

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: Dec.10, 2019 **Approx. Start Time:** 2 pm **Approx. Length:** 30 minutes

Presentation Title: Update on DTD Housing Strategies Project

Department: Transportation & Development

Presenters: Jennifer Hughes, Planning Director; Karen Buehrig, Long Range Planning Manager; Martha Fritzie, Senior Planner

Other Invitees: Dan Johnson, Director of DTD; Cheryl Bell, Assistant Director of Development DTD; Joy Fields, Senior Planner Long-Range Planning, DTD

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

None. This policy session is to provide the BCC members an update on the DTD Housing Strategies project which is included in the current Long Range Planning Work Program.

EXECUTIVE SUMMARY

In May of 2019, the BCC authorized the 2019-2021 Long Range Planning Work Program (Attachment A). Included on this work program is Project H-1: update of the Housing Chapter of the Comprehensive Plan, which will include the consideration of four projects listed as H-1A through H-1D. Following the work program, the project is scheduled to kick-off in January 2020 with the presentation of an "Issue Paper" to the Planning Commission and the BCC. In January, the BCC will provide direction on the scope of the overall project, details on timing and public engagement.

Background.

There have been several projects underway over the past year which highlight the need to increase the amount of housing available across the full spectrum of the housing continuum, but especially for households at the middle to lower income levels.

The County Administration Office has been managing the Housing Affordability and Homelessness Task Force, as well as the C4-directed Housing Needs Analysis (HNA). Both the Task Force and the HNA included findings and recommendations that would be implemented by work groups in both Health, Housing and Human Services (H3S) and DTD. Within DTD, the Long Range Planning team has started to analyze the items related to planning and zoning, and this analysis will form the basis for the Issues Paper that is currently being drafted and will be presented to the BCC in January.

Attachment B is a table of the housing continuum with various potential actions, including both "housing programs" and "topics considered for inclusion in the DTD Housing Strategies project". The H3S work is included in the spreadsheet because that department is central to:

- Providing services and housing programs that support people with lower incomes and other barriers to housing.
- They are charged with managing the Metro Housing Bond funds to support the creation of new units affordable to people with low and very- low incomes.
- H3S partners with other organizations to provide services for the houseless population, as well as managing the Affordable Housing and Services Fund that provides funds for development or preservation of housing, safety off the streets, resident services and houseless services.

- The Housing Authority, a division of H3S, owns public housing units in Clackamas County and manages housing vouchers for residents of the county.

These programs and the income levels that most benefit from them, are indicated in orange on Attachment B.

The starting place for DTD’s Housing Strategies project is to incorporate the requirements of Senate Bill 1051 (2017) and House Bill 2001 (2019), as well as the recommendations from the Housing Affordability and Homelessness Task Force, the HNA and items that were brought up during the Long Range Planning Work Program development. In Attachment B, these items and the income levels that most benefit from those are indicated in blue. The forthcoming Issue Paper will discuss these items in more detail and contain recommendations for timing/phasing of each item, with the understanding that it is not likely that every item on this list can be considered within the timeframe of the Work Program (2019-2021).

In the meantime, staff has been and will continue to work on other projects that provide important opportunities for increasing the housing supply

- In late 2018, the BCC adopted revised standards for accessory dwelling units (ADUs), expanding opportunities for ADUs; increasing the maximum allowed size of ADUs; and permitting a new type of use in specific areas - accessory historic dwellings. These changes were intended to remove restrictions that may have stymied ADU development.
- Long Range Planning staff continues to work with the community around the Park Avenue light rail station to look for opportunities that support a more walkable environment. This may include looking at changes to the development and design standards to allow for an increased number of dwelling units in the commercial areas.
- Current planning staff have been working with affordable housing developers to implement the creation of new affordable units near the Fuller Road light rail station.

In September 2019, the Planning Commission and BCC met to hear a brief overview of key findings and outcomes of recent projects related to housing issues. They then discussed the outcomes of the Housing Affordability and Homelessness Task Force recommendations related to Planning and Zoning, the Housing Needs Analysis, as well as other housing recommendations that were important to them. Notes from the BCC/PC discussions are included in Attachment C.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? N/A

What is the cost? N/A

What is the funding source? N/A

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
 - Provides land use development, analysis, coordination and public engagement services to residents; businesses; local, regional and state partners, and County decision-makers so they can plan and invest based on a coordinated set of goals and policies that guide future development.
- How does this item align with the County’s Performance Clackamas goals?
 - Ensure safe, healthy, and secure communities

LEGAL/POLICY REQUIREMENTS:

The legal and policy requirements of the DTD Housing Strategies project will be addressed in greater detail in the Issues Paper currently under development.

