

ZDO-277:
HOUSING STRATEGIES
ISSUES PAPER: #2020-1



Planning Commission Study Session
January 27, 2020

OVERVIEW

1. **Presentation and Discussion of Issues Paper**
2. **Input into:**
 - A. Are the correct strategies included? Does the recommended order make sense?
 - B. What methods of engagement should be used during the course of the project?
 - C. What other items should be considered while the project is underway?

ISSUE:

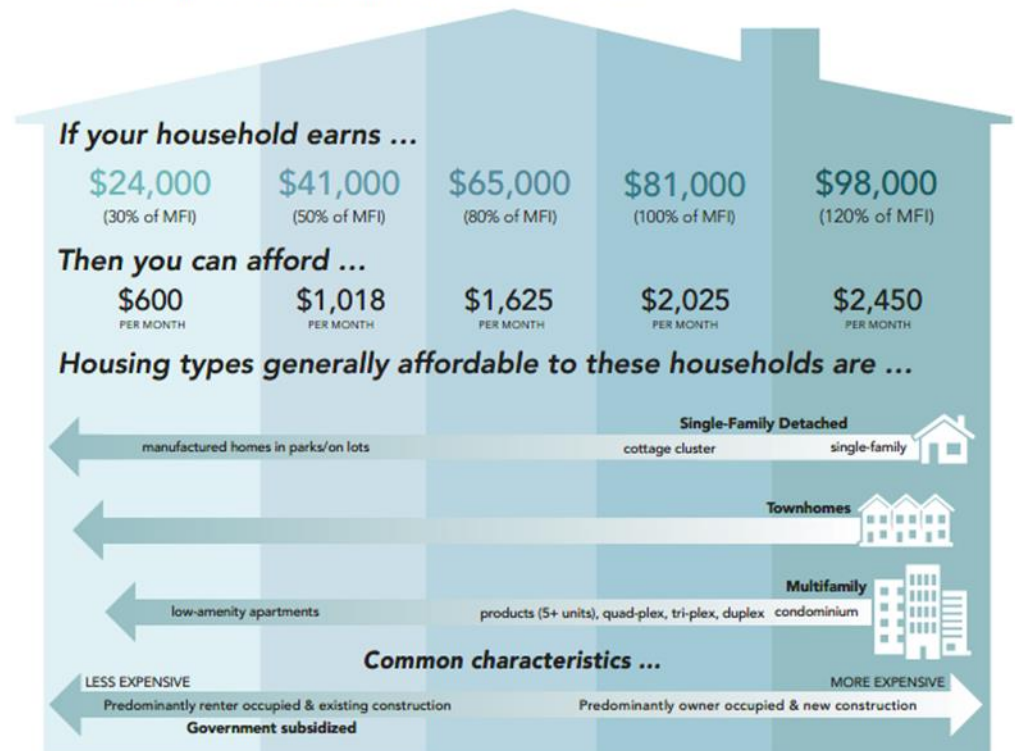
Additional capacity for up to 5,000 housing units is needed in urban area

Housing units that:

- Are Affordable
- Can be Accessed
- Are Available
- Are Diverse

Exhibit 63. Types of Financially Attainable Housing by Median Family Income (MFI) for Clackamas County (\$81,400), 2018

Source: U.S. Department of Housing and Urban Development, Clackamas County, 2018. Note: Clackamas County is part of the Portland MSA. HUD reports median household incomes for the Portland MSA for Clackamas County.



