



Home Builders Association  
of Metropolitan Portland

August 8, 2021

Mayor Keith Mays  
City of Sherwood  
22560 SW Pine St.  
Sherwood, OR 97140

**Re: Sherwood West UGB Expansion**

Dear Mayor Mays and City Council Members,

The Home Builders Association of Metropolitan Portland (HBA) represents over 1,400 organizations and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland region. We are dedicated to maximizing housing choices for all who reside in the region while promoting housing access and availability at all levels of the economic ladder.

With this in mind, I write you today to support Sherwood's pursuit of a mid-cycle Urban Growth Boundary (UGB) expansion and a 2021 application as part of the effort.

The Sherwood West Preliminary Concept plan, the basis for the City of Sherwood's 2018 Urban Growth Boundary expansion request assumed an 8% population growth, as detailed by the 2018-2038 Housing Needs Analysis (HNA), still the most recent, as a basis for its argument to include Sherwood West in the UGB. This is also the 20-year average assumed by Metro for planning purposes, however, the recently released 2020 census shows a 12% population increase over the last ten years, 50% more than the historic and assumed future growth rate. Although the HBA believes the current HNA project will provide more data to support a higher level of growth assumption, we caution that waiting for the completion of that report and by default foregoing the mid-cycle request opportunity, Sherwood will fall further behind in needed housing supply, currently approximately 500 units, by the time the 2024 UGB expansion request could be acted upon.

The creation of housing takes years to develop especially when UGB expansion is part of the plan. Assuming the city chooses to pursue a mid-cycle UGB expansion application, the application review process wouldn't begin until 2022 at which time it would take 6 months or more before a decision is made. Assuming the mid-cycle UGB expansion is pursued, it would be 5-8 years before homes would even start to be available for Sherwood residents. Due to this, it is imperative to look at the needs 5 or more years ahead rather than the immediate future.

As I participate in the Sherwood West Technical Advisory Committee, it is apparent the city's desire to aggressively pursue economic development for the betterment of the city, a process I am proud to be a part of. However, it goes without saying, that expanded economic development requires housing opportunities commensurate with that growth. As Sherwood pursues regional and national companies as part of their economic development plan, local affordable housing will be a factor in those companies' decision to land

their production facilities, retail outlets, commercial office space and headquarters in Sherwood. Affordable housing, across all income levels, in the immediate area is one of the major factors site selectors and company representatives consider when reviewing communities for possible expansion. I encourage you to take this into consideration as you pursue opportunities to drive the economic growth and future success of Sherwood's bright future.

I would be remiss not to address some concerns voiced by the community regarding the economic impact of residential versus commercial development on city finances. There seems to be a belief that commercial property development provides a more preferred funding source for city operations than residential. Although that is true in many jurisdictions outside of Oregon, comparison to communities with different taxing regimes provides little guidance here. Jurisdictions that receive substantially more revenue from commercial development, and jobs land, usually have multiple business specific taxes and fees that contribute to the total government take. These may be a head, inventory, sales or other taxing mechanism attributed exclusively to business endeavors. Without those types of revenue generation tools available in Sherwood, I would caution accepting this argument on its face without further research and study specific to Sherwood.

I consider it a privilege to be included in the discussion of Sherwood's future and submit this letter of support as part of my sincere desire to see Sherwood prosper now and into the future.

With this in mind, the HBA strongly encourages Sherwood to pursue mid-cycle UGB expansion request for the Sherwood West area and stand ready to assist however we are needed.

Sincerely,



Ryan Makinster

Director of Policy and Government Relations

CC: Council President Tim Rosenor  
Councilor Sean Garland  
Councilor Kim Young  
Councilor Renee Brouse  
Councilor Russell Griffin  
Councilor Doug Scott