



CITY COUNCIL PUBLIC HEARING

Wednesday, June 20, 2018

265 Strand Street, St. Helens, OR 97051

www.ci.st-helens.or.us

Welcome!

All persons planning to address the Council, please sign-in at the back of the room. When invited to provide comment regarding items not on tonight's agenda, please raise your hand to be recognized, walk to the podium in the front of the room to the right, and state your name only. You are not required to give your address when speaking to the City Council. If you wish to address a specific item on the agenda, you should make your request known to the Mayor as soon as possible before the item comes up. The Council has the authority to grant or deny your request. Agenda times and order of items are estimated and are subject to change without notice.

1. **Open Public Hearing - 6:00 p.m.**
2. **Topic**
 - 2.A. Annexation of 60110 and 60120 Barrick Lane (Zahl)
[A.1.18 Staff Report Hearing CC.pdf](#)
3. **Close Public Hearing**

The St. Helens City Council Chambers are handicapped accessible. If you wish to participate or attend the meeting and need special accommodation, please contact City Hall at 503-397-6272 in advance of the meeting.

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For more information or for an application, stop by City Hall or call 503-366-8217.**

**CITY OF ST. HELENS PLANNING DEPARTMENT
STAFF REPORT
Annexation A.1.18**

DATE: June 11, 2018
TO: City Council
FROM: Jacob A. Graichen, AICP, City Planner
Jennifer Dimsho, Assistant Planner
APPLICANT: Eric & Linda Zahl
OWNERS: Same
ZONING: Columbia County's Single-Family Residential, R-10 Zoning
LOCATION: 5N1W-32DC-1900 & 2000
PROPOSAL: The property owner filed consent to annex to develop the property using City development standards

SITE INFORMATION / BACKGROUND

The subject property contains two adjacent parcels that total approximately 6.64 acres. The parcels are accessed by Barrick Lane, which is a driveway and variable width access easement originally described in Instrument No. 98-05237 as 16 feet in width. The variable access easement was widened with Elk Ridge Estates Phase 2. The location of the access easement appears to coincide with the actual location of the driveway. The driveway is gravel, except for a small asphalt portion adjacent to Hankey Road. Hankey Road has sidewalks and curb for the entire length of the subject properties. There are two street stubs that terminate on the subject properties, one off Wapiti Drive in the Elk Ridge Estates subdivision to the north and one off Skyline Drive in the Sunrise Heights subdivision to the south.



Left: Hankey Road and Barrick Lane intersection.



Right: View of Barrick Lane close to Barrick Lane.

Below left: the subject Property.



Each parcel is developed with a detached single-family dwelling and other smaller accessory buildings. The parcels slope generally towards the northwest property line with a cliff drop off down to Hankey Road below. There are multiple large, mature trees on the property. The property is bordered on the east with Weyerhaeuser-owned property which is zoned County

Primary Forest. The other three borders of the property are zoned the City's Moderate Residential, R7 zone.

PUBLIC HEARING & NOTICE

Hearing dates are as follows: May 8, 2018 before the Planning Commission and June 20, 2018 before the City Council.

At their May 8, 2018 public hearing, the Commission unanimously recommended approval of the annexation and that the property be zoned R7.

Notice of this proposal was sent to surrounding property owners within 300 feet of the subject property(ies) on April 25, 2018 via first class mail. Notice was sent to agencies by mail or e-mail on the same date. Notice was published in the The Chronicle on April 25, 2018. Notice was sent to the Oregon Department of Land Conservation and Development on March 29, 2018 via e-mail.

AGENCY REFERRALS & COMMENTS

City Engineering: There may be a portion of the historical local landfill located on the subject property.

APPLICABLE CRITERIA, ANALYSIS & FINDINGS

SHMC 17.20.120 – Standards for Legislative Decision

(1) The recommendation by the commission and the decision by the council shall be based on consideration of the following factors:

- (a) The statewide planning goals and guidelines adopted under ORS Chapter 197, including compliance with the Transportation Planning Rule (TPR) as described in SHMC 17.08.060
- (b) Any federal or state statutes or guidelines found applicable;
- (c) The applicable comprehensive plan policies, procedures, appendices and maps; and
- (d) The applicable provisions of the implementing ordinances; and
- (e) A proposed change to the St. Helens zoning district map that constitutes a spot zoning is prohibited. A proposed change to the St. Helens comprehensive plan map that facilitates a spot zoning is prohibited.

(2) Consideration may also be given to:

- (a) Proof of a change in the neighborhood or community or a mistake or inconsistency in the comprehensive plan or implementing ordinance which is the subject of the application.

Discussion: (1)(a) The statewide planning goals and compliance with the Transportation Planning Rule (TPR) are addressed later.

(1)(b) Section 3 of the City's Charter states that "annexation, delayed or otherwise, to the City of St. Helens, may only be approved by a prior majority vote among the electorate." However, during the 2016 Legislative Assembly, Senate Bill 1578 was passed. It states that a City shall annex the territory without submitting the proposal to the electors if certain criteria are met:

1. Property is within the UGB
2. Property will be subject to the City's Comprehensive Plan
3. Property is contiguous to the City limits or is separated by only a public right of way or body of water
4. Property conforms to all other City requirements

As this proposal meets these criteria, this property will not be subject to a majority vote among the electorate.

There are no other known federal or state statutes applicable to this proposal.

(1)(c) The Comprehensive Plan designation for the subject property is Rural Suburban Unincorporated Residential (RSUR). Applicable designation and zoning district for annexation are discussed later.

There is no known conflict with the general Comprehensive Plan policies identified in Chapter 19.08 SHMC. Note that SHMC 19.08.030 discusses public services and facilities and includes utility provisions (e.g., water and sewer) as well as services such as police and library. In sum, all services are intertwined; the consent to annexation allows connection to City sewer to support existing and future development on the subject property, and, once annexed, all other City services/facilities. By this process, the proposal complies with this aspect of the Comprehensive Plan.

There is no known conflict with the addendums to the Comprehensive Plan which includes Economic Opportunities Analysis (Ord. No. 3101), Waterfront Prioritization Plan (Ord. No. 3148), the Transportation Systems Plan (Ord. No. 3150), the Corridor Master Plan (Ord. No. 3181), and the Parks & Trails Master Plan (Ord. No. 3191).

Finally, there is no evidence that this proposal will be contrary to the health, safety and welfare of the community.

(1)(d) Relevant implementing ordinances are discussed later in the annexation criteria.

(1)(e) This criteria prohibits spot zoning. The Development Code defines "spot zoning" as:

Rezoning of a lot or parcel of land to benefit an owner for a use incompatible with surrounding uses and not for the purpose or effect of furthering the comprehensive plan.

Whether or not this proposal is considered spot zoning depends on the recommendation of the Planning Commission and the decision of the City Council for the applicable zoning designation for this annexation.

The Planning Commission recommends the R7 zoning so that it does not constitute a spot zoning. The Planning Commission finds any other zoning would be incompatible with the surrounding area because the (1) subject property is too small to warrant a different zoning district than that surrounding it, (2) there is R7 zoning on multiple sides, and (3) there is no contiguous other zoning.

(2)(a) There is no evidence of a change in neighborhood, or mistake or inconstancy in the Comprehensive Plan or Zoning Map.

Finding: Depending on the recommendation and decision of the City Council for the applicable zoning designation, the criteria for a legislative decision are met.

Note the Commission findings in regard to this being a “spot zone” above.

SHMC 17.08.060 – Transportation planning rule compliance

- (1) Review of Applications for Effect on Transportation Facilities. A proposed comprehensive plan amendment, zone change or land use regulation change, whether initiated by the city or by a private interest, shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with OAR 660-012-0060 (the Transportation Planning Rule (“TPR”)). “Significant” means the proposal would:
 - (a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);
 - (b) Change standards implementing a functional classification system; or
 - (c) As measured at the end of the planning period identified in the adopted transportation system plan:
 - (i) Allow land uses or levels of development that would result in types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;
 - (ii) Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP; or
 - (iii) Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan.
- (2) Amendments That Affect Transportation Facilities. Comprehensive plan amendments, zone changes or land use regulations that significantly affect a transportation facility shall ensure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the TSP. This shall be accomplished by one or a combination of the following:
 - (a) Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.
 - (b) Amending the TSP or comprehensive plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of OAR 660-012-0060.
 - (c) Altering land use designations, densities, or design requirements to reduce demand for vehicle travel and meet travel needs through other modes of transportation.
 - (d) Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.
- (3) Traffic Impact Analysis. A traffic impact analysis shall be submitted with a plan amendment or zone change application, as applicable, pursuant to Chapter 17.156 SHMC.

Discussion: This section reflects State law regarding the Transportation Planning Rule (TPR): Transportation Planning Rule (TPR), OAR 660, Division 12. The TPR requires that where an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation would significantly affect an existing or planned transportation facility, the local government shall put in place measures to assure that allowed land uses are consistent with the identified function, capacity, and performance standards of the facility. **This proposal is an annexation, not a zone change or a Comprehensive Plan amendment.**

Finding: No traffic impact analysis is warranted at this time.

