  |
| General Commercial (C-2)         | 6                      | 2%                  |
| <b>West</b>                      | <b>58</b>              | <b>25%</b>          |
| Urban Low Density (R-1)          | 29                     | 12%                 |
| Urban Low Density (U-R-1)        | 29                     | 12%                 |
| <b>Upper Terrace</b>             | <b>77</b>              | <b>33%</b>          |
| Urban Low Density (R-1)          | 1                      | 0%                  |
| Urban Standard Density (R-2)     | 2                      | 1%                  |
| Urban Low Density (U-R-1)        | 6                      | 3%                  |
| Urban Standard Density (U-R-2)   | 68                     | 29%                 |
| <b>Total</b>                     | <b>235</b>             | <b>100%</b>         |

Source: The estimate of vacant buildable residential land is based on Hood River's *Housing Needs Analysis* (2015) by ECONorthwest. The estimate of vacant employment land is based on assessor data and aerial photograph review.

Vacant land excludes land that is constrained by steep slopes (over 25%), wetlands, floodplains, and other constraints.

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## Land Use Program Alternatives

### Definitions Related to Affordable and Workforce Housing

While the land use program considers residential, employment, and parkland uses, it focuses on development potential for housing, especially affordable housing. For the purposes of this project, affordable housing is defined as: (1) housing for low-income households within income of less than 60% of Median Family Income<sup>3</sup> (\$38,400 in 2015) and (2) housing for moderate-income households (also called workforce housing) with income between 60% and 120% of Median Family Income (\$38,400 to \$76,800).<sup>4</sup>

Based on HUD's standard that housing is affordable when a household spends 30% or less of their gross income on housing costs, a household earning \$38,400 could afford monthly housing costs of \$960 or a home costing about \$120,000. A household earning \$76,800 could afford monthly housing costs of \$1,920 or a home costing about \$360,800. The median home sales price in Hood River in 2016 was \$410,000.<sup>5</sup>

### Land Use Alternatives

The land use program for the Westside Area identifies the range of land uses by type, density and mix of residential development, capacity for a range of housing types, potential development of parks, opportunities for mixed use development, commercial land needed to provide services to households in the Westside Area, and commercial and industrial development.

The land use program presents three alternatives for development of the Westside Area:

- **A – Base Case.** The Base Case illustrates development capacity using the existing zoning standards and the existing zoning of land in the Westside Area. It is meant to be illustrative of development under current policies but is not an alternative under consideration in the Concept Plan. The Base Case assumes that zoning does not change (except for annexation and conversion of County zones to City zones) in the Westside Area and that it develops at the densities forecast in the *Housing Needs Analysis*. The majority of commercial and industrial land in the area would be available for development by industrial businesses, office uses, or other services for the rest of Hood River.
- **B – Moderate increase in workforce and affordable housing.** Scenario B is meant to show capacity at a mid-point between the capacity in Scenario A and Scenario C. Scenario B assumes some changes in zoning code to allow smaller lot sizes in the low and standard density zones to increase capacity by about 200 dwelling units, as well as

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<sup>3</sup> The U.S. Department of Housing and Urban Services (HUD) determines Median Family Income for counties. In 2015, the Median Family Income in Hood River County was \$64,000.

<sup>4</sup> This definition is from the *Hood River Housing Strategy*.

<sup>5</sup> This information is from Redfin for the period of May to October 2016.

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changes in the zoning map to increase capacity by about 300 additional dwelling units. The majority of commercial and industrial land in the area would be available for development by industrial businesses, office uses, or other services for the rest of Hood River.

- **C – Strong increase in workforce and affordable housing.** Scenario C is meant to show the results of substantial changes in the zoning code and zoning map with the purpose of increasing capacity for all housing types and emphasizing production of a range of affordable housing types, from small-lot single-family housing to apartments. This alternative proposes changes to zoning, density, housing types, and land uses to emphasize production of more workforce and affordable housing. It assumes changes in the zoning code to allow smaller lot sizes in the low and standard density zones to increase capacity by about 565 dwelling units, as well as changes in the zoning map to increase capacity by about 600 additional dwelling units.