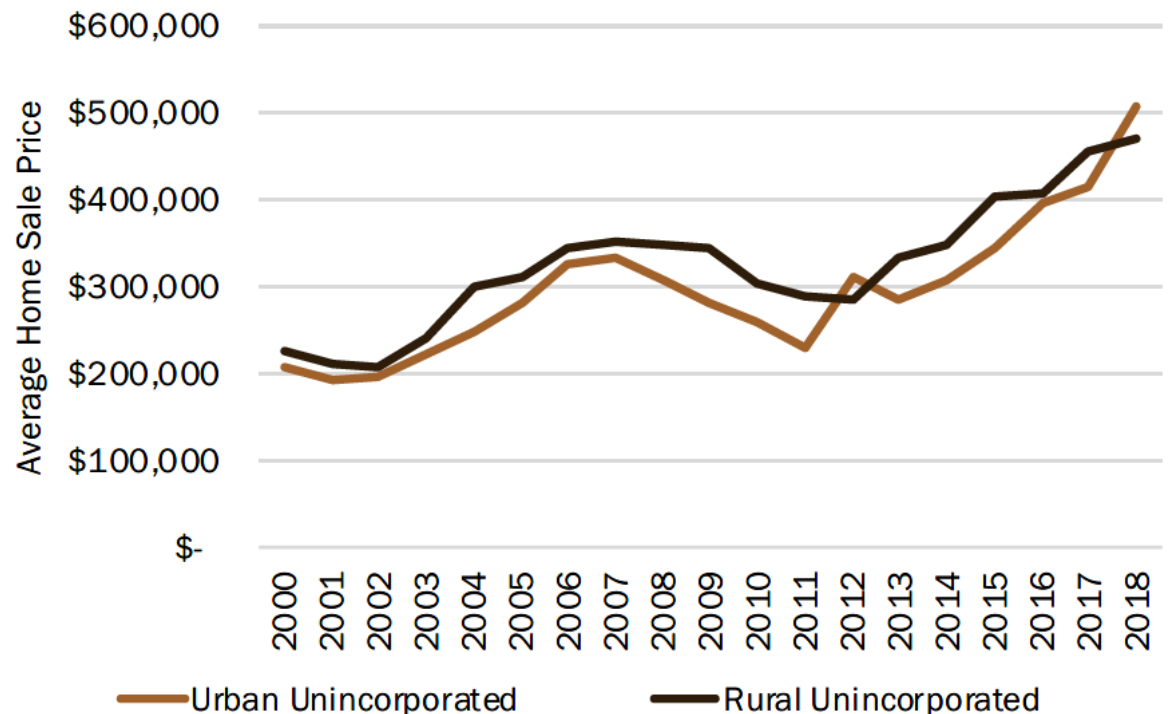
ISSUE:

Affordable:

- 34% of households are cost burdened and spend more than 30% of their income on housing.

Exhibit 46. Average Sales Price, Urban and Rural Unincorporated Clackamas County, 2000 - 2018

Source: RLIS.