SHMC 17.28.030 (1) – Annexation criteria

- (a) Adequate public facilities are available to the area and have sufficient capacity to provide service for the proposed annexation area; and
- (b) Comply with comprehensive plan amendment standards and zoning ordinance amendment standards and not be in conflict with applicable comprehensive plan policies and implementing ordinances; and
- (c) Complies with state laws; and
- (d) Abutting roads must meet city standards or property owner will be required to sign and record an irrevocable consent to local improvement district; and
- (e) Property exceeding 10 acres in gross size must show a need on the part of the city for such land if it is designated residential (e.g., less than five years' supply of like designated lands in current city limits).

Discussion: (a) **City water** is available to the site from Hankey Road to the west, Wapiti Drive to the north, and Skyline Drive to the south. The City's current water capacity is 6 million gallons/day and the peak flow, usually in the summer, is 3 to 4 million gallons/day. Additionally, the City has the capacity of approximately 10 million gallons to meet future demands. Any additional uses that occur on the subject property can be accommodated by the City's municipal water system as infrastructure has substantial capacity available.

City sanitary sewer is available from the same rights-of-way as water. Should the property owner wish to connect to City sanitary sewer, the City's waste water treatment plant currently has the capacity (physically and as permitted by DEQ) to handle 50,000 pounds of Biochemical Oxygen Demand (BOD), which is the "loading" or potency of the wastewater received by the plant. The average daily BOD is well below this at only 1,500 pounds. Thus, any potential uses that occur on the subject property can be accommodated by the City's sanitary sewer system as infrastructure is in place or can be upgraded and there is substantial capacity available.

Regarding **transportation**, as described above, this annexation does not warrant a transportation impact analysis at this time. Should the property be subdivided in the future for development, a transportation impact analysis would likely be required at that time.

Adequate public facilities are available to the area and have sufficient capacity to provide service for the proposed annexation area.

(b) The subject property is surrounded by the City's Moderate Residential, R7 zone on three sides and County Primary Forest, PF-80 on the east side. The City's Comprehensive Plan designation for the subject property is Rural Suburban Unincorporated Residential (RSUR).

Per SHMC 19.12.060 Rural Suburban Unincorporated Residential Goals and Policies:

- (1) Goals. To provide sufficient area for urban development that will accommodate a variety of housing types.
- (2) Policies. It is the policy of the city of St. Helens to:
 - (a) Work with the county on partition and subdivision applications for these lands to ensure that they are divided in a manner that does not hinder future urbanization.

- (b) Zone the rural suburban-unincorporated residential at R7 or R10 upon annexation to the city unless circumstances listed in subsection (2)(c) of this section exist.
- (c) Consider zoning lands with the rural suburban-unincorporated residential category for R5 or AR if the following conditions are found:
 - (i) The parcel is vacant and larger than two acres in size.
 - (ii) The carrying capacity of the public services, including but not limited to streets, sewer, and water, are sufficient for higher density development.
 - (iii) The county and city determine, due to the pattern of development in the city and within the urban growth area, that other lands are more appropriate for these designations.

The Comprehensive Plan requires that upon annexation, Rural Suburban Unincorporated Residential, RSUR would be (incorporated) Suburban Residential, RS. There are two zoning options under that designation: Suburban Residential, R10 or Moderate Residential, R7, unless criteria under (2)(c) are met. Excluding the developed portions of the sites, the property is larger than two acres, so (2)(c)(i) is met. As noted above, the carrying capacity of the public services is also sufficient for the higher density development, so (2)(c)(ii) is met. In order to meet (2)(c)(iii), the Planning Commission and City Council must determine the zoning designation (R10, R7, R5 or AR) that follows the development pattern within the urban growth area and in the City to ensure it will not conflict with the City's Comprehensive Plan policies.

The Planning Commission finds that the zoning should be R7 because the (1) subject property is too small to warrant a different zoning district than that surrounding it, (2) there is R7 zoning on multiple sides, and (3) there is no contiguous other zoning.

The applicant is requesting R5 zoning. See the attached narrative.

The existing uses (detached single-family dwelling and manufactured home) are possible with all possible City residential zoning designations upon annexation.

Finding: The subject property shall be designated on the Comprehensive Plan Suburban Residential (RS) and zoned R10, R7, R5 or AR (based on Planning Commission recommendation and City Council decision) upon annexation.

The applicant requests and argues for R5; the Planning Commission recommends R7.

(c) With regards to Oregon Revised Statutes (ORS), city annexations of territory must be undertaken consistent with ORS 222.111 to 222.183.

Pursuant to ORS 222.111(1), a City may only annex territory that is not within another City, and the territory must either be contiguous to the annexing City or be separated from the City only by a body of water or public right-of-way. The subject property is not within another City's jurisdiction and City of St. Helens corporate limits lies on three sides of the subject property.

Although undertaking an annexation is authorized by state law, the manner in which a city proceeds with annexation is also dictated in the city charter. ORS 222.111(1) references a city's charter as well as other ORS. St. Helens' Charter requirements pertaining to annexations are noted above.

Per ORS 222.111(2) an annexation may be initiated by the owner of real property or the city council. This annexation request was initiated by the property owners. Further, ORS 222.125 requires that all property owners of the subject property to be annexed and at least half of the electors residing on the property consent in writing to the annexation. These documents were submitted with the annexation application.

ORS 197.175(1) suggests that all annexations are subject to the statewide planning goals. The statewide planning goals that could technically apply or relate to this proposal are Goals 1, 2, 11 and 12.

- ***Statewide Planning Goal 1: Citizen Involvement.***

Goal 1 requires the development of a citizen involvement program that is widespread, allows two-way communication, provides for citizen involvement through all planning phases, and is understandable, responsive, and funded.

Generally, Goal 1 is satisfied when a local government follows the public involvement procedures set out in the statutes and in its acknowledged comprehensive plan and land use regulations. The City's Development Code is consistent with State law with regards to notification requirements. Pursuant to SHMC 17.20.080 at least one public hearing before the Planning Commission and City Council is required. Legal notice in a newspaper of general circulation is also required. The City has met these requirements and notified DLCD of the proposal.

- ***Statewide Planning Goal 2: Land Use Planning.***

Goal 2 requires that a land use planning process and policy framework be established as a basis for all decisions and actions relating to the use of land. All local governments and state agencies involved in the land use action must coordinate with each other. City, county, state and federal agency and special districts plans and actions related to land use must be consistent with the comprehensive plans of cities and counties and regional plans adopted under Oregon Revised Statutes (ORS) Chapter 268.

Generally, Goal 2 requires that actions related to land use be consistent with acknowledged Comprehensive Plans and coordination with affected governments and agencies and be based on an adequate factual base. The City has an adopted Comprehensive Plan, compliance of this proposal which is addressed herein. Moreover, explanation and proof of coordination with affected agencies and factual base are described herein, as well, including inventory, needs, etc.

- ***Statewide Planning Goal 11: Public Facilities and Services.***

Goal 11 requires cities and counties to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development. The goal requires that urban and rural development be "guided and supported by types and levels of urban and rural public facilities and services appropriate for, but limited to, the needs and requirements of the urban, urbanizable and rural areas to be served."

City water and sewer capacities are adequate to serve the subject property. This is explained above. Moreover, there is no evidence that adequate infrastructure cannot be made available to serve the annexed area if redeveloped. The existing development is adequately served.

- ***Statewide Planning Goal 12: Transportation.***

Goal 12 requires cities, counties, metropolitan planning organizations, and ODOT to provide and encourage a “safe, convenient and economic transportation system.” This is accomplished through development of Transportation System Plans based on inventories of local, regional and state transportation needs. Goal 12 is implemented through OAR 660, Division 12, also known as the Transportation Planning Rule (“TPR”). The TPR contains numerous requirements governing transportation planning and project development.

Traffic impacts and the City’s provisions that address the TPR are explained above. This proposal does not warrant a transportation impact analysis at this time.

(d) The subject property abuts Hankey Road, which is a County road at this location.

The City’s Transportation Systems Plan designates Hankey Road as a Minor Arterial and is subject to Minor Arterial standards. Hankey Road was allowed to be developed to an alternate standard based on subdivisions that have been developed. This alternate standard is met and will be reviewed further when the subject property is developed. At a minimum, some right-of-way dedication is anticipated around the Hankey Road/Barrick Lane intersection.

(e) The subject property is not greater than 10 acres in size, so this criterion does not apply.

Finding: The annexation approval criteria are met for this proposal.

SHMC 17.28.030 (2) – Annexation criteria

The plan designation and the zoning designation placed on the property shall be the city’s zoning district which most closely implements the city’s comprehensive plan map designation.

Discussion: The City’s Comprehensive Plan designation for the subject property is Rural Suburban Unincorporated Residential (RSUR). Upon annexation, the Comprehensive Plan designation would be (incorporated) Suburban Residential, RS. As noted above, **the Planning Commission and City Council must determine the zoning designation R10, R7, R5 or AR** which most closely implements the City’s Comprehensive Plan Map designation.

Finding: **Depending on the determinations of the Planning Commission and Council**, the subject property shall be designated Suburban Residential (R10), Moderate Residential (R7), General Residential (R5), or Apartment Residential (AR).

As noted previously, the applicant requests and argues for R5; the Planning Commission recommends R7.

