



PLANNING COMMISSION

WEDNESDAY, JANUARY 13, 2021

II. WORK SESSIONS

- A. HB 2001 Compliance Middle Housing (Pauly) (90 Minutes)



PLANNING COMMISSION WORK SESSION STAFF REPORT

Meeting Date: January 13, 2021		Subject: Middle Housing in Wilsonville Project	
		Staff Member: Daniel Pauly, Planning Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Provide feedback on key issues and the direction of Master Plan revisions, updates on Development Code concepts, and basis of siting and design standards supportive of middle housing.			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: Thoughtful, Inclusive Built Environment; Equitable housing study and develop affordable housing strategies	<input type="checkbox"/> Adopted Master Plan(s):	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE PLANNING COMMISSION:

Review and provide feedback on the attached memorandums prepared by the project team, particularly related to key policy issues and the Master Plan audit. Provide further direction on

Staff Report

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the Development Code updates and feedback on background information for middle housing siting and design standards.

EXECUTIVE SUMMARY:

As a reminder, House Bill 2001 (HB 2001) directs cities throughout Oregon to take a number of actions allowing middle housing in single-family neighborhoods, the most noteworthy being the requirements to:

- Adopt regulations allowing duplexes on each lot or parcel zoned for residential use that allows for development of detached single-family dwellings.
- Adopt regulations allowing triplexes, quadplexes, cottage clusters, and townhouses “in areas zoned for residential use” that allow for the development of detached single-family dwellings.

In addition to compliance with state statute and related rules, the City’s Middle Housing Project looks at implementation items from Wilsonville’s Equitable Housing Plan adopted last year. This includes Implementation Action 1B to “Incorporate Equitable Housing into Middle Housing Planning.”

The scope of the Middle Housing Project includes two main tasks:

- Audit the Development Code, Comprehensive Plan, and legislative master plans and create recommended updates
- Develop siting and design standards for middle housing

To assist in this important middle housing work, the City hired a consultant team led by Angelo Planning Group (APG). APG is supported by EcoNorthwest and SERA Architects.

At the November work session, the Commission discussion focused on the audit of the Development Code and Comprehensive Plan. Tonight’s work session will focus on the audit of legislative master plans as well as some follow up to the Development Code audit. In addition, this work session will introduce the background that will serve as a foundation for the siting and design standards work.

The specific feedback the project team is looking for from the Commission during this work session is:

- Confirmation of compliance approach for the Villebois Village Master Plan
- Recommendation on a compliance approach for the Frog Pond West Master Plan
- Feedback and guidance on the potential of requiring additional open space in Frog Pond West
- Confirmation of compliance approach for the Old Town Neighborhood Plan
- Additional feedback on Development Code related to detached middle housing and land divisions
- Feedback on the background information for siting and design standards

Future work sessions will discuss detailed code and master plan changes as necessary, but primarily focus on development of the siting and design standards.

Legislative Master Plan Audit

The project team has prepared an audit of the City's Frog Pond West Master Plan and the Villebois Village Master Plan. The focus on these two plans is a result of administrative rules adopted by the Oregon Land Conservation and Development Commission (LCDC) which provide unique treatment of master-planned areas during initial development. Built-out master planned areas, such as Charbonneau, are not included in the audit as there is no unique treatment under the LCDC adopted rules and minimum compliance applies the same as non-master planned areas. In addition, the project team reviewed the Old Town Neighborhood Plan as it provides recommendations related to future development and redevelopment of housing in the neighborhood that need to comply with the State's minimum compliance standards.

Reflective of the compliance requirements from the state and the City's equitable housing policies, the audit uses the following three lenses:

1. Compliance with HB 2001 and the LCDC adopted administrative rules;
2. Likelihood of use by developers/property owners resulting in actual development of middle housing; and
3. Support for equitable housing outcomes.

The draft master plan audit memorandum (Attachment 1) covers many details of master plan audit. For existing Master Plans like Villebois and Frog Pond West, the LCDC adopted administrative rules to implement House Bill 2001 allow the continued build out of these master plan areas without meeting all the minimum compliance standards of the rules as long as they:

- will produce a minimum of 8 dwelling units per net acre,
- allow at least single-family homes and duplexes on each unbuilt lot, and
- allow future redevelopment of all middle housing types across the master plan area.

Villebois exceeds the 8 dwelling units per net acre and so compliance is easily met by allowing duplexes on undeveloped lots and allowing the future redevelopment of middle housing. Some relatively minor changes to the master plan and implementing zoning language allow this to happen.

For Frog Pond West, the currently adopted density (6.7 du/acre) is below the 8 dwelling units per acre threshold. In order to comply with State law, the Plan can either be amended to get to the 8 dwelling units per acre minimum, or the master plan area would need to comply with the minimum compliance standards the same as non-master planned areas and fully-developed master plan areas of Wilsonville. This situation provides a few compliance options. The project team would like the Planning Commission's feedback on the compliance options and recommendation for a preferred option. The compliance options, as detailed in Attachment 1, can be classified by the extent the likely outcomes in housing variety is different than the adopted 2017 Master Plan. Option 1 being the least different and Option 3 being the most different.

- Option 1: Keep the Master Plan's current housing unit counts, but allow each single-family lot to be a duplex as required by House Bill 2001. The added capacity of the duplex allowance increases the net density above 8 dwelling units per net acre but does not identify where the added density is likely to be.

- Option 2: Modify the Frog Pond West Master Plan to allow a specific increase in the number of units in various sub-districts to increase the residential net density to at least 8 units per acre. Allow all dwellings to be either single-family detached or duplexes. This option provides developers guidance of where to put additional density.
- Option 3: Modify the Master Plan to allow all middle housing types and to reflect the minimum standards laid out in the state’s adopted administrative rules. This option would likely see the most additional units and middle housing.

With additional units possible under all options the provision of open space may need to be reevaluated. In adoption of the Frog Pond West Master Plan additional open space, beyond master plan identified parks and open space, was not required for medium and large lot areas. For small lot areas an additional 10% was required. The project team would like the Commission’s feedback on the open space discussion in Attachment 1, specifically on potential triggers for additional open space requirements.

While the Old Town Neighborhood Plan was adopted by resolution with recommended actions, the plan is not legally binding on the City and is not an adopted sub-component of the Comprehensive Plan. While the City could disregard aspects of the neighborhood plan that do not comply with updated state statute and rules, it is recommended the plan be updated to reflect the current legal landscape related to housing to reduce confusion and set clear expectations. This includes updating specific language about accessory dwelling units and middle housing. Old Town does not qualify for any special methodologies for compliance like Villebois and Frog Pond, so it will need to fully comply with the generic minimum compliance standards in adopted state administrative rules. This includes allowing duplexes on all single-family lots, and the other middle housing types on all lots where minimum lot size set by LCDC adopted rules are met.