PUBLIC/GOVERNMENTAL PARTICIPATION

None to date

OPTIONS

1. None – information only

RECOMMENDATION

1. None – Information only

ATTACHMENTS

A: 2019-2021 Long Range Planning Work Program

B: Housing Continuum with Various Potential Actions

C: Notes from the BCC/PC September 23rd Joint Work Session

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Karen Buehrig @ 503-742-4683.
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Clackamas County Long-Range Planning Work Program for 2019-2021
Effective July 1, 2019 – June 30, 2021

The Long-Range Planning Work Program is a multi-year plan of major projects to be implemented over two years, structured around the need to update the Comprehensive Plan.

The work program projects, listed by Comprehensive Plan chapter, were chosen after seeking suggestions from the public, county departments and other jurisdictions. The Board of Commissioners approved the plan based upon:

- A. Board of County Commissioners and Planning Commission priorities
- B. Alignment with the County's *Performance Clackamas* strategic plan and goals: 1) Grow a vibrant economy; 2) Build a strong infrastructure; 3) Ensure safe, healthy and secure communities; 4) Honor, utilize, promote and invest in our natural resources, and 5) Build public trust through good government.
- C. Availability of staffing and funding for consultants

A description of each project is on page 2, after the table. The shaded boxes show the planned timeframe for the project; the pencil icon means an issue paper will be written before any action is taken.

COMPREHENSIVE PLAN CHAPTER	PROJECT	FY 2019-2020				FY 2020-2021				FY 21-22	FY 22-23	FY 23-24
		July-Sept 2019	Oct-Dec 2019	Jan-Mar 2020	April-June 2020	July-Sept 2020	Oct-Dec 2020	Jan-Mar 2021	April-June 2021	July 2021-June 2022	July 2022-June 2023	July 2023-June 2024
Housing	H-1: Update Comprehensive Plan Chapter 6: Housing , taking into consideration the following topics:			✎								
	• H-1A Low-Density Residential Zoning Policies			✎								
	• H-1B: Housing Strategies			✎								
	• H-1C: Protect Neighborhood Character and R-10 Zoning			✎								
	• H-1D: Temporary Dwellings for Care			✎								
	H-2: Short-term Rentals in Residential Areas											
Transportation	T-1: Damascus Area Transportation Needs											
	T-2: Arndt Road Goal Exception											
	T-3: Stafford Area Preliminary Infrastructure Assessment											
	T-4: Rhododendron Sidewalks											
	T-5: Barton Park Complex Master Plan											
	T-6: Oak Grove-Lake Oswego Pedestrian/Bicycle Bridge Feasibility Study											
	T-7: Transit Development Plan											
	T-8: Transportation Futures Study											
	T-9: Fee In Lieu of (FILO) Sidewalks Review											
Economics	E-1: Update Comprehensive Plan Chapter 8, Economics								✎			
	E-2: Park Ave Development and Design Standards											
Natural Resources and Energy	NR-1: Update Comprehensive Plan Chapter 3, Natural Resources									✎		
Other	O-1: Minor and Time-Sensitive ZDO Amendments											
	O-2: Completion of ZDO Audit											

*T-3, *Stafford Area Preliminary Infrastructure Assessment*, has been removed from the list because funds that Metro had on hold for this project are no longer available.

KEY	
Comp Plan	The Clackamas County Comprehensive Plan is made up of policies, implementing strategies and standards that guide general land use and transportation in the county. See the Comprehensive Plan online at www.clackamas.us/planning/comprehensive .
✎	Issue papers will be prepared to provide details on implementation issues such as costs, direct and indirect effects, community response, and consistency with local and regional standards. Projects are grouped with the related Comprehensive Plan chapter and will be evaluated as a part of the issue paper. This will provide the Planning Commission and Board of Commissioners more information about the project before deciding whether to move forward.
ZDO	Clackamas County Zoning & Development Ordinance – the requirements and standards that are applied to determining land use in the county. See the ZDO online at www.clackamas.us/planning/zdo .