Each of the alternatives assume:

- **Hood River County School District site.** The Hood River County School District owns an approximately 17.5-acre site, located in the West Neighborhood, where the District plans to build one or more new schools within the next 20 years. The District expects to build an elementary or middle school on the site, or both. The site is considered committed for future school uses in each of the alternatives.
- **Large General Commercial and Light Industrial sites.** Each alternative assumes that the larger (5-10.5 acre) General Commercial and Light Industrial sites in the Country Club Road District will be used for employment uses by large employers. These sites are not expected to be available for residential or neighborhood-serving commercial uses for the Westside Area.
- **Government-subsidized affordable housing.** Hood River County owns an approximately 2-acre site, straddling the West Cascade District and Middle Terrace Neighborhood. It is split-zoned R-1 and R-3. The County would like for this land to be developed with government-subsidized affordable housing. Doing so will require coordination with the Mid-Columbia Housing Authority. Each scenario assumes this coordination will occur.
- **Parkland need.**<sup>6</sup> While the Hood River Valley Parks and Recreation District does not have specific plans for developing parks in the Westside Area, each alternative assumes development of small neighborhood parks. Specifically, the Scenario A and Scenario B assume development of a total of 3-acres of park land and Scenario C assumes development of a total of 5-acres of park land. These assumptions are based on a

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<sup>6</sup> Discussions with the project advisory committee, technical advisory committee, Hood River staff, and staff with the Parks and Recreation District after the development of this memorandum led to development of an alternative parkland estimate, beyond the estimate presented in this memorandum. The revised parkland estimate is described in the memorandum titled “Westside Area Park Need Methodology.”

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combination of a ½ mile ‘Service Area’ standard and existing park land use of about 1 acre/1000 people in other communities, such as from the Tualatin Hills Parks and Recreation District.

- **Mixed-use development on commercial land.** The land use alternatives do not assume development of mixed-use buildings in commercial zones. Vertical or horizontal mixed use is a desired development type for the plan, but is currently perceived as financially infeasible.<sup>7</sup>

Mixed-use development along a commercial corridor, such as the West Cascade Avenue District, might take the form of a building with a ground floor commercial use (such as retail or office space) and two or three stories of housing. ECONorthwest developed a high-level financial feasibility analysis for such a mixed-use building, assuming a mixture of one- and two-bedroom housing. The conclusion was that this type of mixed-use development is not currently feasible, given existing rents, but nearing financial feasibility. Rents in mixed-use development would need to be at least 10% to 20% above the current market rate (possibly more depending on the specifics of the proposed development) to make this building type financially feasible.<sup>8</sup>

- **Locally-serving commercial services.** Each of the alternatives assumes some need for demand for local services, such as restaurants, a coffee shop, personal services, and specialty retail. These services may be located within the Westside Area, such as along Cascade Avenue, or in other parts of the city outside of the Westside Area. One challenge in developing locally-serving commercial services within the neighborhoods of the Westside Area is the topography, which presents challenges to creating walkable areas between neighborhoods.

Table 2 presents a review of literature estimating the amount (in square feet) of retail supportable by a household. For the purposes of this analysis, we assume that each household will support about eight square feet of retail development, which is consistent with retail uses in cities like Hood River.

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<sup>7</sup> As stated by several developers during stakeholder interviews.

<sup>8</sup> ECONorthwest modeled a mixed-use building that was wood construction and three stories high, with commercial uses on the ground floor on a hypothetical one-acre site. The model assumed 30 dwelling units, with 21 one-bedroom units of 650 square feet each and 7 two-bedroom units of 800 square feet. The model assumed the need for 45 parking spaces on site and 10 on-street parking spaces. The model assumed \$18 per square foot commercial rents (triple-net) and \$1.65 per square foot for residential rents. The results showed that development becomes feasible when residential rents increased by at least 10% to 20% (and possibly more, depending on the specifics of the proposed development). Building the first significant urban style or vertical mixed use project in this part of Hood River would be difficult to finance given limitations on comparable mixed-use projects in Hood River.

ECONorthwest also considered increasing the building height to four stories, which would require a change in construction type, to concrete podium. This change would increase the amount of rentable space (and gross revenues from rent), which would be off-set by the higher construction costs. The result shows a similar gap in achievable rents as the three story building.

