CITY OF MILWAUKIE

AGENDA

June 25, 2019

PLANNING COMMISSION

City Hall Council Chambers
10722 SE Main Street
www.milwaukieoregon.gov

1.0 Call to Order - Procedural Matters — 6:30 PM

2.0 Planning Commission Minutes — None

3.0 Information Items

4.0 Audience Participation — This is an opportunity for the public to comment on any item not on the agenda

5.0 City Council Worksession

5.1 Summary: Cottage Cluster/ADU Presentation and Discussion
Staff: Dennis Egner, Planning Director

6.0 Public Hearings — Public hearings will follow the procedure listed on reverse

6.1 Summary: Height Variance for 5 Story Multi-Family Building (Continued from 5/28/19)
Applicant/Owner: Dean Masukawa/Tyee Management Company
Address: SE Monroe Street & SE 37th Avenue
File: VR-2019-003
Staff: Vera Kolias, Associate Planner

7.0 Worksession Items

7.1 Summary: Comprehensive Plan Block 3 Policies
Staff: David Levitan, Senior Planner

8.0 Planning Department Other Business/Updates

9.0 Planning Commission Committee Updates and Discussion Items — This is an opportunity for comment or discussion for items not on the agenda.

10.0 Forecast for Future Meetings:

July 9, 2019	1. Public Hearing: AP-2019-001 – Continuation of Appeal on MLP-2018-001 2. Public Hearing: ZA-2019-001 – PD Code Amendments
July 23, 2019	1. Public Hearing: NR-2018-005 – Elk Rock Estates 2. Public Hearing: A-2019-002 – Annexation of ROW on Lake Rd & Kuehn Rd
August 13, 2019	1. Public Hearing: VR-2019-004 – Home Occupation Variance 2. Worksession: Hillside Master Plan 3. Worksession: Comp Plan Block 3 Policies (tentative)

Milwaukie Planning Commission Statement

The Planning Commission serves as an advisory body to, and a resource for, the City Council in land use matters. In this capacity, the mission of the Planning Commission is to articulate the Community's values and commitment to socially and environmentally responsible uses of its resources as reflected in the Comprehensive Plan

1. **PROCEDURAL MATTERS.** If you wish to speak at this meeting, please fill out a yellow card and give to planning staff. Please turn off all personal communication devices during meeting. For background information on agenda items, call the Planning Department at 503-786-7600 or email planning@milwaukieoregon.gov. Thank you.
2. **PLANNING COMMISSION and CITY COUNCIL MINUTES.** City Council and Planning Commission minutes can be found on the City website at www.milwaukieoregon.gov/meetings.
3. **FORECAST FOR FUTURE MEETING.** These items are tentatively scheduled, but may be rescheduled prior to the meeting date. Please contact staff with any questions you may have.
4. **TIME LIMIT POLICY.** The Commission intends to end each meeting by 10:00pm. The Planning Commission will pause discussion of agenda items at 9:45pm to discuss whether to continue the agenda item to a future date or finish the agenda item.

Public Hearing Procedure

Those who wish to testify should come to the front podium, state his or her name and address for the record, and remain at the podium until the Chairperson has asked if there are any questions from the Commissioners.

1. **STAFF REPORT.** Each hearing starts with a brief review of the staff report by staff. The report lists the criteria for the land use action being considered, as well as a recommended decision with reasons for that recommendation.
2. **CORRESPONDENCE.** Staff will report any verbal or written correspondence that has been received since the Commission was presented with its meeting packet.
3. **APPLICANT'S PRESENTATION.**
4. **PUBLIC TESTIMONY IN SUPPORT.** Testimony from those in favor of the application.
5. **NEUTRAL PUBLIC TESTIMONY.** Comments or questions from interested persons who are neither in favor of nor opposed to the application.
6. **PUBLIC TESTIMONY IN OPPOSITION.** Testimony from those in opposition to the application.
7. **QUESTIONS FROM COMMISSIONERS.** The commission will have the opportunity to ask for clarification from staff, the applicant, or those who have already testified.
8. **REBUTTAL TESTIMONY FROM APPLICANT.** After all public testimony, the commission will take rebuttal testimony from the applicant.
9. **CLOSING OF PUBLIC HEARING.** The Chairperson will close the public portion of the hearing. The Commission will then enter into deliberation. From this point in the hearing the Commission will not receive any additional testimony from the audience, but may ask questions of anyone who has testified.
10. **COMMISSION DISCUSSION AND ACTION.** It is the Commission's intention to make a decision this evening on each issue on the agenda. Planning Commission decisions may be appealed to the City Council. If you wish to appeal a decision, please contact the Planning Department for information on the procedures and fees involved.
11. **MEETING CONTINUANCE.** Prior to the close of the first public hearing, *any person* may request an opportunity to present additional information at another time. If there is such a request, the Planning Commission will either continue the public hearing to a date certain, or leave the record open for at least seven days for additional written evidence, argument, or testimony. The Planning Commission may ask the applicant to consider granting an extension of the 120-day time period for making a decision if a delay in making a decision could impact the ability of the City to take final action on the application, including resolution of all local appeals.

The City of Milwaukie will make reasonable accommodation for people with disabilities. Please notify us no less than five (5) business days prior to the meeting.

Milwaukie Planning Commission:

Kim Travis, Chair
John Henry Burns, Vice Chair
Adam Argo
Joseph Edge
Greg Hemer
Lauren Loosveldt
Robert Massey

Planning Department Staff:

Denny Egner, Planning Director
David Levitan, Senior Planner
Brett Kelver, Associate Planner
Vera Kolias, Associate Planner
Mary Heberling, Assistant Planner
Dan Harris, Administrative Specialist II

CITY OF MILWAUKIE

To: Planning Commission and City Council

From: Denny Egner, Planning Director

Date: June 14, 2019, for June 25, 2019 Worksession

Subject: Cottage Cluster and Accessory Dwelling Unit Studies

ACTION REQUESTED

Receive an update from Cascadia Partners and city staff on the cottage cluster feasibility study and accessory dwelling unit (ADU) code audit project. Provide comments regarding code concepts.

BACKGROUND INFORMATION

History of Prior Actions and Discussions

The City Council has had two updates regarding progress on the cottage cluster and ADU studies. Planning Commissioners were invited to attend both updates. Links to those sessions are provided below.

May 21, 2019 City Council Work Session

April 16, 2019 City Council Regular Session

Background

In 2017, the Metro Council awarded the city an Equitable Housing Planning and Development (EHPD) grant of $65,000 for the cottage cluster feasibility analysis study to help the local implementation of projects that remove barriers to development of affordable housing. In March 2018, the city selected Cascadia Partners as the consulting firm to conduct the feasibility study. Subconsultants and project advisors included Opticos Design, leading experts on missing middle housing, CNU-Cascadia, a regional chapter of the Congress for the New Urbanism (CNU), and Eli Spevak, owner of Orange Splot, a local leader in the development of cottage clusters and ADUs. In late fall of 2018, the city requested that the consultants include an ADU code audit as part of the work being undertaken. The scope of the study was meant to provide an assessment of the existing zoning code standards related to ADUs and to develop recommendations aimed at enabling the development of more cost-effective ADUs. Key areas identified for evaluation included parking, street/sidewalk improvement requirements, system development charges (SDCs), and building code obstacles.

In July 2018, Council adopted the Milwaukie Housing Affordability Strategy (MHAS) that included the six short term action items listed below. The cottage cluster and ADU studies help the City achieve these actions.

- 1.4.4 Identify zoning code fixes that could alleviate the time and cost of development.
- 1.8 Explore rightsizing parking requirements for ADUs, cottage clusters, tiny homes, etc.
- 1.9 Explore incentivizing/encouraging ADU and cottage cluster development.
- 1.9.2 Explore what other cities have implemented for easing the development requirements for ADU's, etc.
- 1.9.3 Partner with community banks or credit unions to create a loan product with favorable terms, like lower interest rates and fees.
- 1.9.6 Revise the zoning code and other development standards to facilitate the creation of ADUs. Convene a group of subject matter experts (SMEs) to discuss the ADU work to be undertaken in the following months.

What are Missing Middle Housing, Cottage Clusters, and ADUs?

"Missing Middle Housing" refers to housing product types that fall into the gap between single-family residences and mid-rise apartment buildings. Missing middle housing is smaller scale and more compatible with single family neighborhoods. Examples of middle housing include ADUs, duplexes, triplexes, fourplexes, townhomes, and other types of low-scale development that can provide more than one housing unit per lot.

A cottage cluster can be defined as a grouping of small, single family dwelling units clustered around a common area. The shared common area and coordinated design between the dwelling units can make it compatible with low density neighborhoods, yet less expensive than traditional single-family housing. Cottage housing provides a degree of privacy but also can contribute to a sense of community.

An ADU is a small, self-contained residential unit located on the same lot as an existing single-family home. An ADU has all the basic facilities needed for day-to-day living independent of the main home. An ADU may be created as a separate unit within an existing home (i.e., an attic, basement, or garage that is part of a home), an addition to the home (i.e., separated apartment unit with separate entrance), or in a separate structure on the lot (converted garage).

ANALYSIS

At the April 16, 2019 City Council presentation on the status of the cottage cluster feasibility study and ADU code audit, the Council provided general direction that each effort was on the right track. Following that presentation, the consultant met with the ADU work group (ADUWG) and prepared an initial draft of code amendments for both the cottage cluster and ADU zoning code sections. The ADUWG and staff identified several key issues that were

addressed and discussed at the May 21 Council meeting. A summary of these comments is attached to this report. The key issues include:

- Number of ADU units allowed per primary dwelling
- ADU carriage house concept
- ADU parking
- Cottage cluster unit size
- Cottage cluster unit separation
- Cottage cluster setbacks
- Cottage cluster parking reductions

Since the May 21 discussion, the consultant team has provided further refinements. The consultant's power point presentation (attached to this report) includes a summary of the most recent code recommendations. A copy of the consultant's draft ADU report is also attached. The final cottage cluster report is expected to be made available prior to the June 25 Commission meeting but it is not attached to this staff report. We will send it out when it becomes available.

On August 6, the City Council is scheduled to accept the final report and to direct staff to move forward with public hearings on proposed code amendments to implement the concepts for ADUs and cottage cluster housing. Assuming Council acceptance of the report, staff will be refining the draft code language in the fall and will set public hearings on the amendments early in 2020 following adoption of new Comprehensive Plan policies.

Attachments are provided as indicated by the checked boxes. All material is available for viewing upon request.

	PC Packet	Public Copies	E-Packet
1. 6-25 Draft Presentation Power Point	☒	☒	☒
2. Draft ADU Final Report	☒	☒	☒
3. City Staff and ADU Work Group Comments on the May 21 Council Meeting Materials	☒	☒	☒
4. Milwaukie Cottage Cluster Analysis Final Report (sent June 21, 2019)	☒	☒	☒

Key:

PC Packet = paper materials provided to Planning Commission 7 days prior to the meeting.

Public Copies = paper copies of the packet available for review at City facilities and at the Planning Commission meeting.

E-Packet = packet materials available online at https://www.milwaukieoregon.gov/bc-pc/planning-commission-31.

ATTACHMENT 1

Cottage Cluster Housing Feasibility *and* Accessory Dwelling Unit (ADU) Studies

OPTICOS

CASCADIA PARTNERS

jla public involvement

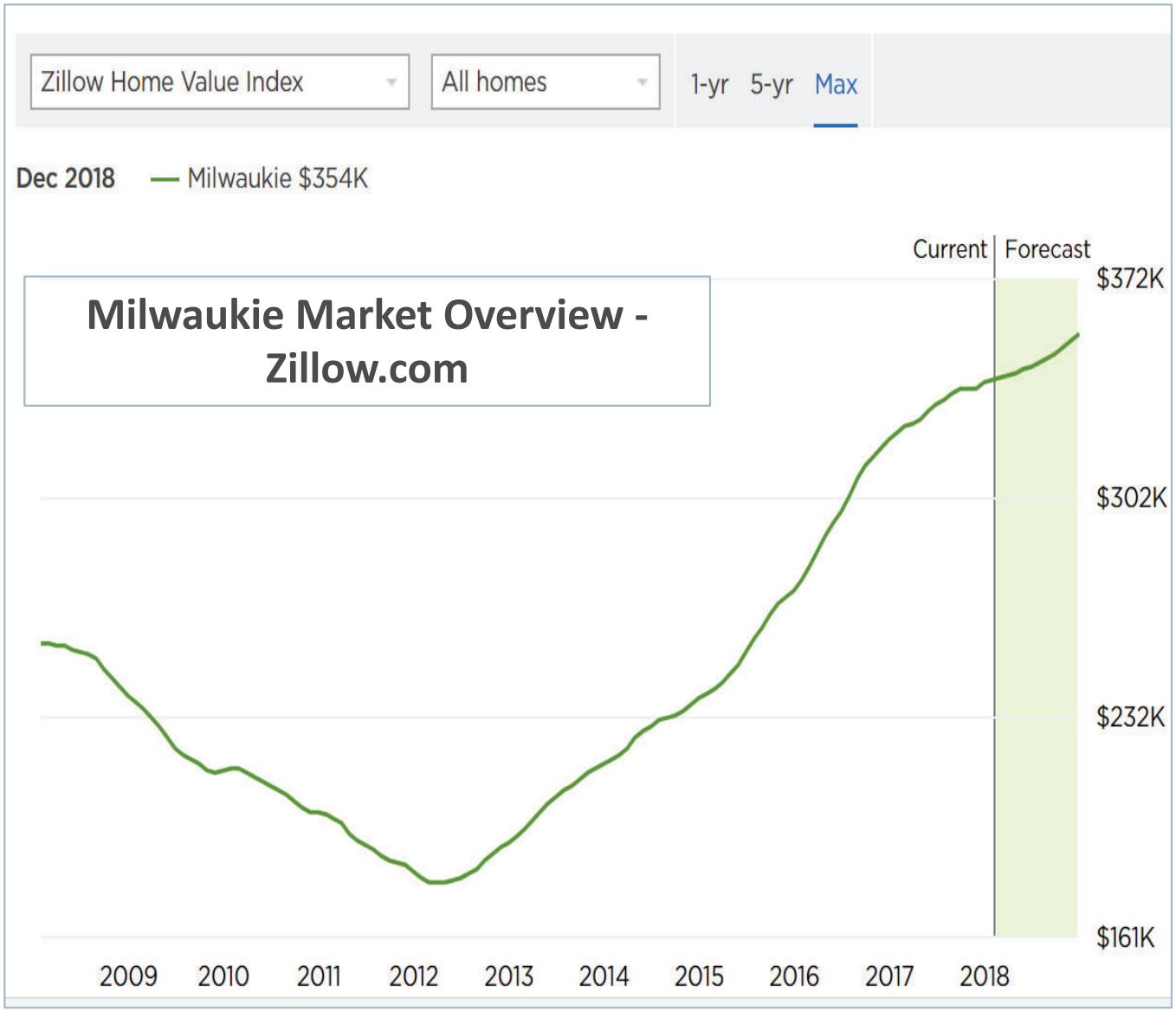
Orange Splot

Planning Commission, June 25, 2019

CITY OF MILWAUKIE

Milwaukie Cottage Cluster & ADU Study

The Project Problem



Milwaukie Market Overview - Zillow.com

- Milwaukie has "Arrived"
- Limited housing options
- Fierce competition
- Residents priced out
- 24.5% of Milwaukie households spend over 50% of income on rent

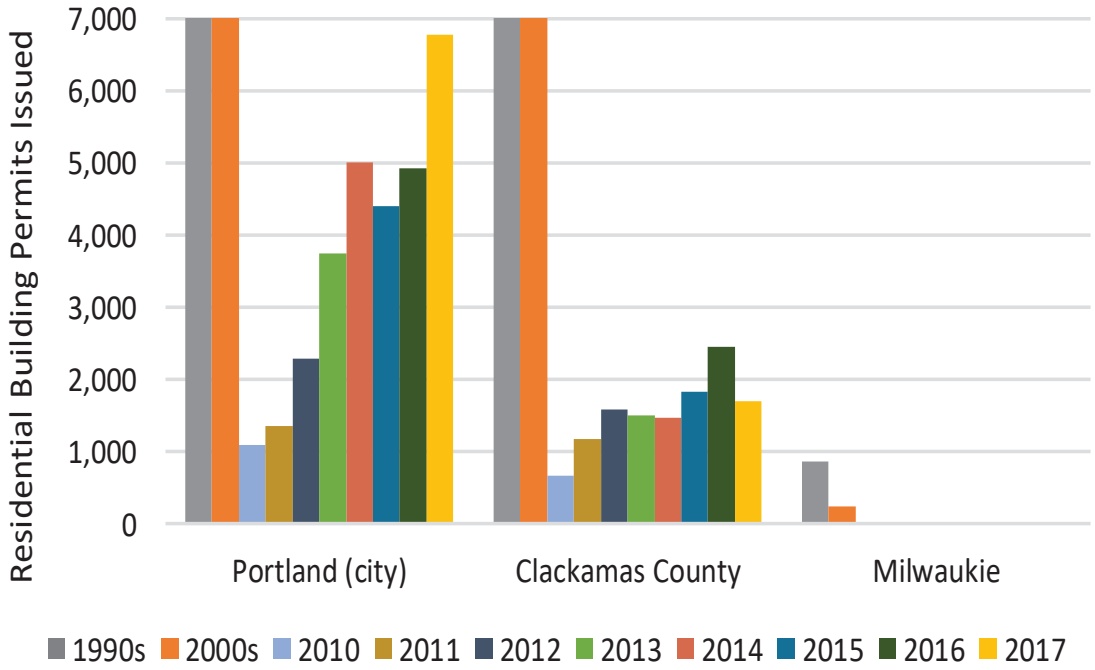
OPPORTUNITY

Capitalize on Market Strength to Expand Housing Options:

Affordable Units that Fit the Neighborhood

Market Analysis Results:
Cluster Housing & ADUs in Milwaukie, Oregon

- Housing demand is outpacing supply
- Need **55 to 60 new units per year for the next 5 years to keep up with demand**
  - 40 housing units added 2010-2017
- Only single family, a few ADUs, and apartments being built
  - Broader range of housing types needed
- Demand for ownership products will continue to dominate the Milwaukie housing market
- During the next five years, Milwaukie will continue to add first time home buyers, families with children, and retiree households

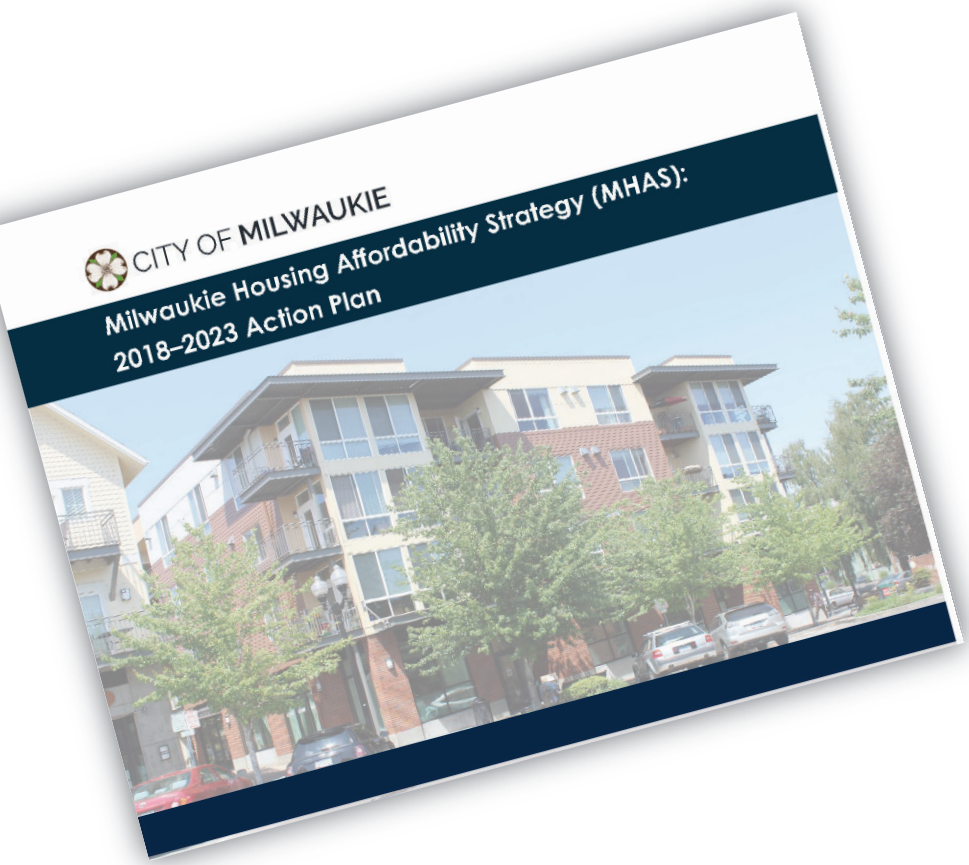


Residential Building Permits Issued Between 1990-2017: Portland, Clackamas County & Milwaukie

Milwaukie Cottage Cluster & ADU Studies

Project Overview:

Strategies for Workforce housing



Part of a Range of City Initiatives to Address Affordable Housing:

- Missing middle housing
- Cottage clusters
- Smaller, more affordable units
- Density in a house form
- Fits neighborhood context
- Diversity of housing options
- Affordability at multiple price points

Public Outreach
Stakeholders, Website, Newsletter & Open House

503.786.7555

CITY OF MILWAUKIE NEIGHBORHOODS COMMUNITY BUSINESS D

HOME » Cottage Cluster Feasibility Study

Cottage Cluster Feasibility Study

The City of Milwaukie ("the City") hired Cascadia Partners to provide support to City staff in implementing the terms of the Metro-funded Equitable Housing Strategies grant for cottage cluster housing. The Consultant will conduct financial feasibility analysis and preliminary site design work for up to four sites to assess their potential to provide a cottage cluster development for groups that have been identified by community partners as having a demonstrated need for equitable housing in Milwaukie.

Stakeholder Advisory Group (SAG)

On **June 26, 2018** we held our first Stakeholder Advisory Group (SAG) meeting to discuss Cottage Cluster Feasibility understanding, scope, roles, responsibilities, and engagement. Click the links and supporting documentation below to view additional resources.

SAG MEETING #1:

- Agenda
- Meeting Summary
- SAG Membership as of August 1, 2018
- Performance Measures Draft
- Engagement Plan
- Milwaukie Progress Report Memo to Metro
- Additional Links:
  - Milwaukie Housing Analysis Needs
  - Additional Information about Cottage Clusters
  - Cottage Housing in Your Community
  - Cottage Community Zoning
  - Orange Splot LLC
  - The Cost of Affordable Housing: Does it Pencil Out?

CITY OF MILWAUKIE

Luke Strait Selected as Milwaukie Police Chief

Following a competitive recruitment process, the City of Milwaukie selected current Milwaukie Police Captain Luke Strait as the next police chief. He will replace Steve Bartol, who is set to retire on April 15.

Strait has worked for the Milwaukie Police Department (MPD) for the past 23 years. During that time, he has served in a variety of roles, including patrol officer, both a general assignment detective and drug and gang detective, patrol sergeant and the operations captain. Strait has also worked on the Clackamas County SWAT team for the past seven years.