SHMC 17.112.020 – Established & Developed Area Classification criteria

- (1) Established Area.
 - (a) An “established area” is an area where the land is not classified as buildable land under OAR 660-08-0005;
 - (b) An established area may include some small tracts of vacant land (tracts less than an acre in size) provided the tracts are surrounded by land which is not classified as buildable land; and
 - (c) An area shown on a zone map or overlay map as an established area.
- (2) Developing Area. A “developing area” is an area which is included in the city’s buildable land inventory under the provisions of OAR except as provided by subsection (1)(b) of this section.

Discussion: OAR 660-008-0005 generally defines “Buildable Land” as vacant residential property not constrained by natural hazards or resources, and typically not publicly owned. The subject property is considered “buildable.”

Finding: The subject property should be designated as “developing.”

CONCLUSION & RECOMMENDATION

Based upon the facts and findings herein, staff recommends approval of this annexation and that upon annexation: the subject property have a Comprehensive Plan designation of Suburban Residential, SR, be zoned be zoned R10, R7, R5 or AR (based on the recommendation of the Planning Commission and decision by City Council), and designated as “developing.”

*This annexation will **not** be subject to voter approval subsequent to this land use process.*

Attachments: *Aerial Map*
Applicant Narrative (23 pages)
Letter from Ryan and Lisa Scholl RECEIVED April 24, 2018

***Zahl Property Narrative:
Arguments for R5 Zoning
And
R5 Concept Design***

*For consideration of Annexation to City of St. Helens
and of Zoning Assignment*

Eric & Linda Zahl

March 1, 2018

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1 Property Description

The property in question is two adjacent parcels together totaling approximately 6.64 acres. These parcels have the same owner, Linda & Eric Zahl. Identification of these parcels are:

Parcel 1:

Site address: 60120 Barrick Lane, St. Helens

Tax Map: 5N1W32-DC-02000

Parcel 2:

Site address: 60110 Barrick Lane, St. Helens

Tax Map: 5N1W32-DC-01900

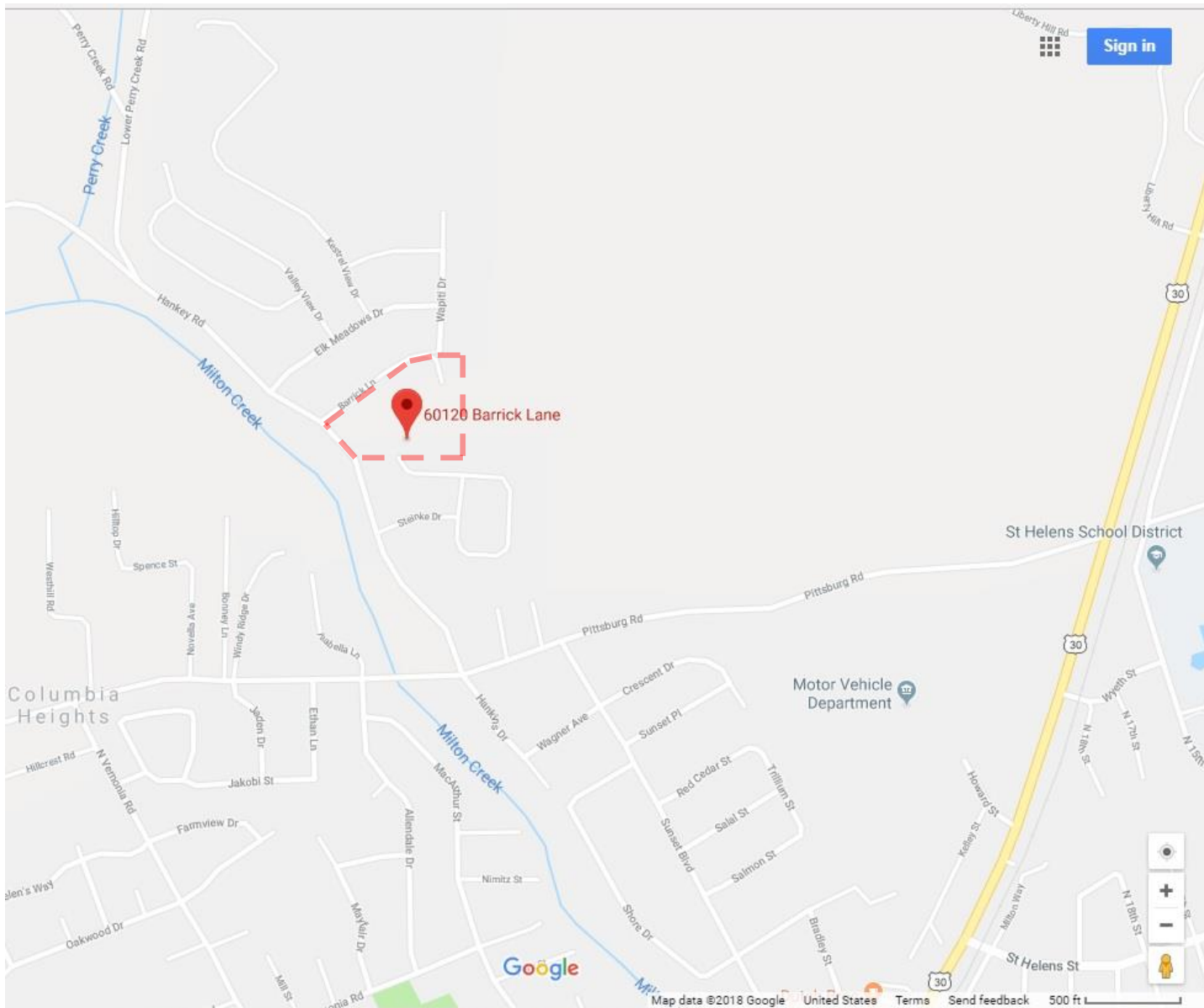


Figure 1 – Map showing general location of Zahl Property: 60120 Barrick Lane, and 60110 Barrick Lane are adjacent and located within the red dashed line.



Figure 2—Aerial view of Zahl Property, Parcel 1 and Parcel 2. Approximate property lines shown (red marked with “P/L” repeating labels). Some approximate dimensions indicated on property edges.



Figure 3—Aerial view of Zahl Property with approximate 2 foot elevation contour lines shown (not for engineering purposes).

2 Background and Basis of Zoning Assignment Request

The owners are petitioning for this property to be annexed to St. Helens and are proposing considerations for zoning of the property if annexation is approved.

Parcel 1 currently has sited on it a permanent structure which is the residence of the owners. This residence was sited in one corner of the property and could easily be divided off to make the rest of the adjacent land vacant for development. Parcel 2 currently has sited on it a manufactured home owned by Eric Zahl's elderly mother, Ellen Zahl. This is also sited in a corner of the property so that it could easily be divided off to make the rest of the adjacent land vacant for development. The intention is that Ellen Zahl's manufactured home would be moved off the property when she is no longer alive or living in the residence, freeing up additional vacant land for development. Other out-buildings on the property are not of significant value and would be demolished when they interfered with development. The total vacant property that could be available for development without Linda & Eric's and without Ellen's residences is approximately 5.5 acres. After Ellen's manufactured home is removed approximately 0.6 acres would be added for a total of approximately 6.1 acres vacant developable land. Hereafter these parcels of developable land totaling approximately 6.1 acres are referred to as Zahl Property.

According to the St. Helens Comprehensive Plan, May 20, 2016 revision, Zahl Property is within the UGB – "Urban Growth Boundary", and is categorized as RSUR -- "Rural Suburban Unincorporated Residential".

The eastern boundary is undeveloped land also categorized as within the UGB and RSUR. The northern boundary is the Elk Ridge subdivision categorized as SR – "Suburban Residential incorporated". The southern boundary is the Sunset Heights subdivision, also categorized as SR. The western boundary of Zahl Property is Hankey Rd and the other side of the road is a small parcel of undeveloped land categorized as SR, but its development seems prohibitive due to very steep terrain and Milton creek frontage.

St. Helens Municipal Code 19.12.060, covering Rural Suburban Unincorporated Residential category goals and policy, states:

(c) Consider zoning lands with the rural suburban-unincorporated residential category for R-5 or AR if the following conditions are found:

(i) The parcel is vacant and larger than two acres in size.

(ii) The carrying capacity of the public services including but not limited to streets, sewer, and water are sufficient for higher density development.

(iii) The county and city determine, due to the pattern of development in the city and within the urban growth area, that other lands are more appropriate for these designations. (Ord. 2980 § 2, 2006)

The owners would like the Zahl property to be considered for R5 zoning. The vacant parcel immediately developable would be approximately 5.5 acres and probably within a few years 6.1 acres—it is larger than 2 acres. Also, the owners believe that updates made for the adjacent Elk Ridge subdivision should allow sufficient higher density development. A remaining condition for consideration is if the county and city

determine that the pattern of development within the urban growth area indicate that the Zahl property is suitable for R5 development. The remainder of this document contains reasons for consideration provided by the owners for the suitability for R5 development.

3 Housing Affordability

In Title 19.08.50 of the city code it states:

Housing Goals and Policies

(1) Preface. Residents of the city of St. Helens are demographically in different stages of socioeconomics. As such, they vary in their family sizes, economic capabilities and interests and will desire different types of housing. The strategy is to ensure that sufficient lands are designated for those different phases and desires of current and future residents and to encourage policies and decisions to allow all residents the ability to find affordable housing.