**Table 2. Supportable retail: estimates from research**

| Literature Source                                     | Supportable Square Feet Per Household  |
|---|--|
| Robert Wood Johnson Foundation (2013)                 | <b>Food/Grocery: 11.6 sq. ft.</b><br><b>Eating Places: 12.4 sq. ft.</b><br><i>Drinking Places: 1.5 sq. ft.</i><br><i>Gift: 1.0 sq. ft.</i><br><i>Flower: 0.5 sq. ft.</i> |
| Easton and Owen (2009)                                | 15 sq. ft.   |
| Capital Region Council of Governments, Urban Places   | <i>Minimum: 12 sq. ft.</i><br><i>Maximum: 25 sq. ft.</i><br><b>Average: 12 sq. ft.</b>   |
| Capital Region Council of Governments, Suburban Towns | <i>Minimum: 4.5 sq. ft.</i><br><i>Maximum: 18 sq. ft.</i><br><b>Average: 4.5 sq. ft.</b>   |
| Gibbs (2011)  | <i>Corner Store: 1.5-3.75 sq. ft.</i>  |

## Scenario A – Base Case

Table 3 shows housing capacity in the Westside Area for the Base Case, based on the following assumptions:

- **Buildable land.** The Base Case assumes no changes in zoning and that 182 acres of vacant buildable residential land is available for development.
- **Densities.** The Base Case uses the assumptions about density from the *Housing Needs Analysis*. Those assumptions are: R-1 and U-R-1 will develop at 5.3 dwelling units per gross acre; R-2 and U-R-2 will develop at 7.7 dwelling units per gross acre; and R-3 will develop at 17 dwelling units per gross acre.

The average densities in Table 3 are sometimes lower than these assumptions because many lots are not large enough to develop the lot completely to full density. For example, the minimum R-1 lot size is 7,000 square feet at a density of 5.3 dwelling units per gross acre. There may be site conditions that prevent a 15,000-square-foot parcel in the R-1 Zone from being divided into two parcels of at least 7,000-square feet each.

- **Housing types.** The Base Case would allow for continued development of townhouses, small lot single-family detached housing (in the R-2 zone), and apartments. It does not envision substantial changes in the housing types in Hood River.

- **Land for parks.**<sup>9</sup> We assume that there will be a total of 3-acres of parks developed in the neighborhoods in land zoned R-1 or U-R-1. Land for parkland was subtracted from the vacant land shown in Table 1.

The Base Case results in 1,193 dwelling units at an average density of 6.6 dwelling units per gross acre.

**Table 3. Residential capacity, Scenario A - Base Case, Westside Area**

| Neighborhood or District       | Vacant Land (acres) | New Dwelling Units | Average Density (gross acre) |
|--------------------------------|---------------------|--------------------|------------------------------|
| <b>West Cascade Avenue</b>     | <b>5.1</b>          | <b>83</b>          | <b>16.4</b>                  |
| Urban High Density (R-3)       | 5.1                 | 83                 | 16.4                         |
| <b>Country Club Road</b>       | <b>1.6</b>          | <b>7.0</b>         | <b>4.4</b>                   |
| Urban Low Density (R-1)        | 0.2                 | 1                  | 4.7                          |
| Urban Low Density (U-R-1)      | 1.4                 | 6                  | 4.3                          |
| <b>Middle Terrace</b>          | <b>42.9</b>         | <b>275.0</b>       | <b>6.4</b>                   |
| Urban Low Density (R-1)        | 29.2                | 149                | 5.1                          |
| Urban Standard Density (R-2)   | 4.9                 | 32                 | 6.5                          |
| Urban High Density (R-3)       | 4.4                 | 72                 | 16.5                         |
| Urban Low Density (U-R-1)      | 4.5                 | 22                 | 4.9                          |
| <b>Upper Terrace</b>           | <b>74.6</b>         | <b>553</b>         | <b>7.4</b>                   |
| Urban Low Density (R-1)        | 0.8                 | 4                  | 4.9                          |
| Urban Standard Density (R-2)   | 1.7                 | 12                 | 7.0                          |
| Urban Low Density (U-R-1)      | 3.9                 | 20                 | 5.1                          |
| Urban Standard Density (U-R-2) | 68.1                | 517                | 7.6                          |
| <b>West</b>                    | <b>57.3</b>         | <b>275</b>         | <b>4.8</b>                   |
| Urban Low Density (R-1)        | 28.2                | 136                | 4.8                          |
| Urban Low Density (U-R-1)      | 29.2                | 139                | 4.8                          |
| <b>Total</b>                   | <b>181.5</b>        | <b>1,193</b>       | <b>6.6</b>                   |