As police chief, Strait intends to focus on cultivating partnerships and building stronger relationships between the MPD and the community. He also plans to reevaluate how the MPD's internal processes compare to national best practices. Over the next few months, Strait will also meet with each member of his department, as well as neighborhood representatives, key community members and city staff to determine how the MPD is performing overall.

For more information about the MPD, visit **www.milwaukieoregon.gov/police**.

The Future of Housing in Milwaukie

The City of Milwaukie and Clackamas County present "The Future of Housing in Milwaukie," a series of community meetings that will discuss changing housing needs over the next several years.

Middle Housing Options in Milwaukie Open House
April 3, 5:30-7:30 p.m. Public Safety Building, 3200 SE Harrison St

The city is hosting an interactive open house where a project team will provide visual recommendations to facilitate and encourage development of accessory dwelling units and cottage clusters in Milwaukie. These are two types of middle housing, a term used for housing that is typically multi-unit or clustered housing types, comparable in scale with single-family homes. They are intended to help meet the growing demand for walkable, urban living, and provide diverse and affordable housing options. Come learn more about these housing types and provide feedback on the proposed recommendations! Drop by any time between 5:30 to 7:30 p.m. Light refreshments provided. Learn more about this project at **www.milwaukieoregon.gov/housingaffordability/housing-projects**.

Comprehensive Plan Update: Housing Chapter Town Hall
April 18, 6-8 p.m., Waldorf School (2300 SE Harrison St)

Be part of the conversation around policy updates to the city's 30-year old housing chapter. What's missing? What's outdated? How does the community want to address housing in Milwaukie for the next 20 years? Light refreshments and childcare are provided. Please RSVP by emailing plan@milwaukieoregon.gov and indicate if childcare is needed. Learn more about the Comprehensive Plan update at **www.milwaukieplan.com**.

Hillside Master Plan: Design Concepts Open House
May TBD, 6:30-9 p.m., Ardenwald Elementary, 8950 SE 36th Ave

Working off the input from the design workshop in February, various design concepts by the county's architecture firm will be presented to the public. Come help narrow down the final three options for the site design. Stay up to date on the project at **www.clackamas.us/housingauthority/hillsidemasterplan.html**.

Scholarships Available for Emergency Service Course Studies

The Clackamas Emergency Services Foundation awards college scholarships to students who have chosen to pursue a course of study related to emergency services professions. Applicants for the Art Johnston Memorial Scholarship must be a high school senior, high school graduate or continuing college student.

Eligibility to apply for the program requires the applicant to be one of the following: 1) a resident of Clackamas County whose college studies are directed towards a career in fire science, law enforcement or emergency medical field, 2) an employee or volunteer of an organization who is a member of the Clackamas Emergency Services Foundation for a minimum of three years, who wants to further their education in fire science, law enforcement or emergency medical response, or 3) a child of that employee or volunteer, or the child of a deceased or retired employee or volunteer whose college studies will lead toward a career in fire science, law enforcement or emergency medical response.

Applications and further eligibility requirements are available at the Clackamas Fire administration office (11300 SE Fuller Rd., Milwaukie) or at **www.clackamasfire.com/foundation.html**. Completed forms are due by **May 3, 2019** to the administration office.

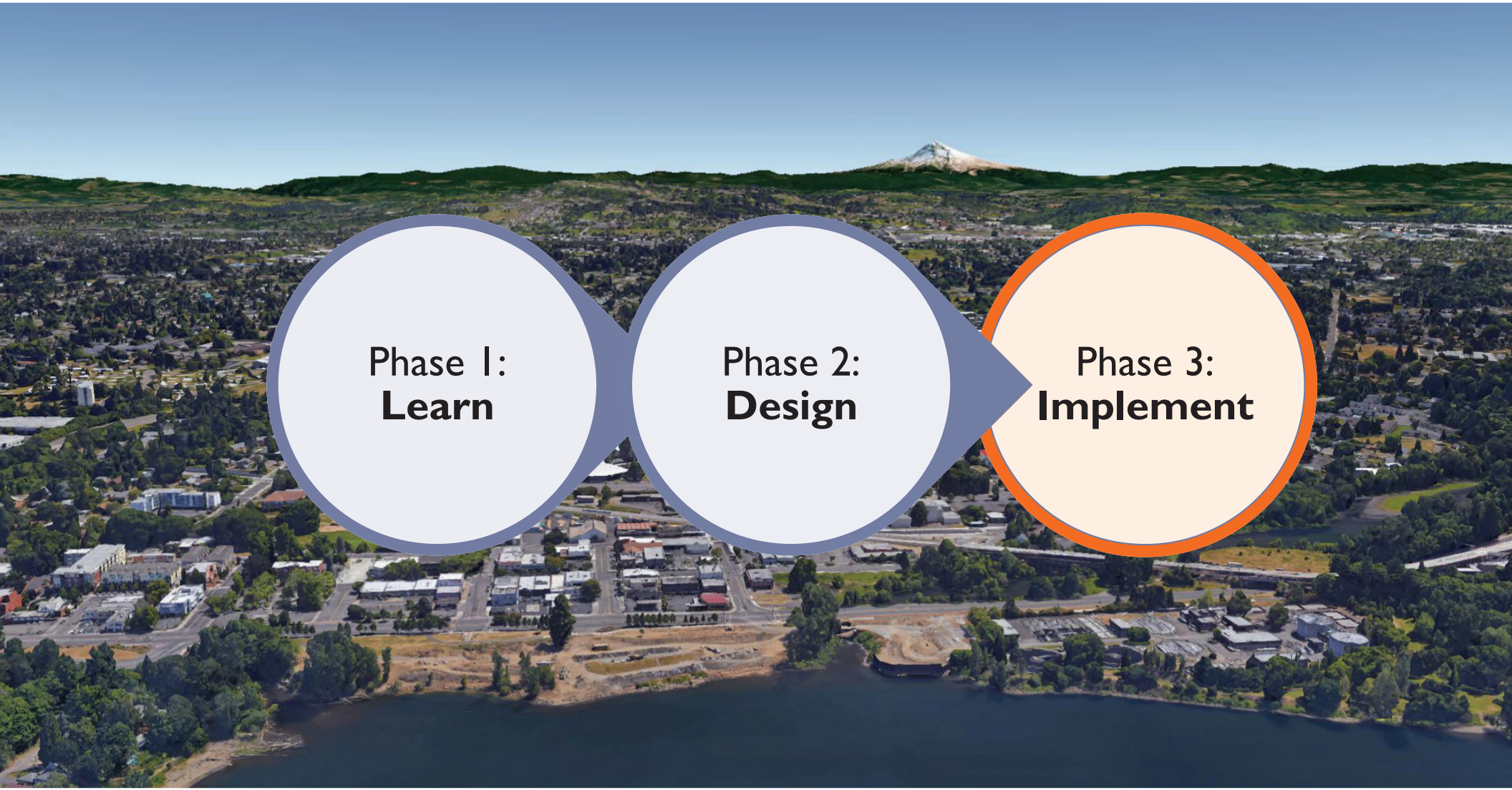
APRIL 2019 3 milwaukieoregon.gov

COTTAGE CLUSTER STUDY

CITY OF MILWAUKIE

CASCADIA PARTNERS

Project Approach - ~1 Year Process



Stakeholder Advisory Group

Project Goals

- Community feedback loop
- Property owners, neighborhood representatives
- 3 meetings + Open House
- Review materials & make recommendations
- Develop performance measures

Explore missing middle housing
Understand financial feasibility
Find solutions for ownership and rental
Craft reproducible models
Diversify housing options
Research affordability at multiple price points
Cultivate community

Cottage Cluster

A Missing Middle Housing Type

- Smaller, more affordable units
- Density in a house form
- Fits neighborhood context
- Features central common area

Bungalow Court

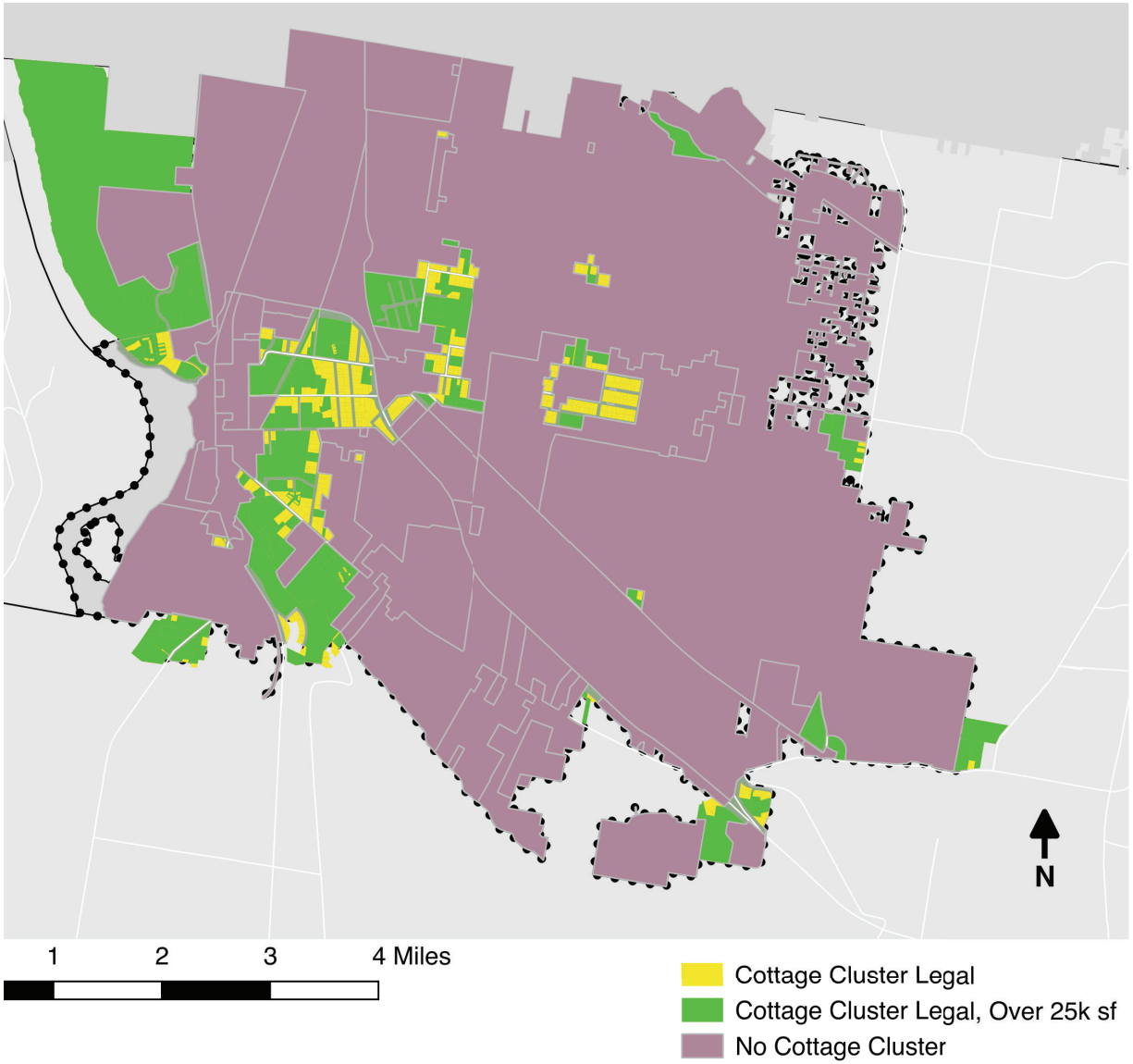
- Price Point: $135-450k / home
- Size: ~575-2,600 sq ft / home, plus porch
- Density: 16-24 DU/acre
- Structure type: detached single family home

Townhome Court (High)

- Price Point: $100-150k / home
- Size: ~800-900 sq ft / home, plus porch
- Density: 19-35 DU/acre
- Structure type: attached single family home

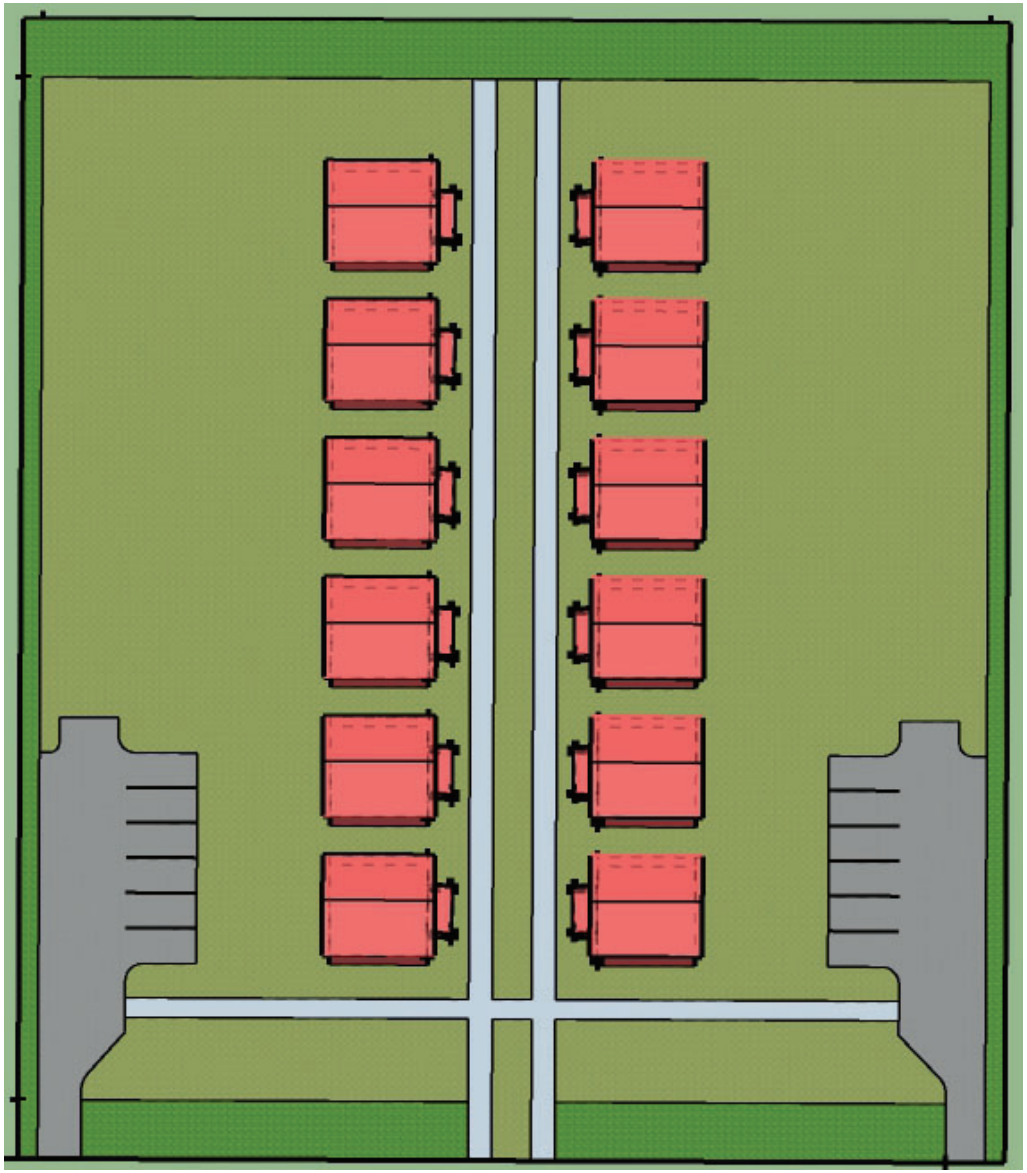
***Note**: This case study project was built in 1999 by Rose CDC to provide affordable entry-level townhomes; prices thus do not reflect today's for-profit development economics.*

Effective Minimum Lot Size to get 12 units is 25,000 square feet



- Within the 13.5% of City where Cottage Cluster is permitted…
- Only 16.5% (142 of 863) of lots are 25,000 or larger in non-GMU zones that allow cottage cluster
- Only 142 lots where you can build the fully allowed 12 units
- However…

Larger sites are limited by the maximum number of units allowable



No incentive to develop sites larger than 25,000 square feet – only ever get 12 units.

Current code has 12 unit max each site

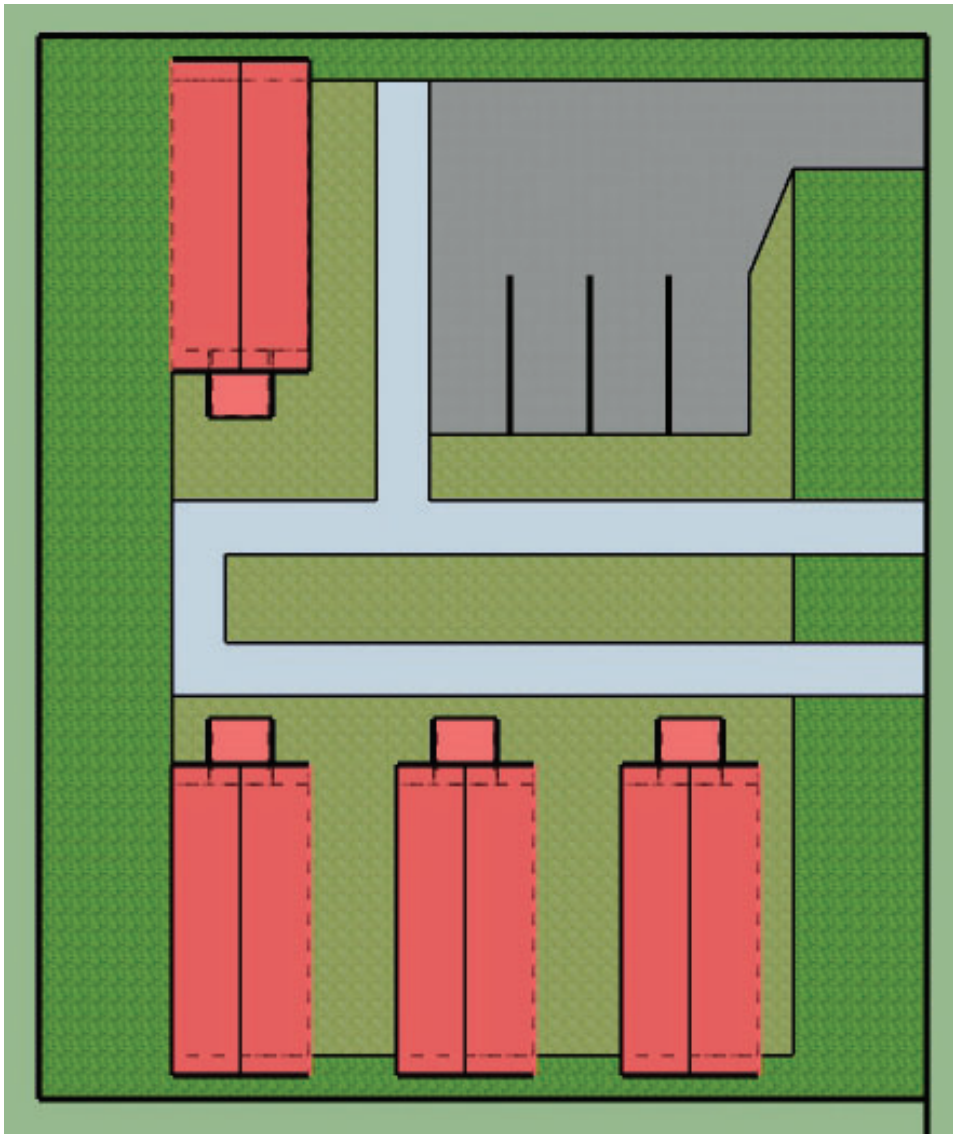
Example

- 73,000 square foot site – 12 units – 12 parking

One of Two Options:

- **Option A:** 12 Small Units – Lots of Unbuildable Space – Not Feasible
- 69.4% is left as vacant, unbuildable open space, not including setbacks or common green
- **Option B:** 12 Big Expensive Units – Unaffordable

Smaller sites are limited by density constraints



Max Density

- R2 and R2.5 is 17.4 DU/Acre
- R3 is 14.5 DU/Acre
- R10, R7, R5 is not permitted

Example:

- 12,000 sq ft site
- 4 cottages, 1000 sq ft, 2-bedroom
- 14.6 DU/Ac
- *Does not work in R3: 0.1 DU/Ac too high*
- *Adding 5th unit ups density to 18.2 DU/Ac*

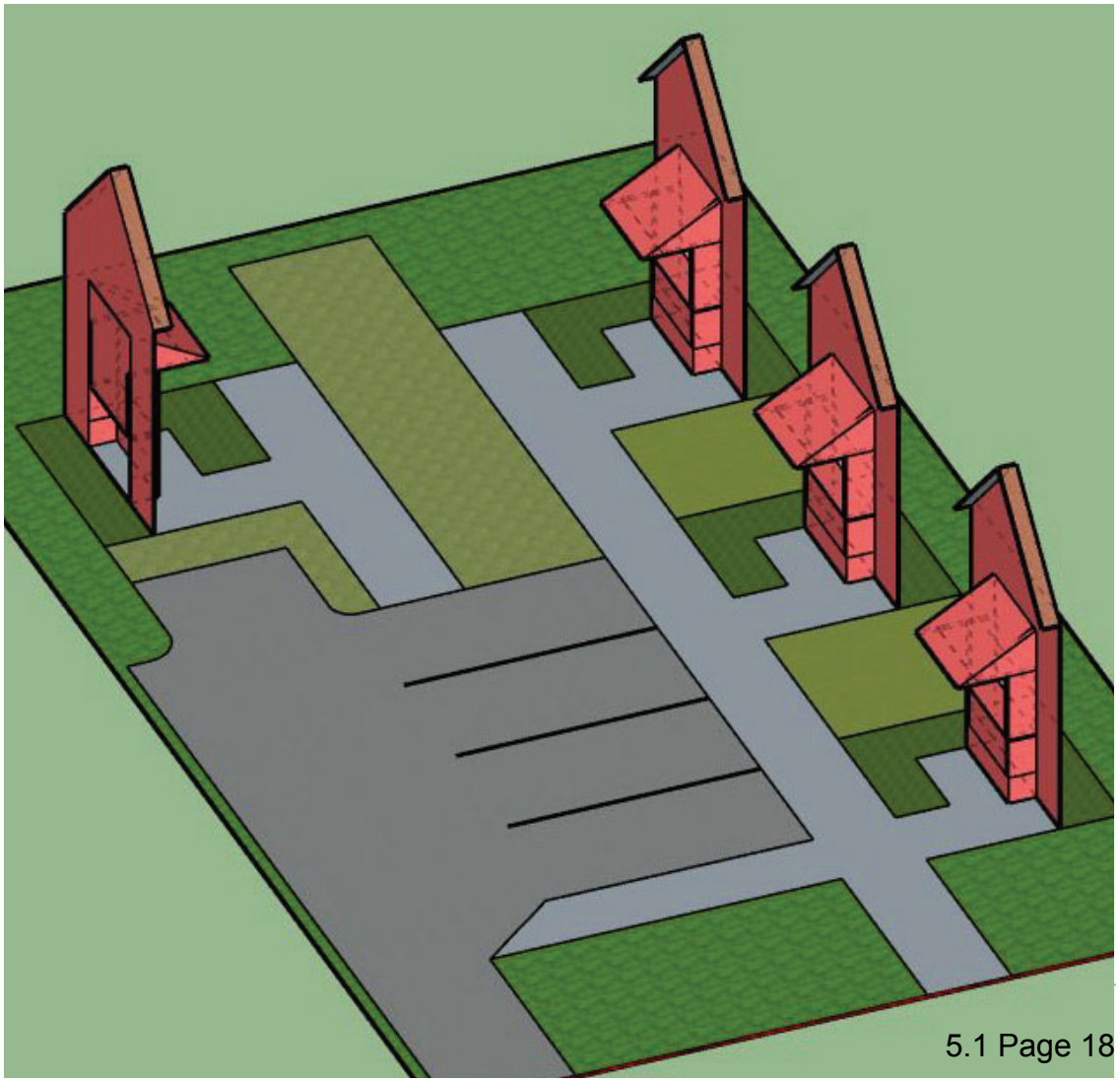
Limits Feasibility

- Each cottage would need to cost $371,000 in order for this to pencil.
- With 5th unit, each unit cost would be $353,000 or 5% less
- With 6th unit, each unit cost would be $345,000 or 8.4% less
- *Traditional Courtyard Housing*

