

**PLANNING COMMISSION  
MINUTES**

January 27, 2020

6:30 p.m., DSB Auditorium

Commissioners present: Mary Phillips, Louise Lopes, Gerald Murphy, Thomas Peterson, Tammy Stevens, Michael Wilson

Commissioners absent: Brian Pasko, Steven Schroedl, Christine Drazan.

Staff present: Karen Buehrig, Joy Fields, Martha Fritzie.

Commission vice-chair Phillips called the meeting to order at 6:30 pm.

General public testimony not related to agenda items: none.

Tonight's meeting is a study session on ZDO-277: Housing Strategies.

Karen Buehrig stated that the information presented tonight is part of the Long Range Planning Work Program. The issue paper takes a very high-level overview of the input that we have received which may influence changes to our Comprehensive Plan (Comp Plan) and Zoning & Development Ordinance (ZDO) related to housing. Some of the things to consider are whether these are the correct strategies to consider and are they in the right order. What methods of community engagement should be used throughout the project, and what other items should be considered as we move through the Work Program?

Joy Fields discussed the housing issues paper. In 2019 there was a housing needs analysis done for Clackamas County that included certain incorporated areas as well as the unincorporated areas of Clackamas County. There is currently some capacity within the incorporated areas as well as in the unincorporated urban areas, but there remains a shortage of approximately 5,000 units. What we are specifically looking at is housing that is affordable, can be accessed, is available, and is diverse. Sales prices for homes in both urban unincorporated and rural unincorporated areas have skyrocketed in the last couple of years. This means that currently, 34% of households are spending more than 30% of their income just on housing. In the needs analysis there is a diagram that shows the great increase in the cost. In 2018, the needs analysis found that 47% made less than 80% of the median family income. To meet the definition of affordability in HB2001, housing needs to be less than \$1148 a month. There exists an accessibility issue in Clackamas County. This means that the housing is either not readily accessible to transit options, employment centers, services, or that it is simply not available within the price range that is considered affordable. A comparison of the existing residential land with the demand for new units shows that the County currently has a capacity for 88 new dwelling units in the medium density residential zones, 208 units in medium-high density, and 135 units in high density. This reflects a significant shortage of available land in these areas (-1342 in medium density, -1263 in medium-high density, and -2237 in high density).

Commissioner Peterson asked how this relates to the urban growth boundary (UGB). Martha Fritzie explained that there are a couple of things to keep in mind: the analysis only looked at land that was zoned residential, which means that there will be more pressure to develop multi-family housing in commercial zones which is currently allowed. The County is not under the same obligations as a city under Statewide Planning Goal 10. A city would logically begin looking at how to find the needed number of units, whether that be through expansion of the UGB, increased density, or infill. The County is part of the Metro UGB, which is administered by Metro. It has its own set of policies and processes to go through to request an

expansion of the UGB. Urbanization historically has fallen to the cities and not to the unincorporated county areas. There are also urban reserve areas that have recently been acknowledged. There are a few cities that are currently looking at expanding their own boundaries because of these issues, but it is not something that the County can directly affect at this time.

Commissioner Wilson mentioned homeless veterans, which is a group that he has spent time working with. A number of the people in this demographic don't want to take jobs that are available, so they opt for remaining unemployed and homeless.

Commissioner Murphy asked if these considerations included areas like Government Camp. Joy answered that those areas are considered in the analysis but are not represented in the graphic. Commissioner Wilson asked if we are meeting the current housing demand. Joy said that if you look at the homelessness statistics, then we are not meeting the needs. If you are talking about the number of units, then yes, we probably are. But if you consider the accessibility, affordability, and the other issues we are discussing here then we probably are not meeting the needs. Housing types need to be diverse as well. Throughout life stages, people have different housing needs. We need a diversity of housing options in order to accommodate the different needs. We will be looking at how to address this issue through possible changes to our Comp Plan and ZDO. Commissioner Murphy referred back to Commissioner Wilson's comment about homeless. Maybe the problem is that the housing that is available is not in an area that is feasible for them to live in. Commissioner Lopes stated that there is a large portion of the homeless population with mental health issues. Will there be some sort of tie in for that?

Commissioner Phillips said that the housing issues are really diverse, but what we are tasked with is finding what solutions can be addressed in the ZDO. Karen explained that there are different strategies that we can use to address the various income levels. There is some crossover with programs that can be utilized. The strategies that we are looking at tonight were drawn from various sources, including HB2001 and SB 1051. The Housing Affordability and Homelessness Task Force recommendations did include some strategies that involve land use. They identified the need to have housing in new places and to have an increased diversity of new housing units. The Task Force recommended improving access to housing, improving housing stability, and limiting the potential for displacement. All of these strategies must meet legislative mandates as well.

