



Land Use Housing Strategies Project: Phase I

Housing Strategy O-5: Maximum Density Requirements

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

Clackamas County, like many other regions in the United States, is in the midst of a housing crisis; housing in the county is rapidly becoming less affordable and the amount of land available for housing development is decreasing. To address this crisis and try to meet the range of housing needs in the county, the county needs to deploy several strategies through:

1. Implementation of programs administered by the Department of Health, Housing & Human Services (H3S) and non-profit organizations; and
2. Changes to the land use regulations implemented by the Department of Transportation and Development (DTD) through the Planning & Zoning Division.

The Planning & Zoning Division compiled information and data for a three-phased plan to ensure that the county's Comprehensive Plan and Zoning & Development Ordinance (ZDO) will help facilitate development of more housing and a more affordable variety of housing ([Issues Paper #2020-1](#)). Phase 1 contains four strategies. This paper investigates one of those strategies: **maximum density requirements**.

Current Status

In the ZDO, most commercial zones have no height limitations, no maximum floor area ratios and no maximum density for commercial developments, but they do have restrictions for multifamily housing developments because of maximum residential densities (dwelling units per acre). ZDO Sections [1012](#), [315](#) and [510](#) regulate multifamily development and density in commercial zoning districts, as follows:

- Maximum of 25 units/acre (same as high-density residential [HDR]): commercial districts most commonly found in urban areas, particularly along major transportation corridors (retail commercial [RTL], corridor commercial [CC], general commercial [C-3] and office commercial [OC]);
- No maximum; 30 units/net acre minimum (same as regional center high-density residential [RCHDR]): commercial districts only in the Clackamas Regional Center (regional center commercial [RCC] and regional center office [RCO]);
- Maximum of 18 units/acre (same as medium high-density residential [MR-2]): office-apartment (OA) only along SE Sunnyside Rd
- No multifamily development allowed: other urban commercial districts, often found in or near neighborhoods (neighborhood commercial [NC] and community commercial [C-2]).

Therefore, while the intensity of use and traffic impacts, as well as size and scale of buildings may be the same for commercial or residential use, only the residential use has density limitations in the current regulatory framework.

The Need

- Continued increases in housing costs and changing demographics are projected to increase demand for denser housing (e.g., multifamily or smaller single-family housing) that tends to be more affordable than larger housing types (Figure 1)ⁱ.

Research suggests that Millennials' housing preferences may be similar to the Baby Boomers', which includes smaller, less costly units in walkable neighborhoods. Baby Boomers, people born between 1946 and 1964, and Millennials, people born between 1980 and 2000, are projected to make up more than half of the Clackamas County population in 2040ⁱⁱ

- High-density residential land is in short supply.** A comparison of projected demand with the existing supply of buildable residential land in urban unincorporated areas found that the greatest deficit is for high-density/multifamily dwelling units. With little residential land available, developers will have to increasingly look to other areas that allow multi-family development, which are primarily commercial areas. Recent inquiries from developers in Clackamas County, including from the Housing Authority, indicate this has already begun to occur (Figure 2)ⁱⁱⁱ.

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.

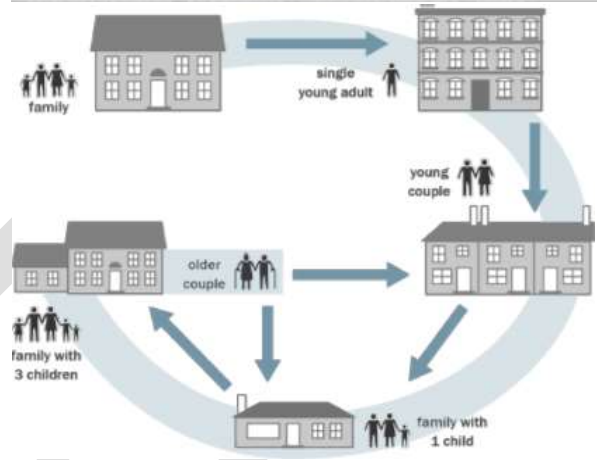


Figure 1: Exhibit 29, Clackamas County Regional Housing Needs Analysis. 2019.

Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Urban Unincorporated Clackamas County, 2019 to 2030

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)

Figure 2: Exhibit 84, Clackamas County Regional Housing Needs Analysis. 2019

- Commercially zoned land usually has access to all the urban infrastructure that is important for serving multifamily developments, including direct access to an array of transportation options, including transit. It is also where shopping and services are located, which lends itself to increased walkability^{iv}.
- Based on development in zoning districts with no density maximum in the county and on conversations with several developers of multi-family housing, and particularly affordable units, in order to make a multi-family development most likely to be built and financially feasible, the development needs to be built at upwards of 40 to 60 units per acre.

Meeting the Need

Ensuring that Clackamas County regulations are responsive to the needs of the market will ensure that needed multifamily units can continue to be built in the unincorporated urban area, where there is a deficit of buildable residential land.

- Increased multifamily density allowances may increase the feasibility, or even incentivize, the development of both market-rate and affordable multifamily housing.
- Allowing for increased residential capacity on commercially-zoned land would increase opportunities to create mixed-use commercial corridors that could lead to vibrant, walkable, 24-hour communities.

Below are options to consider and present for public feedback. As input is gathered, the draft code amendments will be developed and refined to reflect public and stakeholder concerns.

Consider and discuss draft code amendments that include:

1. No maximum residential density for commercially-zoned land, specifically the retail commercial [RTL], corridor commercial [CC], general commercial [C-3] and office commercial [OC] zones;
2. Allow a higher maximum residential density for all commercially-zoned land (where multifamily housing is currently allowed), such as 60 dwelling units per acre;
3. Allow a higher maximum density for multifamily development in commercial zones, but only in certain locations, such as:
 - a. Within a certain distance of a major transit station or stop, or
 - b. Within a certain distance of a public park, recreation area, or other defined amenity.
4. Consider allowing multi-family housing in neighborhood commercial [NC] and/or community commercial [C-2] zones.

ⁱ Clackamas County Housing Needs Analysis. 2019

<https://dochub.clackamas.us/documents/drupal/c1526329-f9c4-4281-af84-1c58d8a5e15f>

ⁱⁱ Clackamas County Housing Needs Analysis. 2019

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ⁱⁱⁱ Clackamas County Housing Needs Analysis. 2019

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^{iv} Clackamas County Comprehensive Plan Map 4-6: North Urban Area Land Use Plan:

<https://dochub.clackamas.us/documents/drupal/06247ae5-3a94-4514-a85a-520814da6d72>