Development Code Audit Follow Up

During the November meeting the Planning Commission provided comments on a number of key questions. Two of which were: whether middle housing “plexes” should be allowed to be detached, and whether the City should explore allowing land divisions for certain middle housing types? The project team would like further guidance from the Planning Commission on these two questions.

Regarding whether “plexes” can be detached, the project team understands there is general support for the idea in an effort to provide flexibility and more opportunity for middle housing. The only concern raised is whether the definition makes sense, as “plexes” are commonly understood to be attached units. One code concept the project team would like the Commission’s feedback on is leaving the definition of “plex” as attached structures, but introducing a separate definition for multiple detached units in a middle housing development (see Attachment 2).

Regarding land divisions for middle housing projects, Planning Commissioners commented potential support for the idea, as it could provide more affordable ownership opportunities. The project team began to explore potential code concepts to address this but has run into a number of roadblocks. One critical road block is that housing types, both on a local and state level, are defined by land division. For example, a single-family home is defined as a single detached unit

on a lot and duplex two units on a lot. Once land divisions occur, it changes the definition of the unit type and the new lots from the land division have certain new allowances under State law. Legislative concepts are being explored by various groups for the upcoming Oregon legislative session on this issue. Because of the definition difficulties and potential changes to State law, staff recommends tabling this discussion for now. The project team would appreciate confirmation of the level of interest and priority on the land division issue and whether the Commission supports deferring it to a later time.

Introduction to Siting and Design Standards

A major component of the Middle Housing Project is to explore and define siting and design standards. The siting and design standards work is important to the project in two key ways. First, siting and design standards work will be a key piece of the public outreach and education, helping residents and other stakeholders visualize and understand how middle housing may look integrated into existing and new neighborhoods. Second, it allows the City to define how middle housing can best meet the needs of community members and integrate compatibly into existing neighborhoods, while still being feasible to develop.

Attachment 3 is a memorandum that reviews background information and best practices to build a foundation for the siting and design standards component of the work. The project team welcomes the Commission's feedback on this information.

EXPECTED RESULTS:

Guidance on key issues and recommended changes identified by the Master Plan audit, further direction on the Development Code updates, and input on siting and design standards background information.

TIMELINE:

Planning Commission review follows the overall project timeline. The Planning Commission will participate in a number of work sessions over the coming months to provide project feedback. The City Council will also review during work sessions beginning in February. The project will be further refined over the spring through public input and additional work sessions, particularly focused on siting and design standards. Public hearings and recommendation to City Council are anticipated by summer 2021.

CURRENT YEAR BUDGET IMPACTS:

The main consultant contract is for \$125,000. \$95,000 is covered by a grant from the Oregon Department of Land Conservation and Development (DLCD). The remaining amount is covered by funds budgeted in the City's FY 2020-2021 Budget. Specific outreach to the Latinx community and other historically marginalized communities is funded by an \$81,200 Metro grant.

COMMUNITY INVOLVEMENT PROCESS:

Community outreach will occur over winter and into spring 2021, including to the Latinx community and other historically marginalized communities.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:

A greater amount of middle housing in neighborhoods meeting standards with broad community support. A greater amount of middle housing will create more housing opportunities for a variety of incomes, needs, and preferences.

ALTERNATIVES:

The Commission may recommend additional or modified approaches that help the City achieve compliance with House Bill 2001 and implement a key strategy from the Equitable Housing Strategic Plan. If the City does not adopt compliant standards by June 30, 2022, a state model code will come into effect for Wilsonville.

ATTACHMENTS:

1. Memorandum from Angelo Planning Group: Middle Housing in Wilsonville Master Plan Audit
2. Example of definitions to address detached "plexes"
3. Memorandum from SERA Architects: Background and Best Practices for Siting and Design Standards



 MEMORANDUM

Master Plan Audit Memo (Task 1.2)

Wilsonville Middle Housing Code Update

DATE January 5, 2021

TO Dan Pauly, City of Wilsonville

FROM Kate Rogers and Joe Dills, Angelo Planning Group

CC Ben Weber, Emma-Quin Smith and Ross Determan, SERA Architects
 Becky Hewitt and Tyler Bump, ECONorthwest

I. INTRODUCTION

The purpose of this memorandum is to identify potential amendments to Wilsonville’s adopted legislative master plans necessary to comply with Oregon House Bill 2001 (2019) (HB 2001) and/or increase opportunities for middle housing in Wilsonville. The audit focuses on the Frog Pond West Master Plan and Villebois Village Master Plan. In addition to legislative master plans, it includes a review of the Old Town Neighborhood Plan and how any planned implementation tasks are impacted by HB 2001. This is a continuation of the project team’s work in auditing the Wilsonville Development Code and Comprehensive Plan (Task 1.1).

This memo is a synthesis of: audits initially prepared by City staff; additional audit work by Angelo Planning Group; and work sessions by the project team.

As used in this memo and HB 2001, “middle housing” includes duplexes, triplexes, quadplexes, townhouses, and cottage clusters.

Why Master Plan Revisions are Needed

The Frog Pond West and Villebois Village plans are both considered “legislative master plans” and were adopted by ordinance by the Wilsonville City Council. Wilsonville’s legislative master plans are considered “supporting documents” of the Wilsonville Comprehensive Plan (Plan), with the regulatory force and effect of the Plan. As such, amendments to legislative master plans are needed to comply with HB 2001 in the same way that Comprehensive Plan amendments are needed (as described in the Task 1.1 memo). Further, the Development Code references parts of the master plans as regulatory elements, which are applied as standards and review criteria during development review.

The Old Town Neighborhood Plan was adopted by resolution, rather than by ordinance, with a direction to work on specific tasks in the future. It was not adopted with the force of law to be used in itself for review of land use applications; therefore, amendments to the Old Town plan are not necessary for legal compliance with state law. However, amendments may be needed to ensure that the plan continues to be a useful policy document going forward, and contributes to the larger goal of increasing opportunities for middle housing in the city. Review of the document as part of this audit focuses on future recommended actions and supporting materials, but does not seek to update all outdated content in the plan.

Approach to the Master Plan Audit

The project team is applying three "lenses" to the Middle Housing Code Update process, and specifically to the Master Plan Audit:

1. **Compliance with HB 2001 and the administrative rules.**

This is a primary focus of the master plan audit. The Oregon Administrative Rules (OAR) that will guide cities' compliance with HB 2001 (OAR 660-046) are very prescriptive in specifying how cities must comply with the middle housing requirements. This memo identifies master plan content that will likely need to be amended in order to comply with the OARs.

2. **Likelihood of use by developers/property owners resulting in actual on-the-ground change.**

This memo focuses, in part, on areas of the city that are most likely to see future development of middle housing—particularly Frog Pond West, part of which is annexed and developing. In assessing development feasibility, the team is seeking to not only meet the state's minimum requirements but to facilitate and encourage middle housing development, where appropriate. As the project moves forward, the team will seek feedback from developers and others regarding the working amendments.