The other land uses in the Base Case are:

- **Local commercial services.** Local services will require about 9,000 to 9,500 square feet of retail space to provide services for households in the Westside Area, such as a combination of a coffee shop, a restaurant, a corner store, or other service or retail. This

<sup>9</sup> The memorandum titled “Westside Area Park Need Methodology” presents the updated estimate of parkland need for this scenario.

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amount of built space will require about one acre of land.<sup>10</sup> The location of this need will be determined through discussions of the concept plan alternatives.

- **Other commercial and industrial development.** The majority of the 67 acres of commercial and industrial land in the Westside Area would be available for development by industrial businesses, office uses, or other services for the rest of Hood River. The majority of these lands are located in the Country Club Road District (31 acres), with the remainder in the West Cascade Avenue District (13 acres) and the Middle Terrace Neighborhood (6 acres).

## Scenario B – Moderate increase in workforce and affordable housing

Table 3 shows housing capacity in the Westside Area for the Moderate scenario, based on the following assumptions:

- **Buildable land.** This scenario begins with the 181.5 acres of vacant buildable residential land is available for development. Scenario B envisions rezoning land within the Westside Area, as discussed after Table 4.
- **Densities.** The Moderate scenario builds from the assumptions about density from the *Housing Needs Analysis*. It assumes:
  - R-1 and U-R-1 will develop at 6.5 dwelling units per gross acre or an average of 6,700 square feet. This will require changes to the zoning code to allow lot sizes of about 6,000 square feet, down from the current 7,000 square foot minimum lot size.
  - R-2 and U-R-2 will develop at 8.4 dwelling units per gross acre or an average of 4,000 square feet. This will require changes to the zoning code to allow lot sizes of about 4,000 square feet, down from the current 5,000 square foot minimum lot size.
  - R-3 will develop at 20.3 dwelling units per gross acre. This will not require a change in the zoning code but will be an increase in the historical density of development in R-3, up from approximately 16 dwelling units per gross acre. This increase in density is based on the assumption that one outcome of the Concept Plan will be a response in the housing market to build at higher densities on R-3 lands in the Westside Area.
- **Housing types.** The Moderate scenario would allow for modest changes in housing types, such as an increase in the number of townhouses, accessory dwelling units, small lot single-family detached units, and apartments developed in the Westside Area. These housing types can provide opportunities for increases in the number of affordable rental units and small-scale owner-occupied units.

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<sup>10</sup> The estimate of land needed to accommodate expected demand for retail built space uses the Floor Area Ratio of 0.25 from the *Economic Opportunities Analysis* forecast for demand for employment land.

- **Land for parks.**<sup>11</sup> We assume that there will be a total of 3-acres of parks developed in the neighborhoods in land zoned R-1 or U-R-1. Land for parkland was subtracted from the vacant land shown in Table 1.

The Moderate scenario results in 1,391 dwelling units at an average density of 7.7 dwelling units per gross acre. Scenario B shows an increase in capacity for about 198 dwelling units beyond Scenario A resulting from the changes to the zoning code discussed above.