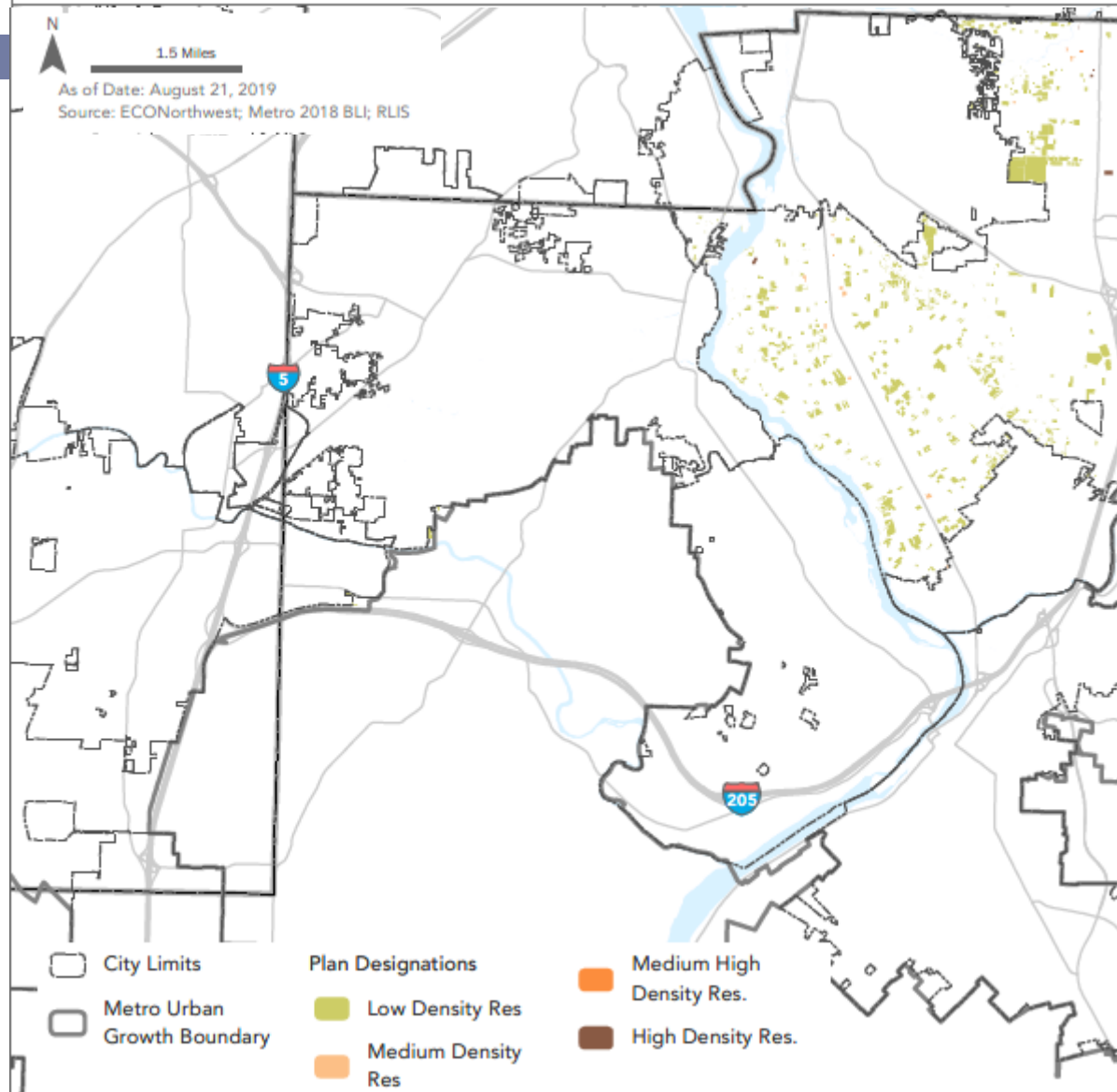


ISSUE:

Access:

- Close to transit, employment centers, commercial centers and services
- Available
- Affordable

URBAN UNINCORPORATED HNA BUILDABLE LAND INVENTORY Unconstrained Vacant and Partially Vacant Land (West)



ISSUE:

Available:

- There is a deficit in buildable residential land

Exhibit 84. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Urban Unincorporated Clackamas County, 2019 to 2039

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Plan Designation	Capacity (Dwelling Units)	Demand (Dwelling Units)	Comparison (Capacity minus Demand)	Land Deficit Gross Acres
Low Density	2,747	2,902	(155)	(35)
Medium Density	88	1,430	(1,342)	(124)
Medium-High Density	208	1,471	(1,263)	(78)
High Density	135	2,372	(2,237)	(86)
Total	3,178	8,175	(4,997)	(323)