3. **Support for Equitable Housing Outcomes.**

New middle housing opportunities will implement the recommendations in the Wilsonville Equitable Housing Strategic Plan (EHSP) and be a tangible step forward along Wilsonville's roadmap to more equitable housing. This plan, adopted in June 2020, identifies a set of actions meant to move the city toward more equitable housing outcomes. Implementation Action 1B of the EHSP calls for the City to "Incorporate Equitable Housing Needs into Middle Housing Planning". The team is applying this lens in a qualitative manner at each step of the project.

II. FROG POND WEST MASTER PLAN

Background

The Frog Pond West Master Plan applies to a 181-acre area west of Stafford Road and north of Boeckman Road in East Wilsonville, which was added to the Metro region's Urban Growth Boundary in 2002. Frog Pond West is approximately one-third of the area that was concept planned as part of the Frog Pond Area Plan, which the Wilsonville City Council adopted in 2015. The Frog Pond West Master Plan, adopted in 2017, established a more detailed framework for developing a neighborhood of 452-571 homes—primarily detached single-family homes with a few duplexes. Portions of the Frog Pond West neighborhood have now been annexed into the City and are actively under development.

The Frog Pond East and South neighborhoods were added to the Urban Growth Boundary in 2018. The outcomes of this middle housing project will inform the future master planning work for those neighborhoods.

Assumptions About HB 2001 Compliance

The Oregon Administrative Rules (OARs) that implement HB 2001 provide alternative options for compliance with middle housing requirements in **existing Master Planned Communities**. Per OAR 660-046-0205(2)(c)(B):

If a Large City has adopted a master plan or a plan that functions in the same manner as a master plan before January 1, 2021, it may limit the development of Middle Housing other than Duplexes provided it authorizes in the entire master plan area a net residential density of at least eight dwelling units per acre and allows all dwelling units, at minimum, to be detached single-family dwellings or Duplexes. A Large City may only apply this restriction to portions of the area not developed as of January 1, 2021, and may not apply this restriction after the initial development of any area of the master plan or a plan that functions in the same manner as a master plan, except that a Large City may prohibit redevelopment of other housing types, such as multi-family residential structures and manufactured home parks.

This provision allows a city to limit development of “higher” middle housing (types other than duplexes) in undeveloped portions of the master planned area as long as it permits a net residential density of **8 units per acre overall** and permits duplexes on every lot. After a master planned area is built out, cities cannot limit development of middle housing (i.e., as infill or redevelopment) and must comply with the minimum OAR standards.

As adopted, the Frog Pond West Master Plan does not meet the residential density needed to qualify for this alternative compliance option. Based on the maximum unit counts assigned to each subdistrict in the Frog Pond West Master Plan, a density of 8 units/net acre will not be achieved (Frog Pond West is planned for an average net density of 6.7 dwellings per acre).

Primary Options for Compliance

- **Option 1:** Keep the Master Plan's current housing unit counts, but allow each single-family lot to be a duplex as required by House Bill 2001. The added capacity of the duplex allowance increases the net density above 8 dwelling units per net acre.
- **Option 2:** Modify the Frog Pond West Master Plan to specifically increase the number of units in various subdistricts to increase the residential net density to at least 8 units per acre.
- **Option 3:** Modify the Master Plan to allow all middle housing types and to reflect the OAR minimum standards.

Option 1 is a code-oriented approach. It would retain the stated minimum and maximum standards for single-family detach housing in each subdistrict, but would not count duplex units toward those maximums (i.e., additional units would be permitted during development review). By allowing duplex units to exceed unit maximums, Frog Pond West would achieve the increased density allowance that is required to qualify for the alternative compliance option. Considerations for this approach include:

- It is a **somewhat different housing concept** for Frog Pond West – allowing more middle housing but not going as far as Option 2. **Single-family detached homes would likely be the predominant housing type** because the market is strong for that form. From that perspective, this option may prove to be fairly consistent with the existing master plan.
- **Infrastructure impacts and feasibility would need to be verified.** The cost-effectiveness of the infrastructure would be improved because more housing would be served by the same level of infrastructure investment.
- By allowing a duplex on every lot, the **density allowance in Frog Pond West increases by approximately 80-90% taking into account lots already developed.** As noted above, the actual increase in housing would likely be far less.
- The potential for more duplexes would **enable modest implementation of middle housing and of the City's Equitable Housing goals.**

In **Option 2**, the City would amend the Master Plan to achieve a higher minimum density of 8 units per acre, and therefore be eligible for the alternative compliance option—meaning the City would not need to allow middle housing other than duplexes in Frog Pond West. Additional density could be achieved in a few different ways:

1. By increasing the maximum dwelling unit counts (likely in the Large Lot and/or Medium Lot subdistricts) and lowering minimum lot sizes in those subdistricts as needed;
2. By modifying the subdistrict boundaries to increase the area of the Small Lot subdistricts; or
3. By allowing lot size reductions on a limited basis—say, as a percentage of lots within a given block.

Considerations for this approach include:

- It is **fairly consistent with the original housing intent of the Frog Pond Area Plan**, which envisioned the West neighborhood as primarily single-family, with greater housing variety and higher densities planned for the East and South neighborhoods. It is also consistent with the Metropolitan Housing Rule (OAR 660-007), which requires that Wilsonville provide for an overall density of eight or more dwelling units per net buildable acre for new residential construction in Wilsonville.
- It is **fairly consistent with the original infrastructure plans for Frog Pond West** and the infrastructure systems would be more cost-effective. Verification is needed, but the planned water, sewer, and storm water systems for Frog Pond could likely handle the additional density. If developers chose to build the additional housing, the cost per dwelling for infrastructure would be less than the adopted master plan.
- In round numbers, this is **about a 120-130% increase in density allowance** in Frog Pond West. The density increase is approximately 20% in new identified units, with the other 100-110% in duplex potential less likely to be built.
- Similar to Option 1, more duplex housing would be permitted – a **modest implementation of the City’s Equitable Housing goals**.

Option 3 would allow all middle housing types in Frog Pond West and would not limit densities for middle housing. This option also focuses on modifying the implementing zoning (RN—Residential Neighborhood zone) rather than the Master Plan. Considerations for this approach include:

- This option is a different housing concept for Frog Pond West – it **maximizes the opportunity for middle housing** in this first Frog Pond neighborhood. Because much of Frog Pond is not yet annexed or has land use entitlements, there is significant potential for additional middle housing.
- The potential for substantially more housing in Frog Pond West **would require a re-analysis of the infrastructure systems**. The presence of already built water and sewer lines at the southern (downstream) end of the neighborhood may (or may not) constrain the size of infrastructure in the unbuilt areas of the neighborhood. As described above, the cost per dwelling for infrastructure would be less, potentially substantially. Traffic impacts would also need to be analyzed with this approach.
- In round numbers, this option is about a **theoretical increase in density allowance of about 300%. However, in practice, the actual number would be less** because of land needs for storm water facilities, street and path connectivity, tree preservation and similar factors. Storm water facilities in particular are land intensive and will act as a sort of “governor” on how much additional housing can be built in Frog Pond West. See below for discussion of open space implications.