**Table 4. Residential capacity resulting from increased densities, Scenario B - Moderate increase in workforce and affordable housing, Westside Area**

| Neighborhood or District       | Vacant Land (acres) | New Dwelling Units | Average Density (gross acre) |
|--------------------------------|---------------------|--------------------|------------------------------|
| <b>West Cascade Avenue</b>     | <b>5.1</b>          | <b>101</b>         | <b>19.9</b>                  |
| Urban High Density (R-3)       | 5.1                 | 101                | 19.9                         |
| <b>Country Club Road</b>       | <b>1.6</b>          | <b>8.0</b>         | <b>5.0</b>                   |
| Urban Low Density (R-1)        | 0.2                 | 1                  | 4.7                          |
| Urban Low Density (U-R-1)      | 1.4                 | 7                  | 5.1                          |
| <b>Middle Terrace</b>          | <b>42.9</b>         | <b>331.0</b>       | <b>7.7</b>                   |
| Urban Low Density (R-1)        | 29.2                | 182                | 6.2                          |
| Urban Standard Density (R-2)   | 4.9                 | 35                 | 7.1                          |
| Urban High Density (R-3)       | 4.4                 | 86                 | 19.7                         |
| Urban Low Density (U-R-1)      | 4.5                 | 28                 | 6.3                          |
| <b>Upper Terrace</b>           | <b>74.6</b>         | <b>603</b>         | <b>8.1</b>                   |
| Urban Low Density (R-1)        | 0.8                 | 5                  | 6.2                          |
| Urban Standard Density (R-2)   | 1.7                 | 12                 | 7.0                          |
| Urban Low Density (U-R-1)      | 3.9                 | 23                 | 5.9                          |
| Urban Standard Density (U-R-2) | 68.1                | 563                | 8.3                          |
| <b>West</b>                    | <b>57.3</b>         | <b>348</b>         | <b>6.1</b>                   |
| Urban Low Density (R-1)        | 28.2                | 172                | 6.1                          |
| Urban Low Density (U-R-1)      | 29.2                | 176                | 6.0                          |
| <b>Total</b>                   | <b>181.5</b>        | <b>1,391</b>       | <b>7.7</b>                   |

Scenario B also envisions increasing capacity by an additional 300 dwelling units through rezoning land within the Westside Area. These units are in addition to the total (1,391 units) shown in Table 4. The amount of land rezoned to accommodate 300 additional dwelling units will depend on the existing zoning and the planned change of zoning. For example, the amount of land necessary to increase capacity by an additional 300 dwelling units through rezoning is approximately:

<sup>11</sup> The memorandum titled “Westside Area Park Need Methodology” presents the updated estimate of parkland need for this scenario.

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- **Rezoning R-1 / U-R-1 to R-2 would require rezoning 160 acres to increase capacity by 300 dwelling units.** Given that there are only 100 acres of R-1 / U-R-1 land in the Westside Area, the desired increase in capacity cannot be achieved solely through rezoning R-1 / U-R-1 to R-2.
  - **Rezoning R-2 / U-R-2 to R-3 would require rezoning 25 acres to increase capacity by 300 dwelling units.** There are only 75 acres of R-2 / U-R-2 land in the Westside Area, suggesting that the desired increase in capacity cannot be achieved solely through rezoning R-1 / U-R-1 to R-2.
  - **Rezoning R-1 / U-R-1 to R-3 would require rezoning 22 acres to increase capacity by 300 dwelling units.** Rezoning R-1 / U-R-1 land to R-3 increases development density by 13.8 dwelling units an acre, resulting in the largest increase in capacity from rezoning residential land.
  - **Rezoning C-2 to R-3 (or mixed-use) would require rezoning 12 acres to increase capacity by 300 dwelling units.**<sup>12</sup> Scenario B does not currently forecast development of housing on C-2 land. This increase in capacity could be achieved through assuming 12 acres of C-2 land is developed with mixed-use development. Additional analysis will be prepared to evaluate the feasibility of mixed use.

The amount, type, and location of land to be rezoned under Scenario B will be identified through discussions with Project Advisory Committee and Technical Advisory Committee and development of the Concept Plan.

The other land uses in the Moderate scenario are:

- **Local commercial services.** Local services will require about 13,500 square feet of retail space to provide services for households in the Westside Area, such as a combination of a coffee shop, a restaurant, a corner store, or other service or retail. This amount of built space will require about one acre of land.<sup>13</sup> The location of this need will be determined through discussions of the concept plan alternatives.
- **Other commercial and industrial development.** The majority of the 67 acres of commercial and industrial land in the Westside Area would be available for development by industrial businesses, office uses, or other services for the rest of Hood River. The majority of these lands are located in the Country Club Road District (31 acres), with the remainder in the West Cascade Avenue District (13 acres) and the Middle Terrace Neighborhood (6 acres).