Clackamas County Long-Range Planning Work Program for 2019-2021

Effective July 1, 2019 – June 30, 2021

HOUSING: H-1. Update Comprehensive Plan Chapter 6: Housing, including, but not limited to, considering the following topics:

- **H-1A: Low-Density Residential Zoning Policies** – Based on the housing needs analysis, amend policies to apply different low-density residential zones (R-2.5 -- R-30).
- **H-1B: Housing Strategies**
 - Amend Comprehensive Plan and ZDO to address results of the housing needs analysis, implement recommendations expected from the Housing Affordability and Homelessness Task Force, and respond to Senate Bill 1051 (2017) and any housing legislation passed by the 2019 Oregon Legislature.
 - Consider restricting manufactured dwelling parks from being redeveloped with a different use.
 - Address the need to amend the ZDO to extend the transitional shelter community regulations, which will otherwise sunset August 28, 2019.
- **H-1C: Protect Neighborhood Character and R-10 Zoning**
 - Modify the ZDO to better protect neighborhoods from up-zoning and incompatible development.
 - Amend the ZDO to implement the Comprehensive Plan goal of protecting the character of low-density neighborhoods and require that development be compatible with the identified neighborhood character.
 - Adopt a local overlay area that freezes R-10 zoning and has higher standards for zoning approvals, or a limitation on the amount of development or infill allowed in the overlay area.
- **H-1D: Temporary Dwellings for Care** – Allow temporary dwellings for care only for property owners or heritage landowners. Require removal of temporary dwellings for care prior to title change or sale.

H-2: Short-term rentals in residential areas – Allow short-term rentals (e.g., Airbnb, VRBO, etc.) in dwellings.

TRANSPORTATION

T-1: Damascus Area Transportation Needs – Review current plans for transportation projects on county roads in the unincorporated area formerly in the city of Damascus and outside Happy Valley’s planning jurisdiction, and identify or develop needed projects to include in the county’s Transportation System Plan (TSP)

T-2: Arndt Road Goal Exception – Explore alignment options and undertake, as necessary, development of a Statewide Planning Goal exception to support the crossing of the Molalla River in relation to the Board of Commissioners’ goal to provide access from I-5 to the city of Canby.

~~**T-3: Stafford Area Preliminary Infrastructure Feasibility Assessment** – This project has been removed from the list because funds that Metro had on hold for this project are no longer available. Work with adjacent cities and the Stafford community to study potential demands various levels of urban growth would have on infrastructure in the Stafford area, and how those demands would impact neighboring cities.~~

T-4: Rhododendron Sidewalks & Pedestrian Crossings – Seek funds to address Oregon Department of Transportation design concerns in *Mt. Hood Villages Pedestrian & Bicycle Implementation Plan*, Appendix 3, for sidewalk / pedestrian capital projects.

T-5: Barton Park Complex Master Plan – Develop a master plan to ensure coordination and best use of facilities and amenities to meet the long-term needs of users.

T-6: Oak Grove – Lake Oswego Pedestrian/Bicycle Bridge Feasibility Study – Work with regional, state and federal partners to determine scope and special studies needed, and to identify appropriate project roles and contributions.

T-7: Transit Development Plan – Seek funding to develop strategies, actions and tools to make transit more usable in the county.

T-8: Transportation Futures Study – Develop long-term plan to identify top priority transportation improvements needed on state, regional and local systems in Clackamas County over the next 50 years. Forecast major population, economic, environmental and technology changes to inform what investments or actions are required to meet those needs.

T-9: Fee In Lieu of (FILO) Sidewalks Review – Amend fee-in-lieu-of-improvement provisions in ZDO 1007.

ECONOMICS: E-1: Update Comprehensive Plan Chapter 8, Economics

E-2: Park Ave Development and Design Standards – Develop and implement public outreach on commercial design and development standards, assess the livability of adjacent residential neighborhoods, and draft proposed design and development standards to support community goals.

NATURAL RESOURCES: NR-1: Update Comprehensive Plan Chapter 3, Natural Resources

OTHER:

O-1 Minor and Time Sensitive ZDO Amendments will be presented for action to the Planning Commission and the Board of County Commissioners once a year, every year, as needed. Includes, but is not limited to, dog daycare/boarding, small-scale manufacturing (limited changes only) and increasing the distance for property owner notice of land use applications in rural areas.

O-2 Audit of Zoning and Development Ordinance – Continue and complete multi-year Zoning and Development Ordinance audit.

The Clackamas County Long-Range Planning Work Program is implemented by Land Use and Transportation Planning staff in the Department of Transportation & Development located in the Development Services Building, 150 Beaver Creek Road, Oregon City, OR 97045. More information is available on the County website at www.clackamas.us/planning or by calling the Planning & Land Use Division at 503-742-4500.