- By maximizing the middle housing potential, **this option is potentially a robust implementation of the city’s Equitable Housing goals**, as it allows for a more diverse range of housing types in Frog Pond West.

Potential Amendments for Frog Pond West

A summary of potential amendments needed to comply with HB 2001 is provided below. They are stated as “proposals,” meaning they are proposed for Planning Commission consideration and use in stakeholder outreach. Some amendments are needed regardless of which of the above options the City chooses as its path to compliance. Where different amendments would be needed for different options, those are identified as “Option 1,” “Option 2,” or “Option 3.” NOTE: HB 2001 could have significant implications for Frog Pond West, however, few actual amendments to the Master Plan text are expected to be necessary. Most of the amendments that will be needed for compliance with state law are in the Development Code (i.e., the Residential Neighborhood zone).

Vision, Principles, and Intent

The team proposes to add a section summarizing and explaining the Master Plan update:

- Describe recent City planning efforts (Equitable Housing Strategic Plan) and changes to state law (HB 2001).
- Explain how integrating Middle Housing into Frog Pond West helps implement the EHSP and HB 2001. Summarize the purpose of the Master Plan revisions.

Land Use

The Frog Pond Area Plan map (Figure 4) identifies subareas in Frog Pond West (R-10 Large Lot SF, R-7-Medium Lot SF, and R-5 Small Lot SF). Because modifications to the overall Area Plan are not proposed, we do not propose changes to this map. However, a disclaimer could be added stating that refinements/clarifications have been made as part of the Master Plan revisions.

- **Subdistrict Labels** – Remove references to “single-family” from residential subdistrict designations. (Do this throughout the Master Plan.)
 - R-10 Large Lot ~~Single-Family~~
 - R-7-Medium Lot ~~Single-Family~~
 - R-5 Small Lot ~~Single-Family~~

Even if the City limits middle housing in Frog Pond West (per Options 1-2), it will need to allow duplexes throughout each subdistrict; therefore, the “single-family” label no longer applies.

- **Maximum Densities**
 - Option 1 and Option 2: Exempt only duplexes from maximum density calculations.
 - Option 3: Exempt duplexes, triplexes, quadplexes, and cottage clusters from maximum density calculations. Selection of this option means that the maximum density for

- townhouses would be four times that otherwise stated, with a cap of 25 units per acre (as allowed by OAR).
- **Table 1. Minimum and Maximum Dwelling Units Permitted in Each Subdistrict**
 - Option 2: The approach to modifying Table 1 depends on the chosen approach for achieving an overall density of 8 dwelling units per net acre, as noted above. If additional units are assigned to specific subdistricts or the Small Lot subdistrict boundaries are modified, those changes will need to be reflected in Table 1. Some considerations for how additional units are assigned:
 - The Large Lot and Medium Lot subdistricts likely offer the best opportunity to increase unit counts.
 - The Small Lot subdistrict is already challenged to achieve maximum unit counts, given requirements for connectivity, stormwater, open space, etc.
 - Minimum lot sizes may need to be amended to achieve higher unit counts.
 - The distribution of additional units may also depend on which subdistricts are currently being developed.
 - All Options: Potentially add a note about density exemptions for middle housing.
 - **Figure 6. Frog Pond West Land Use and Subdistricts**
 - Option 2: If the Small Lot subdistrict boundaries are modified to increase overall density, this will need to be reflected (or noted) in the land use map.

Residential and Community Design

- **Consistency with RN Design Standards** (all Options) – Amendments may be needed for consistency with the OAR provisions for design standards in the RN zone. For example, per OAR 660-046-0225, the City can apply the same design standards to middle housing that apply to single-family detached dwellings, but the standards cannot scale based on the number of units.
- **Precedent Images** – Consider adding precedent examples of duplexes (for Options 1 or 2) and other middle housing types (for Option 3).

Residential Design Standards:

This section outlines key residential design principles and standards, including windows and articulation, architectural detailing, and house plan variety.

- **House Plan Variety** (Option 3) – Potentially amend this section to reference middle housing types. Clarify whether and how the elevation of each townhouse/row house unit must be differentiated, or whether a row of attached units can be considered a single elevation for the purpose of house plan variety.

Lot and Site Design in Small Lot Subdistricts:

This section includes special standards and allowances for development in the Small Lot subdistricts. This includes allowances for units to be grouped around a common green/courtyard and for entries to face a pedestrian path.

- **Cluster Housing** (Option 3) – Potentially add reference to cottage clusters where “cluster housing” is mentioned. (Cottage clusters are very similar to cluster housing, but must meet the state’s definition, including the 900-sf limit on building footprint.)

Parks and Open Space Concept

The Master Plan intends for Frog Pond West to be a green community, with ample parks and open spaces that are integrated into a green and walkable open space system. The system includes natural areas (principally Boeckman Creek), the powerline corridor, a 2.5-acre neighborhood park, a 1.5-acre trailhead park, open space at the planned school, preserved trees and undeveloped wetlands, pedestrian greenways, tree-lined streets, platted open spaces, and 10% open-space areas in the Small Lot Subdistricts. This approach was developed over the course of many discussions with the Planning Commission and stakeholders.

With the addition of middle housing, Frog Pond will potentially have more homes than currently planned and the need for additional open space. The project team believes the most appropriate way to address this issue is to require an open space set-aside per development in the form of accessible greens, courtyards, community gardens, tot lots, public pedestrian ways and similar active green spaces. This provision is already in place for the Small Lot subdistricts and could be applied in the Medium and Large Lot subdistricts as well. An example of how this could be accomplished in the Development Code is to trigger the 10% open space requirement when an applicant proposes XX percent more units than what’s defined in the Master Plan (e.g., 30% increase in units). The project team will need to determine an appropriate trigger for the additional open space requirement, in order to avoid an oversupply of open space in Frog Pond West.

Implementation: Infrastructure Funding Plan

The Master Plan outlines a strategy for financing needed improvements to Boeckman Road, Stafford Road, and the Neighborhood Park. The strategy establishes a supplemental fee for all development in Frog Pond West. However, the current Master Plan assumes development of only single-family homes and some duplexes, and the revenue estimates for the fee were made using 80% of maximum density to yield a conservative estimate of potential revenue. It will be important to determine how financing will work if duplexes are allowed on every lot (per Options 1 or 2) or if all middle housing is allowed (per Option 3). The fee structure will be an important consideration for middle housing feasibility. There are two basic options to consider in structuring the fee:

- Apply the same fee per unit, regardless of housing type, toward the goal of generating additional revenue for Frog Pond infrastructure.
- Apply the supplemental fee based on land area and allow middle housing to pay only a percentage of the fee, toward the goal of providing economies of scale for additional middle housing. The reduced fee would act as an incentive for middle housing development, which would be in line with the goals of the Equitable Housing Strategic Plan. Further, even if fees are divided among dwelling units, the total should still add up to be an amount that’s adequate to construct all the necessary infrastructure.

