

**CITY OF MILWAUKIE
PLANNING COMMISSION
MINUTES
Milwaukie City Hall
10722 SE Main Street
TUESDAY, March 11, 2014
6:30 PM**

COMMISSIONERS PRESENT

Lisa Batey, Chair
Scott Barbur
Sine Bone
Wilda Parks
Gabe Storm

STAFF PRESENT

Denny Egner, Planning Director
Li Alligood, Associate Planner
Peter Watts, City Attorney

COMMISSIONERS ABSENT

Shaun Lowcock

1.0 Call to Order – Procedural Matters*

Chair Batey called the meeting to order at 6:30 p.m. and read the conduct of meeting format into the record.

***Note:** The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.ci.milwaukie.or.us/meetings>.*

2.0 Planning Commission Minutes – None

3.0 Information Items

Denny Egner, Planning Director, introduced the new Associate Planner, Vera Kolias, who began in January and noted she was also helping with economic development. He added that Senior Planner Ryan Marquardt gave his notice of resignation, effective March 14, 2014.

4.0 Audience Participation –This is an opportunity for the public to comment on any item not on the agenda. There was none.

5.0 Public Hearings

- 5.1 Summary: Mural Code Amendments
Applicant: City of Milwaukie
File: ZA-14-01
Staff: Ryan Marquardt (not present)

Chair Batey called the hearing to order and called for a motion to continue the hearing until April 8, 2014.

It was moved by Commissioner Parks and seconded by Commissioner Barbur to open and continue the public hearing for ZA-14-01, Murals Code Amendments, to a date certain of April 8, 2014. The motion passed unanimously.

- 5.2 Summary: NW Housing Alternatives Zone Change
Applicant/Owner: Angelo Planning Group/Northwest Housing Alternatives
Address: 2316 SE Willard St

File: ZA-13-02
Staff: Li Alligood

Chair Batey called the hearing to order and read the conduct of quasi-judicial hearing format into the record.

Commissioner Barbur declared a potential conflict of interest as he was the Vice Chair of the Historic Milwaukie Neighborhood District Association (NDA). He noted a discussion at a recent NDA meeting where the NDA voted to oppose the application but he did not participate in the discussion or vote and did not feel it biased his decision in any way.

Chair Batey declared an ex parte contact and noted she spoke with Val Hubbard at a community meeting where Ms. Hubbard had stated she opposed the application.

Mr. Egner asked the City Attorney to explain why this application was being reviewed as a Type III quasi-judicial rather than a Type V legislative review.

Peter Watts, City Attorney, noted both he and Damien Hall had reviewed the relevant code section and general guidelines. The main difference between the review types was regarding the public notice required; the larger the geographical area and the number of people impacted (i.e. property owners), the more notice was required. This application was below the threshold for minimum acreage and the number of property owners involved with the application.

Mr. Egner added that a legislative action generally applied more to sweeping changes of the code text or map that affected many properties; this application was for a particular project and set of changes.

Li Alligood, Associate Planner, presented the staff report via PowerPoint. She reviewed the zoning and Comprehensive Plan (Comp Plan) designation of the properties and described the property location, and identified the mixed zoning and development surrounding the properties. The request was for rezoning from R-2 to R-1-B. She reviewed the decision options, and noted that development and design review would occur at the time when the actual development permit occurs.

Key issues for the Commission to discuss were whether the R-1-B zoning designation was appropriate from a land use perspective and from a neighborhood perspective. When applied to the Comp Plan policies, was this application appropriate for the area and the development proposed? From a land use perspective, was it appropriate for this type of development and zone to be located in this area?

- From a land use perspective, the Comp Plan designation (land use) and zone did not match. The C/HD (Commercial/High Density) Comp Plan designation had been in place since the 1960s and other areas in the city that had that designation have been rezoned to R-1-B; the R-O-C zone also appeared to be appropriate. She added that much of the surrounding area was designated for high density residential although the current zone may not match either. It was clear the goal of the Comp Plan envisioned a much higher density of development than what was currently permitted by the zoning.