Setback requirements render small sites completely undevelopable

Example:

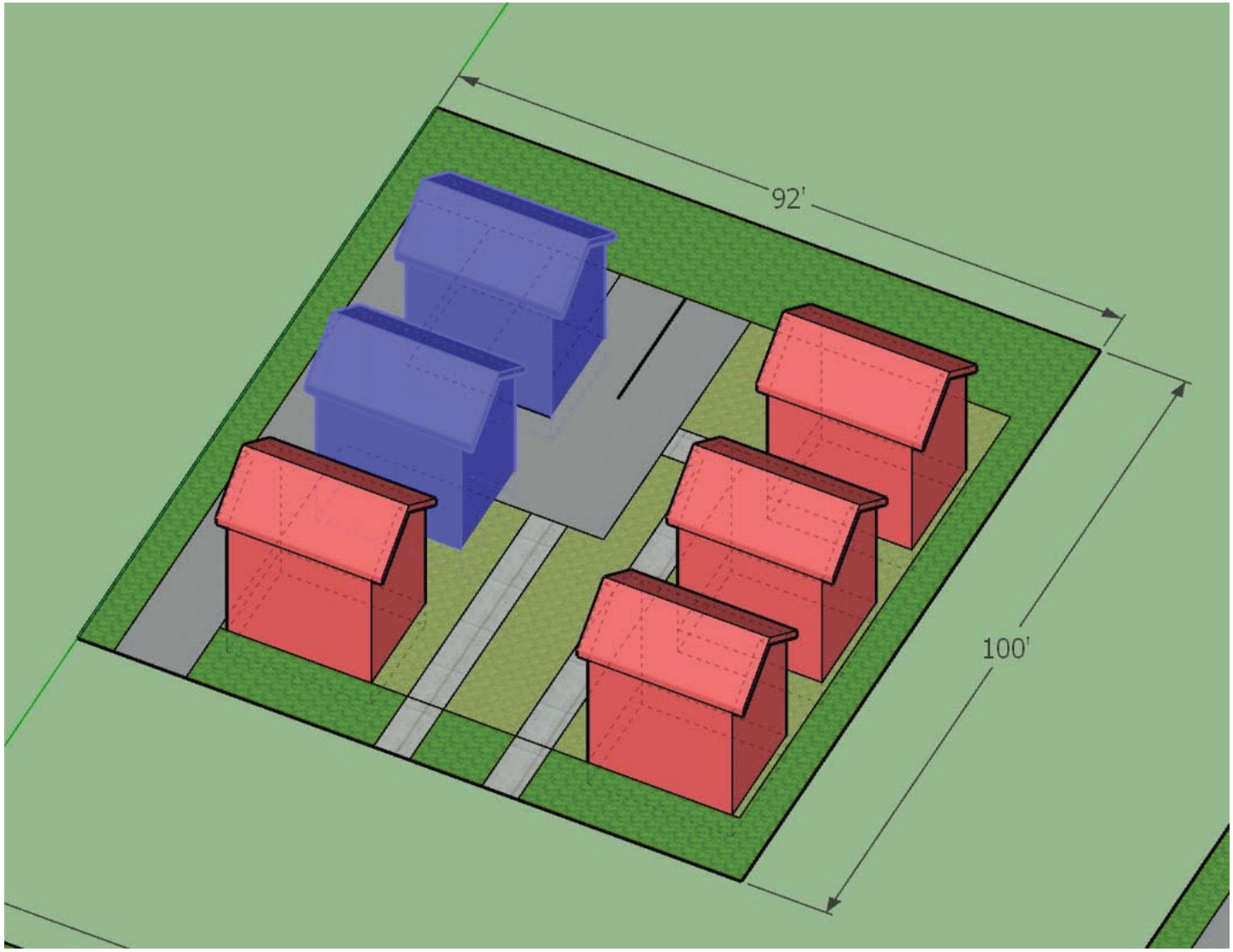
- 6,000 square foot site
- 4 "cottages" – front porches only!



So Many Setbacks = No Building Area

1. Front site setback: 15 ft
2. Side site setbacks: 5 ft each side
3. Rear site setback: 15 ft
4. Space between cottages: 10 ft
5. Minimum front yard depth: 10.5 ft
6. Minimum rear yard depth: 7.5 ft
7. Cottage other setback: 5 ft
8. Minimum private open space per cottage: 100 sq ft
9. Minimum dimensions of all sides of private open space: 10 ft
10. Minimum common open space area per cottage: 100 sq ft
11. Minimum dimension of one side of common open space: 20 ft

Parking and auto circulation standards compete with buildable site area



- Turning radius requirements:
  - 22' of maneuvering space required behind each 18' deep parking spot
- Ratios per unit:
  - 1 parking space per unit
- On-street parking doesn't count
- **= Eliminates 2 units!**

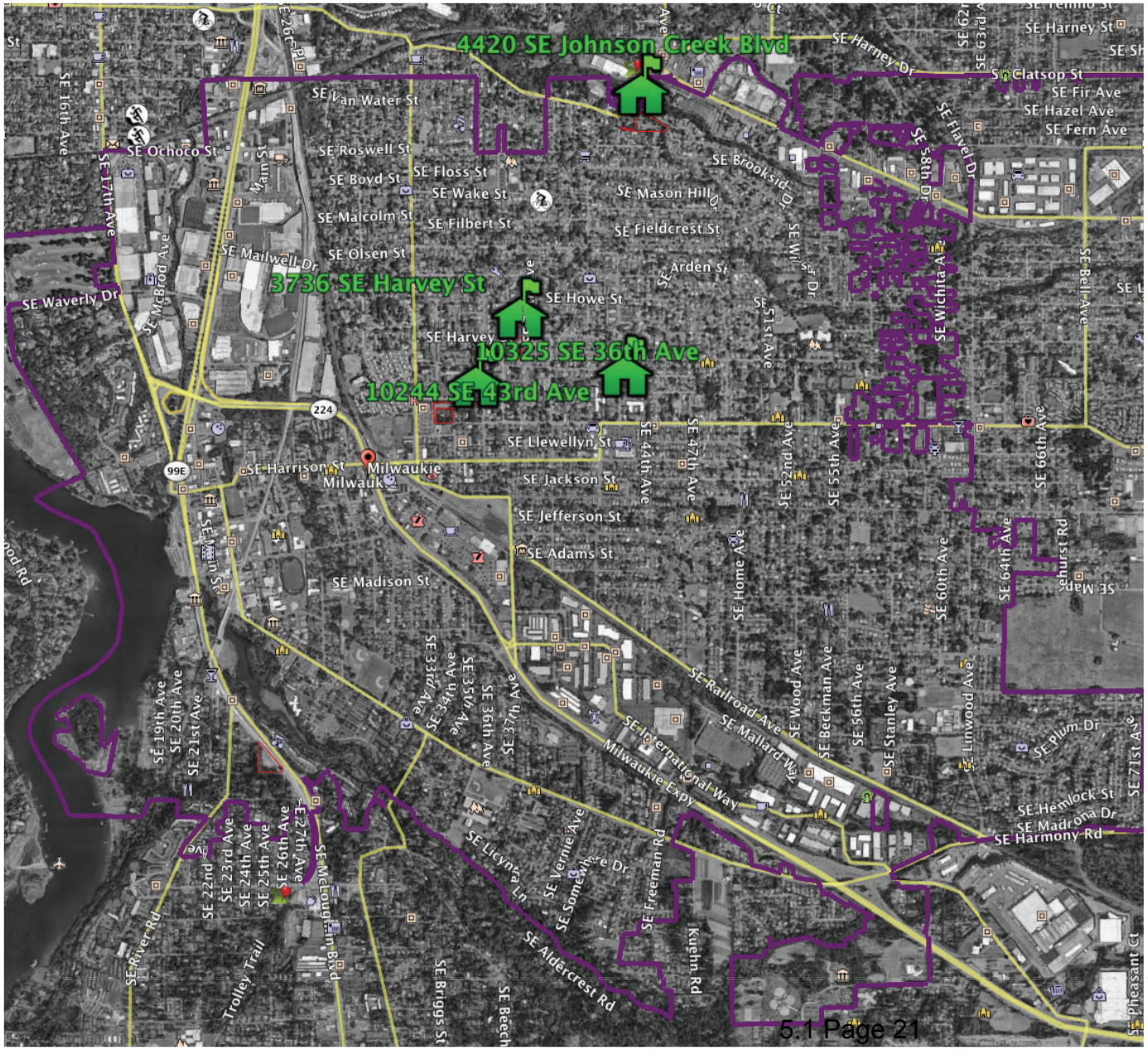
COTTAGE CLUSTER STUDY SITES

CITY OF MILWAUKIE

CASCADIA PARTNERS

Milwaukie Cottage Cluster Study:

Study Site Locations



Cottage Cluster:

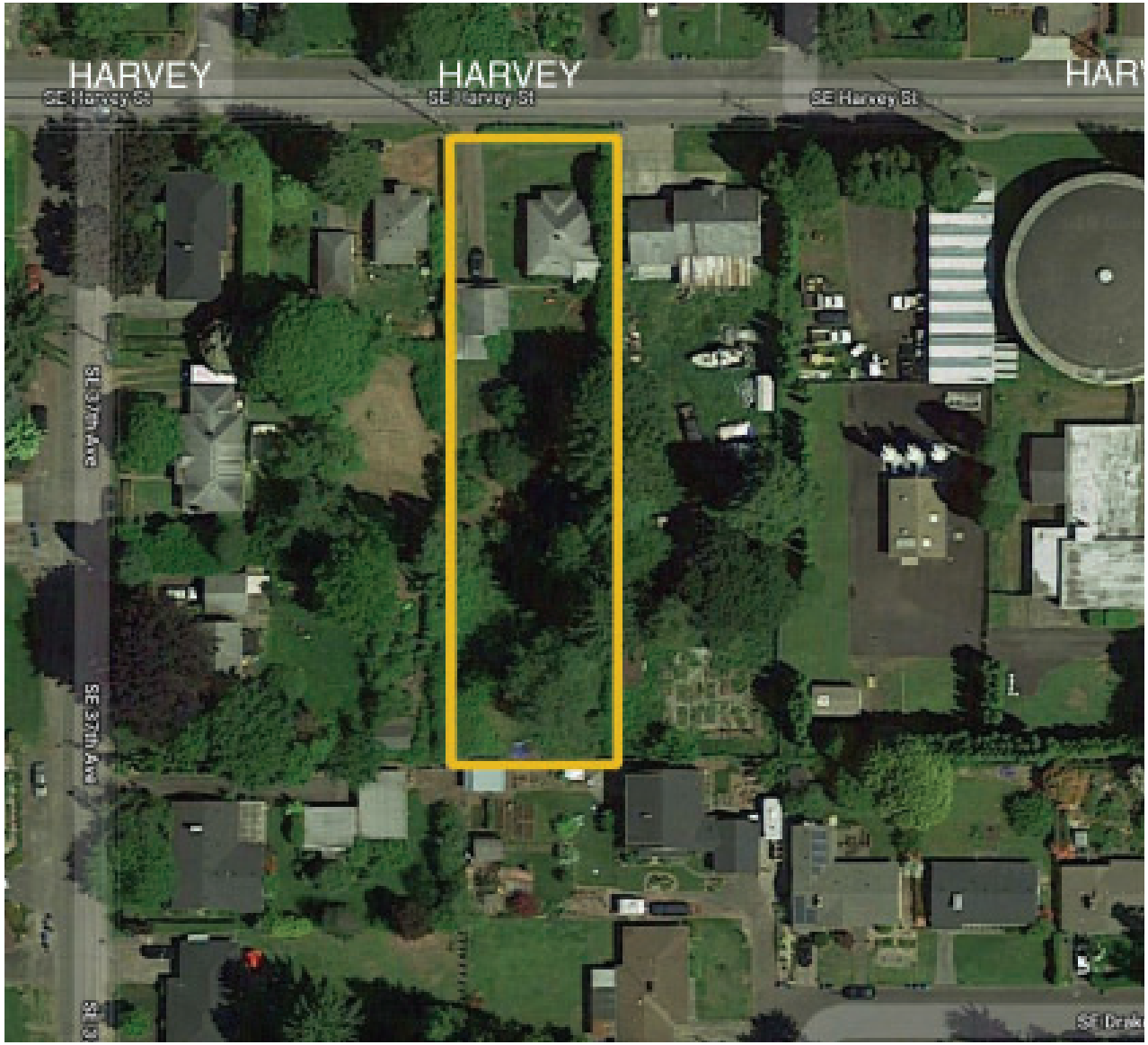
- 3736 SE Harvey St
- 10325 SE 36th Ave
- 4420 SE Johnson Creek Blvd

Pocket Neighborhood:

- 10244 SE 43rd Ave

Cottage Cluster Study Site

3736 SE Harvey St



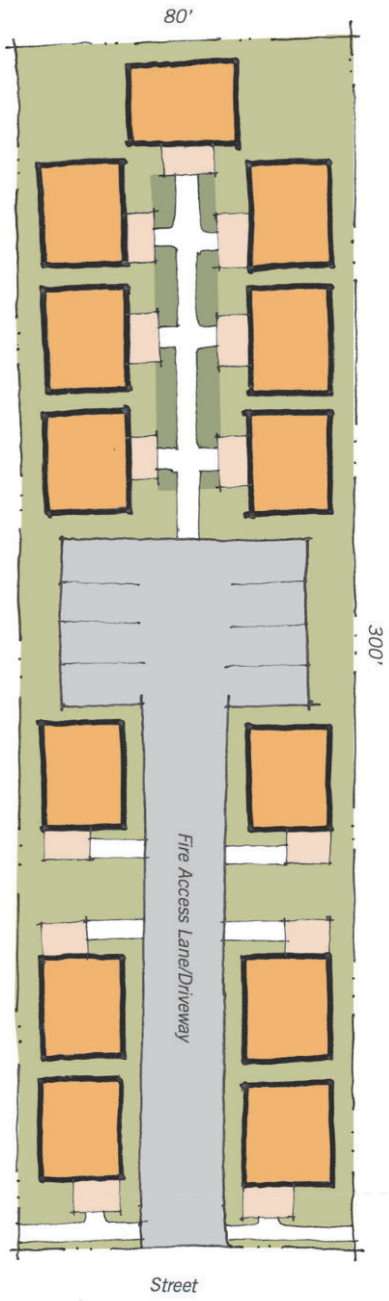
Deep and Skinny Lot

Existing Zoning: R7

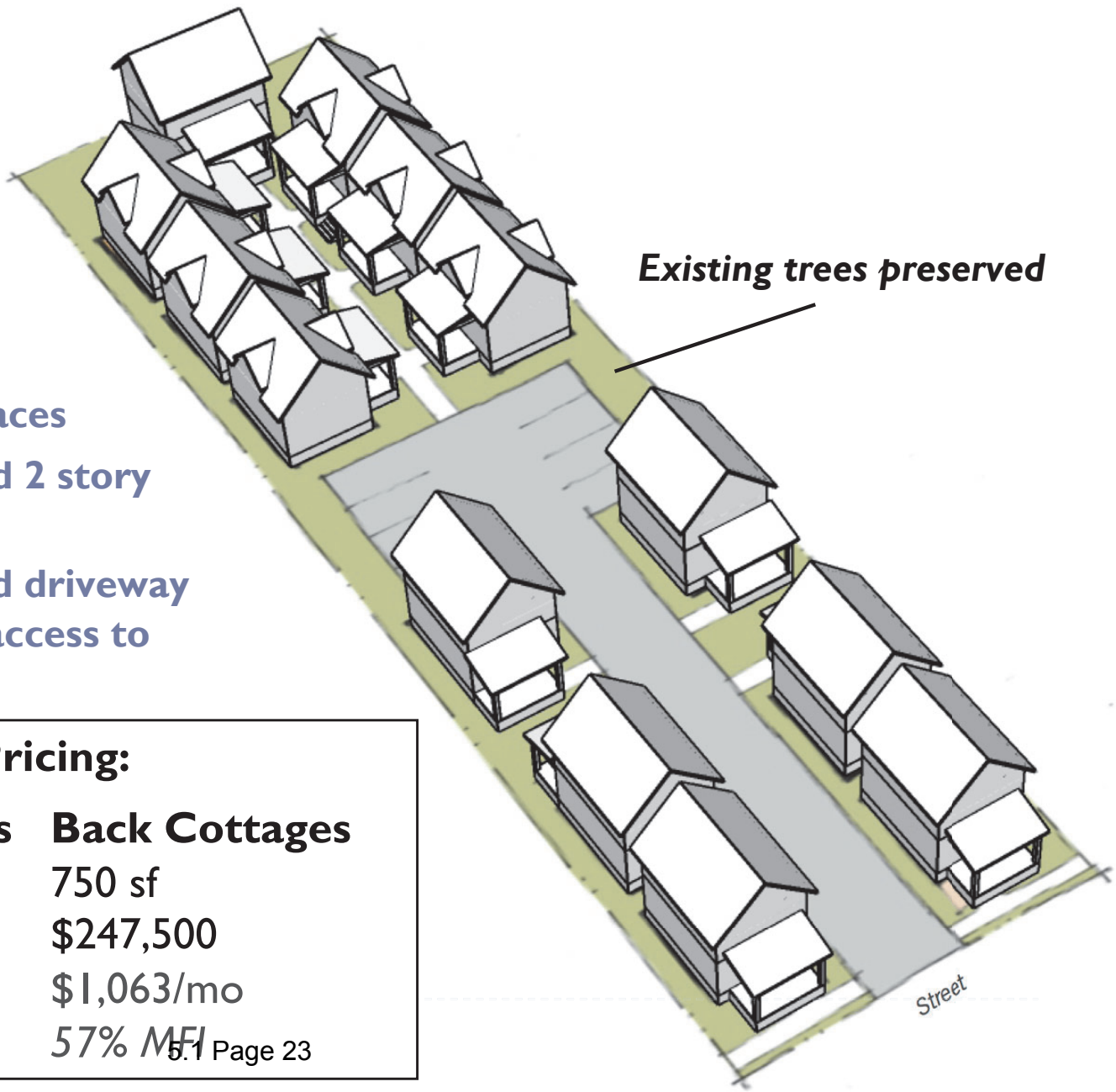
Site Size: 24,000 sf

Cottage Cluster Study Site: Context-Sensitive Design

3736 SE Harvey St



- *Deep and Skinny Lot*
- Existing Zoning: R7
- Site Size: 24,000 sf
- 13 Units
- 8 Parking Spaces
- Mix of 1.5 and 2 story cottages
- Hammerhead driveway turn for fire access to rear of site



Pricing:

Front Cottages	Back Cottages
1,000 sf	750 sf
$302,000	$247,500
$1,297/mo	$1,063/mo
69% MFI	*57% MFI*

Cottage Cluster Study Site

10325 SE 36th

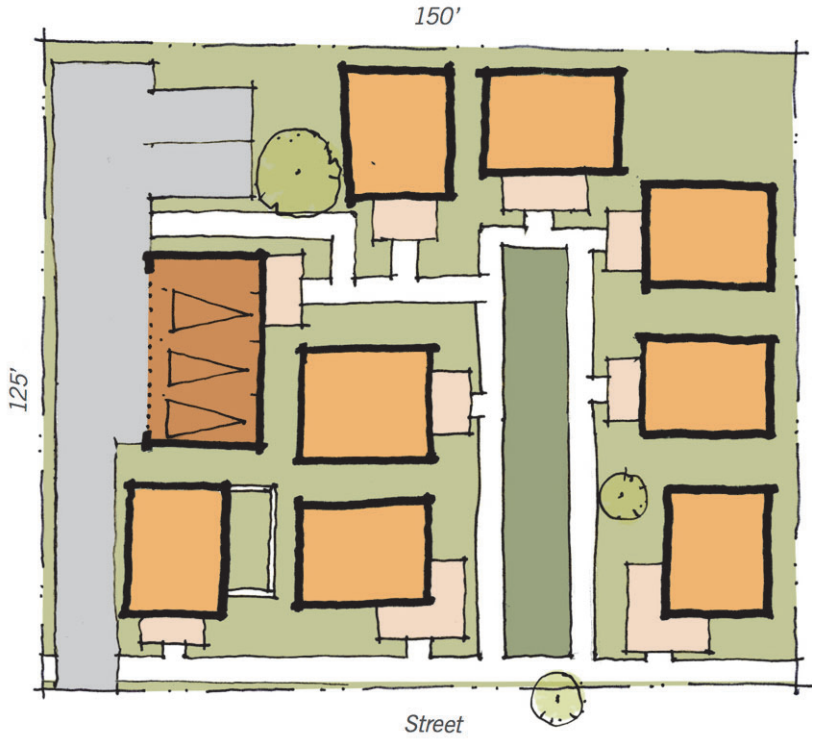
Nearly square, small-to-medium sized infill lot