June 10, 2019

Housing Continuum and Various Potential Actions					
Clackamas County Data	Extremely Low (30% Area Median Income)	Very Low (50 % Area Median Income)	Low (80% Area Median Income)	Middle (100% Area Median Income)	High (120%+ Area Median Income)
Income ¹					
Current Percent of Households in Each Income Category ²	15%	13%	19%	20%	33%
Household Income (Family of 4) ¹	\$26,350.00	\$43,950	\$70,300.00	\$87,900	\$105,450
Single Individual Annual Income 2019 ¹	\$18,450.00	\$30,800	\$49,250		
Example Person ³	Adult on Disability Insurance	Preschool Teacher (\$30,970)	Postal Carrier (\$50,940)	Criminal Investigator (\$90,030)	Dentists (\$170,450)
Fair Market Rate for Housing in 2019 ⁴	\$1,441 for 2 bedrooms				
Affordable Housing Costs ⁵	\$600 per month	\$1,018 per month	\$1,625 per month	\$2,025 per month	\$2,450 per month
Home Sales Price that is affordable ⁵	less than \$123,000	\$123,000-\$144,000	\$228,000-\$260,000	\$284,000-\$324,000	\$343,000-\$392,000
Housing Needs					
Deficit of Units within Each Income Category for the Unincorporated Urban Area in 2018 ⁶	3,851	826	0	0	1,984
Metro Housing Bond Goal for Clackamas County (812 total units) ⁷	333	398	81	0	0
Housing Programs Provided by H3S, Development Agency, or Private, Non-profit Partners					
Emergency Shelter					
Homeless Shelter					
Domestic Violence Housing / Shelter					
Transitional Housing (rest stops/ Shelter Pods/tiny homes)					
Rapid Re-housing					
Short-term Housing					
Housing with Support Services On-site					
Permanent Supportive Housing					
Public Housing					
Subsidies (rental assistance or vouchers)					
Housing Rehab/Urgent Repair programs					
1st Time Home Buyer					
Land Trust Housing					
Topics Considered for Inclusion in DTD Housing Strategies Project					
Required:					
Modify policies and code to have clear and objective criteria ⁸					
Make duplexes, triplexes, cluster cotages and quadplexes outright use in single family zones ⁹					
Optional:					
Identify appropriate areas and processes to allow "shelter off the streets" ¹⁰					
Review potential to add housing to schools, places of worship and church owned property ¹⁰					
Consider permanent regulations for transitional shelter communities ¹¹					
Provide a tiered density bonus for inclusion of affordable housing and create a transferrable development rights bonus system ¹⁰					
Increase maximum density for multi-family development in commercial zoning districts ¹⁰					
Create a hierarchy of parking standards based on proximity to transit and/or unit affordability ¹⁰					
Rezone land to preserve manufactured home parks ¹¹					
Explore opportunities for permitting additional housing types, such as mirco-units, co-housing, live/work units, and mixed use development ¹⁰					
Clarify Comp Plan policies for rezoning in low density residential districts to protect neighborhood character ¹¹					
Restrict Temporary Dwelling units for Care ¹¹					
Source of Data:			Source of Topics:		
¹ Housing and Urban Development (https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn)			⁸ SB 1051		
² Clackamas County Regional Housing Needs Analysis, 2019. Exhibit 64. p.72			⁹ HB 2001		
³ Bureau of Labor Statistics (https://www.bls.gov/regions/west/news-release/occupationalemploymentandwages_portlandor.htm)			¹⁰ Affordable Housing and Homelessness Policy Task Force Recommendation		
⁴ Housing and Urban Development (https://www.huduser.gov/portal/datasets/mtsp.html)			¹¹ Identified During the Development of the Long-Range Work Program		
⁵ Clackamas County Regional Housing Needs Analysis, 2019. Exhibit 62. p.70					
⁶ Clackamas County Regional Housing Needs Analysis, 2019. Exhibit 68. p.75					
⁷ HACC Local Implementation Strategy, 2019. p.4					

**Planning Commission / BCC Work Session on Housing Strategies
September 23, 2019
Meeting Notes**

Group 1 – (PC Gerald Murphy, Commissioner Fischer, PC Tammy Stevens)

Homelessness –

- Mental stress
- Need to build self-esteem to allow homeless individuals to come out of the situation
- Central Location can compound self-esteem issues

Density bonuses –

- Zoning is based on the capacity of land and the available services (water/sewer and transportation)
- Can density bonuses be done responsibly?

Short-term rentals – issue for affordability, vacation homes

- Permit – Ensure transient tax is collected and short-term rental Insurance obtained. Insurance company could inspect to ensure building code is enforced.
- Long-term rentals – Bonus to keep them long-term?