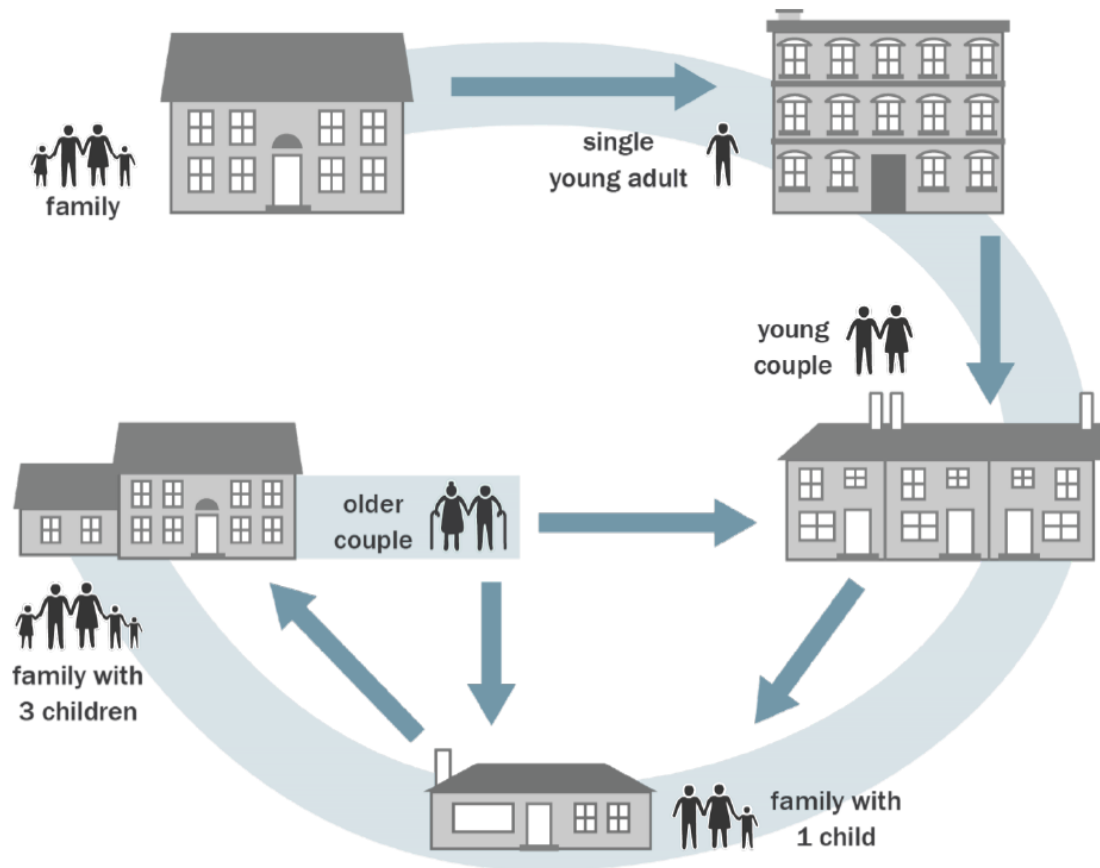
ISSUE:

Diverse:

- There is a need for a variety of housing types

Exhibit 29. Effect of demographic changes on housing need

Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



HOUSING STRATEGIES

Strategies Identified Through:

1. State Mandates
 - HB 2001 (2019)
 - SB 1051 (2017)
2. Housing Affordability and Homelessness Task Force Recommendations
3. 2019-2021 Long-Range Planning Work Program

HOUSING STRATEGIES

Strategies Designed to:

1. Address needs identified in the Housing Needs Assessment
 - ❖ Increase places for new housing units
 - ❖ Increase diversity of new housing units
2. Address recommendations from the Housing Affordability and Homelessness Task Force including:
 - ❖ Improve access to housing
 - ❖ Improve housing stability
 - ❖ Limit potential for displacement
3. Meet legislative mandates

HOUSING STRATEGIES

Table 1: DTD Housing Strategies for Initial Review

Items listed with an R are required by state legislation, while items listed with an O are optional.