(2) Goals.

(a) To promote safe, adequate, and affordable housing for all current and future members of the community.

With the upward price pressure from the Portland metro real estate market, affordability of housing in Saint Helens is at risk.

4 What is affordable for area of Zahl Property?

According to [city-data](http://www.city-data.com/city/St.-Helens-Oregon.html)¹ the median household income for St. Helens (est. 2016) is \$49,386, and for the section of Northwest St. Helens where Zahl Property is located \$53,131 - \$62,517.

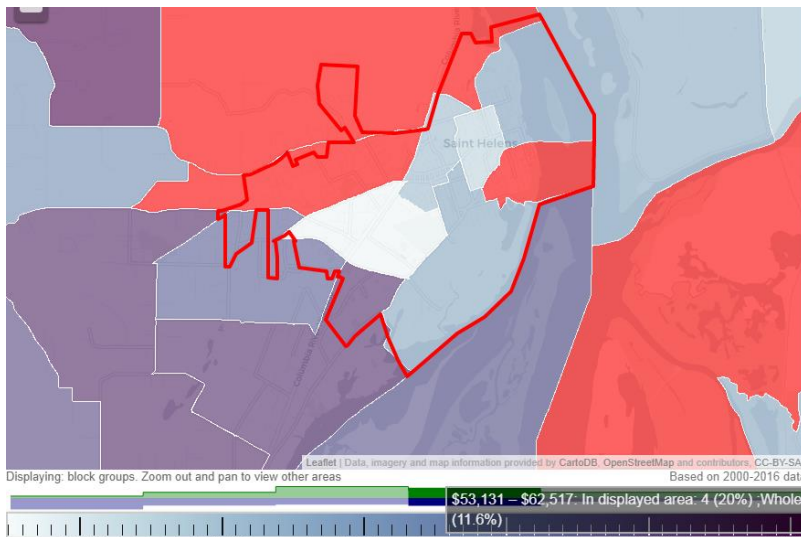


Figure 4 – Median income in area where Zahl Property is located (highlighted red) is estimated at \$53,131 - \$62,517 by city-data

The group of people most affected by affordability when buying a home would usually be first-time home buyers. Because these people don't have any home equity to use as a down payment they would have to save up or get other assistance for a down payment which could take many years of discipline and good fortune.

¹ <http://www.city-data.com/city/St.-Helens-Oregon.html>

More likely these people would try to use a low to no down payment loan program. People buying homes in St. Helens are geographically eligible for participation in the USDA loan guarantee program which is a 0-down program, so it is likely among the best program available for people on the edge of being able to afford to buy a home here. This program currently has debt-to-income requirements of 29/41. That is, maximum allowed housing expenses of 29% of gross income, and maximum allowed housing + recurring debt payments of 41% of gross income.

Example 1:

Household income: \$49,361 (median St. Helens, estimated 2016)

Maximum House expenses: $29\% * \$49,361 = \$14,315/\text{year} \rightarrow \$1193/\text{month}$.

(Assume recurring debt limit of 41% does not impinge on allowed 29% for housing expenses alone. That is, the family is allowed to spend up to \$1193/month for housing, and recurring debt is less than $(41\% - 29\%) = 12\%$ of income or \$494/month in recurring debt.)

Using this [USDA loan calculator](#)² and using mortgage rate of 4.375%, property tax rate of 1.30% and insurance rate of 0.15%, we see that this household would be eligible for a USDA guaranteed loan amount of:

Maximum loan amount eligibility: \$183,000

Example 2:

Household income: \$62,517 (upper of Northwest St. Helens area median house hold income range \$53,131 - \$62,517, estimated 2016)

Maximum House expenses: $29\% * \$62,517 = \$18,130/\text{year} \rightarrow \$1511/\text{month}$.

(Assume recurring debt limit of 41% does not impinge on allowed 29% for housing expenses alone. That is the family is allowed to spend up to \$1511/month for housing, and recurring debt is less than $(41\% - 29\%) = 12\%$ of income or \$625/month in recurring debt.)

Using this [USDA loan calculator](#) and using mortgage rate of 4.375%³, property tax rate of 1.30%⁴ and insurance rate of 0.15%⁵, we see that this household would be eligible for a USDA guaranteed loan amount would be:

Maximum loan amount eligibility: \$232,000

Using the estimates in the examples above we can establish that depending on what income level we consider median for people living in the area of Zahl Property, a target home price for affordability should not exceed \$240,000. Finding an existing home at this price in Saint Helens is becoming challenging. Finding a single family detached home at this price that has been updated to be like new, or is actually new construction is, per my search, impossible. In theory it should be possible to build new condominiums or row houses within this price range, but I'm not aware of any new on the market at this time.

² <https://www.whatsmypayment.com/USDA/>

³ 4.32% is current value of average 30year fixed rate per [30-year Fixed Average Chart](#) (2/10/2018). However, rates are rising and expected to rise over the next year making affordability more challenging in the short term until possible market corrections to real estate prices could occur.

⁴ Estimate of St. Helens city residential tax rate based on information from Columbia County Assessor.

⁵ Estimate of home owners insurance based on Zahl's current home owners policy.

5 New Construction Prices and Dependence on Lot Size

A good case to study for sales prices for new construction single family detached homes in Columbia County and how this depends on lot size is found in two new subdivisions in Scappoose. Homes in both of these are being built by the same large national builder, DR Horton⁶:

- Wildwood on Havlik Drive behind Fred Meyers (see [DR Horton Website⁷](#)). Average lot size approximately 0.08 acre = 3500 sq. feet.
- Dutch Canyon just off Dutch Canyon Rd. (see [DR Horton Website⁸](#)). Average lot size approximately 0.14 acre = 6100 sq. feet.

For sales data available Q1-Q3 2017:

Wildwood average sales price: \$295,445

Dutch Canyon average sales price: \$352,023

Average price difference of the homes sales is $\$352,023/\$295,445 = 19\%$ higher price for the houses in Dutch Canyon (6100 ft² lot) compared to those in Wildwood (3500 ft² lot). However, the homes build in the subdivision with larger lots are more expensive structures that are not only larger, but also with more expensive features/finishes offered.

A conclusion of comparing these two subdivisions is that a very experienced builder knew that for homes on mid-size (6100 ft²) lots the market will bear a more expensive home than that with the small 3500 ft² lot, and presumably the builder chose the more expensive home to maximize their profits. It seems likely this is dependent on price pressures from the Portland metro market which overall has even higher home prices—there is a high demand for median size, nicer finished homes and Columbia County can offer homes to these buyers for a price significantly cheaper than the Portland metro market. Therefore builders are following what the market will bear to maximize profits. But the kind of home that was therefore built and sold on larger 6100 ft² lots did not serve the goal of keeping housing closer to affordable for median household income for Columbia county residents.

⁶ DR Horton, Express Homes brand, which claims to be entry level homes focused on high value in affordable package.

⁷ <http://www.drhorton.com/Oregon/Portland/Scappoose/Wildwood>

⁸ <http://www.drhorton.com/Oregon/Portland/Scappoose/Express-Dutch-Canyon-1>

Situs Address	Land Size	Adj Sale Price	Sales Date	Subdivision*	Appox Liv
51320 SW RANDSTAD ST	0.14	375730	7/31/2017	Dutch Canyon	2297
51350 SW RANDSTAD ST	0.14	360995	7/14/2017	Dutch Canyon	2297
51370 SW RANDSTAD ST	0.14	339995	7/31/2017	Dutch Canyon	2219
51330 SW RANDSTAD ST	0.14	331185	7/31/2017	Dutch Canyon	1983
51340 SW RANDSTAD ST	0.14	362980	7/31/2017	Dutch Canyon	2219
51360 SW RANDSTAD ST	0.14	341255	7/12/2017	Dutch Canyon	N/A
51567 SW SOUTH FORK LOOP	0.08	299335	7/12/2017	Wildwood	1624
51564 SW SOUTH FORK LOOP	0.07	294995	7/12/2017	Wildwood	1827
51563 SW SOUTH FORK LOOP	0.07	300750	7/5/2017	Wildwood	1827
51566 SW SOUTH FORK LOOP	0.07	286700	7/5/2017	Wildwood	1624

Figure 5 – Sale price of homes in DR Horton/Express Homes subdivisions in Scappoose published by Columbia County 2017 Q1-Q3 data.

This example of new construction home prices may not reflect exactly to homes built on the Zahl property. For example, the south Scappoose location is significantly closer to Portland metro area and therefore probably will result in higher home prices. Also, the lot size comparison in the example was 3500 ft² compared to 6100 ft². For the Zahl property, the size comparison should be made for 5000 ft² (R5 zoning allowed) compared to 7000 ft² (R7 zoning allowed). I did not find another in-process new construction example with such a clean comparison of sales price to lot size. But, even from this example it seems clear that there are market forces at work that could likely produce houses with a difference of about 15-20% from smaller houses targeted for 5000 ft² lots compared to larger feature-filled homes targeted for 7000 ft² lots.