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<sup>12</sup> Assuming that C-2 develops at 25 dwelling units per acre, as discussed in the *Housing Needs Analysis*.

<sup>13</sup> The estimate of land needed to accommodate expected demand for retail built space uses the Floor Area Ratio of 0.25 from the *Economic Opportunities Analysis* forecast for demand for employment land.

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## Scenario C – Strong increase in workforce and affordable housing

Table 5 shows housing capacity in the Westside Area starting with changes in the densities allowed in the zoning code for the Strong increase in workforce and affordable scenario, based on the following assumptions:

- **Buildable land.** This scenario begins with the 179.5 acres of vacant buildable residential land is available for development and subtracts six acres more than Scenario A or B for parkland because Scenario C envisions a total of 5-acres of parkland (compared to 3-acres of parkland in Scenario A and B). Scenario C envisions rezoning land within the Westside Area, as discussed after Table 5.
- **Densities.** This scenario builds from the assumptions about potential changes in zoning to allow smaller lots in some areas, consistent with the *Housing Strategy*.
  - R-1 and U-R-1 will develop at 7.7 dwelling units per gross acre or an average of 5,000 square feet. This will require changes to the zoning code to allow lot sizes of about 5,000 square feet, down from the current 7,000 square foot minimum lot size.
  - R-2 and U-R-2 will develop at 12 dwelling units per gross acre or an average of 3,000 square feet. This will require changes to the zoning code to allow lot sizes of about 3,000 square feet, down from the current 5,000 square foot minimum lot size.
  - R-3 will develop at 20.3 dwelling units per gross acre. This will not require a change in the zoning code but will be an increase in the historical density of development in R-3, up from approximately 16 dwelling units per gross acre.
- **Housing types.** Scenario C would allow for changes in housing types, such as increase the number of townhouses, accessory dwelling units, cottages, small lot single-family detached units, and apartments developed in the Westside Area. These housing types can provide opportunities for increases in the number of affordable rental units and small-scale owner-occupied units.
- **Land for parks.**<sup>14</sup> We assume that there will be a total of 5-acres of parks developed in the neighborhoods half in land zoned R-1 or U-R-1 and half in land zoned R-2 or U-R-2. Land for parkland was subtracted from the vacant land shown in Table 1.

Scenario C results in 1,758 dwelling units at an average density of 9.9 dwelling units per gross acre with changes to the zoning code to allow increased densities alone. Scenario C shows an increase in capacity for 565 dwelling units beyond Scenario A resulting from the changes to the zoning code discussed above.

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<sup>14</sup> The memorandum titled “Westside Area Park Need Methodology” presents the updated estimate of parkland need for this scenario.

**Table 5. Residential capacity resulting from increased densities, Scenario C – Strong increase in workforce and affordable housing, Westside Area**

Note: The number of vacant acres of land is lower in Scenario C than Scenario A or B because Scenario C assumes more land is used for parks than the other scenarios.