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III. VILLEBOIS VILLAGE MASTER PLAN

Background

The Villebois Village Master Plan was first adopted in 2003 (amended several times since) and establishes a development plan for an approximately 480-acre area on the west side of Wilsonville. The Master Plan followed adoption of the Villebois Village Concept Plan, which envisioned the area to become an “innovative mixed-use community that will include three distinct residential neighborhoods with more than 2,300 homes, a viable commercial and employment core, an interconnected series of roads and trails, and a strong commitment to natural spaces and the environment.” Today, Villebois has been largely built-out consistent with the Concept Plan and Master Plan. Villebois already incorporates several types of middle housing, including row houses, duplexes, and cluster housing, as well as larger multi-family dwellings.

Assumptions about HB 2001 Compliance

The project team’s assumption regarding Villebois Village is that it qualifies for the OAR specific provisions for **existing Master Planned Communities**, as described in the previous section. The overall residential density planned for Villebois Village is at least 10 dwelling units per net acre, which exceeds the minimum threshold of 8 units per acre. This allows the undeveloped portions of the Master Plan area to build out as previously planned other than allowing duplexes on all lots that allow single-family. For the built-out portions of Villebois and the undeveloped areas after they are developed, the City will need to allow middle housing to be developed in the future as infill or redevelopment on any lot where single-family detached dwellings are allowed. (However, as noted in the Task 1.1 Plan and Code Audit memo, because Villebois was developed so recently, and relatively densely, redevelopment is unlikely for many years, if at all.)

Potential Amendments for Villebois

The team expects that few amendments to the Villebois Village Master Plan will be needed to comply with HB 2001. The purpose of the Master Plan is to guide initial development in Villebois (which has mostly already happened). After that, the Village zone regulations and Architectural Pattern Books for specific areas will guide any future infill development or redevelopment. The few amendments that the project team does propose are listed below.

- **Master Plan Update** – In an introductory section, include an update similar to the one proposed for the Frog Pond West Master Plan explaining the changes to state law and any amendments to the plan.
- **Implementation Measures** – Section 2.2 outlines goals, policies, and implementation measures to guide the development of Villebois Village. The team recommends adding implementation measures that address the required middle housing provisions:
 - Any lots not yet developed as of January 1, 2021 that are designated for single-family dwellings must also allow a duplex.

- After initial development, all lots designated for single-family dwellings must allow redevelopment to add any middle housing type.
- **Glossary** – Update the definition of “row house” to be consistent with the Development Code definition—including any revisions as part of the Middle Housing Code Update. The Development Code defines row houses as rows of often identical homes that can either be attached or detached.

IV. OLD TOWN NEIGHBORHOOD PLAN

Background

The Old Town Neighborhood is located along SW Boones Ferry Road, just north of the Willamette River. Old Town represents the oldest neighborhood in the city, with some homes dating back to the 1880s and early 1900s. The neighborhood developed incrementally with a variety of architectural styles reflecting housing trends from each respective period. Most of the development occurred in the county before Wilsonville was incorporated. Dwellings are mostly single story with large yards and mature trees.

Assumptions About HB 2001 Compliance

Old Town does not qualify for any special provisions in the OAR and must be treated as any other existing residential neighborhood in Wilsonville, allowing middle housing on lots that are zoned for single-family dwellings. Also, as noted in this memo’s introduction, amendments to the Old Town Neighborhood Plan are not necessary for legal compliance with state law. Proposed updates focus on updating the regulatory context of the plan (i.e., reflecting HB 2001 and state ADU requirements) and updating the plan’s recommended actions.

Potential Amendments for Old Town

The project team’s proposed amendments focus on Chapter 6, Land Use.

- **State Regulations** – In the section summarizing state rules and regulations, include a summary of the state’s requirements regarding middle housing and ADUs.
- **Metro Regulations** – Provide a summary of the Metropolitan Housing Rule (OAR 660-007) and related Metro code.
- **Comprehensive Plan Recommendations** – Update to reflect recent changes in ownership and development plans for specific lots referenced in the recommendations.
- **Zoning Designations**
 - Potentially update this section, which explains the required rezoning process for lands zoned RA-H, depending on the City’s approach to enabling development in Old Town, as discussed in the Task 1.1 Plan and Code Audit memo (or add a statement that these provisions have changed).

- Potentially update Table 6.1, which compares the PDR-4, Old Town Overlay, and R zones, to reflect zone amendments for middle housing (or add a statement that these provisions have changed).
- **Zoning Recommendations** – Update recommendations regarding rezoning of residential lots in Old Town, depending on the City’s chosen approach. Options suggested by the project team—including legislative rezoning and “conditional rezoning”—are discussed in the Task 1.1 Plan and Code Audit memo.
- **Accessory Dwelling Units** – This section describes the City’s current provisions (at the time of plan adoption) regarding ADUs, as well as alternative proposals suggested by Old Town residents and developers.
 - Add an explanation of the state’s more recent requirements for ADU provisions, as enacted by Senate Bill 1051 (2017) and HB 2001. These laws require the City to allow an ADU on any residentially-zoned lot with a detached single-family dwelling. The statutes prohibit certain regulations, including owner-occupancy and off-street parking requirements and density limits for ADUs.
 - Update Table 6.2 (which compares the Old Town residents’ and developers’ proposals for ADUs to the Development Code standards) and the ADU recommendations to remove standards not allowed by state statute.

V. CONCLUSION

As proposed above, the amendments to the Frog Pond West and Villebois Village Legislative Master Plans should bring these plans into compliance with House Bill 2001 and associated statutes and Administrative Rules. The proposed amendments to the Old Town Neighborhood Plan should help ensure that the plan continues to be a useful policy document going forward.

Key considerations for each plan are summarized below.

Frog Pond West Master Plan: The most critical issue for Frog Pond West will be determining an approach to compliance with middle housing density requirements—to either ensure that adequate density is permitted so the City may qualify for the alternative compliance option, or to permit all middle housing types in undeveloped areas. This decision will impact the necessary amendments to the Master Plan as well as to implementing provisions in the Development Code (Section 4.127). Key issues include verification of needed infrastructure, the provision of adequate open space, and infrastructure funding.

Villebois Village Master Plan: The City’s approach to Villebois Village is much more straightforward and focused on ensuring middle housing is permitted in the future as infill or redevelopment.

Old Town Neighborhood Plan: Many of the proposed amendments to this plan focus on updating the narrative to be consistent with current laws and reflecting necessary amendments to the Development Code.



Memorandum

From: Daniel Pauly AICP, Planning Manager
To: Planning Commission
Date: January 5, 2021
RE: Draft Definitions for Middle Housing Types Attached vs Detached

Draft Definitions:

Duplex: Two attached dwelling units on a single lot, neither of which meets the definition of an accessory dwelling unit.

Triplex: Three attached dwelling units on a single lot, none of which meets the definition of an accessory dwelling unit.