Applying example from Scappoose Wildwood and Dutch Canyon homes to Zahl property

As a good estimate of home sale prices for newly constructed homes that would be built on Zahl property if R7 zoning were assigned a good example is to look at new homes sold in 2017 in Elk Ridge subdivision, adjacent to Zahl Property. There were 7 newly constructed homes sold in 2017. These had an average sales price of \$322,207. Therefore, for an estimate we can assume Zahl property homes built on 7000 ft² lots would sale for the same price and that using the Dutch Canyon/Wildwood example discussed above, assume homes built on 5000 ft² lots would sell for 15% less than homes built on 7000 ft² lots (instead of 19% difference in Dutch Canyon/Wildwood example. There's an expected closer similarity of R5/R7 homes in St. Helens compared to homes on 3500/6100 ft² lots in Dutch Canyon/Wildwood example due to Scappoose homes higher priced due to proximity to Portland). This results in an estimated price of homes built on 5000 ft² lots on Zahl property of approximately \$274,000. Using these estimated prices we can map this back to a required household income for first-time home buyers.

Example 3:

Assumed sale price for house target for Zahl Property 7000 ft² lot.

Loan amount: \$322,200

Using this [USDA loan calculator](#) and using mortgage rate of 4.375%, property tax rate of 1.30% and insurance rate of 0.15%, we see that this household's monthly house payment would be:

Monthly House Payment: \$2103

Which would map to a minimum required household gross income of:

$\$2103 / \text{Month} / 29\% = \$7251 / \text{Month} \rightarrow \text{\$87,020 / Year gross income}$

Example 4:

Assumed sale price for house target for Zahl Property 5000 ft² lot.

Loan amount: \$274,000

Using this [USDA loan calculator](#) and using mortgage rate of 4.375%, property tax rate of 1.30% and insurance rate of 0.15%, we see that this household's monthly house payment would be:

Monthly House Payment: \$1846

Which would map to a minimum required household gross income of:

$\$1846 / \text{Month} / 29\% = \$6365 / \text{Month} \rightarrow \text{\$76,386 / Year gross income}$

These examples serve to clarify that the sales price of a new construction single family detached home on Zahl property is already well beyond affordable for a first-time home buyer with a high end median house hold income for NW St. Helens of \$62,517. That is true for homes built on 5000 ft² lots and is only made significantly less affordable for homes built on 7000 ft² lots.

R5 Single Family Attached homes

An R5 zoning designation for Zahl property would allow construction of single family attached homes. These could create housing that actually would be affordable for median income households for North West Saint Helens (\$62,517/year), provided they could be built and sold for \$232,000 or less. This statement is based on an example of a good condition used townhouse within this range, which sold for \$211,000 in 2017 please follow this link on Zillow: [\(Townhouse sold 2017\)](#)⁹, which is 1384 sq. feet, single car attached garage. Based on this it should be possible to sell new townhouses with possibly larger living area that would sell for less than \$232,000.¹⁰

Economic Motivations for Builder Created by R5 versus R7

Using some of the above information for target home sales price, and estimated number of lots achievable for different zoning, with some simple construction cost estimates we can make a rough estimate of profit difference between homes built on Zahl Property for R5 versus R7.

- This is not a total Cost/Revenue profit analysis--some cost elements are being ignored. But, it's assumed these unrecognized costs will be largely the same cost regardless of R5 or R7 zoning.
- Focusses on estimating the difference in profit between the two developments and ignores the costs that will be largely the same—so the actual profit will be considerably less than “Revenue minus Differential Cost” estimated below. For example, land, grading, engineering, street, and utilities costs

⁹ https://www.zillow.com/homes/recently_sold/62747640_zpid/200000-240000_price/764-917_mp/globalrelevanceex_sort/45.863222,-122.828619,45.855197,-122.849561_rect/15_zm/

¹⁰ Build costs indicate it should be possible to make a reasonable profit with a sales price of \$225,000 to \$232,000.

are not recognized. Note that land cost is the same regardless. The land/street/utility development costs will be considered the same (although they will be somewhat higher for R5 zoning due to more lot utility connections).

Cost/Revenue Element	R5 development	R7 development ¹¹
Single Family Detached	22 units (1800 sq ft)	23 units (2200 sq ft)
Single Family Attached	8 units (1500 sq ft)	0 units
Single Family Detached Construction Cost	$((1800 * \$95) * 22 = \$3,762,000$	$((2200 * \$100) * 23 = \$5,060,000$
Single Family Attached Construction Cost	$((1500 * \$90) * 8 = \$1,080,000$	\$0
Single Family Detached Revenue	$\$274,000 * 22 = \$6,028,000$	$\$330,000 * 23 = \$7,590,000$
Single Family Attached Revenue	$\$225,000 * 8 = \$1,800,000$	\$0
Sales and Marketing Cost	$0.06 * (6,028,000 + 1,800,000) = \$469,680$	\$455,400
Total differential cost	$(3,762,000 + 1,080,000 + 469,680) = \$5,311,680$	$(5,060,000 + 455,400) = \$5,515,400$
Revenue minus Differential Cost	$(\$6,028,000 + \$1,800,000) - \$5,311,680 = \$2,516,320$	$(\$7,590,000 - \$5,515,400) = \$2,074,600$
Differential Profit	$\$2,516,320 - \$2,074,600 = \$441,720$	\$0

Figure 6 -- Differential Profit Indicator between R5 and R7 development, comparing entire project of homes built on Zahl Property. This indicates how much more profit is expected for R5 development versus R7 development.

These are very crude cost/revenue estimates based on the current market. However, there is enough difference in results to give clear indication that the R5 development on Zahl Property would result in a higher profit for the builder in the current market. If the market takes a down turn, the overall profit would go down, but, the profit differential would tend to favor R5 even more due to undersupply of lower-priced new construction housing tending to keep that housing price up and selling faster compared to higher-priced homes that would be built on R7 lots.

Creating the right mix of affordability while still fitting with adjacent sub-divisions

An R5 zoning for Zahl Property could allow for some single family attached units to be mixed with single family detached homes. The goal should be to increase affordability and number of built units (density on given land) while at the same time fit in with the established adjacent neighborhoods. This seems the only way to provide

¹¹ To accomodate 23 lots to get profit to start to approach (but still below) R5 development, would require a reduction or possible elimination of the HOA park. Part of this problem is dependent on the irregular shape of Zahl Property which determines road placement. It so happens for this R5 plan that where the very small lots for single family attached homes would be placed makes very efficient use of an area where the lot depth is shallow and would require especially wide R7 lots to meet minimum R7 lot area.

some housing that would actually be affordable fitting in with median income households living in the northwest St. Helens area (\$62,517 / year as mentioned above). While it's not clear to me what control the city may have in designating the mix of single family detached and attached ratios, concept designs being worked out suggest that having a mix of 25% single family attached along with 75% single family detached homes results in an attractive neighborhood that has a look not too different from 100% detached homes. See Concept Design section at end of this narrative for more details.

6 Demographic Forces

6.1 Pent up Millennials Unleashed

Millennials now represent the largest group of home buyers and are usually first-time buyers. A large nationwide [survey compiled by National Association of Realtors¹²](#) mid 2016 indicates:

First-time buyers made up 35 percent of all home buyers, an increase over last year's near all-time low of 32 percent. Sixty-six percent of buyers 36 years and younger were first-time buyers, followed by buyers 37 to 51 years at 26 percent.

At 34 percent, buyers 36 years and younger continue to be the largest generational group of home buyers. Buyers 37 to 51 made up the second largest generational group of home buyers at 28 percent, up from 26 in 2015. These buyers were a median of 43 years old. Buyers 52 to 61 made up 16 percent, the same as in 2015, and were typically 57 years old. The proportion of buyers 62 to 70 also stayed the same as the previous year at 14 percent. The median age of these home buyers in 2016 was 66 years old. Buyers over 71 years saw a slight decrease to eight percent in 2016, with a median age of 75.

CHARACTERISTICS OF HOME BUYERS

Exhibit 1-10

FIRST-TIME HOME BUYERS IN AGE GROUP

(Percent of all Home Buyers)

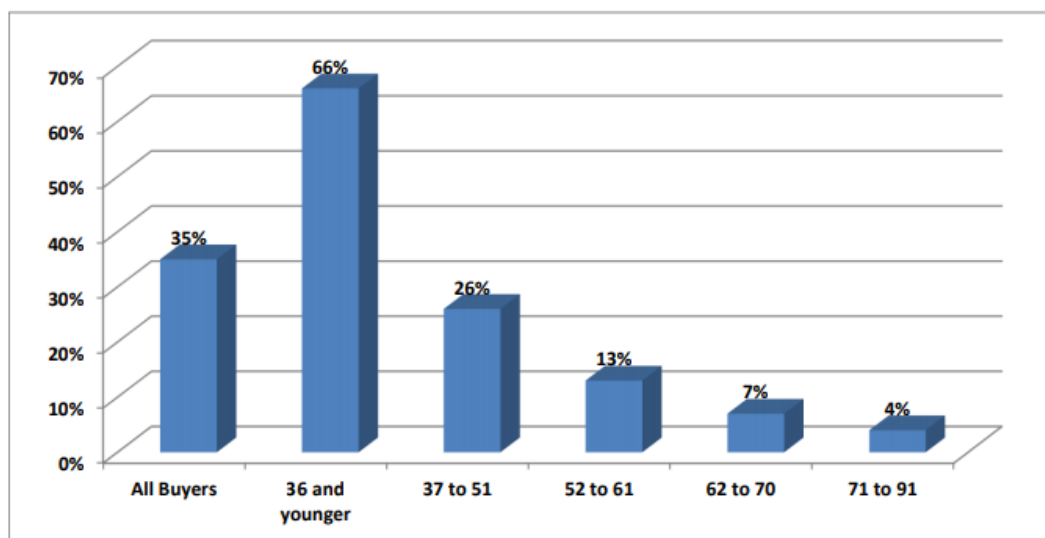


Figure 7 – First time home buyers by age group. From [survey compiled by National Association of Realtors](#) mid 2016.