| Neighborhood or District       | Vacant Land (acres) | New Dwelling Units | Average Density (gross acre) |
|--------------------------------|---------------------|--------------------|------------------------------|
| <b>West Cascade Avenue</b>     | <b>5.1</b>          | <b>101</b>         | <b>19.9</b>                  |
| Urban High Density (R-3)       | 5.1                 | 101                | 19.9                         |
| <b>Country Club Road</b>       | <b>1.6</b>          | <b>10.0</b>        | <b>6.3</b>                   |
| Urban Low Density (R-1)        | 0.2                 | 1                  | 4.7                          |
| Urban Low Density (U-R-1)      | 1.4                 | 9                  | 6.5                          |
| <b>Middle Terrace</b>          | <b>42.9</b>         | <b>393.0</b>       | <b>9.2</b>                   |
| Urban Low Density (R-1)        | 29.2                | 219                | 7.5                          |
| Urban Standard Density (R-2)   | 4.9                 | 54                 | 11.0                         |
| Urban High Density (R-3)       | 4.4                 | 86                 | 19.7                         |
| Urban Low Density (U-R-1)      | 4.5                 | 34                 | 7.6                          |
| <b>Upper Terrace</b>           | <b>74.1</b>         | <b>848</b>         | <b>11.5</b>                  |
| Urban Low Density (R-1)        | 0.8                 | 6                  | 7.4                          |
| Urban Standard Density (R-2)   | 1.7                 | 18                 | 10.5                         |
| Urban Low Density (U-R-1)      | 5.9                 | 44                 | 7.5                          |
| Urban Standard Density (U-R-2) | 65.6                | 780                | 11.9                         |
| <b>West</b>                    | <b>55.8</b>         | <b>406</b>         | <b>7.3</b>                   |
| Urban Low Density (R-1)        | 26.7                | 197                | 7.4                          |
| Urban Low Density (U-R-1)      | 29.2                | 209                | 7.2                          |
| <b>Total</b>                   | <b>179.5</b>        | <b>1,758</b>       | <b>9.8</b>                   |

The difference in residential capacity between Scenario A (Table 3) and Scenario C (Table 5) is about 565 dwelling units. Scenario C also envisions increasing capacity by about 600 dwelling units through rezoning land within the Westside Area. These units are in addition to the total (1,758 units) shown in Table 5. The amount of land rezoned to accommodate 600 additional dwelling units will depend on the existing zoning and the planned change of zoning. For example, the amount of land necessary to increase capacity by an additional 600 dwelling units through rezoning is approximately:

- **Rezoning R-1 / U-R-1 to R-2 would require rezoning 140 acres to increase capacity by 600 dwelling units.** Given that there are only 100 acres of R-1 / U-R-1 land in the Westside Area, the desired increase in capacity cannot be achieved solely through rezoning R-1 / U-R-1 to R-2.
- **Rezoning R-2 / U-R-2 to R-3 would require rezoning 72 acres to increase capacity by 600 dwelling units.** There are only 75 acres of R-2 / U-R-2 land in the Westside Area, suggesting that the desired increase in capacity cannot be achieved solely through rezoning R-1 / U-R-1 to R-2.

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- **Rezoning R-1 / U-R-1 to R-3 would require rezoning 48 acres to increase capacity by 600 dwelling units.** Rezoning R-1 / U-R-1 land to R-3 increases development density by 12.6 dwelling units an acre, resulting in the largest increase in capacity from rezoning residential land.
  - **Rezoning C-2 to R-3 (or mixed-use) would require rezoning 24 acres to increase capacity by 600 dwelling units.**<sup>15</sup> Scenario C does not currently forecast development of housing on C-2 land. This increase in capacity could be achieved through assuming 24 acres of C-2 land is developed with mixed-use development. Additional analysis will be prepared to evaluate the feasibility of mixed use.

The amount, type, and location of land to be rezoned under Scenario C will be identified through discussions with Project Advisory Committee and Technical Advisory Committee and development of the Concept Plan.

The other land uses in Scenario C are:

- **Local commercial services.** Local services will require about 18,500 square feet of retail space to provide services for households in the Westside Area, such as a combination of a coffee shop, a restaurant, a corner store, or other service or retail. This amount of built space will require about 1.5 acres of land.<sup>16</sup> The location of this need will be determined through discussions of the concept plan alternatives.
- **Other commercial and industrial development.** The majority of the 67 acres of commercial and industrial land in the Westside Area would be available for development by industrial businesses, office uses, or other services for the rest of Hood River. The majority of these lands are located in the Country Club Road District (31 acres), with the remainder in the West Cascade Avenue District (13 acres) and the Middle Terrace Neighborhood (6 acres).

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<sup>15</sup> Assuming that C-2 develops at 25 dwelling units per acre, as discussed in the *Housing Needs Analysis*.

<sup>16</sup> The estimate of land needed to accommodate expected demand for retail built space uses the Floor Area Ratio of 0.25 from the *Economic Opportunities Analysis* forecast for demand for employment land.