R-1	Modify the zoning code to have clear and objective criteria for housing
R-2	Allow duplexes, triplexes, quadplexes, cluster cottages and townhouses in urban single-family zones
O-1	Identify appropriate areas and processes to allow shelter off the streets
O-2	Review potential to add housing to schools, places of worship and church-owned property
O-3	Consider permanent regulations to allow transitional shelter communities
O-4	(a) Consider providing a tiered density bonus for inclusion of affordable housing, and (b) Create a transferrable development rights bonus system
O-5	Consider increasing or removing maximum density requirements for multifamily developments in commercial zoning districts
O-6	Consider creating a hierarchy of minimum parking standards based on proximity to transit and/or dwelling unit affordability
O-7	Consider rezoning land to preserve manufactured dwelling parks
O-8	Explore opportunities for permitting additional housing types, such as micro-units, co-housing, live/work units, and mixed use development
O-9	Clarify Comprehensive Plan policies for rezoning in low density residential districts to protect neighborhood character (H-1C)
O-10	Restrict Temporary Dwellings for Care

Housing Continuum



HOUSELESS

SHELTER

**RAPID RE-HOUSING /
RECOVERY HOUSING**

**PERMANENT
SUPPORTIVE HOUSING**

**AFFORDABLE RENTAL
HOUSING & HOME
OWNERSHIP**

**MARKET RATE RENTAL
HOUSING & HOME
OWNERSHIP**

H3S Involved with Associated Programs

O-1

O-3

O-4, O-6

R-1, R-2, O-2, O-7, O-8, O-9

Strategy

PRELIMINARY ANALYSIS

Considered:

- **Regulatory Framework**
- **Available resources including staff time and budget**
- **Needs identified in the Housing Needs Assessment**
 - Does the strategy increase places for new housing units?
- **Equity including:**
 - Does the strategy improve access to housing?
 - Does the strategy improve housing stability?
 - Does the strategy limit potential for displacement?
- **Legislative mandates**

MANDATES

R1. Modify policies and code to have clear and objective criteria. SB 1051 (2017)

R2. Make duplexes, triplexes, cluster cottages and quadplexes outright use in urban single-family zones. HB 2001 (2019)

LOCATION

Downtown Salem

ADDRESS

1365 Chemeketa St. NE
Salem, OR

LOT SIZE / DENSITY

4,350 sf / 30 per acre

DWELLING SIZE

750 - 1,250 sf

RENT VS. OWN

Owned and rented



31.

Triplex converted from a single dwelling home built in 1900. The three units consist of a main two-story unit, a one-bed/one-bath attic unit as well as a lower level unit. The two upper units share entrances off the front porch and the basement unit has a separate entrance along the side.



29.

Built in 2016, the development consists of two buildings, one duplex, and one triplex on a single tax lot. Parking is attached and accessed by an alley in the back.

LOCATION

Lair Hill
Neighborhood

ADDRESS

3312 SW 1st Avenue
Portland, OR

LOT SIZE / DENSITY

10,000 sf / 22 per acre

DWELLING SIZE

1,872 sf

RENT VS. OWN

Typically owned

OPTIONAL STRATEGY O1



O1. Identify appropriate areas and processes to allow shelter off the streets

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ Conditional Use (CU) procedure available for campgrounds and government uses▪ Emergency declaration used for temporary shelters	<ul style="list-style-type: none">▪ Discretionary land use approval process not well-suited to serve this immediate need▪ Access to housing and stability would be moderately increased through coordination with H3S programs▪ Displacement has already occurred	<ul style="list-style-type: none">▪ Short-term: Rely on current procedures to provide more temporary types of shelters▪ Long-term: Focus efforts on regulations related to shelter off the streets in more permanent structures through strategy O-3

OPTIONAL STRATEGY O2



O2. Review potential to add housing to schools, places of worship and church-owned property

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ Housing can be added to schools and places of worship if underlying zoning code requirements/densities are met	<ul style="list-style-type: none">▪ Many school/church sites fully developed with parking, playgrounds, athletic fields, etc.▪ Unclear how much & what kinds of housing may be appropriate▪ Access to housing may be moderately increased▪ Displacement and stability impacts are unknown	<ul style="list-style-type: none">▪ More time needed to engage agency/community partners to understand objectives & scope work▪ Evaluate in Phase III of the DTD Housing Strategies project