Quadplex: Four attached dwelling units on a single lot.

Cluster Housing: Detached dwelling unit development of more than one unit arranged on a single lot. A type of middle housing.

- A. Cottage Cluster: Cluster housing of four or more units where each unit does not exceed a 900 square foot footprint and units have a courtyard(s) containing shared green space and a public access sidewalk easement. *(Note: this definition is based on specific state administrative rules)*
- B. 2-Unit Cluster Housing: Cluster housing containing two units where neither unit is an Accessory Dwelling Unit. A type of duplex as defined in OAR 660-008.
- C. 3-Unit Cluster Housing: Cluster housing containing three units. A type of triplex as defined in OAR 660-008.
- D. 4-Unit Cluster Housing: Cluster housing containing four units but not meeting the definition of cottage cluster. A type of quadplex as defined in OAR 660-008.

ATTACHMENT 3

MEMORANDUM



Siting and Design Standards Best Practices (Task 2.2)

Wilsonville Middle Housing Code Update

Date January 5, 2021
To Dan Pauly, City of Wilsonville
From Ben Weber, Ross Determan and Emma-Quin Smith, SERA
Attention Kate Rogers and Joe Dills. Angelo Planning Group
Becky Hewitt and Tyler Bump, ECONorthwest

PURPOSE AND APPROACH

The purpose of this memorandum is to identify best practices for siting and design standards supportive of middle housing in Wilsonville. Key issues and best practices are adapted from our review of:

- Existing siting and design standards in Wilsonville
- Wilsonville's Equitable Housing Strategic Plan
- The 2018 Metro Urban Growth Boundary Expansion
- Siting and design standards in the State Model Code

As part of the research findings and best practices, we provide commentary on compliance with the Middle Housing Administrative Rules (most specifically OAR 660-046-0220 Middle Housing Siting Standards in Large Cities and 660-046-0225 Middle Housing Design Standards in Large Cities), middle housing standards applicable to the Frog Pond neighborhoods, and standards that alleviate displacement and negative impacts on historically marginalized communities.

Through this code update, Wilsonville has the opportunity (and, indeed, requirement) to make residential zoning more supportive of middle housing that is not unduly burdened by cost or delay to produce. Not only will this increase housing options for communities of color, it provides opportunities to more people to live in established or emerging neighborhoods that have access to good schools, abundant open space, local businesses, and community services. A sought-after benefit of middle housing policy done well is the production of a wider range of housing, built at a variety of densities and dwelling sizes, which provides more choice for different households and sets the stage for a more diverse community.

Middle housing is broadly intended to increase housing variety in a community – from smaller dwellings suitable for one or two people, to cottage clusters, townhomes, and two-to-four-plexes that may better support larger and multi-generational households living in one or more proximate dwelling units. Middle housing can help reduce housing costs in three primary ways.

1. Producing housing that is on-average smaller and lower-cost per-unit than prevailing single-family housing.
2. Encouraging the overall production and supply of housing available in a community.
3. Sharing infrastructure costs across a wider pool of dwellings in a service area.

SOURCES OF BEST PRACTICES FOR MIDDLE HOUSING SITING AND DESIGN STANDARDS

Existing Siting and Design Standards in Wilsonville

The following sections of Wilsonville Siting and Design standards were reviewed for potential impact on the development of middle housing including provisions listed in the OAR. Summaries of findings for each section are below.

4.113 Standards Applying to Residential Developments in any Zone

- As noted in the Plan and Code Audit Memo (task 1.1), the listed setback requirements of subsection .02 are not in alignment with OAR requirements and would potentially create barriers to developing middle housing. Test fit diagrams for middle housing on large and medium lots that include current setbacks are recommended as part of task 2.3.
- Building height can be limited based on fire department access, surrounding building heights or protection of views. Provisions within the PDR and Old Town zones further restrict building heights
- Accessory Dwelling units (ADUs) are allowed with area, height and design criteria listed.
- Requirements for residential driveway location and size are not listed in this section but will impact the feasibility of developing narrow lots. See notes under section 4.127 below. Further clarification of standards is needed.

4.124 Standards for Planned Development Zones

- The building height maximum of 35 feet is in accordance with the OAR. However, section 4.113 lists several factors such as fire department access or protection of views that would reduce the height maximum. Coordination of the requirements in both code sections is needed.
- As noted in the Plan and Code Audit memo (task 1.1), the lot size minimums of PDR-3 through PDR-7 should be increased to 5,000sf for triplexes, and 7,000sf for quadplex and cottage cluster developments to ensure these larger development types are practical and to comply with the OAR.
- Lot width and lot frontage minimums for townhouses are not in alignment with the OAR and should be revised to 20 ft

- Lot coverage maximums may pose barriers to middle housing, and in the case of cottage clusters must not be applied (per OAR).

4.125 Standards for Village (V) Zones and Villebois Pattern book

- Listed setback requirements for rowhouses and duplexes are in alignment with the OAR.
- Maximum height for rowhouses and duplexes is 35 feet or more, and thus in alignment with the OAR.
- Building massing and design is illustrated for various housing sizes and configurations within the 'Scale & Proportions' section of the Villebois Pattern Book. Rowhouse design examples are included; small cottage designs are also included and would be useful for development of cottage cluster units. Examples of duplex, triplex and quadplex are missing, but they could be designed based on the other stylistic standards listed in the pattern book.
- In general, stylistic design standards do not appear to create any impediments to creating middle housing developments.
- All lots with access to a public street and an alley are required to take vehicular access from the alley.
- Parking in the Village Zone is controlled by the standards of section 4.155, which is discussed below.

For later follow-up:

Parking requirements in table V-2 may need amendment to reflect the graduated parking ratio minimums of the OAR. This may prove inapplicable though, as the City explored methods to bring lot size minimums into OAR compliance, which could negate the graduated parking ratio trigger.

4.127 Residential Neighborhood (RN) Zone

Wilsonville is permitted to apply design standards to middle housing in the RN zone if they are already applied to single-dwelling homes. Some RN standards will need to change in order to become compliant with OAR.

- Main Entrance standards and Garage standards need amendments to ensure they do not scale based on the number of units, if applied to middle housing.
- Window Coverage standards in RN use a graduated scale that adjust the required coverage based on the form of the structure. This is permitted in the OAR.
- The RN zone contains requirements for Articulation and use of elements from a Residential Design Menu. This is permitted in the OAR so long as the same standards apply to single-dwelling and middle housing types, which they appear to do. This type of menu selection approach can create complexity and cost-considerations for the

embellishment but appears consistent with the requirement for clear and objective standards.

- The House Plan Variety standards appears compliant with the OAR and provisions for Master Planned communities in the State law. However, this language may need to be clarified to clearly permit up to four attached townhouses to have the same street-facing elevation and otherwise clarify standards for attached middle housing.