Existing Zoning: R7

Site Size: 18,081 sf

Cottage Cluster Study Site: Context-Sensitive Design

10325 SE 36th



Nearly square, small-to-medium sized infill lot

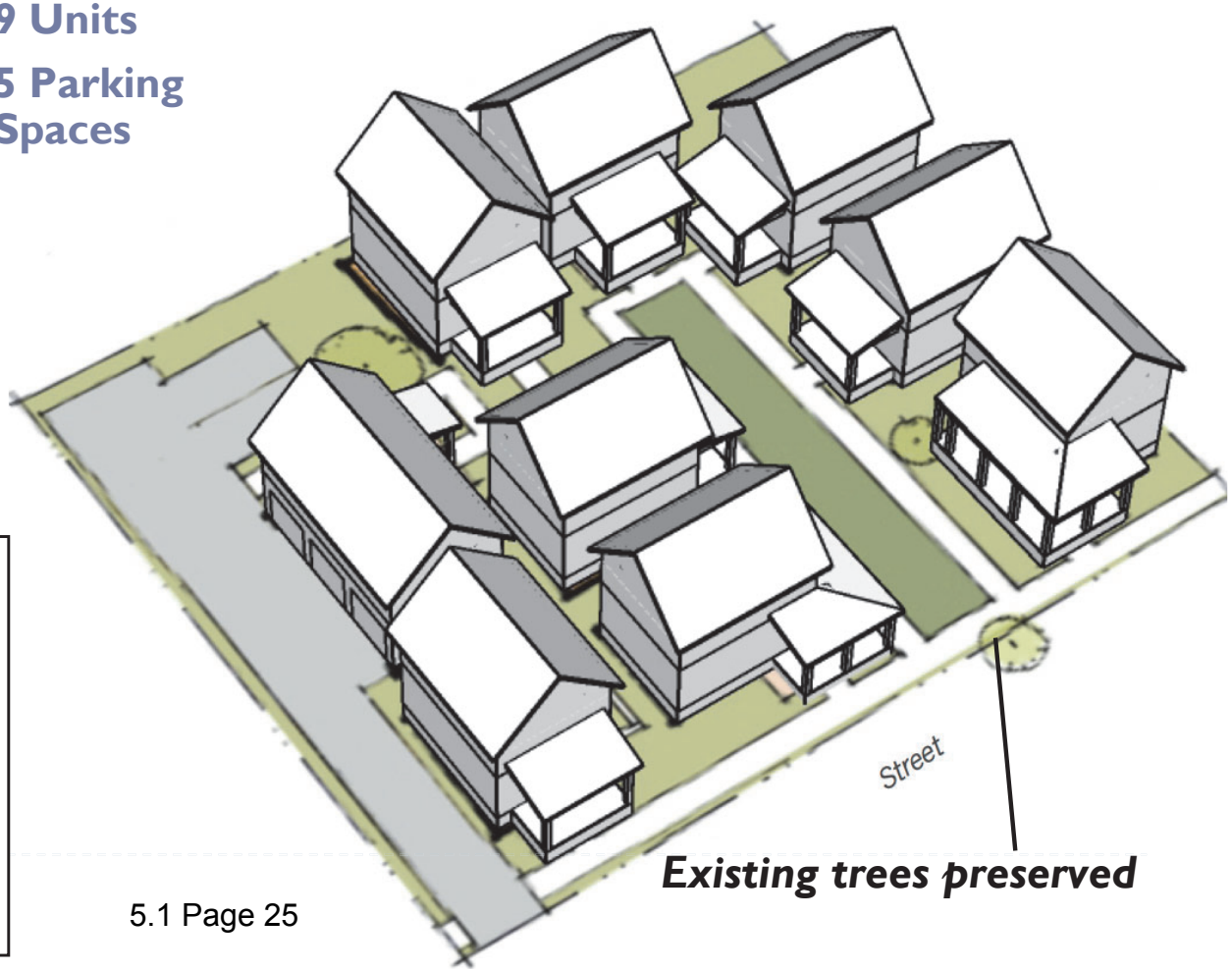
Existing Zoning: R7

Site Size: 18,081 sf

Mix of cottages and a Carriage House (used above three parking spaces)

9 Units

5 Parking Spaces



Pricing:

3-bed Cottages	Carriage House
1,000 sf	700 sf
$316,500	$234,500
$1,359/mo	$1,007/mo
73% MFI	*54% MFI*

Cottage Cluster Study Site

4420 SE Johnson Creek Blvd

Large,

Irregular flag lot

Existing Zoning: R7

Site Size: 92,119 sf

Additional Lot:

4515 SE Roswell St

Site size: 14,810 sf

Currently contains duplex

Could be used to provide future site access

Cottage Cluster Study Site: Context-Sensitive Design

4420 SE Johnson Creek Blvd

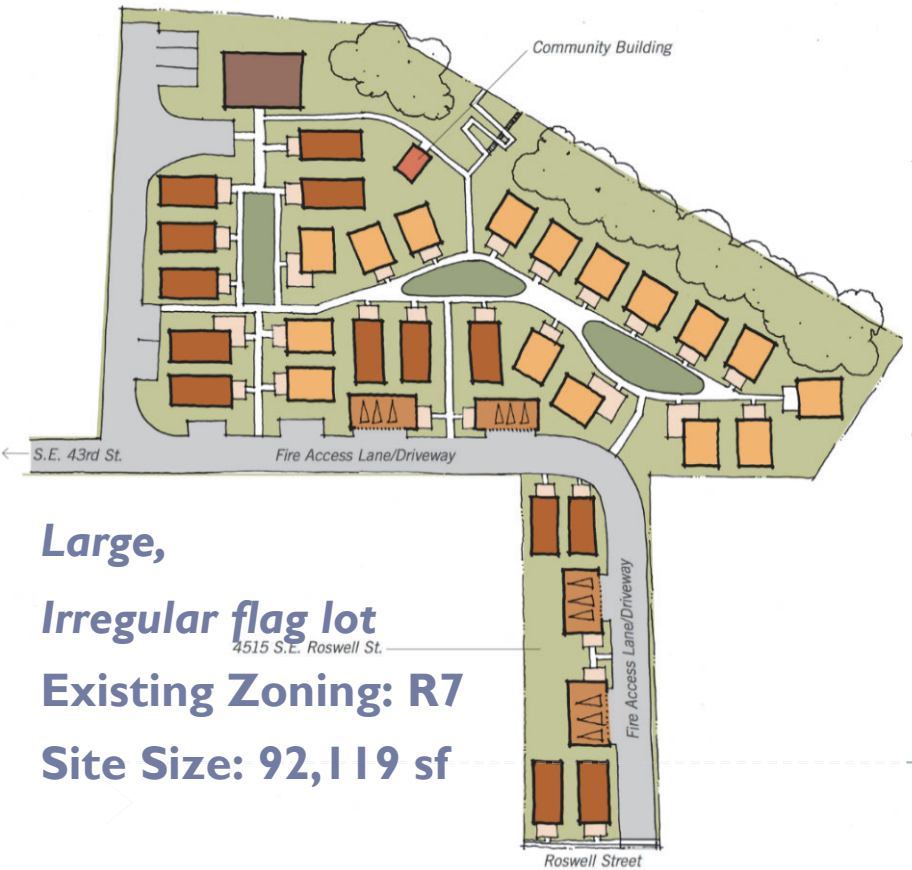
Pricing:

Skinny Cottages	Square Cottages	Carriage Houses
1,050 sf	1,000 sf	700 sf
$320,250	$305,000	$228,900
$1,375/mo	$1,310/mo	$983/mo
74% MFI	*70% MFI*	*53% MFI*

34 new units + 1 existing house

19 parking spaces

Fire access provided to entire site



Large,

Irregular flag lot

Existing Zoning: R7

Site Size: 92,119 sf

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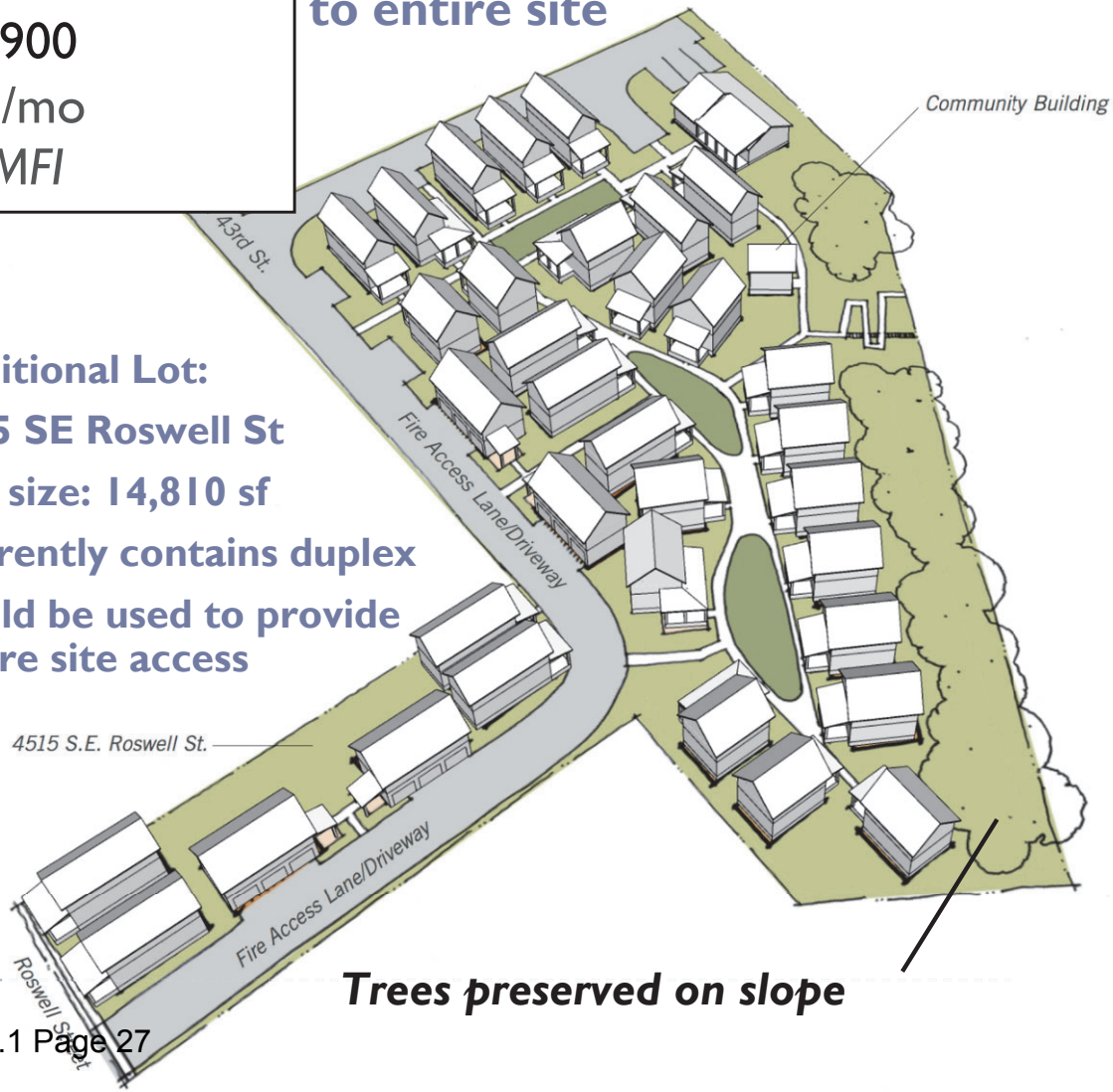
Site size: 14,810 sf

Currently contains duplex

Could be used to provide future site access



Trees preserved on slope

Cottage Cluster Study Site

10244 SE 43rd Ave

Medium-sized infill lot, test Pocket Neighborhood standards, potential zone change

Existing Zoning: R7

Potential Zone: R3

Site Size: 26,711 sf

Cottage Cluster Study Site: Context-Sensitive Design

10244 SE 43rd Ave

Pricing:

3-bed Cottages	Carriage Houses
1,050 sf	700 sf
$365,665	$248,500
$1,570/mo	$1,067/mo
84% MFI	*57% MFI*

Medium-sized infill lot, test Pocket Neighborhood standards, potential zone change

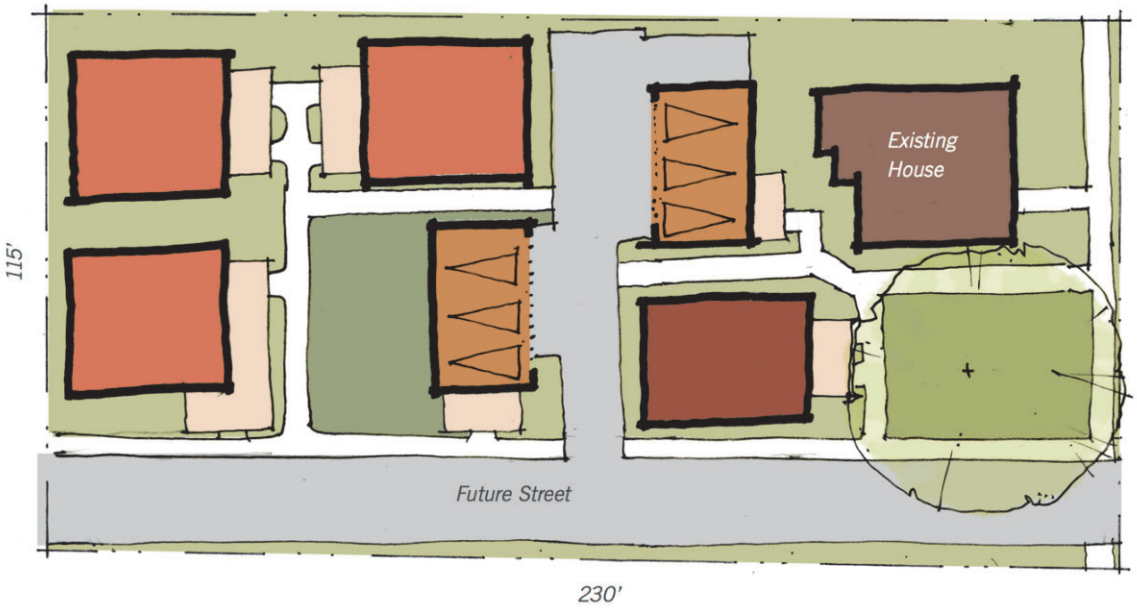
Existing Zoning: R7

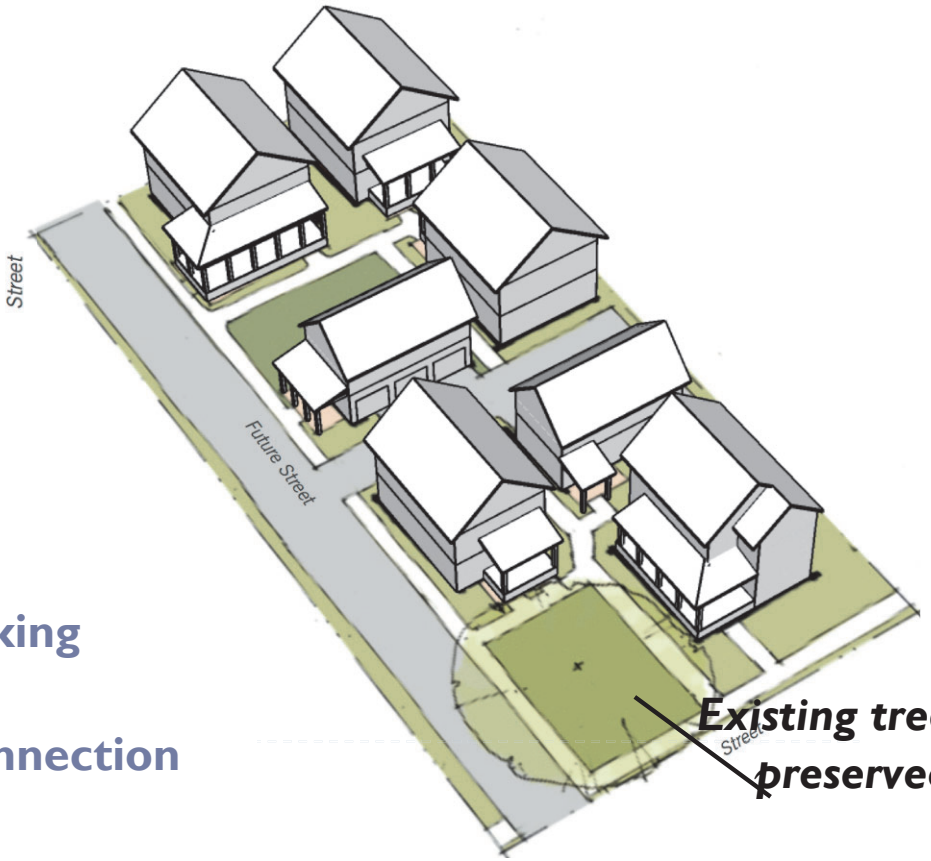
Potential Zone: R3

Site Size: 26,711 sf

10 New Units + Existing House

7 Parking Spaces





- **Mix of duplexes and carriage houses above parking**
- **Existing house preserved**
- **Accommodates City's desire for new street connection across site**

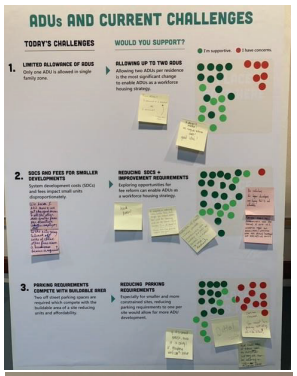
Open House Feedback and Recommendations

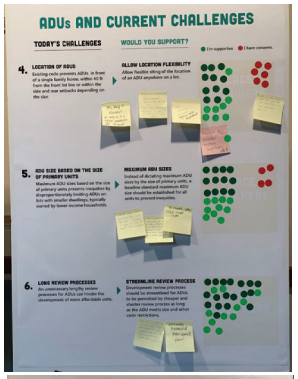
CITY OF MILWAUKIE

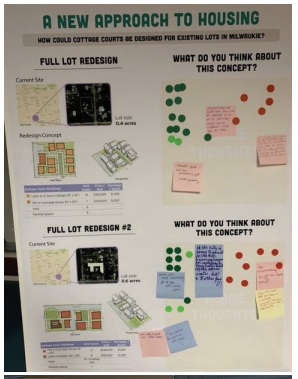
CASCADIA PARTNERS

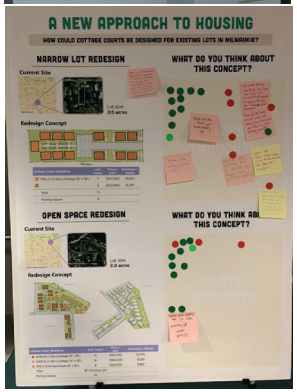
Milwaukie Cluster Housing and ADU Project

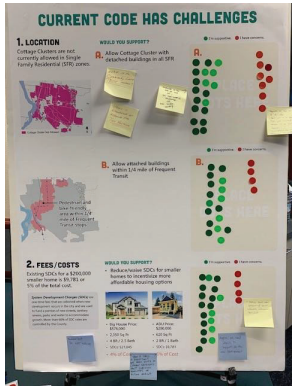
Open House Feedback

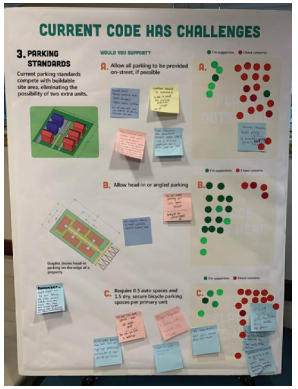


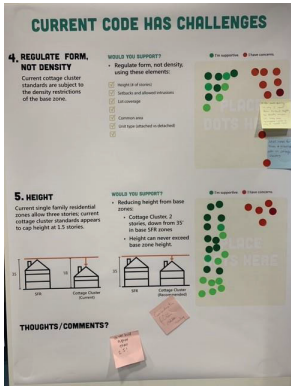


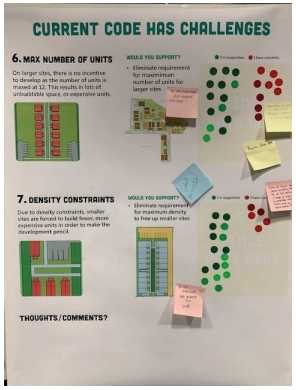


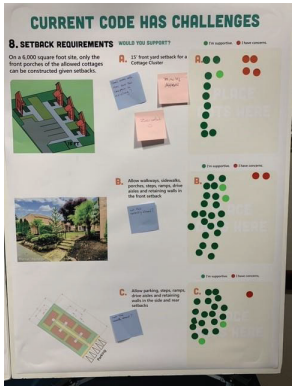








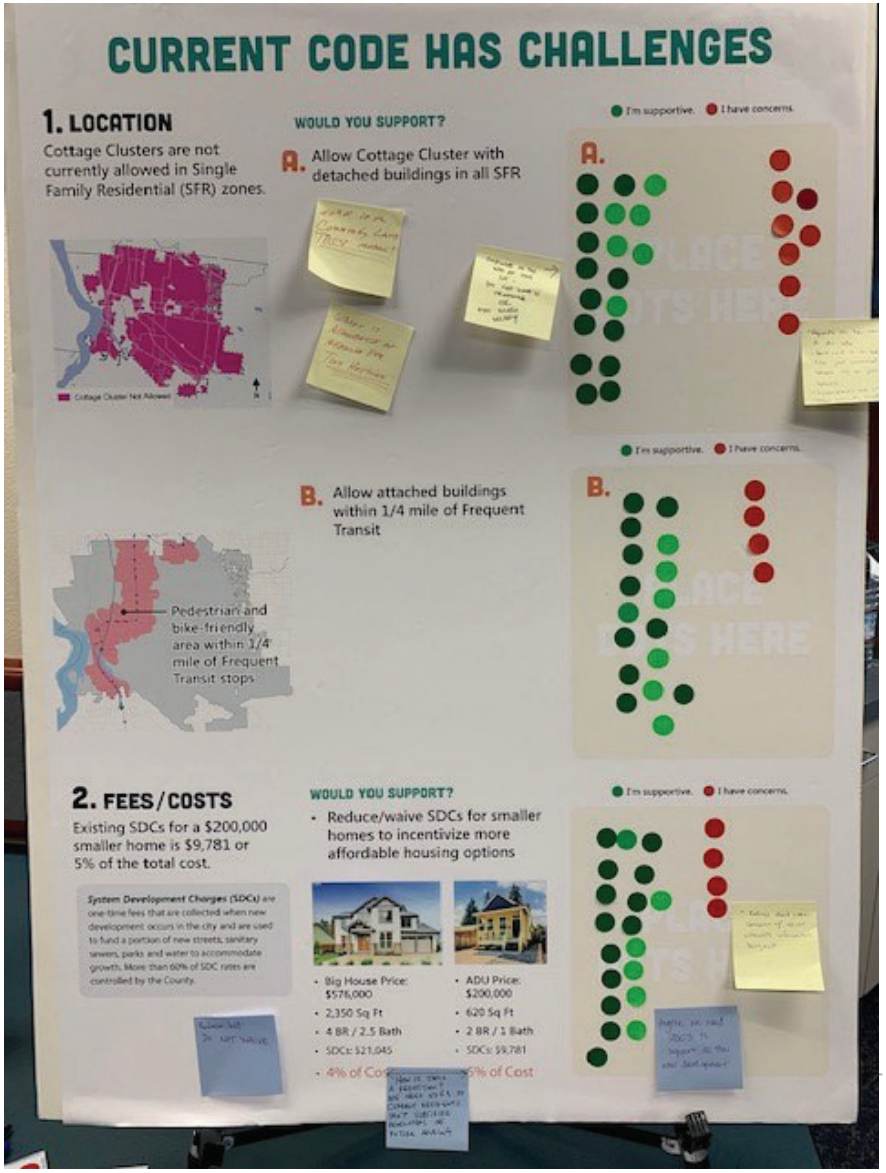




Milwaukie Cluster Housing and ADU Project

Open House Feedback: Cluster Housing

Opinion Themes



Generally Supportive Of:

- **Location Proposals**
  - **Allowing cottage clusters in all neighborhoods**
  - **Allowing attached within short walk of transit**
- **Design Proposals**
  - **Regulating elements of form instead of density**
- **Fee Proposals**
  - **Reducing/eliminating fees to encourage workforce housing**

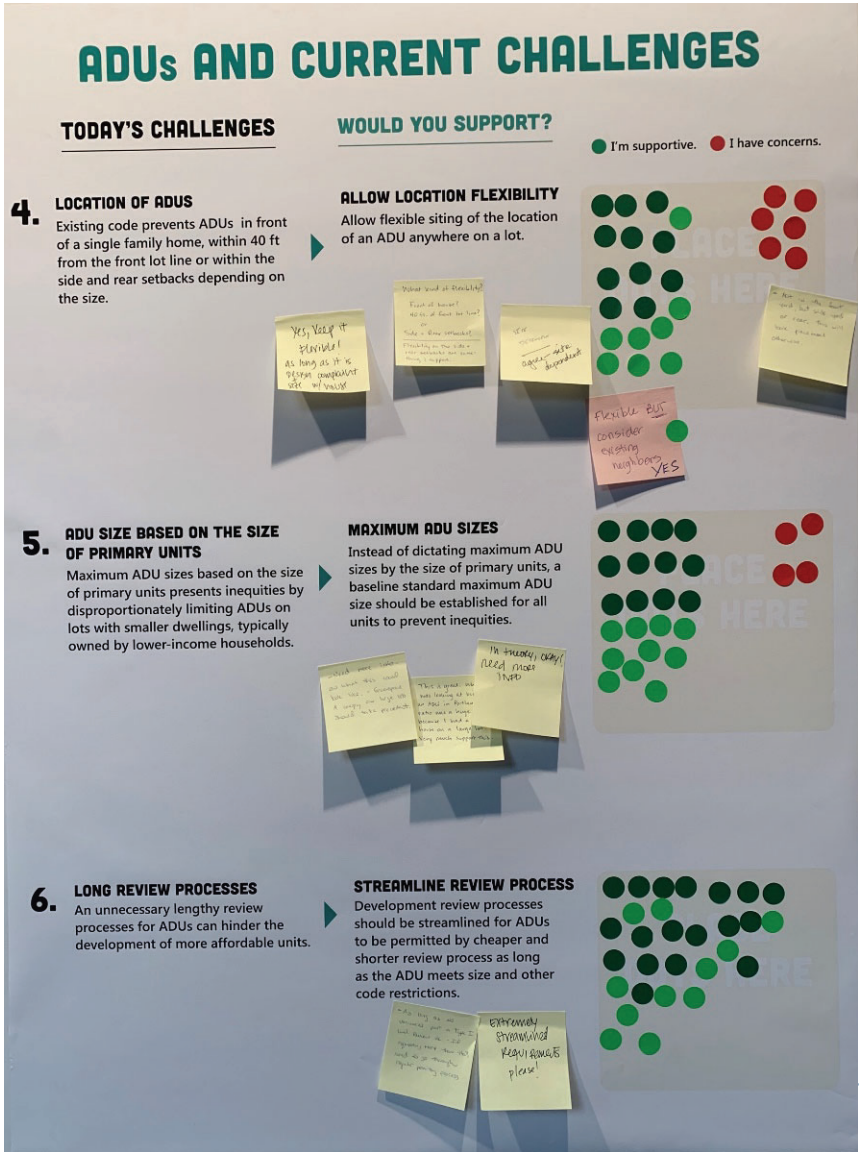
Somewhat Concerned About:

- **Parking-related issues**

Milwaukie Cluster Housing and ADU Project

Open House Feedback: ADUs

Opinion Themes



Generally Supportive Of:

- **Location Proposal**
  - **Allow location flexibility on each site**
- **Quantity Proposal**
  - **Allow up to two ADUs for each primary home**
- **Design Proposals**
  - **Do not require ADU to match primary home**
  - **Allow detached ADUs of 800 sq ft**
  - **Allow internal ADUs to fill one floor of a home**
- **Fee Proposals**
  - **Reducing/eliminating fees to encourage ADUs**

Somewhat Concerned About:

- **Parking-related issues**

CLUSTER HOUSING CODE PROPOSAL

CITY OF MILWAUKIE

CASCADIA PARTNERS

Impact of Policy Changes on Affordability

LESS AFFORDABLE

MORE AFFORDABLE

Zone Standards	Sales Price Per Unit	# of Units	Monthly Mortgage Payment	Monthly Rent Per Unit
Standard single-family home	$575,800 (181% AMI)	1	$2,473	$3,361 (180% AMI)
Current cottage cluster standard	$334,000 (107% AMI)	4	$1,434	$2,900 (155% AMI)
Remove density limit	$231,000 (82% AMI)	5	$992	$2,061 (110% AMI)
Reduce setbacks and separation standards	$216,300 (77% AMI)	7	$929	$1,888 (101% AMI)
Reduce private and shared yard standards	$207,100 (74% AMI)	8	$889	$1,773 (95% AMI)
Allow on-street parking to count	$202,100 (72% AMI)	9	$868	$1,674 (90% AMI)
Increase height to two full stories	$199,600 (71% AMI)	10	$857	$1,643 (88% AMI)
Allow attached unit types	$191,000 (68% AMI)	15	$820	$1,538 (82% AMI)

Milwaukie Cluster Housing Code

Key Points

- **No silver bullets** for affordability
  - Requires **multiple changes** to achieve workforce housing prices
- Allow detached version in **all residential** zones
- Allow attached buildings **near transit** and commercial areas
- Regulate building **form rather than density**
- **Reduce setbacks** and open space requirements
- **Reduce parking** and on-site circulation requirements, add bicycle parking
- **Reduce or waive fees**, such as SDCs and Frontage Improvement Fees

Cluster Housing Proposal:

Home Size: Drives home price

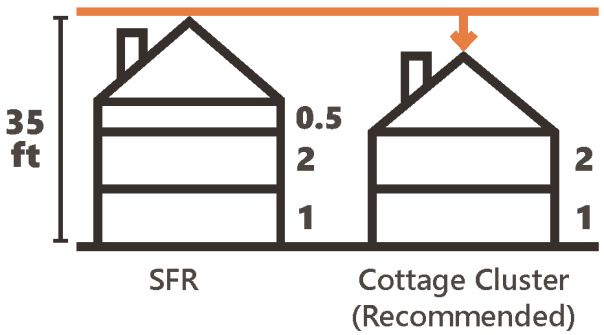
- Big House Price: $576,000
- 2,350 Sq Ft
- 4 BR / 2.5 Bath

- Cottage Price: $200,000
- 620 Sq Ft
- 2 BR / 1 Bath

Home Type	Home Size	% of Homes in Cluster	# of Homes by Type	Home Price	Monthly Mortgage	MFI Purchase Affordability
4 Bedroom	1,600	30%	1	$512,000	$2,199	118%
3 Bedroom	1,300	30%	2	$453,725	$1,944	104%
2 Bedroom	950	20%	3	$341,876	$1,468	79%
1 Bedroom	700	20%	4	$248,500	$1,067	57%
Avg. Home Size	**985**	**100%**	**10**	**$343,908**	**$1,476**	**79%**

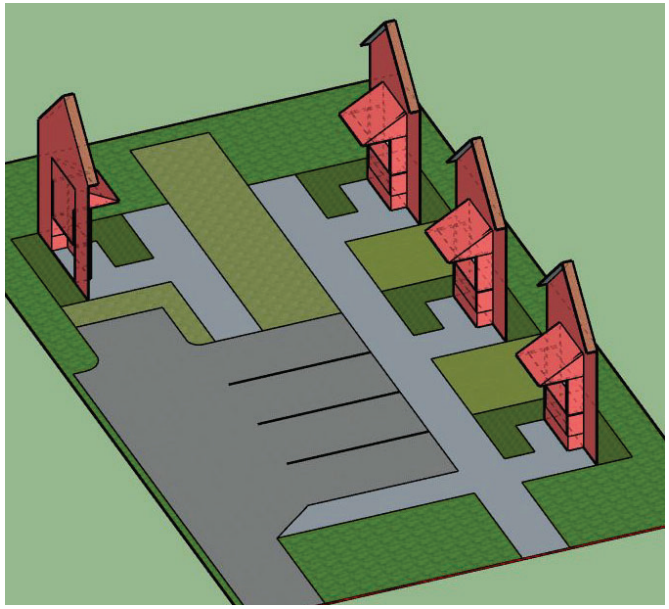
Cluster Housing Proposal:

Home Size: PROPOSED STANDARDS



Standard	Low-density neighborhoods	Transit-connnected locations	Commercial and Multifamily zones
Home size			
Building footprint maximum	1,000 sf	1,200 sf	1,200 sf
Maximum floor area per each home	1,600 sf		
*Maximum **average** floor area for all homes on a site*	1,000 sf		
Height			
Max # of stories	2	2.5	3
Max height between 5 & 10 ft of rear lot line	15 ft		
Max height to eaves facing common green	1.618 times the narrowest average width between two closest buildings		

Home Separation and Setbacks: Requirements impact developability

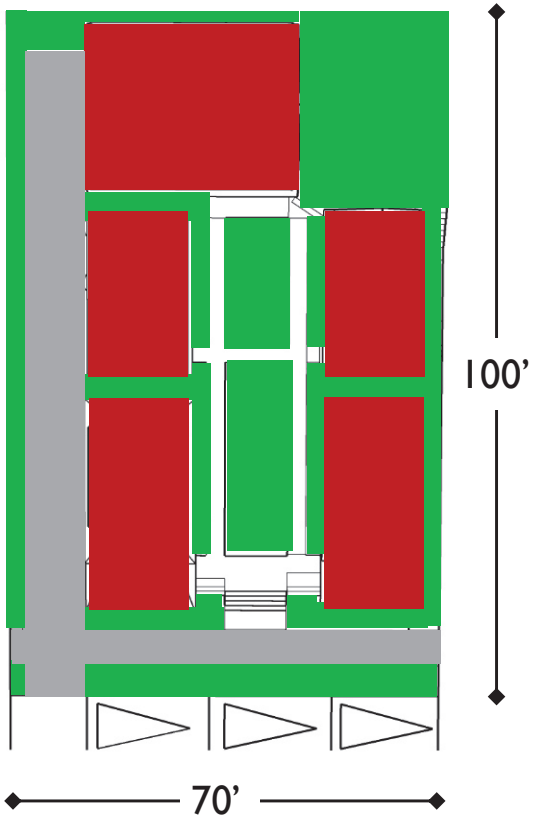


Existing Code:

1. Front site setback: 15 ft
2. Side site setbacks: 5 ft each side
3. Rear site setback: 15 ft
4. Space between homes: 10 ft
5. Min. front yard depth: 10.5 ft
6. Min. rear yard depth: 7.5 ft
7. Cottage other setback: 5 ft
8. Min. private open space per cottage: 100 sq ft
9. Min. length of all sides of private open space: 10 ft
10. Min. common open space area per cottage: 100 sq ft
11. Min. length of one side of common open space: 20 ft

PROPOSED STANDARDS:

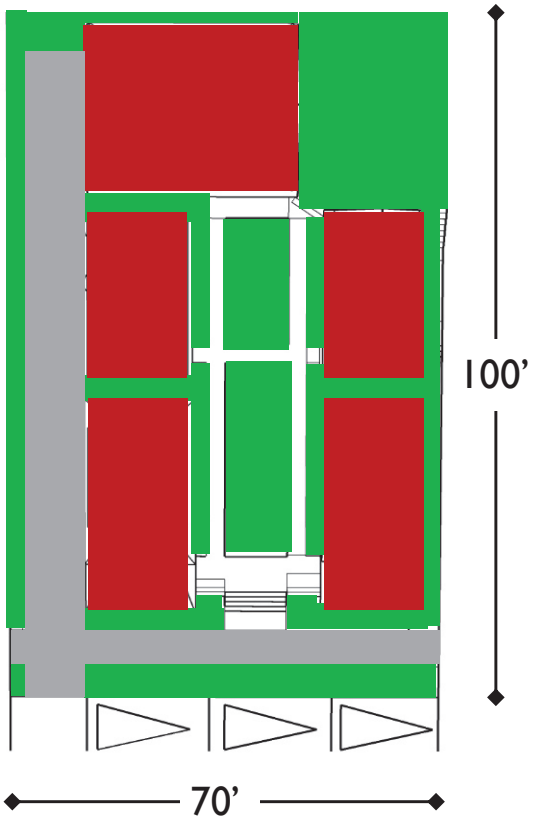
- 15' front setback for Cottage Cluster
- Allow walkways, sidewalks, porches, steps, ramps, drive aisles and retaining walls in the front setback
- Allow parking, steps, ramps, drive aisles and retaining walls in the side and rear setbacks



Proposed New Code:

1. Front site setback: 15 ft
2. Side site setbacks: 5 ft each side
3. Rear site setback: 5 ft
4. Space between homes: 4 ft
5. Min. common open space area per home: 100 sq ft
6. Min. common open space dimensions: 12 x 20 ft

Parking Standards: Less space for cars allows more room for homes



PROPOSED STANDARDS:

- Allow **parking to be provided on-street** if possible
- Allow **head-in or angled parking** to be used to increase the amount of on-street parking (*if this fits within the ROW width*)
- Do **not require any additional parking for ADUs** (*that are provided as an accessory to a primary home of a cottage cluster)*
- Allow the **sidewalk to intrude into the front setback** *(to make room for angled on-street parking)*
- **For lower-density neighborhoods:** Require 1.0 auto parking space per primary home
- **For transit-connected locations:** Require 0.5 auto spaces per primary home
- **For commercial and mixed-use zones:** Require 0.25 auto spaces per primary home
- Require **1.5 dry, secure bicycle parking spaces and 0.5 visitor bicycle parking space** for every home *(4 primary homes + 4 ADUs, 8 total, would need 12 dry + secure and 4 visitor bicycle parking spaces)*
- Allow secure, dry bicycle parking facilities to be provided ***within*** residential units

Milwaukie Cluster Housing Code

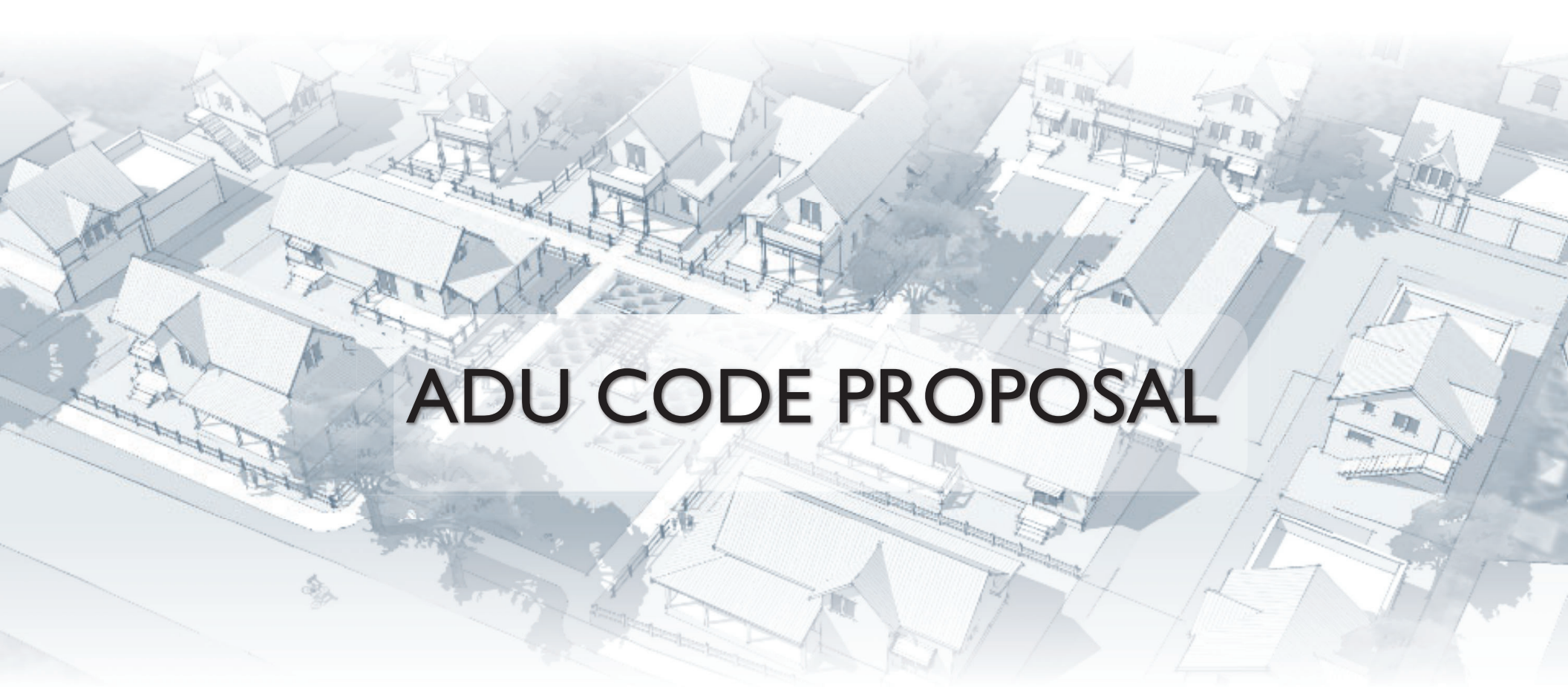
Proposed Standards

Standards	Low-density neighborhoods	Transit-connected locations	Commercial and multifamily zones
Home types			
Buiding types allowed	Detached	Attached	Attached
Home size			
Building footprint maximum	1,000 sf	1,200 sf	1,200 sf
Max floor area per home	1,600 sf		
Max average floor area per home	1,000 sf		
Height			
Max # of stories	2	2.5	3
Max structure height between 5 & 10 ft of rear lot line	15 ft		
Max height to eaves facing common green	1.618 times the narrowest average width between two closest buildings		
Setbacks, separations, and encroachments			
Separation between homes (minimum)	4 ft	0 ft	0 ft

Milwaukie Cluster Housing Code

Proposed Standards (con't)

Standards	Low-density neighborhoods	Transit-connected locations	Commercial and multifamily zones
Side and rear site setbacks	5 ft		
Front site setback (min.)	15 ft	10 ft	0-10 ft
Front site setback (max)	20 ft		
Lot Coverage, Impervious Area, Vegetated Area			
Lot coverage (max)	50%	55%	60%
Impervious area (max)	60%	65%	70%
Vegetated site area (min)	35%	30%	25%
Tree cover (min @ maturity)	40%		
Community and common space			
Comm. bldg. footprint (max)	1,500 sf	2,000 sf	3,000 sf
Parking			
Auto parking spaces per primary home (min)	1	0.5	0.25
Dry, secure bicycle parking spaces per home (min)	1.5		
Guest bike spots/home (min)	0.5		



ADU CODE PROPOSAL

CITY OF MILWAUKIE

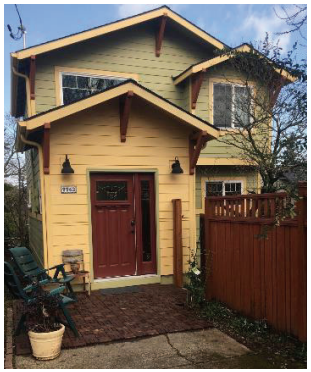
CASCADIA PARTNERS

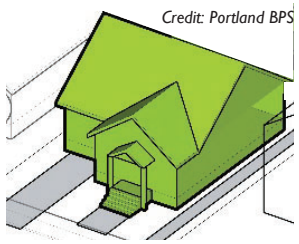
Milwaukie ADU Study

What is an ADU?

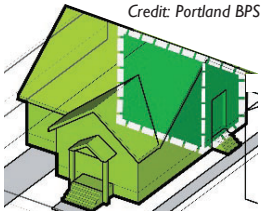
- An **Accessory Dwelling Unit (ADU)** is a self-contained home on same property as a primary home
- ADUs can be **detached, attached, or internal** to the primary home
- Opportunity to diversify the housing market within existing neighborhoods
- Can match peoples' needs at different life stages and incomes – not everyone needs or can afford a large single family home
  - Allow age in community
  - Allow supplemental income
- Also known as **granny flats, carriage houses, in-law units, backyard cottages,** and other names

Impact of Policy Changes on ADU Affordability

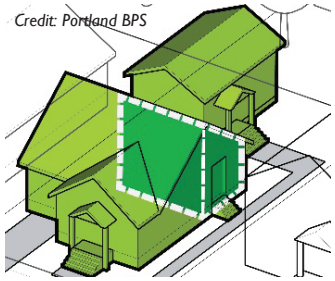




House



House + 1 ADU
(internal)



House + 2 ADUs
(internal + external)

LESS AFFORDABLE

MORE AFFORDABLE

Cost Per Unit	Housing Situation	Monthly Rent Per Unit	
$575,800	Standard single-family home	$0	
$395,300	Single-family home	$0	
$195,800	Attached ADU	$1,160	(62% AMI)
$395,300	Single-family home	$0	
$195,800	Attached ADU	$1,160	(62% AMI)
$240,600	Detached ADU	$1,780	(95% AMI)

Remove Parking Requirement

$395,300	Single-family home	$0	
$195,800	Attached ADU	$1,130	(60% AMI)

Remove Parking Requirement; Remove SDCs

$395,300	Single-family home	$0	
$184,800	Attached ADU	$1,040	(56% AMI)
$217,800	Detached ADU	$1,660	(89% AMI)

Milwaukie ADU Code

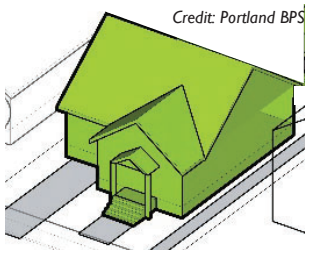
Key Proposals

- Allowing **two ADUs per primary residence:** most significant change to enable ADUs as workforce housing strategy
- **Reducing SDCs for ADUs** is the second most effective strategy
- **Reducing parking requirements** is critical on smaller / more constrained sites
- **Review process should be streamlined** for ADUs to allow permit approval by right as Type I review as long as ADU meets size and other code restrictions
- **Ease design limitations,** including height and location, to allow ADUs on more sites
- **Owner occupancy restrictions** should be reconsidered to allow more rentals
- **Max sizes of ADUs** in relationship to primary units should become simple max ADU sizes to allow ADUs on sites with small primary units

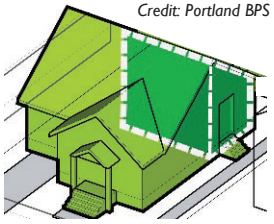
Number of ADUs allowed: Expand to two per primary home

Expand number of ADUs per primary home with minimal impact on lot or neighborhood:

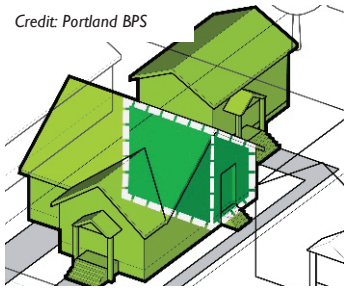
- 1 main house
- 1 main house + 1 ADU
- 1 main house + 2 ADUs



House



House + 1 ADU (internal)



House + 2 ADUs (internal + external)

Questions:

- Allow 2 ADUs of any type?
  - 2 internal?
  - 2 external
  - 1 internal + 1 external?