OPTIONAL STRATEGY O3



O3. Consider permanent regulations to allow transitional shelter communities

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ Conditional Use procedure available for government uses▪ Temporary rules allowing for shelter on government-owned, industrial lands expired 8/2019 (“Ver’s Village”)▪ Market pressures in MF zones discourage this type of use	<ul style="list-style-type: none">▪ Would address the needs of some of the lowest-income HHs (a Board priority) for a reasonably low amount of staff effort because of existing ordinance language▪ Access to housing and stability would be increased substantially with structures and access to H3S programs▪ Displacement has already occurred.	<ul style="list-style-type: none">▪ Include in Phase I of the DTD Housing Strategies project

OPTIONAL STRATEGY O4 (a)



O4(a) Provide a tiered density bonus for inclusion of affordable housing

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ A 5-8% increase in base density available for one dwelling unit per affordable dwelling unit	<ul style="list-style-type: none">▪ Rarely (if ever) used▪ Recommended by Task Force – structure density bonus to create a more feasible financial incentive▪ Could provide moderate amount of new housing units▪ Would improve access to housing, if used	<ul style="list-style-type: none">▪ Immediate need for more affordable housing▪ Analysis and amendments could be addressed on a relatively fast timeframe▪ Include in Phase I of the DTD Housing Strategies project

OPTIONAL STRATEGY O4 (b)



O4(b) Create a transferrable development rights (TDR) bonus system

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">ZDO does not have TDR system	<ul style="list-style-type: none">Need for this will be informed by other amendments made in Housing Strategies projectUnknown potential impact to housing access, availability or affordability	<ul style="list-style-type: none">Premature to study prior to outcome of other proposed changes to ZDOEvaluate need and feasibility in Phase III of the DTD Housing Strategies project

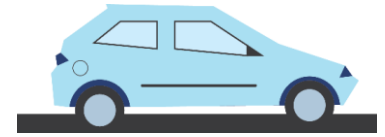
OPTIONAL STRATEGY O5



O5. Consider increasing or removing maximum density requirements for multifamily developments in commercial zoning districts

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">MF housing development is allowed in most urban commercial zonesSome commercial zones (C-3; CC; OC; & RTL) zones limit density to 25 units per acre	<ul style="list-style-type: none">Limits to MF density inconsistent with allowed FAR if developed as commercial or mixed-use Could result in substantial increase to the number of new housing units and increased accessModerate improvement on stability and displacement depending on rental rates	<ul style="list-style-type: none">Opportunity to leverage existing grant funding to explore this option (Park Ave. & 82nd Corridor projects), then possibly apply county-wideInclude in Phase I of the DTD Housing Strategies Project

OPTIONAL STRATEGY O6



O6. Consider creating a hierarchy of minimum parking standards based on proximity to transit and/or dwelling unit affordability

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ ZDO has one parking standard -# spaces per dwelling unit (DU) - for all single-family and MF units, regardless of location and affordability level▪ Ranges from 1 per DU for detached SF to sliding scale of 1.25 to 1.75 per DU for MF units	<ul style="list-style-type: none">▪ Ratio results in need for more expensive structured parking on some sites▪ Could result a substantial number of new housing units and improved access▪ Moderate impact on stability and displacement	<ul style="list-style-type: none">▪ Opportunity to leverage existing grant funding to explore option (Park Ave. & 82nd Corridor projects), then possibly apply county-wide▪ Include in Phase I of the DTD Housing Strategies Project

OPTIONAL STRATEGY O7



O7. Consider rezoning land to preserve manufactured dwelling parks

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ ZDO and state law require fee paid to each tenant park closes to be redeveloped▪ Manuf. dwelling parks are valuable source of naturally-occurring affordable housing	<ul style="list-style-type: none">▪ Important consideration but may lack high urgency – staff only aware of 2 park closures since fee began▪ Limited increase to the number of housing units and housing access▪ Substantial increase in stability and limits displacement	<ul style="list-style-type: none">▪ Will take time to engage public, park owners and study other city’s experiences▪ Consider in Phase III of the DTD Housing Strategies Project