4.138 Old Town Overlay Zone and Single-Family Design Standards

- Overlay standards take precedence over standards otherwise established in the development code.
- Additions are not permitted to be taller than the original structure
- ADUs are allowed as detached single story or unit above garage, with a maximum height of 20 ft. However, ADUs cannot be taller than primary house, this would limit the ability to build units above garages on lots with single story houses.
- Overall building height is governed by underlying base zone, but it is also limited by comparison with surrounding context buildings, which are predominately 1, 1.5 or 2 stories. This puts an effective height limit of two stories for the district and likely limits certain types of middle housing.
- Townhouse units with garages are typically 3 stories and thus non-compliant with the OTOZ. Two-story town house types would conform with the prevailing height limits if alternate on-site or on-street parking is permitted.
- Off-street parking options may require screening or alley access.
- New developments must fit stylistically within one of three types: farmhouse, craftsman or ranch.
- The single-family standards make explicit allowances for duplex dwellings and even include illustrated examples. However, the traditional house forms tend to have a low, horizontal orientation on the front façade. It would be difficult to build triplexes and quadplexes with the same form and scale.
- Allowing rear units in larger developments to be oriented toward a side yard may be necessary in order to comply with mass and scale requirements on the primary façade.
- Section G – Notes that where larger multiple family residential buildings are proposed, their facades should be divided to look like a series of attached smaller dwellings. This standard should be updated to address or exclude cottage cluster developments, which are detached.
- Scalable standards should be removed from the design standards. One example is a listed requirement that new construction ranch style houses must include a porch. The code should clarify whether this means one porch per structure or one porch for each unit entry.
- Design standards dictating exterior materials, window and doors styles and roofing pitch do not appear to conflict with the OAR.

4.155 Parking, Loading, and Bicycle Parking

- Development code sections 4.113, 4.125, and 4.127 refer to section 4.155 for the establishment of certain parking, loading, and bicycle parking requirements

4.177 Street Improvement Standards

- This section is referenced in section 4.125 for Villebois only
- Section (.08) defines goals of limiting the number of driveway entrances onto the street and limiting their width. However greater clarity of driveway size and location standards is needed.
- Shared or clustered drive aisles would benefit the pedestrian zone and preserve on-street parking availability.

Equitable Housing Strategic Plan

The City adopted the Equitable Housing Strategic Plan (EHSP) in 2020 with the goal of providing Wilsonville residents and employees housing opportunities for different household compositions, ages, and income ranges. To this end, the EHSP identifies several Policy Objectives that serve as a guiding framework.

EHSP Policy Objectives:

- Greater availability of a diversity of housing types for a full range of price points to serve the community.
- Increased partnerships with nonprofit and for-profit housing developers.
- New and expanded affordable homeownership opportunities, especially for first-time homebuyers.
- Reduced risk of housing displacement.
- Targeted housing opportunities in areas with access to services and public transit.
- Maintenance and expansion of quality subsidized affordable housing stock.
- Implementation of all housing policies through a lens of social equity and inclusion.

Public outreach for the EHSP identified several relevant issues related to diverse housing types and HB2001 Implementation:

- Residents and policymakers are interested in a broader variety of housing types, including starter homes, single level living, and middle housing; however, at the time of the EHSP, it was not clear how the City should incorporate those housing types into existing neighborhoods, and there was (and still is, to some extent) uncertainty about how statewide requirements affect an area that has a master plan.
- The City should evaluate if there are barriers to duplex and middle housing development in the existing code, which will be addressed through this process.
- There is likely a need for financial, design, or other regulatory incentives to encourage middle housing.

To meet the Policy Objectives and respond to community input, the EHSP identifies a set of actions for near-term implementation and for further exploration to advance equitable housing in the City of Wilsonville. **Action 1B: Incorporate Equitable Housing Needs in Middle Housing Planning**, is a near-term action that provides specific considerations for Wilsonville's HB 2001 implementation as noted below. While encouraging the production of a greater variety of unit types in accessible locations is a key component of the plan, the EHSP includes a broad variety of strategies focused beyond middle housing and other regulatory measures in the Development Code.

Relevant Plan Actions

Actions identified in the EHSP that relate to HB2001 implementation include:

- **Action 1B Incorporate Equitable Housing Needs in Middle Housing Planning** calls out the need to explore design standards and incentives to further expand the housing variety in Wilsonville during HB 2001 implementation. Five primary steps are recommended:
 1. Public outreach to solicit input on middle housing production and design
 2. Update plans and codes both citywide and in master planned areas
 3. Research and develop architectural standards
 4. Review and update infrastructure plans if needed to support additional housing production
 5. Research and analyze infrastructure funding strategies
- To promote affordability and encourage missing middle housing development, the EHSP recommends that the City explore implementation actions beyond HB 2001's minimum requirements, such as code changes to encourage accessibility or design options to promote affordability as part of this action.
- **Action 1C Define Equitable Housing Approaches in New Urban Areas.** Middle housing can help meet production and affordability targets established by the City in new and future master planned areas, particularly Frog Pond East and South.
- **Action 1D Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability.** Some of the identified tax abatement programs could be used to incentivize middle housing types, and could be administered on a per-development basis to provide direct support to local and small-scale developers

Other EHSP Actions related to production and affordability (but less directly linked exclusively to middle housing) can be found in Chapter 4, available online:

https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/96107/equitable-housing-strategic-plan_appendices_approved_6.15.2020.pdf

Indicators for Identifying Equitable Housing Performance

Through the EHSP, City staff and project advisors identified several preliminary metrics to be further evaluated as possible indicators of affordable and equitable housing access. Chapter 5, Exhibit 4 lists these possible indicators (linked above). The EHSP notes that additional indicators will be identified to track the progress of individual actions as they are implemented. Prior to project adoption, staff and the consultant team should identify which indicators would best measure the success of the middle housing Development Code updates in achieving the City's equitable housing goals.

2018 Metro Urban Growth Boundary Expansion

In December 2018 the UGB was expanded by Metro in Ordinance 18-1427 to include the Frog Pond East and South areas. The Frog Pond West area was already within the UGB at that time. Numerous conditions of approval consistent with Metro UGB requirements were applied.

A partial list of general requirements includes:

- Updating the Wilsonville Comprehensive Plan to include the UGB expansion area
- Housing types permitted at a minimum must include duplexes, triplexes, fourplexes, townhomes, and accessory-dwelling units (in addition to single-family homes) in all zones that permit single-family homes. Wilsonville's RN zone lists all such uses as permitted uses, but limits Frog Pond West to a maximum of two attached units. For the Frog Pond East and South expansion areas, the intent of the Frog Pond Area Plan is to permit all middle housing types.
- Integration of Metro-guided long-range planning as part of the 2040 Growth Concept.

Requirements specific to Wilsonville include:

- Planning for at least 1,325 homes in the expansion area (Frog Pond East and South)
- Applying the designation of Neighborhood on the 2040 Growth Concept
- The City of Wilsonville may propose the addition of Corridors for inclusion in the 2040 Growth Concept as an outcome of the comprehensive planning for the area.