Another somewhat smaller nationwide [study by Zillow Research¹³](#) collected in early 2016 indicates:

¹² <https://www.nar.realtor/sites/default/files/reports/2017/2017-home-buyer-and-seller-generational-trends-03-07-2017.pdf>

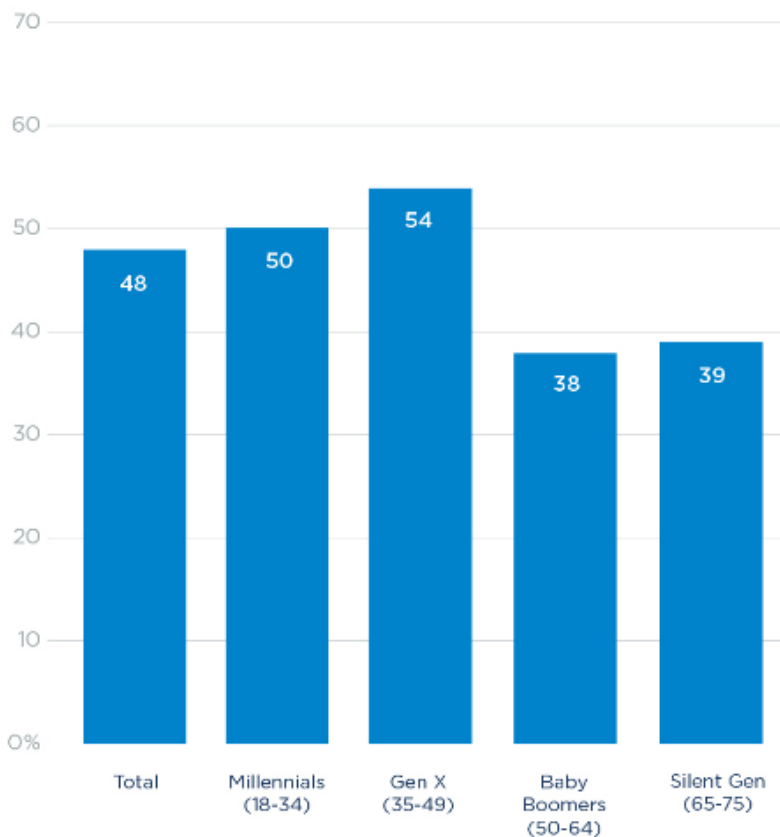
Half (50 percent) of today's home buyers are under the age of 36, and 47 percent are first-time buyers.

These statements are slightly different perspectives of the same truth: first time home buyers are increasingly buying homes after a period when they represented a smaller than normal portion of home buyers. From this it seems that there is a pent up demand for homes from younger first-time home buyers who are now able and willing to buy homes after a several years of not doing so after the economic and housing recession.

These same survey studies also indicate that younger buyers are more likely to consider buying a new home, but less likely to actually do so. Together these different survey results indicate that young buyers are looking for new homes but not able to find ones they actually buy, presumably because they are too expensive.

B-6: CONSIDERED BRAND-NEW HOMES

Younger buyers are more likely to consider new homes.



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Figure 8 – Younger buyers are more likely to consider buying a new home—from [study by Zillow Research](#) collected in early 2016.

CHARACTERISTICS OF HOMES PURCHASED

Exhibit 2-1
NEW AND PREVIOUSLY OWNED HOMES PURCHASED
(Percentage Distribution)

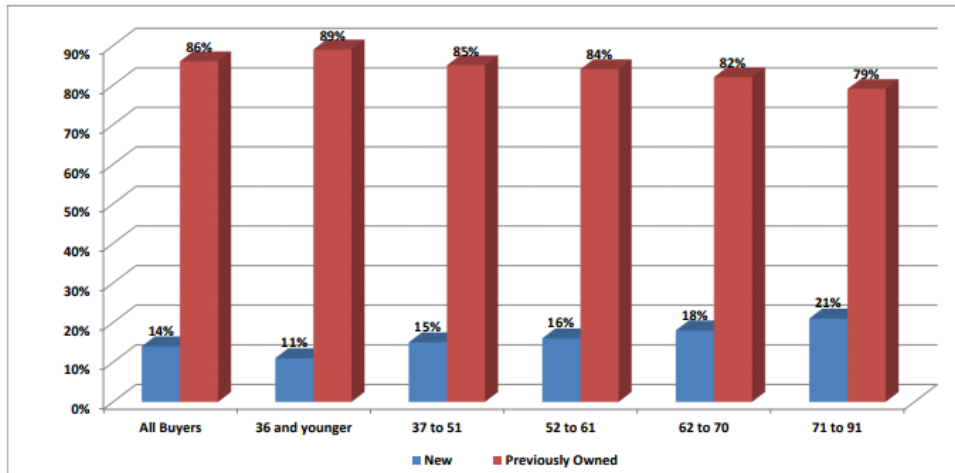


Figure 9 -- Younger buyers are less likely to actually buy a new homes compared to other age groups--from [survey compiled by National Association of Realtors](#) mid 2016

For reasons already mentioned above first time home buyers are those who would have the most problems finding homes they can afford. This is especially true within an expensive real estate market like Portland metro. Columbia County already provides a more affordable alternative to would-be Portland metro home buyers. And with the increasing demand coming from first time home buyers, Columbia County is a prime target for these buyers looking for more home for their limited budget, or simply finding a home they can afford at all. For young buyers this is especially true for new homes. For this reason demographic trends will dictate that Columbia County will have increased price pressure on its housing prices, particularly its lower priced homes and also any new homes that are within the budget of first time younger buyers. These trends send a strong message to land planners in Columbia County: encourage more building of lower priced housing or face demand pressures that will persist and likely increase prices for this large group of first time home buyers--leaving them with fewer options or even pricing them out of home ownership entirely. The longer these people are out of the home ownership market the more pressure will build where these people could gobble up a lot of lower priced housing as soon as market fluctuations or other factors allow them to buy. The point is, these market pressures are largely inescapable unless the housing supply keeps up with the demand.

6.2 Baby Boomers(50-64) and Silent Generation (71+) Buying Smaller Homes on Average

Another demographic putting price pressure on lower end homes is older buyers (Baby Boomers 50-64, and Silent Generation Age 71+). The data from the survey below indicates that Baby Boomers are buying smaller homes and Silent Generation even smaller (300 square feet) compare to the Gen-X (37 – 51) buying the largest house of 2100 square feet. Baby Boomers and Silent Generation buyers together represent a very large part of the market at 38% and they are the most likely to downsize when buying. Since smaller homes tend to be less expensive, the large demographic of Baby Boomers and Silent Generation is also putting increasing pressure on lower priced houses. This demographic is also placing demand on homes that are easier for people with decreased mobility: single story, master-on-main, and having smaller yards requiring less maintenance.

Recent homes purchased had a median size of 1,900 square feet, consistent with last year. The size of homes for buyers 37 to 51 years was typically larger homes at 2,100 square feet, compared to buyers 36 years and younger and 71 years and older that purchased homes at a median of 1,800. Homes for all buyers across generations typically had three bedrooms and two bathrooms.

7 Availability of R5 land within city

7.1 Estimate of R5 land actually available for building new subdivisions

We are not aware of any recent survey of buildable land within the city of St. Helens.¹⁴ So, without any formal study available we feel the need to provide our own rough estimate in our narrative, being that the topic is critical to understanding how Zahl Property zoning fits in to future affordability of housing within St. Helens. The topic is critical because on average 109 homes a year need to be built to keep up with market demand and thereby prevent further exacerbation of the affordability problem.¹⁵

A map of the current St. Helens Comprehensive plan is shown below in Figure 10. We have indicated our opinion of land currently zoned R5 that has no obvious hindrances that could block significant R5 development. Hindrances that were considered were:

- * The land already has significant structures on it without significant free space to build a significant block of homes.
- * Need to coordinate and subdivide from several owners to get buildable land. (applied to a significant block of R5 land north of McBride school).
- * Minimum lot depth 85' (applied to eliminate some lots in parcel behind high school).
- * Potential flood plain issues (applied to land on Columbia Boulevard between Skykes Rd. and Gable Rd. – I watched some of this property be on market about a year ago for months, and never sold. I'm guessing there may have been a reason it wasn't prime buildable land).

¹⁴ City Planner Jacob Graichen has indicated to the Zahls he is not aware of any modern study covering this topic.

¹⁵ Columbia County Housing study, Final Draft 2018, p. 56.