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## Conclusions

The three scenarios presented in this memorandum begin to describe land use concepts for the Westside Area and will be refined through discussions about development in the area. Table 6 summarizes the capacity for new housing in each scenario and compares it to the citywide forecast of housing in the *Housing Needs Analysis* (HNA).

The Westside Area has about 60% of the buildable vacant residential land within the Hood River urban growth boundary (185 acres<sup>17</sup> in the Westside Area of Hood River's total 318 buildable residential acres). Table 6 shows:

- Under Scenario A, the Westside Area can accommodate about 60% of the City's forecast of housing. This scenario assumes continuation of existing development patterns. It would not increase production of affordable or workforce housing.

About 85% of development would occur in the R-1 and R-2 zones (including U-R-1 and U-R-2), which allows single-family detached housing, duplexes, accessory dwelling units, and R-2 may allow townhouses. The remaining development would occur in R-3 and be predominantly multifamily development.

- Under Scenario B, the Westside Area can accommodate about 85% of the City's housing forecast. This scenario assumes a moderate increase in density in the R-1 and R-2 zones and moderate amounts of land rezoning. Scenario B results in approximately 500 dwelling units more than Scenario A. These units are expected to be more affordable than housing developed under Scenario A, resulting in a moderate increase in production of affordable or workforce housing.<sup>18</sup>

Depending on decisions about rezoning land, about 20% to 30% of new housing in Scenario B could occur in R-3, predominantly multifamily housing types. The remaining housing would develop in the R-1 and R-2 zones (including U-R-1 and U-R-2), as single-family detached housing, cottages, small-lot single-family detached, duplexes, accessory dwelling units, and townhouses.

- Under Scenario C, the Westside Area can accommodate more housing than the amount forecast for growth in the City's *Housing Needs Analysis* through 2035. Scenario C assumes a more significant increase in density in the R-1 and R-2 zones and more land

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<sup>17</sup> The estimate of 185 acres includes lands for neighborhood parks. Scenarios A and B assume a total of 3 acres of land will be used for parks, leaving 181.5 acres available for residential development. Scenario C assumes a total of 5 acres of land will be used for parks, leaving 179.5 acres available for residential development.

<sup>18</sup> The increase in number of housing units in Scenario B (and the increase in Scenario C) is intended to result in production of affordable housing (produced in conjunction with the Mid-Columbia Housing Authority) and workforce affordable housing. While producing more dwelling units will increase overall supply of housing in Hood River, the actual price of housing built in the Westside Area will depend on the type and quality of housing built and the housing market conditions at the time the housing is built.

rezoned than Scenario B. Scenario C results in approximately 1,165 dwelling units more than Scenario A. These units are expected to be more affordable than housing developed under Scenario A, resulting in a substantial increases in production of affordable or workforce housing.

The City’s *Housing Needs Analysis* forecast demand for 1,985 new dwelling units over the 2015-2035 period. Scenario C shows capacity of 2,358 new dwelling units, more than the forecast for city growth through 2035. Depending on decisions about re-zoning land, this scenario could produce opportunities for developing more than 100% of the City’s forecast for multifamily housing need in the *Housing Needs Analysis*, which would both increase opportunities for development of affordable and workforce housing and decrease pressure on conversion of commercial land to residential uses.

Depending on decisions about rezoning land, about 21% to 33% of new housing in Scenario C could occur in R-3, predominantly multifamily housing types. The remaining housing would develop in the R-1 and R-2 zones (including U-R-1 and U-R-2), as single-family detached housing, small-lot single-family detached, cottages, duplexes, accessory dwelling units, and townhouses.

**Table 6. Comparison of Housing Forecast in the *Housing Needs Analysis* (HNA) and the Scenarios, Westside Area**

Note: Scenario C shows capacity of 2,358 new dwelling units, which is more than the forecast of housing growth through 2035 from the City’s *Housing Needs Analysis*.

|                          | Total Dwelling units | Citywide Forecast in HNA |
|--------------------------|----------------------|--------------------------|
| Citywide Forecast in HNA | 1,985                |                          |
| Scenario A - Base Case   | 1,193                | 60%                      |
| Scenario B - Moderate    | 1,691                | 85%                      |
| Scenario C - Strong      | 2,358                | 119%                     |