PROPOSED STANDARD:

- 2 ADUs of any type

Carriage House Concept: Allow transition to traditional neighborhood feel

Existing Code: ADU Location

- Not within 40 ft of front lot line
- 10 ft behind required front yard
- Type I Review: Same setbacks as base zone
- Type II Review: 5' side/rear setbacks

- ADUs located at the street property line above a garage: "carriage houses"
- These can reduce the impact of the automobile on the private yard, making more room for non-auto uses

PROPOSED STANDARDS:

- Allow Carriage Houses within 0 to 8 ft of of the street property line, with Type II review
- Carriage House height limits:
  - To peak of roof: 18 ft
  - To mid-point of roof: 15 ft
- Carriage House width limits:
  - 30% of the lot frontage (including all attached decks, staircases)
- Allowed encroachments:
  - Decks, porches, eaves: up to the sidewalk line

Parking Standards: Enable ADUs on constrained sites

Existing Code: ADU Parking

- 2 parking spaces required for any home with an ADU (1 for the home, 1 for the ADU

Discussion:

- Parking requirements drive up ADU costs, limit feasibility on small sites
- **DLCD** recommends: not requiring parking for ADUs

PROPOSED STANDARDS:

- Don't require off-street parking for ADUs
- If an ADU replaces the only off-street parking space for a primary dwelling unit, allow for **on-street parking** to count towards required if frontage is improved
- Require **1.5 secure, dry + 0.5 guest bicycle parking spaces** for each home on a site, including primary and accessory homes

Question:

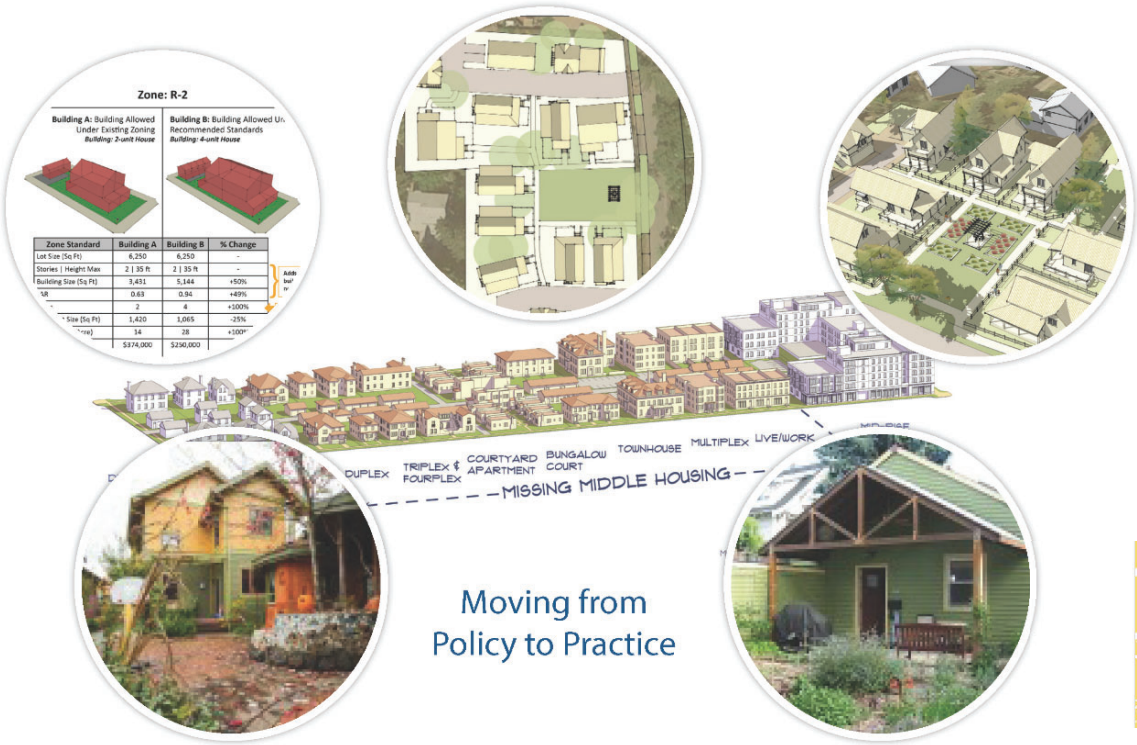
- Is it fair to require frontage improvements if on-street parking is used to replace required off-street parking for the primary home?

Milwaukie ADU Proposal

PROPOSED STANDARDS

Standard	ADU: Type I Review	ADU: Type II Review
Maximum Structure Footprint	900 sq ft, or up to the same footprint size as the primary structure, whichever is less.	
Maximum Structure Height	Same as base zone height. 15’ if within setbacks but at least 5’ from side or rear lot line. 18’ for carriage homes.	Same as Type I, or 15’ if a ADU is proposed for within setbacks with any portion between 3 ft and 5 ft of a side or rear property line.
Required Side/Rear Setback	5’	3’
Required Front Setback	10’ behind front yard as defined in Section 19.201, unless at least 40’ from front lot line.	Zero if fronting onto an alley or street and where a garage is proposed for the first floor of an ADU.
Lot coverage	10% bonus above base zone	
Tree cover (min @ maturity)	40%	
Required Street Side Yard	Base zone requirement for street side yard, unless fronting onto an alley or side street, in which case 0’.	

Cottage Cluster Housing Feasibility *and* Accessory Dwelling Unit (ADU) Studies



OPTICOS

CASCADIA PARTNERS

jla public involvement

Orange Splot

Planning Commission, June 25, 2019

CITY OF MILWAUKIE

CASCADIA PARTNERS

MILWAUKIE ADU CODE AUDIT SUMMARY

DRAFT MAY 19, 2019

To: Alma Flores, Community Development Director, City of Milwaukie

From: Alex Joyce and Garlynn Woodsong, Cascadia Partners LLC

Figure 1: An Accessory Dwelling Unit (ADU).

What is an ADU?

An Accessory Dwelling Unit (ADU), also known as a granny flat, carriage house, in-law unit, accessory apartment, au-pair suite, guest house, or backyard cottage, is a self-contained home with its own kitchen, bathroom, and sleeping area, located on the same property as a larger, principal dwelling.

ADUs can be detached, attached, or internal to the primary home. They represent an opportunity to diversify the housing market, and use urban land more efficiently. They can provide housing

options that can match peoples' needs at different life stages and incomes, allowing people to age in community by helping to provide adaptability and financial resiliency.

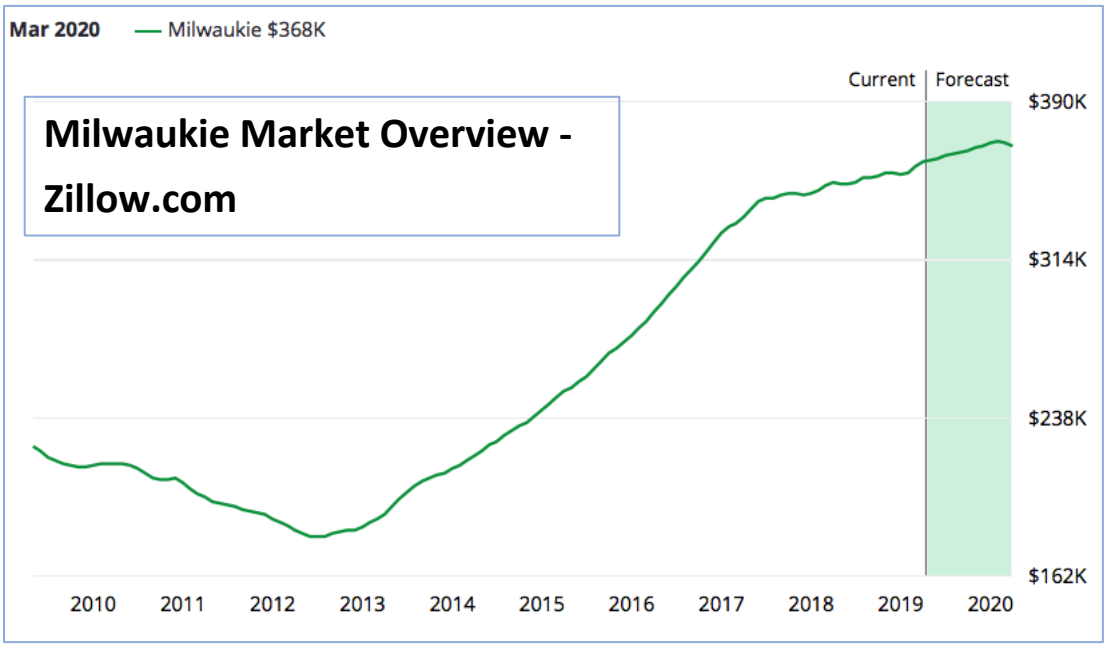


Figure 2: Milwaukie market price changes, 2010 to 2019 and projected.

Introduction: Project Purpose & Goals

As the Orange Line has arrived for service in Milwaukie, Milwaukie's housing market has also "arrived" as the city has become an increasingly desirable place to live for regional buyers and renters. Reflecting this, housing values in Milwaukie have nearly doubled since 2012. Now, nearly a third of Milwaukie households spend over 50% of their income on housing. As more and more residents become cost-burdened, and with fierce competition for the limited housing options available on the market, many Milwaukie residents are being priced out of the community.

This local manifestation of the Portland region's housing crisis represents an opportunity to capitalize on market strength to expand housing options in Milwaukie, with affordable units that fit the neighborhood, allowing locals to add income that enables them to stay in their community.

Towards this end, Cascadia Partners has partnered with the City of Milwaukie to provide a rapid assessment of the existing zoning code standards and fees related to Accessory Dwelling Units (ADU), and develop recommendations aimed at enabling the development of more cost-effective ADUs in the city. The City has identified the key issues to address regarding ADU's to be: Parking, Street/Sidewalk Improvement Requirements, SDC's and Building Code obstacles, to name a few.

Process Description

Cascadia has complemented existing in-house research with an audit of the existing regulations that an ADU must comply with to receive plan approval to build in Milwaukie. This includes the identification of code, incentive, fee, and other regulations that are acting as an impediment to the development of ADUs in Milwaukie. City staff provided Cascadia with zoning excerpts that pertain to ADUs, and a summary of relevant fees.

Cascadia then tested various scenarios for the development of ADUs in the context of the existing housing market in Milwaukie with guidance of City Staff and the ADUWG, in order to identify regulatory and market forces at work that may be acting as a drag on the feasibility of the development of ADUs. Development of ADUs includes: units in basements, attached garages, or other conversion of or additions to an existing structure (attached); and new or converted stand-alone structures (detached).

Pro formas have been produced to test ADU development under the current regulatory structure, as well as under proposed new code resulting from changes recommended through this process. These pro formas have been used to perform sensitivity testing of the existing and proposed code in order to determine potential effects on unit pricing in the market.

Figure 3: An ADU that has been successfully designed, permitted, constructed, and lived in.

Background Research

Cascadia Partners performed a significant amount of background research into ADUs, including: a detailed look at case studies of ADU regulations in other cities provided by Milwaukie city staff and performed by Cascadia Partners; a detailed review of Metro's Build Small Coalition ADU zoning code audit report; and critical consideration of the guidance from the Oregon Department of Land Conservation and Development (DLCD) on the implementation of Senate Bill 1051 and House Bill 4031.

ADU Best Practices

The review of existing best practices from other jurisdictions revealed a number of take-aways, including:

- Allowing ADUs to be accessory to any single-family (detached or attached), or multi-family residence
- Allowing lot coverage up to 60%

- Allowing the height to be controlled by the base zoning, and not separately regulated, if outside of setbacks
- Allowing ADUs up to 14-15' in height within setbacks
- Allowing ADUs up to 1,200 sq ft in size
- No size restriction on internal ADUs not accessible on the interior from the primary unit
- ADUs are exempt from density restrictions
- Allow ADUs to be located within setbacks
- Allow on-street parking to count towards parking minimums
- ADUs do not trigger street improvements
- Waive SDCs for ADUs
- Expedite ADU review and permitting processing

Metro/Build Small Coalition ADU zoning code audit report (September, 2018)

This report summarizes the results of a code audit conducted of ADU regulations in cities across the Portland metro region, in order to better understand the relationship between regulatory conditions and ADU production outcomes in each jurisdiction.

The regulatory barriers that the study recommends removing in order to reduce barriers to ADU production include:

- Owner-occupancy requirements
- Occupancy limits
- Design standards, especially those requiring "similar" materials and character as the primary dwelling
- Off-street parking requirements
- ADU height limits
- ADU size limits
- Property line setback requirements
- SDCs that pose significant financial barriers
- Lot size restrictions
- Restrictions on the number of doors facing the street
- Standards for ADUs that are more restrictive than standards for other types of accessory structures or additions to primary structures
- Infrastructure requirements, including frontage improvements, sewer service, and water service
- Lack of easily-accessible, widely-promoted public information on standards and incentives for ADUs

DLCD guidance on implementing the ADU requirements of OR SB 1051 and HB 4031

This report, from March of 2018, provides guidance to cities and counties on the implementation of the portions of this legislation that apply to ADUs, including model code language. Its primary recommendations include:

- Allow at least one, and consider allowing two, ADUs per each single family dwelling
- Apply the same, or less restrictive, development standards to detached ADUs as those for other accessory buildings
- Consider limits to impermeable surfaces rather than simply lot coverage by structures, in order to address stormwater concerns
- Allow any legal nonconforming structure to contain or be converted to an ADU as long as the development does not increase the nonconformity
- Only use clear and objective design standards; such standards do not contain words like "compatible" or "character"
- Do not use any special design standards for ADUs above and beyond those required of primary structures
- Do not require any additional parking for ADUs
- As an alternative to requiring off-street parking for ADUs, local governments can implement a residential parking district if there is an on-street parking supply shortage
- Do not require owner occupancy of either the primary or accessory dwelling unit, as these are dificult to enforce, and can impair the abillity to obtain financing
- Do not require ADUs to have separate sewer and water connections, as these create barriers to building ADUs; allow property owners to provide separate connections if they want to
- Review SDCs to ensure they match the true impact of ADUs so that they do not represent a barrier to development
- Allow ADUs to exceed the size limit (of 800 square feet per Accessory Dwelling) if they result from the conversion of a level or floor of the primary dwelling unit, such that the ADU is allowed to occupy the entire level or floor, even if the floor area of the resulting Accessory Dwelling would be more than 800 square feet

Code Audit and Sensitivity Analysis Results

A code audit using pro-forma-based sensitivity testing was performed in order to determine the potential price points for ADUs, and thus their ability to provide workforce housing and/or serve as "mortgage helpers" that could help their owners remain in community and avoid displacement due to rising costs of living, changes in income, or other circumstances.

Physical Scenarios

In order to perform the sensitivity analysis testing, three physical scenarios were chosen for analysis.

1. **One main house.** A large single-family house was chosen based on recent market activity in Milwaukie. This scenario includes a single new-build 2,350 sq ft home on a 7,000 square foot lot in the R7 zone with 4 bedrooms and 2.5 bathrooms, which would have sold for $575,750.
2. **One main house + one ADU.** This scenario assumes that the large house is internally divided into one primary and one accessory dwelling unit, which could be converted from existing basement space or from some other portion of the original structure. What remains is a 1,550 sq ft primary home that might be worth $395,250, and an attached 800 sq ft ADU that might be worth $195,800.
3. **One main house + two ADUs.** This scenario assumes that the primary home has been divided up into a primary unit and an internal, attached ADU; and that additionally, a new detached ADU has been constructed as a separate structure in the yard.

Policy Scenarios

In addition to the three physical scenarios, three policy scenarios were also tested:

1. **Existing baseline.** The existing Milwaukie municipal code requirements.
2. **Remove parking requirements.** The costs of constructing an additional parking space were removed from pro formas, to simulate the effect of waiving the requirement that each ADU be served with one dedicated off-street parking space.
3. **Remove parking requirements and fees.** In addition to the costs of parking, the costs of System Development Charges (SDCs), impact fees, and fees in lieu of frontage infrastructure improvements were removed from pro formas. This revealed the reductions in cost that could be achieved if these fees weren't due.

Tenure Scenarios

For each combination of physical and policy scenario, two tenure scenarios were also tested:

1. **Ownership.** ADUs sold individually, whether as condominium units, as a part of a Tenancy In Common (TIC), a cooperative, or using some other legal instrument allowing for the sale of the ADU separate from the primary dwelling unit.
2. **Rental.** ADUs rented out individually, whether by the owner while they live in another unit on-site, by an owner who lives elsewhere, or by an investor. A variation of this scenario was also tested where the owner lives in an ADU and rents out the primary dwelling unit, in order to fully flesh out the ADU as a mortgage helper strategy.

Introduction to Area Median Income (AMI) for Milwaukie

To determine the potential policy effects on the provision of workforce housing in Milwaukie, sales and rental price estimates were compared to the Area Median Income (AMI) for Clackamas County, OR. Each year, the United Stated Department of Housing and Urban Development (HUD) calculates the median income for every metropolitan region and county in the country.

For the calendar year 2017, this figure was $74,700 for Clackamas County, OR. This annual income supports a maximum monthly housing payment of $1,868. Estimated monthly rents and mortgage payments were compared against this budget to produce estimates of the "% AMI" that each payment represents.

One identified weakness of this approach is that the countywide AMI is likely higher than a municipal AMI for the City of Milwaukie would be. This is because Clackamas County also includes jurisdictions like Happy Valley that contain a high number of large new-construction homes that are usually purchased by households with two incomes, as well as jurisdictions like Lake Oswego that are traditionally filled mostly with upper-income households.

As a result, it's especially critical for Milwaukie that the goalposts for workforce housing affordability not simply be set at 100% of AMI. Instead, the goal should be to allow the market to product housing products that come in at as low a % of AMI as possible, knowing that Milwaukie incomes tend to be lower even than the countywide median.

Code Audit Sensitivity Testing Results

The results of the code audit sensitivity testing clearly show that, with some proposed policy shifts, ADUs can provide a policy win-win for Milwaukie by providing a pathway to the provision of new workforce housing within existing neighborhoods, and by helping to stabilize those neighborhoods by allowing existing residents to add units with income potential that can act as "mortgage helpers" to allow them to stay in community.

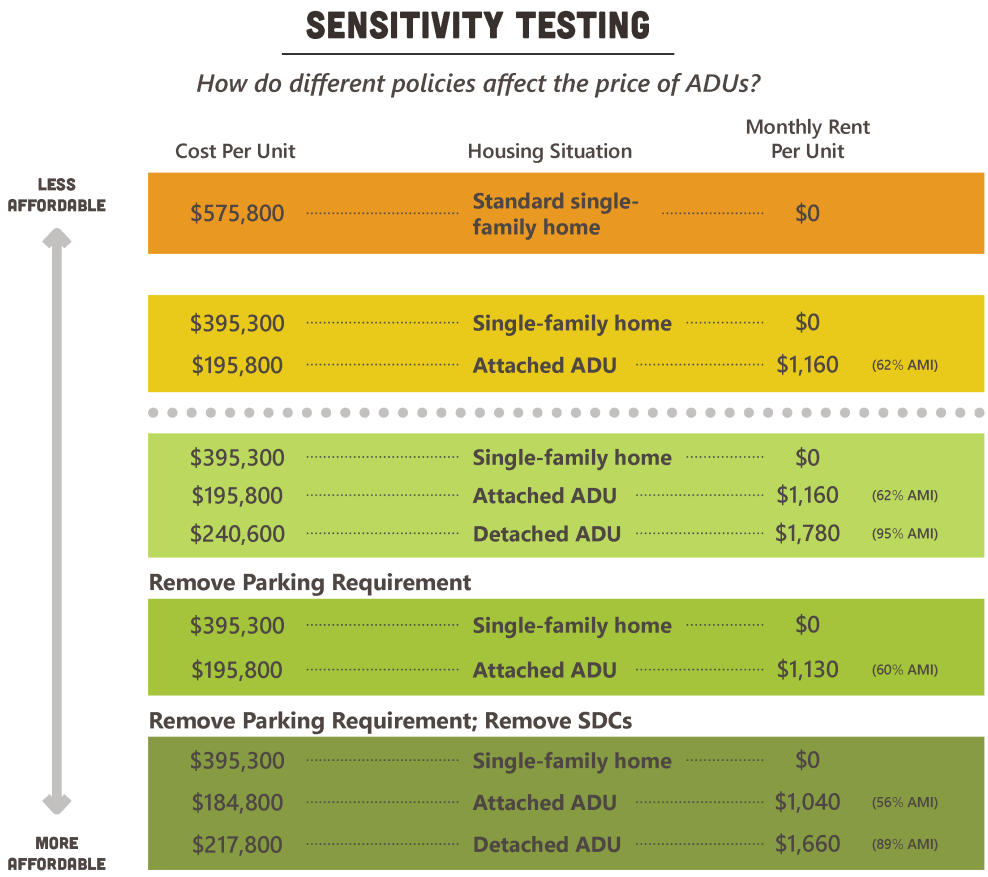


Figure 4: Code audit sensitivity testing results.

Policy Recommendations

In order to encourage the construction of additional ADUs in Milwaukie, Cascadia Partners offers this comprehensive set of policy recommendations, based on lessons learned from pro forma-based policy sensitivity testing, best practices from other jurisdictions, the results of Metro's ADU code study, and the guidance from DLCD on implementation measures related to SB 1051.

ADU quantities and contexts

Allow ADUs to be accessory to both detached and attached (townhome) single-family homes. Allow up to two ADUs on each lot, which could be either internal/attached and/or external/detached from the primary unit. Allow property owners to decide whether the ADUs are to be located in the yard or within an existing home.

Figure 5: A Carriage House ADU located at the property line.

Review type

A Type II review would be required to place an ADU above 15 feet in height within the setbacks, such as a carriage house, that is, an ADU above a garage with the garage door located at the property/sidewalk line. All other ADUs that meet the clear and objective standards of the proposed code would only be subject to a Type I review (by-right, non-discretionary). Eliminate code language containing the term "compatible", which encourages a subjective interpretation of the code and thus does not qualify as “clear and objective” code language.

Size

Allow ADUs up to 900 square feet in total area, regardless of the size of the primary home. For the case of ADUs resulting from the conversion of a level or floor of a home (such as the basement, attic, or second story), allow the ADU to fill the entire footprint of the floor or level, regardless of the total size of the floor area of the resulting ADU, up to 1,200 sf in size. For Fair Housing Act (FHA)-accessible/adaptable units, provide a 15% size bonus to the allowable size to encourage greater provision of adaptable, accessible housing that can accommodate an aging and diverse population.