OPTIONAL STRATEGY O8



O8. Explore opportunities for permitting additional housing types, such as micro-units, co-housing, live/work units, and mixed use development

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ To understand how these and other less-conventional housing types are (or are not) addressed in ZDO, first need to develop clear definitions	<ul style="list-style-type: none">▪ Considerations will need to be given for higher density in residential area and/or new housing types on commercial areas▪ May create limited number of places for new housing units▪ Could moderately improve access to housing	<ul style="list-style-type: none">▪ More time needed to engage agency/community partners to understand objectives & scope work▪ Include in Phase III of the DTD Housing Strategies project

OPTIONAL STRATEGY O9



O9. Clarify Comprehensive Plan policies for rezoning in low density residential districts

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">Chapters 4 & 6 of the Comprehensive Plan include policies related to zoning in low density residential districtsRequest from community to clarify policies and potentially restrict zone changes in urban low-density residential areas	<ul style="list-style-type: none">Recent land-use appeals have made it apparent that the current policies need more clarity – also ties into “clear and objective” standards (R1)Little to no increase on places for new housing unitsLimited impact on improving access or stability and limited affect on displacement	<ul style="list-style-type: none">Include in Phase II and complete in conjunction with Strategies R1 and R2

OPTIONAL STRATEGY 10



O10. Restrict Temporary Dwellings for Care

Current Status	Preliminary Assessment	Recommendation
<ul style="list-style-type: none">▪ ZDO allows in all zoning districts with a land use application, which is not transferable▪ ZDO requires temp. dwelling be removed when no longer needed or if the property is conveyed to another party▪ Request from community to consider limiting who/which properties could qualify for this use	<ul style="list-style-type: none">▪ Restricting who can apply for this permit counter to goals in Comp. Plan and goals of Housing Strategies project▪ Reduced number of housing units▪ Reduced access to and stability of housing▪ Increased potential for displacement of elderly and disabled residents	<ul style="list-style-type: none">▪ Do not include in the Housing Strategies project

RECOMMENDATION

Recommended Order of Review for DTD Housing Strategies		
Phase I	O-3	Consider permanent regulations to allow transitional shelter communities
	O-4(a)	Consider providing a tiered density bonus for inclusion of affordable housing
	O-5	Consider increasing or removing maximum density requirements for multifamily developments in commercial zoning districts
	O-6	Consider creating a hierarchy of minimum parking standards based on proximity to transit and/or dwelling unit affordability
Phase II	R-1	Modify the ZDO to have clear and objective criteria for housing
	O-9	Clarify Comprehensive Plan policies for rezoning in low density residential districts
	R-2	Allow duplexes, triplexes, quadplexes, cluster cottages and townhouses in urban single-family zones

RECOMMENDATION

Phase III	O-2	Review potential to add housing to schools, places of worship and church-owned property
	O-4(b)	Create a transferrable development rights bonus system
	O-7	Consider rezoning land to preserve manufactured dwelling parks
	O-8	Explore opportunities for permitting additional housing types, such as micro-units, co-housing, live/work units, and mixed-use development
Do not include	O-1	Identify appropriate areas and processes to allow shelter off the streets
	O-10	Restrict Temporary Dwellings for Care

RECOMMENDATION

Work Plan Approach:

1. Lead with an equity lens
2. Update Comprehensive Plan
3. Leverage existing projects
4. Extend project timeline into 2021

	Winter/Spring 2020	Summer/Fall 2020	Winter /Spring 2021	Summer/Fall 2021
Public Engagement				
Phase I – DTD Strategy review and recommendation				
Phase II – DTD Strategy review and recommendation				
Phase III – Reassess approach for Phase III DTD Strategies				

QUESTIONS:

1. Does the staff recommendation presented in Issue Paper #2020-1 include the correct strategies, in the correct order, to move the project forward?
2. What methods of engagement should be used during the course of the project?
3. What other items should be considered while the project is underway?

THANK YOU