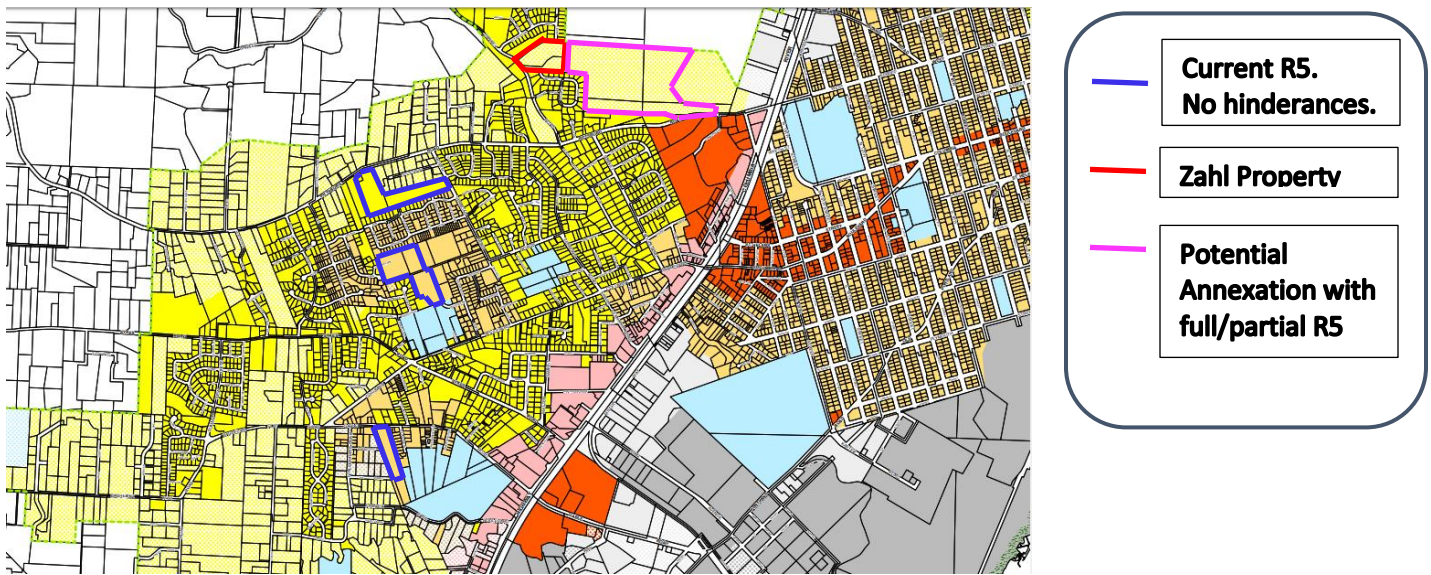


Figure 10—St. Helens Comprehensive Plan¹⁶. Showing our opinion of current R5 with no building hindrances and potential for future annexed buildable land near Zahl Property that could be zoned R5.

Per our estimate in this section, without the Zahl Property there is currently the following property zoned R5 free of building hindrances that would prevent a sizable space for more than 1 or 2 houses (approximately 1 acre or more):

- Emerald Meadows Subdivision (currently being constructed): approximately 11.4 acres. This is shown as R7 but was rezoned in 2017 as R5.
- Area north of McBride Elementary: approximately 12.5 acres.
- Area behind high school: approximately 4.4 acres.

7.2 Total unhindered R5 land could only produce a 3 year supply of needed homes

Total R5 without hindrances: 28.3 acres.

Total R5 home sites possible: 170 homes¹⁷

Let's assume with the ongoing affordability crisis that 50% of homes built should be R5 subdivisions compared to R7 (this seems a minimum target) and assuming 109 total units per year, this would indicate 55 new R5 homes are needed per year. ***This 28.3 acres would be consumed in just over 3 years, assuming all this land would in fact be built out in 3 years—a big assumption.*** After that more land would need to be annexed into the city to continue to supply demand and avoid increasing price pressure due to lack of new home availability.

Zahl Property could provide approximately 30 – 31 new R5 housing units and there is an interest to start building ASAP.

¹⁶ Current published on-line:

https://www.ci.st-helens.or.us/sites/default/files/fileattachments/planning/page/268/2016_comp_plan.pdf

¹⁷ Assume 25% attached a75% detached single family homes with minimal lot sizes at 6 homes/acre--slightly more dense than concept design Zahl Property.

7.3 Avoidance of “hot spot” zoning of Zahl Property

Another concern we are aware of is the avoidance of “hot spot” zoning—zoning a small pocket of land differently than its surrounding area.

To address this point we want to point out that there is a large block of land on the east border of Zahl Property that has the same designation as Zahl Property in the Comprehensive Plan, RSUR. This is designated by us as “Potential Annexation with full/partial R5” in Figure 10 above. Part or all of this property could be considered for R5 zoning when it is annexed into the city. If so, then Zahl Property doesn’t represent a “hot spot” but more the beginning of a trend of more R5 or other denser designations when RSUR land is annexed into the city. This trend would be aligned with the long term affordability concerns that must be addressed somehow.

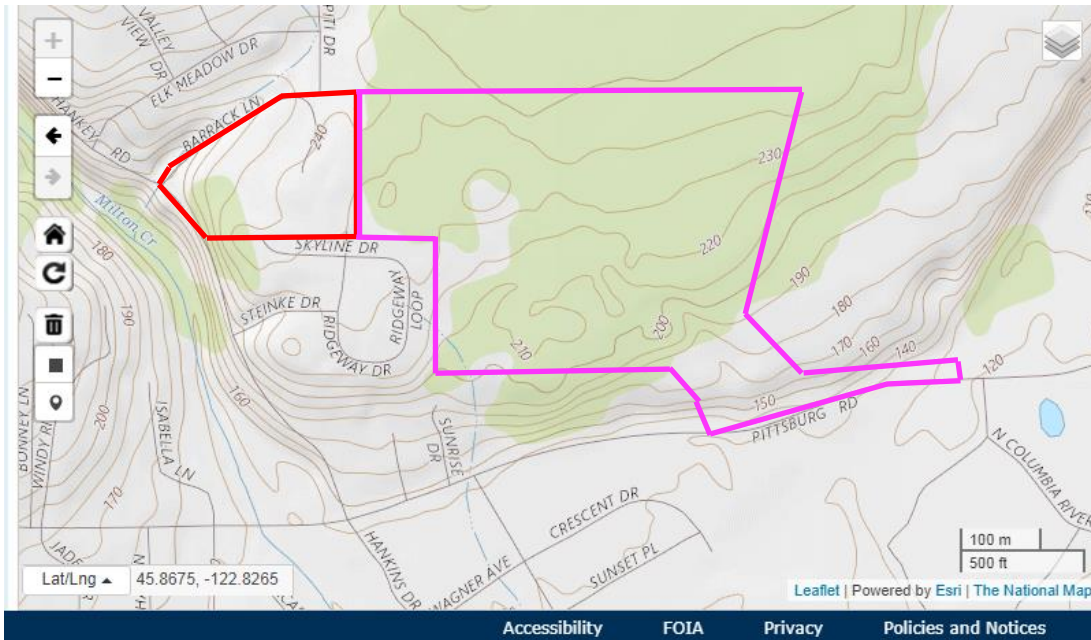


Figure 11 – Zoomed in map of Zahl Property (Red boundary) and large RSUR parcel to east of Zahl Property with a large area of buildable land (Pink boundary, not too steep and with access to Pittsburg Rd) that may also be suitable for R5 designation (<https://viewer.nationalmap.gov/basic/>)

8 Available Comprehensive Studies

8.1 Columbia County Housing Report

The final report of [a 1.5 year study of Housing trends and needs in Columbia County](#)¹⁸ was recently finished. It was spear-headed by Community Action Team (CAT) and created by its Housing Study Work Group, a large and comprehensive group of experts in areas related to planning and housing in Columbia County.

We encourage anyone reviewing our proposal here to study this report. It sends a strong message that bold and innovative steps needs to be taken to address the long term affordability crisis that is growing in Columbia County. Here I’ve pulled out a few key items that are related to our specific proposal:

¹⁸ <https://www.cat-team.org/documents/2018/Columbia%20Cty%20Hsg%20Study%20Final.pdf>

- Predicted growth for St. Helens 2016-2036 is 2179, requiring 109 dwelling units per year to keep up with demand (p. 56)
- A primary recommendation is *“Encouraging a new mix of housing types to be built. In the future, more multifamily and attached single-family housing units need to be built than in the past, along with smaller, less expensive housing units.”* (p. 30).
- Single-family attached is described as having many benefits including maintaining a neighborhood character and private entrance, parking, and yard, all while consuming less land and achieving better affordability. (p. 9).
- Single-family attached housing is specifically called out as a “Principal Opportunity” in Saint Helens for R5 and AR zoning as a method to increase affordability. (p. 28).

8.2 Scappoose Housing Needs study

The city of Scappoose recently published a draft of [a study commissioned with ECONorthwest](#)¹⁹ that discusses affordability issues in general in Columbia County, but mostly focusses on particular details of population trends, housing needs, available lands, and proposed solutions for satisfying housing needs in Scappoose. Nonetheless some of the data is applicable for a general understanding of housing needs in St. Helens. If a similar study for St. Helens existed it would be very valuable for a better understanding of the arguments we’re making in this document. City Planner Jacob Graichen said he was not aware of a recent comprehensive study like this for St. Helens, unfortunately.