In response to concern by some community members, she clarified that there was a period of time from 2000-2014 where the zone south of Lake Rd was incorrectly mapped R-2 instead of the correct R-1-B. She added that a zone change like that would have been reviewed through a

Type V process and adopted by ordinance of City Council. There was no evidence of this so it was determined to be a mapping error.

Ms. Alligood noted the current land uses surrounding the property, including community service and commercial uses. She reiterated that the development was appropriate from a land use perspective.

- From a neighborhood perspective, Ms. Alligood reiterated that it was an area with many different uses; the proposed zoning was appropriate and permissive. She reviewed what was currently allowed with regard to number of units, density, etc., although it was not being fully utilized, and what would be allowed under the proposed zone. The proposed density and lot coverage would be the minimum of the proposed zone and less than surrounding properties. She noted that from the street, the density of the current and proposed zones would not look much different; where the difference would come in was regarding the lot coverage by buildings, required off-street parking, office use included, etc.

Ms. Alligood reviewed the approval criteria the Commission should use to evaluate the proposal and the decision options. Staff recommendation was approval and that the proposal was appropriate.

Chair Batey called for the applicant's testimony.

Martha McLennan, Northwest Housing Alternatives (NHA) Executive Director, gave background information of NHA, noting the property and programs that have been in Milwaukie since the mid-80s. She explained how the properties under review were acquired over time, and how the programs and staffing have expanded and how the current housing and office space was no longer adequate. She explained the intent for the expanded private units and community space that would provide more adequate living space for those served. NHA was aware that the property was underutilized per its Comp Plan designation. She acknowledged the community frustration with the sequential process NHA was taking, and noted that NHA chose to apply for the zone change prior to developing a complete design concept plan as they wanted to be sure the higher density was approved prior to spending funds on design.

Ms. McLennan described a rough concept plan and reviewed the public outreach conducted to date. She commended staff's analysis of the history and application, and added that the R-1-B was more compatible than the R-O-C zone. Although there was concern from the community about what 'affordable housing' brought to mind, it was outside of the zoning ordinance scope to determine housing prices and income levels.

Jonathan Trutt, NHA Housing Coordinator, presented more information on what affordable housing was with regard to income restrictions and rent limits. He gave statistics of average rents in Milwaukie, what wages would be required to afford that rent, and the average wages in Clackamas County with examples of professions that were below the affordability threshold. Milwaukie had a low percentage of affordable housing and many households that were actually below the affordability threshold.

Commissioner Parks asked about involving Transportation-Oriented Development (TOD) with regard to light rail to reduce the amount of parking required.

Ms. McLennan answered that it was assumed that a good percentage of residents and staff would utilize the future light rail line.

Chair Batey called for public testimony.

In Support:

Stephanie Porter, former Milwaukie resident, noted that although her family had been stable, an event occurred that left her and her children in need of assistance. NHA's Home Base program provided them with stable housing services, and with their help she was able to get back on her feet and exceed her goals. She was a Section 8 recipient and did not consider herself low class or unmotivated. She would recommend NHA to anyone in need.

Lester Garrison, Milwaukie Presbyterian Church, 2416 SE Lake Rd, said the church saw the need for affordable housing in the community; some church attendees were homeless or at risk. The church participated in a program called Sheltering Our Neighbor (SON) with six other area churches, which rotated allowing families at risk of being homeless reside in the churches for two weeks until room was available at Annie Ross House. He would like to see NHA increase their capacity for assistance, and he had spoken with other area churches and the high school and none had opposition to this proposal.

Stacy Sage, 11481 SE 25th Ave. Prior to her need for NHA, she and her partner were able to provide for their family. With the death of her partner and a layoff, her and her sons became homeless. NHA provided them shelter and with the other resources available, she was able to get into a transitional home and had recently become employed. She noted the program rules and standards to follow to continue receiving assistance. The Annie Ross House was the only shelter in Clackamas County for families; this expansion would allow NHA to help many more families in need to get back on their feet.

