



PLANNING COMMISSION

WEDNESDAY, FEBRUARY 12, 2020

II. WORK SESSION

- B. Wilsonville Housing Variety Implementation Plan Kickoff (Pauly)
(45 Minutes)



PLANNING COMMISSION WORK SESSION STAFF REPORT

Meeting Date: February 12, 2020		Subject: Housing Variety/Middle Housing 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: Review and provide direction on proposed scope of work for the Middle Housing Project.			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: Thoughtful, Inclusive Built Environment	<input type="checkbox"/> Adopted Master Plan(s):	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE PLANNING COMMISSION:

Review proposed scope for the Middle Housing Project and provide feedback.

EXECUTIVE SUMMARY:

In 2019, the Oregon legislature passed House Bill 2001, which directs cities throughout Oregon to take a number of actions concerning allowing more middle housing, 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.

House Bill 2001 likely requires changes to Wilsonville’s Development Code, Comprehensive Plan text, legislative master plans (Villebois Village Master Plan and Frog Pond West Master Plan), and other documents. The changes will enable duplexes and other middle housing (triplexes, quadplexes, cottage clusters, and townhouses) to be built in areas of the City previously developed and/or planned for single-family residential development.

As a result of these changes, staff sees additional key areas to address, including design guidelines that promote the integration of a variety of housing types successfully into neighborhoods, a robust community engagement process, and plans that account for potential future impacts of additional housing units on existing and planned infrastructure. The Planning Commission work session will focus on the initial draft scope of work for this project, tentatively labeled as the “Middle Housing Project”. This scope of work exceeds the minimum necessary code changes to comply with the new State legislation in an effort to adopt locally-tailored standards that also meet best practices and community expectations.

As drafted, the Middle Housing Project will address five barriers to development of duplexes and middle housing. The project helps the City meet the mandates of House Bill 2001, but also implements key strategies around housing variety as outlined in the Wilsonville Equitable Housing Strategic Plan. The proposed project goes beyond meeting the minimum requirements of state law, seeking to provide a variety of middle housing units of quality design with broad community support that substantially increase the number of units attainable to a variety of households and incomes. A primary focus will be on new urban areas. However, the project will also address barriers throughout the City to support infill and variety in smaller housing developments. The project will address barriers around (1) public opinion and perceptions; (2) design compatibility with detached single-family dwelling units; (3) comprehensive plan policies, legislative master plans, and development code in need of updating; (4) provision of adequate infrastructure; and (5) funding infrastructure. The project addresses these barriers through public outreach and education, updating of plans and code, developing architectural standards, reviewing and updating infrastructure plans, and exploring options for infrastructure funding.

The Middle Housing Project will also be a key link between two other City projects that address pressing housing issues, the Equitable Housing Strategic Plan and the Frog Pond East and South Master Plan. The Equitable Housing Strategic Plan identifies strategies to explore design standards and other incentives, including infrastructure funding options, to encourage the production of a variety of middle housing units in a context that can get support of the

community. The Middle Housing Project will subsequently inform the next major residential area master planning effort in the Frog Pond East and South areas added to the Urban Growth Boundary in 2019. Metro's conditions for the expansion include many of the same housing variety requirements as House Bill 2001. These expansion areas were included in the 2015 Frog Pond Area Plan, where the indicated housing variety included attached and cottage housing. The Frog Pond East and South Master Planning effort will be on the City's work program within the year following the completion of this project.

EXPECTED RESULTS:

Feedback on scope of Middle Housing Project.

TIMELINE:

A tentative project timeline is as follows:

- May 2020- Adoption of Equitable Housing Strategic Plan
- May-June 2020- Begin work on Middle House Project
- December 2020- DLCD rulemaking related to House Bill 2001 adoption and state model code adoption
- Early 2021- Begin Frog Pond East and South Master Plan project
- January 2021 to February 2022- Finalization and adoption of Middle Housing Project components
- June to August 2022- Adoption of Frog Pond East and South Master Plan
- June 30, 2022 Deadline for compliance with House Bill 2001 to avoid state model code going into effect.
- December 13, 2022 Deadline for adoption of Frog Pond East and South Master Plan per Metro Ordinance.

CURRENT YEAR BUDGET IMPACTS:

This project intends on using a combination of internal staff resources, budgeted professional services, and grant funds during the current fiscal year. Current year expenditures will vary based on timing and amount of grant funds received. The City anticipates knowing about grant funds from the Oregon Department of Land Conservation and Development (DLCD) in mid-April 2020 and grant funds from Metro by late May 2020. The Planning Division is also requesting additional professional services budget during the 2020-2021 fiscal year to fund a portion of project costs. Staff will explore efficiencies between the Middle Housing project and the Frog Pond East and South Master Plan project to minimize costs.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: Date:

LEGAL REVIEW / COMMENT:

Reviewed by: Date:

COMMUNITY INVOLVEMENT PROCESS:

The draft scope of work reflects extensive community involvement, but is dependent on being fully funded. Staff anticipates the involvement to at least include survey content on Let's Talk, Wilsonville! as well as pop-up activities at other public events.

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 and choices.

ALTERNATIVES:

The Commission may recommend additional, modified, or prioritized tasks in the proposed scope of work; recommend a different approach to comply with House Bill 2001 and implement a key strategy from the Equitable Housing Strategic Plan; or recommend no action at this time. No action by June 30, 2022 will lead to state model code coming into effect for Wilsonville.