9 Conclusion

Rapidly rising home prices in St. Helens, driven by even higher prices in the Portland metro real estate market, have already created a housing affordability problem. Combining this reality with demographic forces indicates that lower priced housing, particular new construction, will continue to be undersupplied. As long as these forces exist the affordability of housing will be inescapably challenging. When new land is annexed into St. Helens, such as the Zahl Property, there is a critical window of opportunity to move the needle in the right direction to address the growing affordability problem.

Per St. Helens code 19.12.060(c), the zoning assignment of R5 for the Zahl Property already fits what is allowed by code and the Comprehensive plan. We urge you to help us take advantage of this existing provision and step in the right direction and consider the R5 designation as the most appropriate for Zahl Property.

10 Appendix: Zahl Property: R5 Concept Design

In addition to our general arguments for applying R5 zoning to Zahl Property, we’d like to describe the design plan of the subdivision we are preparing to build on Zahl Property, if R5 is assigned. This design will play a major role in determining whether the goals of zoning are actually realized.

When we bought the property in 1998 and moved here with our then young daughters and Eric’s parents, we all lived in the existing old double-wide mobile home that was on the property. By the next year we had subdivided the land into the two parcels that now exist and Eric’s parents had a new manufactured home placed on the new parcel. Within a few more years Eric designed and built our existing residence seen in the picture

¹⁹

http://www.ci.scappoose.or.us/sites/default/files/fileattachments/city_council/meeting/4621/july_24_2017_scappoose_housing_needs_analysis_packet.pdf

below (the original mobile home was demolished). This experience started an exploration of home design. Since that time Eric has been interested in architecture and neighborhood design—analyzing the elements that make homes and neighborhoods attractive.



Figure 12 – Zahl residence located in southeast corner of original Parcel 1 of Zahl Property—designed and built by Eric Zahl.

The styles that Eric has gravitated toward are American residential architecture from about 1900-1930. While out of favor for several decades, those exterior styles (as opposed to the interior styles), based on enduring classical Western styles, have returned to favor. Eric has been studying this informally for a number of years.²⁰

While researching development of this property it has become clear that affordability is a key factor to meet the demands of our market, and aligns with the city’s goals and needs. However, Zahl Property sits between established R7 neighborhoods. These neighbors are interested in preserving the look, feel, and property values of their neighborhood. But their attractive neighborhoods have produced homes with size and spacing which are becoming unaffordable for many of the buyers most interested in homes in St. Helens. With his experience in product design as an electrical/software engineer, and informally in architecture, Eric believes in an emphasis in design to solve problems. We believe a good win-win design exists that could satisfy all these stake holders:

- would be middle-income new buyers: with affordability constraints
- existing neighbors in adjacent subdivisions: with concerns to preserve their neighborhood quality and property values.
- a for-profit developer and builder

²⁰Particularly interesting and attractive are elements of “New Urbanism” as realized in master planned communities such as East Beach (Norfolk), Virginia. <http://www.dpz.com/Projects/2027>.

- the city: planning for future growth with a challenging need to have an average of 109 housing units being built per year for the foreseeable future with limited land availability.²¹

We are pursuing developing a master plan and forming a business to fully develop Zahl Property, including building and selling finished homes.



Figure 13-- R5 Concept Design for Zahl Property: Plot plan. Total of 22 SF-detached, and 8 SF-attached homes, plus existing Zahl residence in southeast corner of property. Note position of 4+4 SF attached homes on northwest side of sub-division. Lot boundaries shown with pink lines.

²¹ Excerpt from Columbia County Housing Study. See section 8.1 above.
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Figure 14—R5 Concept Design for Zahl Property: Boundary between attached townhouses and detached housing. View across corner of HOA Park looking towards northwest. Real backdrop picture for position is close to planned position of units—so, this view is near actual planned. Note: spacing is accurate per allowed R5 lot design.



Figure 15-- R5 Concept Design for Zahl Property: 4-unit attached townhouse next to 3 detached houses. This townhouse design has lot width of approximately 33' as opposed to the minimum allowed width of 25'. It uses this to achieve a look that more closely fits within a neighborhood that is primarily single family detached. Real backdrop picture for position is close to planned position of units—so, this view is near actual planned. Note: spacing is accurate per allowed R5 lot design.

By using a master plan to develop the Zahl Property less land and resources can be used to achieve a high aesthetic for the neighborhood while still keeping home prices more affordable by targeting smaller homes. Many of these features are inspired by looking at neighborhoods built in the early 1900s on 5000 square foot lots--some of the most charming and attractive neighborhoods around, in our opinion. A challenge with detached homes was finding a way to fit a double garage in the back, as opposed to the single garages that most of these older homes tended to have in an age where having two cars per family was rare. We feel this can be done for most lots possibly requiring to expand a bit beyond 5000 square feet which we feel is a reasonable compromise.

Key design elements of R5 Concept Design for Zahl Property are:

- Strive to keep attractiveness with minimal land use:
 - For detached homes:
 - Maximize space and view between detached homes by precise positioning of detached double-garage behind the home. To do this efficiently requires home designs being fit to particular irregular lots in some cases—the master plan will ensure each home fits in the assigned lot.
 - This also involves the double-wide driveway leaving the garage and becoming narrower as it meets the street so that it is a one-car lane at that point. This reduces the pavement meeting the curb producing a look that supports more green front space for a given narrower lot.
 - Remove the attached garage and its large unattractive garage door from the front of the house allowing for architectural features to resonate for the entire front and side approach to the home. This also provides the benefit of allowing more side windows to allow more natural light into rooms.
 - For attached homes:
 - Use lots wider than 25' minimum to produce a look which is more consistent with the detached homes, but still uses only about 65% as much land as a detached home.
 - Has attractive ground floor entrance (no garage below).
 - Each unit painted its own colors and with main section jutting out, and garages further back producing a look that is similar to the detached homes planned.
 - Minimize living space wall area between units, thereby reducing neighbor-transmitted noise issues.
 - Has single car garage
 - Common to all homes:
 - Adding classical symmetry and exterior architectural details that produce a higher value exterior look uncommon in most mid-priced homes today.
 - Careful specification of exterior color pallet to use color as a coordinated design element rather than playing to the lowest common denominator to avoid chaos and choosing only similar earth tones.
 - Common green space:
 - Compensate for smaller yards by providing relatively large common green space (HOA Park) centrally located.
 - This park is located to allow preservation of many of the oldest, largest trees on the property providing a tall green focus for the entire neighborhood that many can see from their windows and right outside their door.

- Strive to keep final sales price affordable:
 - Target mix of attached and detached homes
 - Target smaller home designs
 - Offer homes with base interior features/finishes.
 - Leverage Eric's building and engineering experience to lead a lean design-build company providing all construction services²²:
 - Perform own architectural design
 - Hire and lead own core construction crew uninterrupted by competing jobs.
 - Perform all contracting leveraging long term relationship with key sub-contractors over life of subdivision construction.

²² Targeting smaller, more affordable homes is our primary step in achieving an affordable product, which acknowledges that in the end sales price is determined by the market. However, another key step is maintaining focus on cost-efficiency during construction. By having our own crew we can be more focused on optimizing cost-efficiency in some targeted areas, while maintaining standards of quality that are naturally motivated when the builder is at once the designer and marketer of the property. For example, based on experience designing and building our house, Eric understands how to practically implement older-style exterior architectural details without cutting architectural effect but in a cost-effective way using readily available commodity building materials. However, new-construction siding crews are typically not specialized in these methods.

April 23, 2018

Re: A.1.18 Zahl

RECEIVED

APR 24 2018

CITY OF ST. HELENS

Dear St. Helens Planning Commission and City Council,

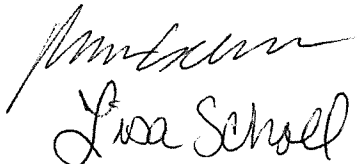
First, I would like to say that we are not in opposition to the annexation or development of the subject property. We have lived on Ridgeway Loop for 14 years. We moved in knowing that the subject property would eventually be annexed. And upon development it would likely connect to Sunset Heights Subdivision, which is south of the subject property, because of the street stub at the end of Skyline Drive.

We recommend zoning the property R7 for the following reasons:

- All of the surrounding zoning is R7; anything else would create spot zoning.
- If the subject property is developed into a subdivision, it would connect the subdivisions north and south of it, which are both zoned R7. Realistically, that creates one large subdivision and should remain consistent.
- The closest R5 zoning is one mile away. When you look at the zoning map, that is quite a distance away.

We would also like to encourage each of you to drive through Sunset Heights Subdivision and Elk Ridge Subdivision. Take a minute to visualize and see where the street stubs are located. When you leave, try turning left on Hankey Road. It's risky, as they are both blind corners. When we moved in there was a mirror across from the egress, which really helped. But in a short amount of time we went through several mirrors because they were repeatedly broken. Zoning the property as a higher density will just add more traffic to an already dangerous intersection. As Elk Ridge Subdivision has grown with more houses, traffic has increased on Hankey Road and speed is often a safety hazard.

Thank you,



Ryan and Lisa Scholl
60317 Ridgeway Loop
St. Helens, OR 97051