HB 2001's density requirements for master planned communities are a key topic for the Frog Pond area. Frog Pond West, as adopted, does not meet the minimum requirements for 8 dwelling units per acre, but could readily do so with the addition of middle housing types on all lots. Future master planning for Frog Pond East and South will need to consider how to comply with the state requirements. The Frog Pond West Master Plan, and its implementing RN zone, have tailored siting and design standards intended create livable, walkable neighborhoods. Siting and design standards within the RN Zone are discussed above. Memo 1.2 will address the additional community design standards (e.g. Lot and Site Design in Small Lot Subdistricts) that complement those in the RN Zone.

RESIDENTIAL SITING AND DESIGN BEST PRACTICES

General Observations

Below are several key factors of siting and design that have significant impacts on production feasibility, affordability, and the intent of middle housing compatibility with existing neighborhoods. Jurisdictions have numerous options to tailor standards to meet local conditions, so long as the standards either meet minimum OAR compliance or the City can demonstrate that the standards do not cause unreasonable cost or delay to middle housing development.

Generally, any development standard adds some degree of complexity to a project. Likewise, every standard has an impact felt by some party to the development. These impacts can be direct, such as controls on building massing, or diffuse, such as parking standards that may cause more demand for private vehicle storage on public streets throughout a neighborhood.

Middle housing (with the exception of townhomes) has historically been allowed in limited areas, and where it is allowed, siting and design standards have typically favored single family and/or larger multifamily development in ways that make it difficult for middle housing to compete. As a result, little middle housing has been built in the modern era, aside from townhomes. While many homebuilders are comfortable building townhomes and know what floor plans and site layouts will work best, cottage housing development has been more of a niche industry due to the challenges associated with permitting, and few developers have optimized layouts and floor plans for duplexes, triplexes, or fourplexes.

Best Practice Siting and Design Standards

Based on the research summarized above and our experience with siting and design standards for livable communities, the following best practices should be noted.

- Regulate maximum building envelope/form and scale rather than the number of units or density. Regulating setback, height, building width and depth, and lot coverage allows a developer to build several units that matches market demand or community need. Keep middle housing "house scale" at 2.5 to 3 stories. Townhouses are often viable only at three stories, especially if they include an attached ground floor garage. Not regulating conventional density allows more flexibility to blend housing types and "implicit density" across a range of lot sizes and neighborhood contexts.
- Whenever possible, add more allowances for smaller unit sizes and different blends of attached and detached units. This is more likely to result in a range of housing products that meets different affordability and household size needs.

- Use all development and design standards in harmony to pursue sought product outcomes. An example of this would be to allow greater leeway with setback minimums or lot-coverage maximums in order to promote site design flexibility, but to use floor-area-ratio and height as complementary standards to keep the overall building mass in a compatible range.
- A key OAR requirement is to not allow design standard scaling based on number of units (which can discourage building more dwellings on a site) but to allow scaling based on the form of the structure. Form standards include floor-area-ratio, façade massing, height, and bulk. By allowing scaling based on form, the design of a building can be more nuanced and articulated as it gets larger, helping to reduce the visual impact of more massive buildings.
- Requiring onsite parking adds development cost and occupies space on the site, reducing the flexibility of site design. Allowing on street parking to count towards parking requirements increases site design flexibility and improves the ability to fit middle housing types on typical single-family sized lots. Use of alleys, where feasible, increases the amount of curb area available for parking and provides more pedestrian-friendly lot frontages compared to front-loaded driveways and garages on blocks with middle housing. A tradeoff of note is that constructing alleys and similar accessways, such as shared driveways, can consume significant land area that would otherwise be buildable land.
- Middle housing typically encourages smaller homes that occupy less land, which generally reduces both construction and land acquisition costs and the per-unit cost of providing infrastructure. The Model Code establishes a minimum lot size to FAR ratio to facilitate appropriate scaling. ECONorthwest’s financial feasibility analyses as part of the Model Code process found that too-small dwellings may be both undesirably small for many households and unlikely to produce a positive return to developers. Their work testing statewide feasibility for the Oregon Model Code indicates that unit sizes under 700sf in quadplexes and under 850sf in triplexes produced low or negative financial returns, for example.

Strategies for Equitable Housing

Research on the impact of contemporary siting and design standards on historically marginalized communities of color is sparse. Much better documented is the impact of conventional zoning practices—such as policies to only produce single-dwelling housing, density limitations, and family size restrictions—in making housing inaccessible to communities of color (or outright denied through redlining and other practices). Most jurisdictions still have numerous zoning provisions that are preserved from such a restrictive practice or are directly derived from those practices. Housing policy broadly, and zoning specifically, represents a regulatory structure that in the best circumstances recognizes inherit tradeoffs between factors

such as design character, allowed uses, ease of permitting, and financial viability, and seeks to minimize disparate negative impacts on disadvantaged communities.

Policies requiring or incentivizing housing variety, including specific types of units, can help produce a broader range of housing types and put in place programs that reduce displacement and help households across a spectrum of income levels and compositions stay in their homes or gain access to attainable housing.

The Equitable Housing Strategic Plan identifies the need for adjustments to zoning and development standards as one of many strategies to encourage more housing production that is accessible to all community members. Increasing affordability and housing options is reliant on adding more dwellings and types of units in existing and planned residential neighborhoods, which occupy a large share of land in Wilsonville.

Equity Principles

The body of research on how communities can best promote equitable housing in their development regulations is growing. We've extracted a selection of equity principles to keep in mind as the City updates its siting and design standards.

Engage the Community – Ensure that current and potential future residents are involved in land use and development planning and that resulting housing product types align with the needs of a wide range of residents. The outreach planned for Wilsonville Middle Housing project is intended to implement this principle. This includes specific outreach to the Latinx community of other historically marginalized communities of color led by non-profit partner Centro Cultural of Washington County and funded by a grant from Metro.

Lay the Groundwork for Equitable Housing through Land Use Planning – A first, and necessary, step is to ensure Wilsonville's compliance with HB 2001 requirements to support middle housing. The influence of specific development standards on affordability and housing production is discussed above. Wilsonville has, and should continue to, undertake planning that creates walkable and bikeable areas, supports transit service, and reduces per-unit infrastructure costs—because these policies are essential for the development of equitable housing.

Emphasize Community Livability – Communities comprise more than the sum of their parts. Residents in healthy neighborhoods need access to nature, safe routes to travel around, proximity to services and jobs, and a vibrant mix of people of all backgrounds in order to thrive. Housing is central to this goal but remains fundamentally a tool to allow people to occupy a space and have opportunities to engage with one another. Siting and design standards are

important for influencing a neighborhood's character but should ultimately be subservient to the broader goal to increase access to housing for all people. Well-crafted standards will balance these objectives to the benefit of all. Duplexes have traditionally been a product type affordable to a wide group of potential homeowners looking for multi-generational options across both dwellings. Other middle housing types can similarly support multi-generational housing and other community-oriented living.