CITY MANAGER COMMENT: N/A

ATTACHMENTS:

1. Middle Housing Project Draft Goals and Objective and Draft Products and Outcomes

Housing Variety/Middle Housing Project

A. Draft Project Goals and Objectives

The Middle Housing Project will address five barriers to development of duplexes and middle housing. The project helps the City meet the mandates of House Bill 2001, but also implements key strategies around housing variety as outlined in the Wilsonville Equitable Housing Strategic Plan. The proposed project goes beyond meeting the minimum requirements of state law, seeking to provide a variety of middle housing units of quality design with broad community support that substantially increase the number of units attainable to a variety of households and incomes. A primary focus will be on new urban areas. However, the project will also address barriers throughout the City to support infill and variety in smaller housing developments. The project will address barriers around (1) public opinion and perceptions; (2) design compatibility with detached single-family dwelling units; (3) comprehensive plan policies, legislative master plans, and development code in need of updating; (4) provision of adequate infrastructure; and (5) funding infrastructure. The project addresses these barriers through public outreach and education, updating of plans and code, developing architectural standards, reviewing and updating infrastructure plans, and exploring options for infrastructure funding.

The Middle Housing Project will be a key link between two other projects to address pressing housing issues, the Equitable Housing Strategic Plan and the Frog Pond East and South Master Plan. The Equitable Housing Strategic Plan identifies strategies to explore design standards and other incentives, including infrastructure funding options, to encourage the production of a variety of middle housing units in a context that can get support of the community. The Middle Housing Project will subsequently inform the next major residential area master planning effort in the Frog Pond East and South areas added to the Urban Growth Boundary in 2019. Metro's conditions for the expansion include many of the same housing variety requirements as House Bill 2001. These expansion areas were included in the 2015 Frog Pond Area Plan, where the indicated housing variety included attached and cottage housing. The City plans the Frog Pond East and South Master Planning effort to be on the City's work program within the year following the completion of this project with potentially some overlap.

A major component of the recommended project is to modify the 2017 Frog Pond West Master Plan to comply with House Bill 2001 as well as follow strategies of the Equitable Housing Strategic Plan. Frog Pond West was included in the same 2015 Area Plan as Frog Pond East and South discussed above, but as it was already in the UGB (added in 2002), master planning moved forward independent of Frog Pond East and South. During the master planning process residents voiced concern about Wilsonville having more multi-family residential than single-family residential. Adding to the sentiment that there is a relatively large amount of multi-family housing in Wilsonville, was sentiment amongst many of the same residents against the perceived density and closeness of building development prevalent in the new-urbanist style Villebois neighborhood. Villebois has limited setbacks required, and some detached single-family lots are just over 2,000 square feet. Accordingly, the Frog Pond West Master Plan called for primarily detached single-family homes with larger lot sizes than Villebois (4,000 square feet to 8,000 plus

square feet). Thus far, developers have obtained land use approval for 197 of the approximately 500 planned lots in Frog Pond West (with just over 20 of the lots built as of June 30, 2019). With the majority of development yet to be approved or built, changes to the allowed housing variety in the master plan have the potential for a significant impact in Frog Pond West.

The whole community does not share the sentiments discussed in the previous paragraph regarding multi-family housing and density. As mentioned above, the Equitable Housing Strategic Plan includes strategies to increase housing variety. A recent survey as part of the Equitable Housing Strategic Plan shows a majority of respondents, who were predominately homeowners, feel there is not enough housing variety in Wilsonville. The proposed project, through community outreach and education, and development of design guidelines, along with supporting products, will seek a solution with the broadest possible community support.

B. Draft Project Products and Outcomes

Product 1 Public Outreach and Education and Recommendations from Public Engagement around the Idea of Duplex and Middle Housing Design

Expected Outcome Educate Wilsonville residents and stakeholders about the regulatory requirements, benefits of housing variety from economic development and social equity perspectives, gather input on what is important in housing design and neighborhood character. Address issues such as walkability, bulk of buildings, space between buildings, and location of parking to inform the architectural standards effort in product 3.

Barriers Addressed: public opinion and perceptions; design compatibility with single dwelling units

Product 2 Research, Recommendations, and Adoption Package for Revisions to Legislative Master Plans, Comprehensive Plan, and Development Code

Expected Outcome Identification of regulatory barriers to duplex and middle housing development and needed updates for regulatory compliance, guidance and recommendations on how to address to remove barriers and come into compliance with House Bill 2001 and implement strategies from Wilsonville's Equitable Housing Strategic Plan. The end result will be a package of usable policies and code edits to meet regulatory requirements within Wilsonville's unique context

Barrier Addressed Unsupportive comprehensive plan policies, legislative master plans, and development code

Product 3 Architectural Standards for Duplexes and Middle Housing

Expected Outcome Duplex and middle housing design options that have community support, create quality design and compatibility of a variety of housing types on a street and in a neighborhood, and are likely to be built by the private market.

Barriers Addressed Public opinion and perceptions; design compatibility with single dwelling units

Product 4 Public Facility and Infrastructure Planning Updates to Ensure Capacity for Added Housing

Expected Outcome Conduct analysis of likely redevelopment rates, assumptions for growth. Report/memo with information to plan for and anticipate infrastructure needs as housing mix changes from what was originally planned for the various neighborhoods in the city. Information to conduct future updates to various infrastructure master plans.

Barrier Addressed Planning and funding infrastructure

Product 5 Recommendations Regarding Variations in Infrastructure Funding Methods for Different Housing Types and Sizes

Expected Outcome Analysis of options and recommendation of preferred option(s) to ensure infrastructure and public service charges during the development and permitting process are equitable in the context of a variety of housing types. This product will include analysis of variable SDC's. The City expects this product to potentially reduce upfront costs of duplexes and middle housing to make them more financially attainable.

Barrier Addressed Planning and funding infrastructure