Specific strategies for initial review include two strategies that are required by state legislation to modify the zoning code to have clear and objective criteria for housing and to allow duplexes, triplexes, quadplexes, cluster cottages, and townhomes in urban single-family zones. Additional strategies that were optional for consideration are: identify appropriate areas and processes to allow shelter off of the streets; review potential to add housing to schools, places of worship, and church-owned property; consider permanent regulations to allow transitional shelter communities; consider providing a tiered density bonus for inclusion of affordable housing and create a transferrable development rights bonus system; consider increasing or removing maximum density requirements for multifamily developments in commercial zoning districts; consider creating a hierarchy of minimum parking standards based on proximity to transit and/or dwelling unit affordability; consider rezoning land to preserve manufactured dwelling parks; explore opportunities for permitting additional housing types (such as micro-units, co-housing, live/work units, and mixed use developments); clarify Comp Plan policies for rezoning in low density residential districts to protect neighborhood character; and restrict temporary dwellings for care.

When we were looking at the different potential strategies to include with this proposal, we had to consider a number of things. There are staff and budgetary limitations to what we are able to accomplish on this list

right away. We considered what our available resources are, what opportunities are for wrapping some of these in with other current projects, whether or not the strategy improves accessibility and affordability of the housing, and numerous other items. Martha explained each of the items for consideration in Appendix B. SB 1051 includes a mandate that housing be approvable with clear and objective standards. You can have an optional approval path with discretionary standards, but only if you also have a path to clear and objective standards. This would require a pretty significant amount of work to amend our Comp Plan and ZDO. Rather than going in multiple times to amend them, staff thinks that it is something that can happen all at once with some of the other strategies. Staff is recommending that this be done in the second phase of the project. Staff also recommends tying in strategy R2 - making duplexes, triplexes, cluster cottages, and quadplexes outright uses in urban single-family zones, as mandated by HB 2001. We aren't obligated to make any code changes under HB2001 until June of 2022.

Optional strategy O-1 is to identify appropriate areas and processes to allow shelter off the streets. We are thinking of this as something that is short-term, such as campgrounds and temporary shelter areas. Currently siting these relies on an emergency declaration from the County, which may be the best way to deal with the immediate need for these, so staff is recommending that we focus efforts on regulations related to shelter off the streets in more permanent structures as described in optional strategy O-3.

Optional strategy O-2 is to add housing to schools, places of worship, and church-owned property. Currently this can be done if the underlying zoning code requirements and densities are met. When you look at many of our church and school properties, they appear to be fully developed so it is unclear how much housing land is actually available. Staff is proposing to evaluate this in Phase 3 of the project. Commissioner Wilson asked if there has been a request from a school or church to do this. Martha said that she is not aware of any requests, but there may be a church that would like to do it. There is still a lot of uncertainty around what this would actually mean. This would also only be in the urban area, we are more restricted in the rural areas. Tent camping would fall under "shelter off the streets", not to this option.

Optional strategy O-3 is the more permanent shelter off the streets. Our temporary rules allowed for shelter communities on government-owned, industrial lands. The temporary rules expired in August of 2019 and has not been renewed. There is pretty limited availability for private parties to implement this. Staff feels that if we start with some of the existing language that we had in our ZDO before, it would be something that is more feasible to accomplish in the short term. Staff is recommending that this be included in Phase 1 of the project.

Optional strategy O-4a would include providing incentives for inclusion of affordable housing in a development. If we are looking to increase densities, we also would need to also have to look at increased parking standards, height limitations, and other related standards. This strategy could provide a moderate number of new housing units and would improve access to housing if it were used. Staff could address the necessary amendments within a relatively short timeframe, so we are recommending that this strategy be included in Phase 1 of the project.

Optional strategy O-4b would create a transferrable development rights bonus system, which is not something that the County has previously done. We are not sure at this time what the potential impacts would be, as the need for this will come out of other amendments that are actually implemented. Staff feels that this should be part of Phase 3 as it is premature to study until we have implemented other proposed changes to the ZDO. We would see if it is something that even makes sense at that point.

Optional strategy O-5 would increase or remove the maximum density requirements for multifamily developments in commercial zoning districts. Multifamily housing is currently allowed in most urban commercial zones. Most of these also have a limit of 25 units per acre if it is a stand-alone development. If you are building mixed use or commercial development, you are not limited to that density. The feeling is that it may not be reasonable to cap the maximum on multi-family developments because it is inconsistent with what is allowed if a development is built as commercial or mixed use. It could provide housing in close proximity to transportation and services that are needed by lower income residents. Staff recommends that this be part of Phase 1 of the project. We would be doing further analysis on all of these proposed strategies as they move forward.