Increase Density in Commercial Zoning Districts

- Isn't there a lack of Industrial and Commercially zoned land?
- Transportation is an issue for this land use (and all land use)
- Shift in system as autonomous vehicles become prevalent will reduce parking needs and may open up more inventory for development on previous parking lots. Autonomous vehicles could be shared and used 24/7.

Cottage Idea

- Older solution that is still relevant today
- 4 structures per acre maximum
- As baby boomers retire there is a need for housing that is affordable and easy to get around

Hierarchy of parking standards in relation to proximity to transit

- Makes sense
- Parking standards – one space per unit with the ability to rent other parking spaces – how do you plan for renting parking spaces? unknown
- Autonomous vehicles comes into play again.

ATTACHMENT C

- Beavercreek concept plan – was reliant on transit due to reduced parking but there was no commitment from transit. Employment, transportation and water are all issues.
- SMART in Wilsonville and CAT in Canby provide the last mile of transportation between housing developments/employment centers and transit.

Shelter off Streets Housing – Quick needed now!

- Smaller units to keep self-esteem up
- Not just a Government response – Loaves and Fishes Video that highlights the Community First Village in Austin Texas.
- Three step process – Rules and regulations to allow such a community, planning to establish community and subsidies/private investment.
- Surplus Lands will need to be looked at to determine if sites exist/are available today.
- The radio towers at 205/Sunnybrook take up a lot of land and that is an ideal location
- Tent, tiny homes, pod villages, Eugene example of “Rest Stops” – all seem relevant but may be dependent on the site.
- Get Community involvement and advocate for food trucks, mobile showers and other mobile services
- Housing First
- Wrap around services at sites
- Support mental health
- Provide secure place for belongings.

Allow ADU’s everywhere – concern about the repealing owner occupancy requirement in light of the short-term rental issue.

GROUP 2 – (Chair Bernard, PC Brian Pasko, PC Louise Lopes)

HB 2001

- Concern about unintended consequences of HB 2001 on rural areas. More people will move to rural area for SFR
- How do you create the conditions for the private investment (duplexes/adu’s etc) to occur
- There is support for the ability to build a duplex in SFR

- What is the strategy for middle income homes? Do we need to help developers?

Homelessness

- Support for identifying what can be done first, with greatest impact to address homelessness
- What is the greatest need? Women and children? What type of housing do they need
- How do we identify potential unintended consequences?
- Cited successful example of NW Alternative project in Milwaukie
- Actions by some jurisdictions displacing the problem to other areas (Springwater Corridor example)
- Shelter off the Streets – concern about availability of volunteers
- Look at surplus properties / community villages

Affordable / Subsidized Housing

- PEDCOR costs. 50 years of taxes. There must be an alternative to that

Workforce housing

- In rural area, replacement dwellings could be used as rentals, but how much of the problem does it solve?
- What about existing apartments that are available – what are the vacancy rates?
- Cottage homes?
- What is the City of Portland experience with ADU and tiny homes
- Tiny homes vs Pods, like at the veterans village
- Solutions should be in proximity to the need. Where in the County is the greatest need?

There is support for looking at all of the different recommendations and having a better understanding of the potential impacts. Do we know where there are hotspot locations? What can we do without making unnecessary ripple effects? We need to focus on where we can see the greatest impacts. Also, all jurisdictions should be doing their part. What are the policies that need to be put in place to see change?

GROUP 3 – (Commissioner Humberston, PC Mary Phillips, PC Christine Drazan, PC Michael Wilson, PC Steve Schroedl)

- Consider removing the element of the long range planning work program that focuses on “preserving neighborhood character” because it is not the best use of staff time. The counterargument is that it may be an appropriate goal when implementing the requirements of House Bill 2001 and can be built into the formulation of the siting standards.
 - Look at a Construction Excise Tax as a source of funding to subsidize building permit fees and system development charges for affordable housing.
 - For Shelter off the Streets, a campground is the cheapest option due to low infrastructure cost, but a site must be identified.
 - Education on the ADU option is important. In fact, education is key for all of the options to address the housing crisis.
 - Is density always the answer to affordability? Not always, but a density bonus can make the pro forma work for affordable housing developments, particularly if coupled with parking reductions that reduce development cost.
 - Mixed neighborhoods are best: affordable and market-rate dwellings, residential and business uses.
 - Re-evaluate the housing work plan and Task Force recommendations in light of House Bill 2001.
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Larger Group Discussion

- Consider allowing the unsheltered to car camp in county parks in the off-season.
- Find the land for transitional housing/shelter off the streets, and then bring the transportation to the site if necessary.