Lot coverage

Add a 10% bonus in lot coverage for ADUs. Existing code provides for a 5% bonus. 10% is more meaningful, especially on smaller lots where the existing home may come closer to the maximum lot coverage already. 20% is already given for duplex/townhome units, so 10% is a reasonable compromise for ADUs.

Parking

Remove requirement for one parking space per ADU. If the ADU is displacing the only parking space on a lot, which is required for the primary residence, allow that space to be replaced on-street, and require that the street frontage be brought up to city standards if it will be used to satisfy the parking requirement for the primary dwelling. Also, allow parking in the first twenty feet of driveway behind the sidewalk to count towards the required parking for the primary home.

Add bicycle parking requirements of 1.5 dry, secure bicycle parking spaces per each ADU where no off-street car parking is provided, plus 0.5 guest bicycle parking spaces. All parking requirements are rounded up to the nearest whole number. Secure, dry bicycle parking may be provided either in a separate bicycle parking facility (shed or room in another structure or elsewhere within the same structure), or within the ADU unit area. Guest bicycle parking may be provided anywhere on the lot, or adjacent to the sidewalk in the planter strip between the lot and the street curb, subject to public works requirements including those for minimum clear sidewalk width.

Design standards

Do not require any design standards for ADUs that aren't also required of single-family homes or duplexes. For example, eliminate requirements for pitched roofs on ADUs, if single-family homes and duplexes are not also required to have pitched roofs. Remove the requirement that only the front door of the primary dwelling unit be allowed to face the street; duplexes are already allowed in these zones, so this requirement serves no purpose.

Add a design standard for ADUs relating to street-facing windows, allow it to count as one of the two design standards that an applicant must meet.

Privacy standards

Allow for privacy elements to be located either on the applicant's side of a property line, or on the adjacent property owner's side of the line, as long as the desired privacy effect is maintained. If the neighbor already has a sufficiently tall privacy hedge, no need to provide a second. This balances privacy against the quality of life of ADU residents who will want natural light in their living space. Residents desiring greater privacy may use curtains, opaque window treatments, blinds, shutters, and other measures. In the spirit of context-sensitive design, allow for existing privacy features on neighboring sites to be taken into account.

Other standards

Strike the owner-occupancy requirement, which can make financing and enforcement difficult. Allow ADUs to be constructed and occupied after, during, or prior to the construction or occupation of the primary dwelling unit. Allow any legal nonconforming structure to contain or be converted to an ADU, as long as the development does not increase the nonconformity.

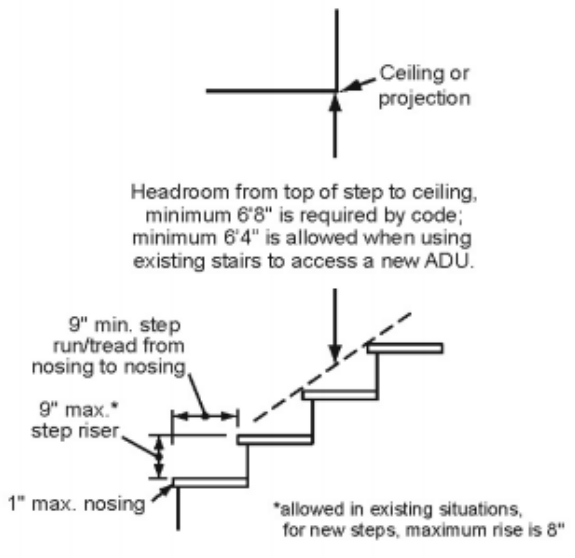


Figure 6: Construction standards, including special standards for stairs in ADUs.

Construction standards

Allow ADUs to comply with the Oregon Residential Speciality Code (ORSC), as modified by a set of alternative standards that allow for:

- Stairs with 9” deep treads and 9” tall risers
- Minimum head height of 6’4” on stairs and in doorways
- Minimum hallway and doorway width of 30”
- Sloping hallway ceiling minimum height of 6’2” with minimum of 6’8” at center of hallway

These standards are tailored to smaller structures, allowing them to scale proportionately without adversely affecting their livability for most people. Structures seeking to use the FHA-accessibility size bonus would need to comply with the relevant FHA standards, should they exceed these allowable building code minimums.

Fees and SDCs

Do not trigger or otherwise require street frontage improvements or Fee In Lieu Of Construction (FILOC) due to the construction of ADUs, unless the applicant proposes to shift on-site parking to on-street parking in order to meet the requirement of 1 off-street parking space for each primary dwelling unit. Require no additional sewer or water connections to serve new ADUs, as long as the existing services provide for sufficient capacity based on the relationship between service capacity and fixture count.

Reduce or waive the following SDCs for ADUs in order to encourage their construction:

- Water
- Wastewater
- Stormwater
- Parks

Publicize these incentives for ADU construction far and wide!

ADU Code Review Status and Next Steps

This project began with a preliminary city-led code audit of all of the existing regulations that an ADU must comply with to receive plan approval in Milwaukie. The results of this audit informed pro forma testing of ADU development scenarios that compared existing conditions with best practices that align with the desired future urban fabric of the City, and identified financial options and incentives that could be provided in partnership with the finance sector.

A set of code change recommendations (red-lined code) has been developed to suggest improvements to encourage the development of more ADUs in Milwaukie (see Attachment 1). The results of this research and testing is documented in this summary memo describing

preliminary findings. This work has been presented in a public forum to inform the final adoption ready code language, and to inform a joint work session presentation to Milwaukie's Planning Commission and City Council of the findings and suggested code changes. The feedback received from the City Council and Planning Commission on the policy change recommendations will be revisited with City Staff and the ADU Working Group (ADUWG). The revised recommendations will be presented City Council for adoption.

City Staff and ADU Work Group Comments on the May 21 Council Meeting Materials

The following items were identified as concepts that should be reviewed and addressed prior to preparation of a final set of proposed code amendments.

ADUs

1. Number: Allow two ADUs per residential property with one internal to the primary house and one in a detached structure. Allow all units to be rental units. Current code allows one ADU per dwelling provided that the property owner resides in one of the units.
2. Square Footage: Through a Type I administrative review, allow ADUs to be 900 square feet in size or allow them to occupy an entire level or floor of the primary unit, up to 1200 square feet. A 15% size bonus is proposed where the main floor of the ADU meets accessibility standards of the Fair Housing Act. Current code allows an ADU up to 600 square feet through the Type I process and an ADU of 600 to 800 square feet through the Type II process (administrative review with notice and an opportunity for a hearing at the Planning Commission).
3. Setbacks: Allow detached ADUs to be at the same height as the base zone when base zone setbacks are met. Allow ADUs to have five feet setbacks to side or rear property lines when the height of the unit is 15 feet or under. Require a Type II process for ADUs with a three-foot setback and a height of 15 feet or less. Current code limits ADU height to two stories or 25 feet with any ADU over one story or 15 feet to be reviewed through the Type II process.
4. Carriage House: Allow an ADU to be located above a garage (a carriage house). Allow the carriage house to have maximum height of 18 feet and be set back between zero and eight feet from the property line. Current standards require garages to be set back 20 feet from the property line and limit the garage door width to no more than 40% of the street facing facade.
5. Parking: Eliminate off-street parking requirements for ADUs. Allow an ADU to occupy the required off-street space for the primary unit where street frontage improvements with on-street parking are provided. Current code requires one off-street space per unit. Note that spaces in the front yard (i.e., in-front of garage) are not considered legal off-street spaces.

1. Zoning: Allow cottage cluster development in all residential and mixed-use zones including low density zones (R-10, R-7, and R-5). Current code limits cottage cluster development to medium and high-density zones.
2. Location-based standards: Vary the standards for cottage cluster development based on location rather than strictly on zoning. Allow higher concentration of units in "transit-connected" locations (low density zones within a ¼ mile walk of transit) and in mixed-use and multi-family areas. Current code does not include location-based standards.
3. Density: Allow the number of units to be determined by the various development standards (maximum building footprint, height, setbacks, and lot coverage) rather than density standards. Current code limits cottage cluster development to 12 units regardless of the zone and lot size.
4. Unit size: Allow a maximum average floor area per home of 1200 square feet with a maximum allowable floor area of 1600 square feet. Allow building footprints of 1000 square feet in low density areas and 1200 square feet in transit connected, multi-family and mixed-use areas. Current code limits total floor area to 1000 square feet and total footprint to 700 square feet.
5. Height: Allow two-story units in low density neighborhoods, two and a half- story units in transit connected areas, and three-story units in multi-family and mixed-use areas. Current code limits height to 18 feet with buildings having 6/12 sloped roofs permitted to reach 25 feet at the peak of the roof.
6. Unit Separation: Allow units to be up to four feet apart in low density areas and attached in transit-connected, multi-family, and mixed-use areas. Current standards require a separation of 10 feet between units.
7. Lot Coverage and Vegetated Area: Allow maximum lot coverage (building coverage) and minimum vegetated area to be at the following percentages:

	Low Density Neighborhoods	Transit - Connected Areas	Multi-family and Mixed-use areas
Lot Coverage	50%	55%	60%
Vegetated Area	35%	30%	25%

Current code requires a maximum lot coverage of 40% for cottage cluster development.

8. Rear and Side Yard Setbacks: Allow five foot setbacks to side and rear yard property lines except that in R-10, R-7, and R-5 zones require a 10 feet setback for

structures over 15 feet in height. Current code requires a 20 feet rear yard setback for all development in the R-10, R-7, and R-5 zones with side yards ranging from 10 feet to 5 feet depending on the zone. The current cottage cluster code requires a minimum seven and a half feet rear yard setback and a five feet side yard setback.

9. Parking: Allow required off-street parking to be dependent on the location. Require one space per unit in low density neighborhoods, 0.5 space per unit in transit-connected areas, and 0.25 space per unit in multi-family and mixed-use areas. Also allow on-street parking along an improved frontage to count for required off-street parking. The current standard is one space per unit.

CITY OF MILWAUKIE

MILWAUKIE COTTAGE CLUSTER ANALYSIS

FINAL REPORT

JUNE 2019

CASCADIA PARTNERS

OPTICOS

Orange Splot

ACG

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EXECUTIVE SUMMARY

CLUSTER HOUSING: THE NEXT GENERATION

The focus of this document is Milwaukie's update of its cottage cluster ordinance, resulting in an innovative cluster housing code that uses pro-forma-based planning and empowers developers to build market-rate workforce and affordable housing more quickly and efficiently by design.

With people increasingly priced out of opportunities to live closer to the center of the Portland region, surrounding cities continue to feel rising housing pressures. This is particularly evident in Milwaukie, as the next city south of SE Portland, especially now that the new MAX Orange line has opened and brought with it increased accessibility to the rest of the region.

Milwaukie's original Cottage Cluster Code generated zero development applications or actual cottage clusters. This Cottage Cluster Housing Study and the resulting Cluster Housing Code showcases innovative solutions for cities in the 21st century to allow context-sensitive infill development affordable to households with a diverse mix of incomes. The study heard from developers who are struggling to provide market-rate housing within the confines of existing zoning codes, and learned lessons from these narratives to inform this set of proposed solutions to deploy in Milwaukie.

The proposed Cluster Housing Code showcases innovative solutions for cities in the 21st century to allow context-sensitive infill development affordable to diverse mix of incomes.

Cluster housing product types, including cottage clusters, townhome clusters, apartment clusters, and others, can be found in communities great and small. These updated cluster housing standards are meant to be compatible with many different community types, as they are scalable from lower intensities in neighborhoods, to higher intensities around high-quality transit and in commercial and mixed-use areas.

THE PROPOSED CLUSTER HOUSING CODE RESULTING FROM THIS STUDY CONSISTS OF THE FOLLOWING KEY ELEMENTS:

- **Form is regulated rather than density**, using elements such as heights, setbacks, and lot coverage
- **The intensity of form scales based on context**, from lower-intensity residential base zones, to higher-intensities within walking distance of high-quality transit and in higher-intensity base zones
- **Cluster housing locations within walking distance of high-quality transit** are defined as "transit-connected locations"
- **No restrictions on site or lot size**
- **Restrictions on the individual footprint and overall floor areas** of homes in a cluster housing development, as well as a restriction on the maximum average floor area, intended to act as a measure to ensure affordable outcomes while allowing for a diverse range of home sizes
- **Design guidelines specifying orientation and design elements** facing common green and public streets that encourage a sense of community and place
- **Allowance for a common building or other indoor community space** to help further create a sense of community
- **Requirement for minimum amounts of vegetation** on the site and between the street and the front homes, and a maximum amount of allowed impervious area, to encourage trees and plantings to provide shade, air quality benefits, and rainwater infiltration capabilities
- **Reduced off-street parking requirements** that require less parking in areas well-served by transit and nearby amenities
- **Bicycle parking requirements** sufficient to provide for the use of the bicycle as a reasonable everyday transportation solution
- **Flexible design requirements for bicycle and pedestrian pathway connections** through the site, including conditional allowance of woonerfs to provide for a shared common space and auto drive aisle to access parking located near the center of long, skinny sites

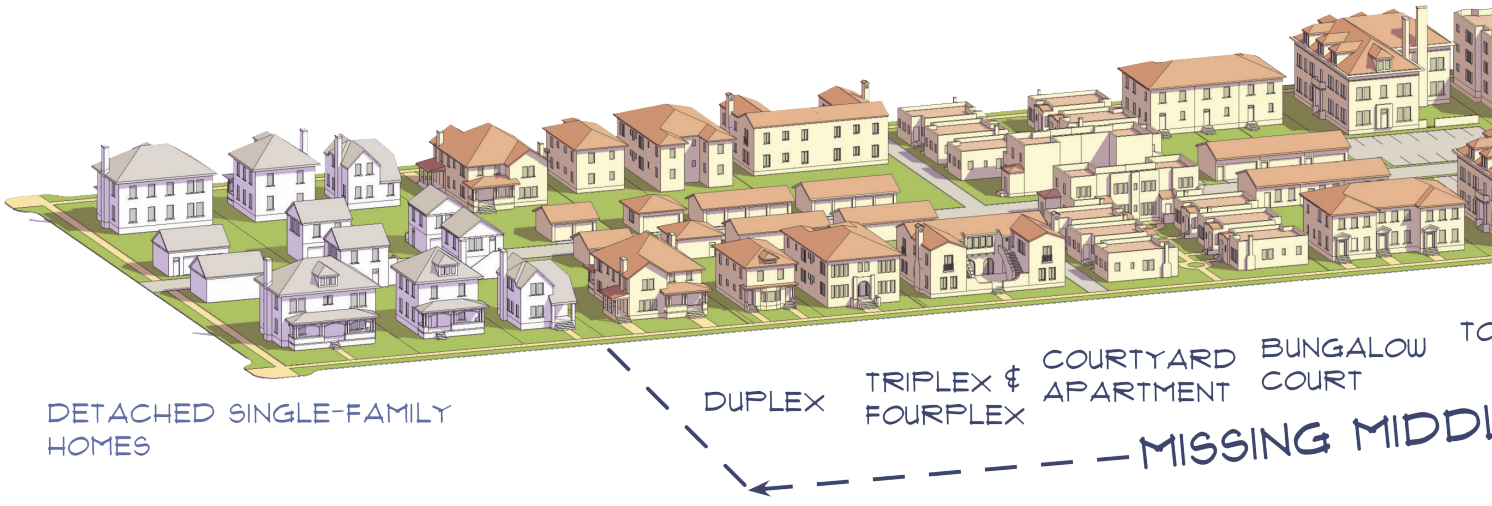
02

INTRODUCTION

The cottage cluster feasibility study is one part of the City of Milwaukie's multi-pronged approach to diversifying its housing stock to increase the supply of workforce and affordable housing.

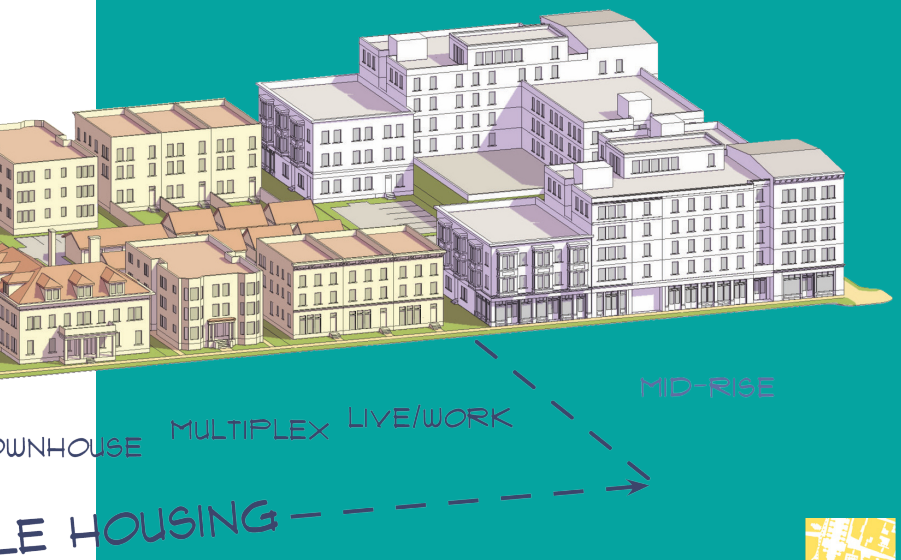
Cottage cluster and shared court housing product types represent an opportunity to capitalize on market strengths to expand housing options, with smaller, more affordable units that fit the scale and density of a residential neighborhood.

Cottage cluster and shared court housing product types are referred to in this report collectively as cluster housing. Cluster housing is itself one flavor of missing middle housing.



WHAT IS MISSING MIDDLE HOUSING?

Missing Middle is the term for all housing product types that are not single family homes on their own lot or large apartment buildings, including townhomes, duplexes, triplexes, fourplexes, small house-scale multiplexes, and live-work units.



BACKGROUND

There are very few missing middle housing options available in Milwaukie today. During the 1950s, the US Department of Housing and Urban Development (HUD) distributed zoning codes that mostly banned its construction. Some American cities, like Portland, have large amounts of old missing middle housing stock that were constructed before the adoption of those template-based codes. Cities like Milwaukie that experienced most of their growth during or after the 1950s do not have many examples of missing middle housing. Milwaukie's city leadership identified this lack of missing middle types as an obstacle to achieving greater housing diversity and affordability, and commissioned this study to identify solutions.

The study is divided into three phases:

1. **Learn**
2. **Design**
3. **Implement**

During all phases, the project was guided by community feedback from a Stakeholder Advisory Group (SAG), including representatives of neighborhoods, property owners, community nonprofits, and other stakeholders.

Milwaukie's city leadership identified the lack of missing middle types as an obstacle to achieving greater housing diversity and affordability, and commissioned this study to identify solutions.

PHASE 1: LEARN

- Identify issues and barriers to cottage clusters development in Milwaukie, and examine potential solutions
- Audit the zoning code
- Identify candidate properties for conceptual planning and design
- Understand community desires and expectations regarding outcomes for the study
- Establish performance measures based on community feedback

GENERAL STUDY QUESTIONS

- Where are cottage clusters appropriate in Milwaukie?
- What specific obstacles does the current zoning code represent to the feasibility of development of cottage clusters?
- What is the demand for smaller units in Milwaukie?
- What is the specific demand for detached rentals?
- What income categories should be chosen to assess the potential affordability of housing options studied, in relation to Area Median Income (AMI)?
- How does an HOA fee fit in, if applicable?

PHASE 2: DESIGN

- Perform a market assessment for cottage cluster types in the Milwaukie context
- Establish conceptual designs for the candidate sites
- Engage the SAG to examine the current zoning in relation to the proposed new zoning code, including the architecture and design for prototype development on project study sites
- Perform pro forma analyses on designs
- Analyze the affordable housing potential of these and related designs
- Use the analysis to inform the final concepts for development of each site, and inform an updated zoning code section to regulate cluster housing types

PHASE 3: IMPLEMENT

- Host an open house to collect feedback on revised drafts of project proposals from the community
- Gather feedback from the Planning Commission and City Council
- Draft new cluster housing code for adoption by the City alongside the Comprehensive Plan at a later date

03
ENGAGEMENT

The following groups were engaged during the analysis:

- Stakeholder Advisory Group (SAG)
- Property owners of project study sites
- Planning and Zoning Commission
- City Council

Additionally, project materials were posted online on a project web page, and project summaries were sent out in the City's printed newsletter.

STAKEHOLDER ADVISORY GROUP

Four meetings were held with the SAG throughout the project, and SAG members were encouraged to use project materials to present information to their networks.

The SAG included:

- Representatives with experience in constructing accessory dwelling units in SE Portland and Milwaukie
- Landowners of property in Milwaukie that could become cluster housing sites
- Neighborhoods containing project study sites
- Partner agencies, such as the Clackamas County Housing Authority
- Organizations that could construct cluster housing projects if/when they become feasible to build in Milwaukie.

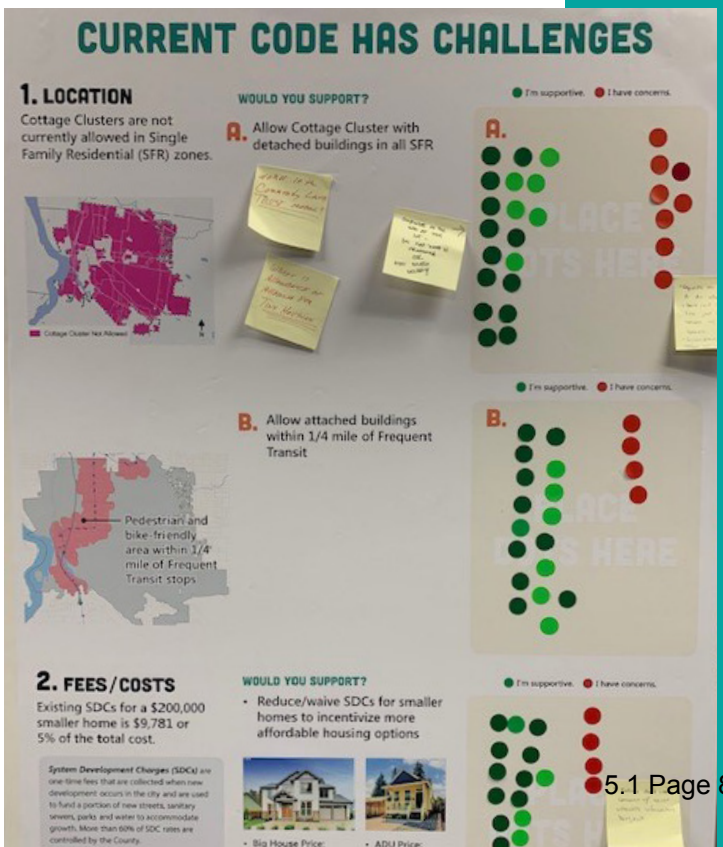
PERFORMANCE MEASURES

Performance measures were developed with the SAG to assess the success of the project and its achievement of project goals. At the initial two SAG meetings, a list of project performance measures was developed, reviewed, and approved, including:

- Establish partnerships between owners & builders
- Seek solutions for a range of income levels, including workforce housing
- Test renter and owner solutions
- Create models and lessons that can be reproduced locally and regionally
- Craft financially feasible zone standards
- Right-size SDCs
- Develop context sensitive parking standards
- Cultivate broad-based interest in community
- Design easily accessible materials

PUBLIC OPEN HOUSE

The City hosted a "Missing Middle Housing Options" Open House for the project on April 3rd, 2019 to gather feedback from the community on the site designs and code recommendations for cottage clusters in the city. Cascadia Partners provided two presentations throughout the event to be able to provide information about the cottage cluster feasibility study as well as context for the proposed site designs. Poster boards asked if participants would support (green dot stickers) or not support (red dot stickers) each proposed code amendment and added sticky notes for additional comments. General comment cards were also available. All responses were summarized and provided to the Planning Commission and City Council.