In Opposition:

Michael Park, 2460 SE Willard St, was a long-term resident of Milwaukie. He noted that the neighborhood changed when NHA located to the neighborhood in 1985. He felt that the increased density would negatively impact his retirement and time in his home. He said according to a police report, there have been nearly 2 visits a month to the property from Milwaukie Police Department. He added that on-street parking had been an ongoing issue and the zone change and doubling in density would increase the negative impacts to the neighborhood.

Mary Lepisto, 2437 SE Lake Rd, lived in a single-story community of resident over age 55 residents, the Town Lake Estates, directly behind the NHA properties. She felt that multiple multistory buildings with many more low-income and homeless residents in the neighborhood would have a big impact; she had concerns about more traffic and interactions with the high school students. With the NHA duplex behind her home, she has experienced domestic disputes and undesirable behaviors from the duplex and other NHA residents.

Connie Kilby, 2451 SE Lake Rd, resident of Town Lake Estates. Ms. Kilby said that while she appreciated the services NHA provided, she was opposed to the zone change with regard to livability; various issues were common when multiple families were in close proximity to each other. Although the area was a mix of single- and multifamily residences, the proposal seemed very high and crammed in density. She did not feel that the applicant had satisfied the approval criteria and she declared her support for Ray Bryan's testimony, a member of the Historic Milwaukie NDA.

Val Hubbard, 10669 SE 21st Ave, felt this proposal did not fit with the concept of downtown Milwaukie that the citizens were striving for. She questioned whether new developers would still be interested in coming into downtown Milwaukie if this type of development was granted.

Ray Bryan, Historic Milwaukie NDA 11416 SE 27th Ave, appreciated Ms. Alligood for her responsiveness and acknowledged NHA's work with those in need. He opposed the application and felt it did not meet the zoning code approval criteria and Type III review was not sufficient. Replacing single-family homes and duplexes with three-story buildings did not fit with the neighborhood. The proposed zone would double the density, parking, and increased office space, with no concept plan proposed and no assessment of the impacts in terms of safety, volume, traffic impacts, capability, etc. The opposition discussion was more about how much low-income housing should be located in one area or within one school boundary.

Mr. Bryan referred to the Comprehensive Plan, its policies and goals, and how they applied to the application, and stated that approving the application was in conflict with the Comp Plan because the concept plan for the (Regional) Town Center Master Plan included the NHA campus and proposed different housing densities for it.

Dion Shepard, 2136 SE Lake Rd, believed that NHA could satisfy their goal to provide more affordable housing under the current zone, and felt other areas in need of development in Milwaukie [as identified in the Moving Forward Milwaukie project] would be more appropriate for this proposal. She referred to the conflict between the (Regional) Town Center Master Plan and the Comp Plan. She was concerned about increased neighborhood parking impacts with regard to the high school, the future light rail, and this proposal.

Jean Baker, 2607 SE Monroe St, Historic Milwaukie NDA Chair, noted that the NDA took a vote the previous night to oppose the proposal. She questioned the consistency between the (Regional) Town Center Master Plan and the Comp Plan; did the Town Center Master Plan guide the Comp Plan or vice versa? The Town Center Master Plan directed that the development of the area in question was to remain lower density; three-story buildings next to single-family residences changed the livability and feel of the neighborhood. She noted the NDA was not in opposition to assisting low-income people, it was about ensuring the neighborhood would grow in the proper way.

Chair Batey called for questions from the Commission and staff's response to testimony.

Chair Batey acknowledged the lack of coordination between the Comp Plan and the zoning ordinance was not new and has come up in the past, noting the Comp Plan was decades old and out of date.

Ms. Alligood agreed with the public testimony that the Comp Plan was outdated. Reviewing applications against approval criteria in the Comp Plan could be difficult. Regarding the conflict between the density ranges in the Comp Plan and the zoning ordinance, she noted that it was an issue that was identified in the Residential Development Standards project but had yet to be resolved.

She assured that when the actual development was proposed, it would go through the review process that would address parking, outdoor space, building size, traffic impact, etc. She reminded the Commission what could be built outright under the existing zone which could include multi-family units, off-street parking, etc. However, office space would be a conditional use.