Optional strategy O-6 would look at creating a hierarchy of minimum parking standards based on proximity to transit and/or dwelling unit affordability. The ZDO has standards in place already for all single family and multi-family units, regardless of the location and affordability. What this strategy proposes is to take into account the proximity to services and transportation as well as the affordability when setting the parking standard on multi-family developments. This could result in a substantial number of new housing units as well as improved accessibility. There is also an opportunity to leverage existing grant funding to explore this option in the Park Avenue and 82<sup>nd</sup> Corridor projects before applying Countywide. Staff is recommending this option for inclusion into Phase 1 of the project.

Optional strategy O-7 would consider rezoning land to preserve manufactured dwelling parks. The City of Portland has recently done this. Manufactured home parks are a valuable source of affordable housing. Since 2007 or 2008, state law has required the owner of the manufactured dwelling park to pay a fee to every tenant if they decide to redevelop into a use other than a manufactured dwelling park. Since that rule was enacted, staff is only aware of 2 instances where this has actually happened. It will take time to engage the residents of these parks, park owners, and to study the results of other jurisdiction's experiences. Staff recommends that this be put in Phase 3 of the project. Commissioner Peterson asked if there is any way that more parks could be added or expanded to provide additional affordable housing. Martha answered that there are legislative restrictions that would limit where we could do that outside the urban area.

Optional strategy O-8 would look at different types of housing, such as micro-units, co-housing, live/work units, and mixed use developments. This could provide a moderate improvement to housing access, but there may be a limited number of places for new units. We would have to consider higher densities in residential areas and potentially new housing types in commercial areas. Some of these may be allowed in our zoning code, but there may be places where we would have to expand what is allowed in the code. We would have to take a closer look at the code. We would really need to develop clear definitions and figure out what we want to allow and where. Staff recommends that this be done in Phase 3.

Optional strategy O-9 clarifies our Comprehensive Plan policies for rezoning low density residential districts. These are found in Chapters 4 and 6. This is a request from community members. Recent LUBA appeals make it clear that there is more clarification needed to our current policies. These changes would have little to no increase on the number of places for new housing units and a limited impact on improving access or stability. Staff is recommending that we include this in Phase 2 and complete it with Strategies R1 and R2.

Optional strategy O-10 restricts temporary dwellings for care, also known as hardship dwellings. Our current ZDO allows these in all zoning districts through a land use application. The ZDO requires that the temporary dwelling be removed when it is no longer needed, or if the property changes ownership. It is not transferrable. There is a request from community members to consider putting limitations on the properties that could qualify for this use. Staff feels that this proposal actually contradicts the goals of the Comp Plan as

well as this project. It would reduce the number of available housing units as well as reducing accessibility and stability. There is an increased potential for displacement of elderly and disabled residents. We are not recommending that this proposal be included in the project.

Karen Buehrig provided an overview of the project timeline, which at this time is projected to begin in winter/spring 2020 and extend through summer/fall 2021. There would be periods of overlap for each of the phases, with Phase 3 in summer/fall of 2021 being where we reassess where we are. There are 3 questions brought to the Planning Commission tonight: 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?; and 3. What other items should be considered while the project is underway?

Martha explained that the two required changes are proposed for Phase 2 because we are waiting for new code to be adopted by the State that would provide us additional direction and a model code to use as a starting point. Commissioners Wilson and Stevens asked how each of the phases is going to impact the housing deficit. Martha said that until we know what the new State code says we can't make any accurate assumptions. There will be more clarity once we see what is adopted by the State. Commissioner Peterson feels like this is a pretty aggressive time frame given the work involved, and that the prioritization of each proposal makes sense to him. Commissioner Murphy asked what could be done in the short term to start getting people off the street now. A lot of the immediate relief is available through H3S. What we are looking at are things that are long term, more permanent options.

Consensus is that the proposed order and phasing is appropriate for the project. This project focuses on the built environment, it is not a proposal to use taxpayer funding to develop housing. We are simply trying to provide more opportunities for developers to build additional housing options. Commissioner Phillips thinks that education and engagement is going to be an important component of this project.

Commissioner Wilson verified that the increased density as proposed in O-5 only applies to commercial districts and not to industrial. Martha answered that he is correct. Commissioner Phillips would also like to take a look at increased density in the HDR zones. Commissioner Stevens encouraged staff to tailor the outreach by area, audience, and what the impacts will be to their community. Commissioner Murphy suggested including groups/task forces that are also working on the housing shortage issues. Commissioner Peterson pointed out that there are going to be budgetary limitations on the amount of outreach that can be done.

Commissioner Stevens moved to approve the minutes from January 13<sup>th</sup> with corrections as noted. Commissioner Murphy seconds. *Ayes= 6, Nays=0. Minutes are approved.*

Martha provided a schedule review.

There being no further business, the meeting was adjourned at 8:39 pm.