She explained the Town Center Master Plan was prepared in 1997, and provided an overview of its background and intent. She said it was only partially incorporated into the Comp Plan and zoning ordinance through specific amendments to those documents; the recommendation for the subject site had not been implemented.

Commissioner Barbur noted the concern by the NDA about demolition of existing homes.

Ms. Alligood referred to the Neighborhood section of the Comp Plan that regarded the character and expectation of development in areas per density types, i.e. rehabilitating existing homes; however, for high density areas, the zoning ordinance did not require this except for historic properties.

Commissioner Storm asked about access to arterial roads.

Mr. Egner noted that although 23rd Ave and Willard St were not arterials, they provided direct access to Lake Rd; an arterial street.

Ms. Alligood explained how Chapter 19.700 Public Facilities Requirements was triggered.

Chair Batey called for the applicant's rebuttal.

Mr. Trutt responded to the testimony regarding Subarea 5 of the Town Center Master Plan, and noted the ambiguity about the map in question. The area was designated Commercial/High Density since 1979 in the Comp Plan. He felt that due to this, the R-2 zone did not seem in alignment with the intent of the City.

Mary Dorman, Angelo Planning Group, noted the Comp Plan was the controlling document. The applicant bought the property with the future in mind.

Mr. Trutt referred to the staff report that stated the predominant residential type within a quarter mile of the site was multi-family residential. What NHA was proposing was indeed within the context and character of the immediate neighborhood. He quoted Objective 2 of the Comp Plan and noted that it consistently envisioned having high density housing near downtown and near major transportation. He reminded that three-story buildings were allowed under the current zone. The number of residential units proposed was significantly less than what the maximum allowed was. He referred to the crime maps, noting that there was no clustering of crimes at the proposed site. The most recent data for free and reduced lunch schools indicated that the elementary school closest to the property had the lowest rate, not the 75% rate referred to in the public testimony.

Ms. McLennan thanked the Commission for hearing their proposal and testimony.

Chair Batey asked about staffing.

Ms. McLennan responded that there was currently 30 staff onsite; the goal with expanded office space was to grow some, with a maximum capacity of 45 employees.

Mr. Watts noted a police call log submitted by an audience member would be logged and routed to the Commissioners. He asked for some clarification by the police department of the specifics of the log.

Ms. McLennan responded that it should be clarified if that was a call response log rather than a crime log; on occasion, NHA had called the police department for support when they need to ask residents to leave the shelter and were not indicative a crime.

Mr. Egner felt that some time to analyze and answer some questions raised would be beneficial in terms of whether to close public testimony or not.

Chair Batey closed public testimony.

It was moved by Commissioner Storm and seconded by Commissioner Parks to continue the public hearing for ZA-13-02 for NW Housing Alternatives Zone Change at 2316 SE Willard St to a date certain of March 25, 2014. Written testimony would be accepted until March 18, 2014. The motion passed unanimously.

6.0 Worksession Items

7.0 Planning Department Other Business/Updates

Mr. Egner reminded the Commission about the joint session with City Council for the Commission's work program, scheduled for the following Tuesday, March 18, 2014.

8.0 Planning Commission Discussion Items

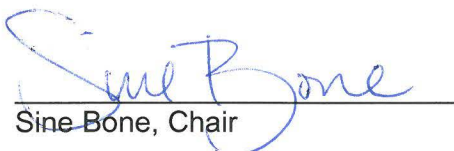
9.0 Forecast for Future Meetings:

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| March 25, 2014 | 1. Public Hearing: ZA-13-02 Northwest Housing Alternatives 2316 SE Willard St <i>continued tentative</i> |
| | 2. Public Hearing: CSU-13-15 Milwaukie High School Indoor Practice Facility |
| | 3. Worksession: Officer Elections |
| April 8, 2014 | 1. TBD |

Meeting adjourned at approximately 10:18 p.m.

Respectfully submitted,

Alicia Martin, Administrative Specialist II


Sine Bone, Chair