WHAT WE HEARD AT THE OPEN HOUSE

Most participants were supportive of the revised code recommendations. Participants were most concerned about providing less than one parking space per unit in order to build more cluster housing on a site. However, others felt code changes should consider a future with autonomous vehicles and a less car-oriented society.

> **Make sure that tree canopy and greenspace is maintained as much as possible.**
>
> *- Open house participant*

> **Cottage clusters is a move in the right direction. I'd like to see modified building codes to allow for tiny housing.**
>
> *- Open house participant*

PLANNING COMMISSION AND CITY COUNCIL

These proposed cluster housing standards were presented to a joint session of Milwaukie's Planning Commission and City Council on April 16, 2019, and to City Council on May 21, 2019. Feedback from both meetings included:

- Define the concept of Maximum Average Floor Area more clearly, so that it can be more easily understood by decision makers
- Perform tests to determine how low the maximum average floor area standard can be set without negatively impacting development potential, with the goal of incentivizing as much workforce housing production as possible
- Clarify that existing homes allowed to remain within a housing cluster when the cluster is developed around them may be excluded from the maximum average floor area calculation
- Help City Council better understand the impacts of a tiny housing cluster on small sites, such as 5,000 to 7,000 sf lots, by showing how clusters of 3 to 5 homes can meet porch orientation, setback, lot coverage, vegetation, and other standards
- Look into recommending a change in how parking in driveways is regulated, to allow parking within the first 20 ft of the property line to count towards required minimum parking requirements
- Look into reducing the amount of parking required if some of that parking is set aside for shared vehicles
- Look into establishing a map of streets that can be designated as having characteristics, such as ROW width and street classification, potentially acceptable to accommodate head-in or angled on-street parking
- Look into which SDCs and fees to reduce or waive, and if a reduction, the amount of the reduction.

04

ZONING CODE ANALYSIS

THE APPROACH

The existing Cottage Cluster Housing code, Section 19.505.4 of the Milwaukie Municipal Code (to which all code references in this document refer) was thoroughly reviewed, in combination with the applicable elements of the code:

- Section 19.201: Definitions
- Chapter 19.300: Base zones
- Chapter 19.700: Transportation & street frontage standards
- Chapter 12.16: Access Management

The zones where the existing Cottage Cluster Housing code could be most easily applied (i.e. without a Conditional Use permit) were identified as:

- R3: Medium Density Residential
- R2.5: Medium Density Residential
- R2: Medium Density Residential
- R1: High Density Residential
- R1-B: High Density Residential-Business Office
- GMU: General Mixed Use

For each of these zoning classifications, three to four sizes of sites were analyzed for a hypothetical build-out of the highest and best use allowable under the Cottage Cluster code:

- Tiny: 6-7,000 sq ft site (only for R1, R1-B, and GMU)
- Small: ~12,000 sq ft site
- Medium: ~25-26,000 sq ft site
- Large: ~73,000 sq ft site

A matrix was developed to list all possible combinations of zoning code and site size (see Table 1). Existing properties already identified as a part of the outreach efforts that fell into one of these categories were used as the basis for the analysis. In all other instances, a hypothetical site was analyzed to determine the feasibility of developing a cottage cluster of that size under each particular zoning classification.

For sites with an existing property identified, the purchase price in the pro forma was set to the last known transaction amount for the site. For all other sites, a representative value per square foot was used.

The analysis showed that no combination of zoning and site size results in a scenario where a for-profit cottage cluster development would be feasible under the existing zoning code.

18%

is the general rate of return that investors are seeking in the market.

None of the scenarios studied produced higher than an 11% return. This return is only found on 26,000 sf sites in a General Mixed Use (GMU) zone. In addition, the maximum number of units in a cottage cluster (12) for a 26,000 sf site would not meet the minimum density threshold for a GMU zone (25 dwelling units per acre), and therefore would be illegal under the current zoning code. In other words, there is no incentive for a private developer or landowner to build cottage cluster developments under the existing code.

TABLE 1. RATE OF RETURN UNDER EXISTING COTTAGE CLUSTER CODE

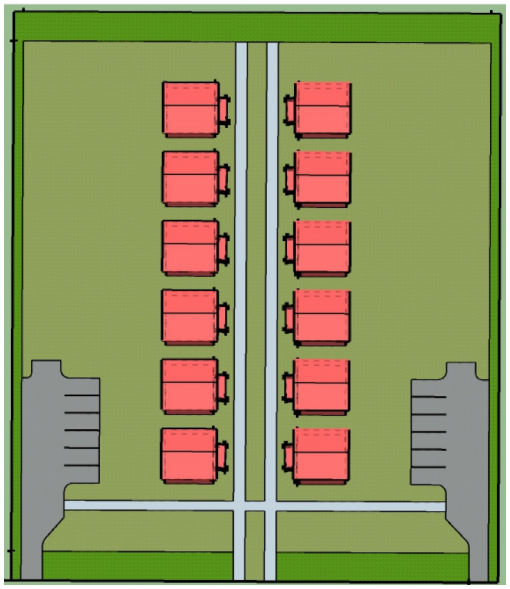
Site Size	Tiny	Small	Medium	Large
Zoning	6-7,000 sq ft	~12,000 sq ft	~25-26,000 sq ft	~73,000 sq ft
R3	n/a	2.81%	1.06%	-5.27%
R2.5	n/a	2.22%	6.59%	0.11%
R2	n/a	-0.51%	6.66%	2.05%
R1	-15.91%	9.63%	9.63%	0.04%
R1-B	-9.23%	9.59%	9.63%	0.04%
GMU	-31.26%	1.34%	**10.96%**	-0.04%

ZONING CODE ANALYSIS: LESSONS LEARNED

LESSON 1

Large sites are limited by the current cottage cluster code's maximum number of units, which is 12.

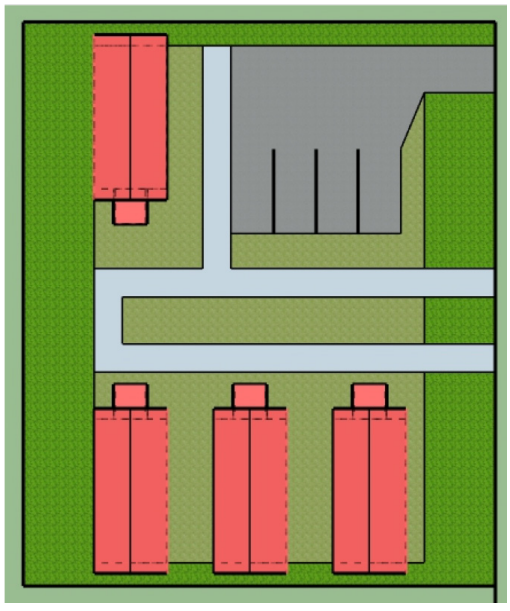
At the other end of the size spectrum, smaller sites come with a lower acquisition cost, meaning that a lower total number of units must be built before the site cost is paid back. However, the number of units required to achieve a feasible development is not legal on these sites.



LESSON 2

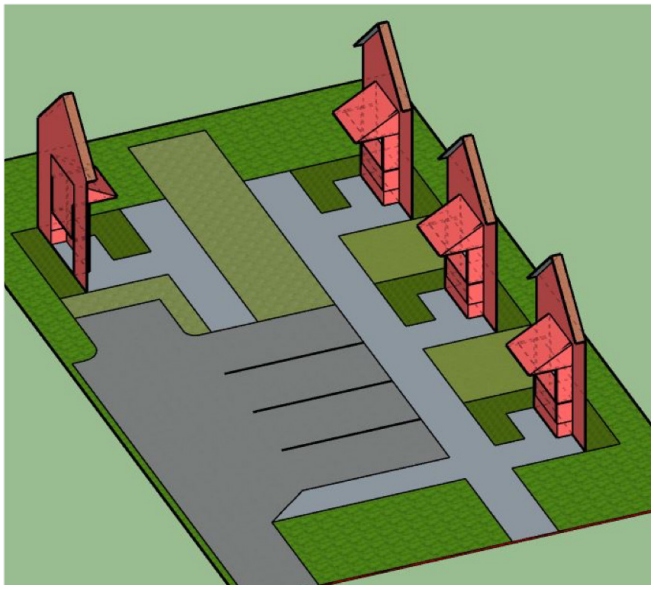
Small sites are limited by density limits.

Building a sufficient number of units on a smaller site would result in a number of units per acre that exceeds the allowable densities for those zones. Indeed, on a certain number of smaller sites, there simply is not enough room on the site to accommodate all of the setbacks required by the combination of the base zoning and the cottage cluster codes.



LESSON 3

Setback requirements make the development of sites below a certain size impossible, as the entire buildable area of the site is used up by setbacks, leaving insufficient area for the construction of the minimum number of cottages (4).



On a 6,000 sf site, no building area remains to place cottages once all of the setback requirements are met. Only the front porches could be constructed, as porches are allowed to intrude into the front setback of each cottage.

- Front site setback: 15 ft
- Side site setbacks: 5 ft each side
- Rear site setback: 15 ft
- Space between cottages: 10 ft
- Minimum front yard depth: 10.5 ft
- Minimum rear yard depth: 7.5 ft
- Cottage other setback: 5 ft
- Minimum private open space per cottage: 100 sq ft
- Minimum dimensions of all sides of private open space: 10 ft
- Minimum common open space area per cottage: 100 sq ft
- Minimum dimension of one side of common open space: 20 ft

05

FINANCIAL FEASIBILITY

This section will provide an overview of key findings from the market analysis, sensitivity analysis of the new proposed code, and its implications on housing affordability.

The goals of the financial feasibility studies:

- **Audit the existing zoning code to determine what impacts it has on the development feasibility of cottage cluster developments** on a range of sites in zones where cottage clusters are currently allowed and the residential zones where cottage clusters are not currently allowed.
- **Model the effects of different potential policy changes** on the feasibility of cluster housing development, and what the resulting price points of homes might be.
- **Determine which design concepts would be economically feasible for market-rate developers to construct.** A market study was performed to understand the variables in financial feasibility, including construction costs, sales prices, rents, and projected changes in these variables over the five year near-term planning horizon for the project.

MARKET ANALYSIS

The market analysis is based on demographic trends, home sales data, and developer interviews. Findings of the market analysis for the next five years include:

- Ownership products will continue to dominate the Milwaukie housing market, though a loss of renters over recent years could indicate growing pent-up demand for rental products
- Milwaukie will continue to add households including first time home buyers, retirees, and families with children
- The existing housing stock is exceptionally uniform in terms of lot size, home size, and number of bedrooms; so new development that diversifies the housing stock will likely do well in the market
- It appears that Metro's 2015 Population and Household Forecast is very conservative; estimates based on this forecast indicate a demand for about 55 to 60 new homes per year between 2018 and 2023
- It is very likely that with new housing added in Milwaukie, the city could experience significantly higher rates of growth in

population and households than it has seen over the last two decades of very low population and household growth.

See Appendix B for the full market analysis report.

NEW CODE AUDIT PRO FORMA ANALYSIS

Part of Cascadia Partners' development process for new codes involves sensitivity testing to understand how the proposed code performs in terms of reducing housing costs for new units produced under such a code.

SAG members expressed a shared goal of providing more workforce housing. This is generally measured using the concept of Area Median Income (AMI), which is calculated by the U.S. Department of Housing and Urban Development (HUD) annually for different communities. By definition, 50% of households within the specified geographic area earn less than AMI, and 50% earn more.

Workforce Housing vs. Affordable Housing

AMI is adjusted based on household size. The concept of workforce housing is sometimes defined as housing that is affordable to households making 80% to 120% AMI. Affordable housing is defined as housing affordable to households making less than 80% AMI.

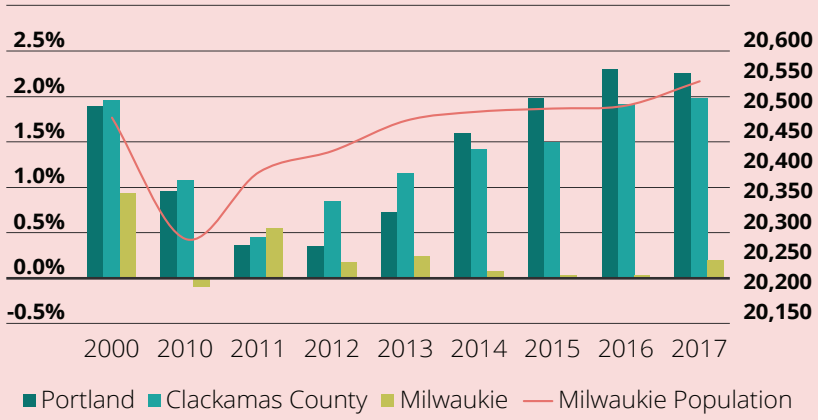
By that definition, housing in Milwaukie is affordable to households making $41,850 (for a 1-person household at 80% AMI) to $85,890 (for a 4-person household making 115% AMI*).

** While 115% AMI is the cut-off for the multi-family tax exemption, 120% AMI is sometimes used as the upper limit for the definition of workforce housing. HUD only publishes figures up to 115%, however.*

TABLE 2. INCOME LEVELS AND MAXIMUM RENTS (HUD), 2017

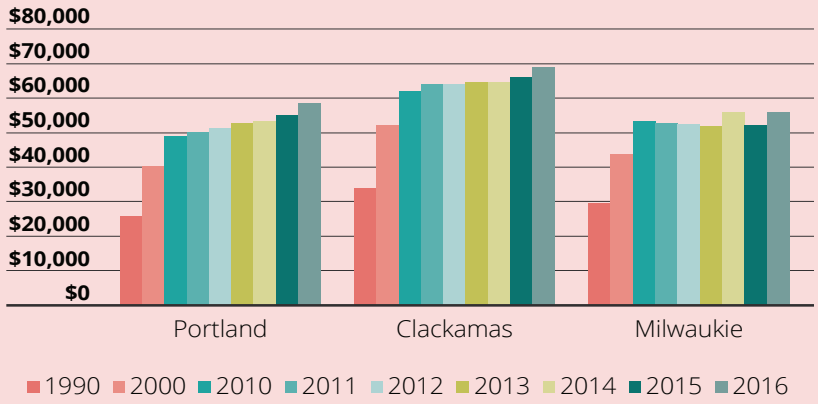
	1-PERSON HOUSEHOLD		2-PERSON HOUSEHOLD		4-PERSON HOUSEHOLD	
INCOME LEVEL	ANNUAL INCOME	MAX AFFORDABLE RENT	ANNUAL INCOME	MAX AFFORDABLE RENT	ANNUAL INCOME	MAX AFFORDABLE RENT
115% AMI (Current level for multi-family tax exemption)	$60,160	$1,504	$68,710	$1,718	$85,890	$2,147
100% AMI	$52,310	$1,308	$59,750	$1,494	$74,690	$1,867
80% AMI (Low-income)	$41,850	$1,046	$47,800	$1,195	$59,750	$1,494
50% AMI (Very Low-income)	$26,150	$654	$29,900	$748	$37,350	$934
30% AMI (Extemely Low-income)	$15,700	$393	$17,950	$449	$24,600	$615

FIGURE 1. POPULATION GROWTH RATE, 2000-2017



Milwaukie has grown by about 0.4% annually since 1990. Given low rates of housing production in Milwaukie, it is likely that its relatively slower growth is due largely to the lack of housing available in the city.

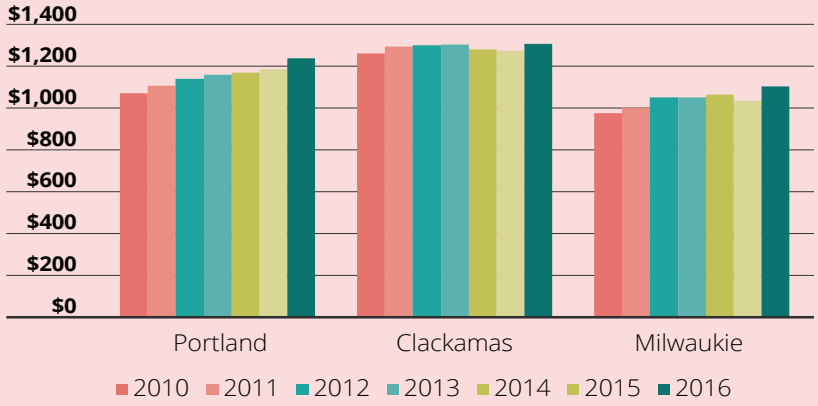
FIGURE 2. MEDIAN HOUSEHOLD INCOME, 1990-2007



Median household income in Milwaukie has remained relatively flat since 2010 increasing at 0.8% annually with some years experiencing a decline, which may indicate that higher income households are leaving the city.

On the other hand, Portland and Clackamas County have consistently seen small but positive gains in median household income since 2010.

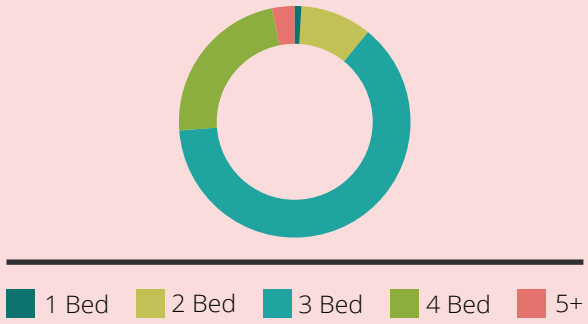
FIGURE 3. MEDIAN MONTHLY HOUSING COSTS, 2010-2016



Median monthly housing costs have increased since 2010 by over 2% annually in both Portland and Milwaukie while Clackamas County's costs have remained relatively stable increasing by only 0.6% annually.

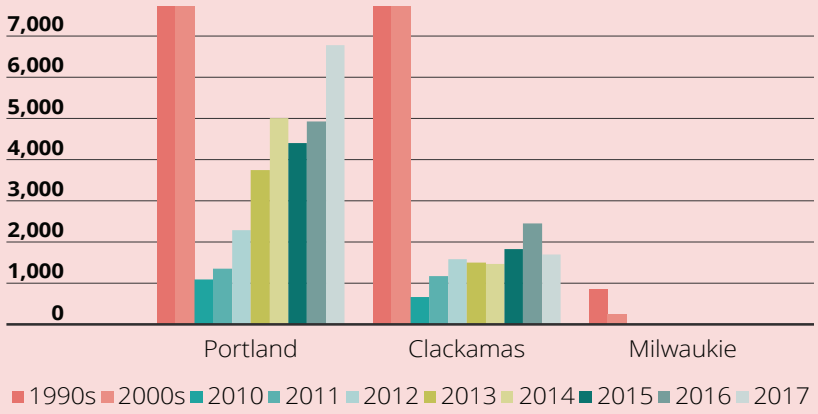
Generally, since 2000, the increase in the median cost of housing for owners and renters has outpaced the increase in median household income by roughly 0.5% to 1% per year.

FIGURE 4. HOME SALES BY AVERAGE NUMBER OF BEDROOMS, 2011-2018



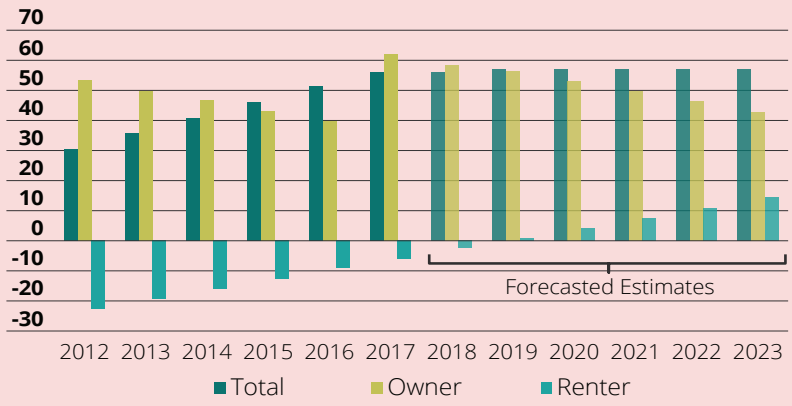
The vast majority of the homes sold are between 1,100 and 2,300 square feet, with three or four bedrooms, and sit on lots of about 0.17 acres in size; 90 to 95% of this housing stock was built before the year 2000.

FIGURE 5. RESIDENTIAL BUILDING PERMITS ISSUED, 1990-2017



The bulk of new housing units added since 1990 were constructed prior to 2000, resulting in an average annual growth rate in housing units since 1990 of 0.5% per year. This likely has a causal relationship to the 0.4% annual growth in households since 1990.

FIGURE 6. DEMAND FOR NEW HOUSING, 2012-2023



Over the next five years to 2023, 343 new housing units are needed based on population and household growth forecasts prepared by Metro. Of these, roughly 307 new homes will be needed to meet ownership demand, and 36 new homes will be needed to meet rental demand.

HOUSING AFFORDABILITY ANALYSIS

Market rate options

Market-rate affordability can be provided at a fairly deep level. Pairing these built form types with affordable housing policies can allow for true affordable housing to be provided using the cluster housing product type.

Sensitivity testing of policies on hypothetical site

A series of pro forma analyses were conducted on a hypothetical study site to determine the relative impact of different policy changes on home prices. The study site is a hypothetical 14,000 sf lot in an R7 zone. Policies tested include:

- Baseline assessment of two standard single-family homes, if the lot were subdivided into two
- Price per home if the existing cottage cluster code were made an allowed use and a four-home cluster built on the site
- Impact of removing the density limit that otherwise would come from the underlying base zone
- Reduction in setbacks and separation standards
- Reduction in private and shared yard standards
- Change in parking policy to allow on-street parking to count towards required minimum parking for the site
- Increase in the allowable height limit to a full two stories
- Allow attached unit types

The results are shown in Table 3.

Cluster housing in Milwaukie represents a compelling opportunity to provide mixed-income housing affordability in the neighborhood context with appropriately scaled developments and greater access to more diverse housing options.

Lessons Learned

On the hypothetical site, home prices could be as low as $190,000 per home, which would be affordable to a household earning 68% AMI. Rents for market-rate homes could be less than $1,540 per month, which would be affordable to households earning 82% AMI.

These results show that it's possible to build market-rate workforce and affordable courtyard housing in Milwaukie, but that there are no silver bullets for affordability. Multiple changes to standards are required, and the density limit change is required for any other zone changes to have an impact. Smaller units are more affordable, but they must be allowed.

TABLE 3. RESULTS OF SENSITIVITY TESTING OF HYPOTHETICAL SITE

	Zone Standards	Sales Price Per Unit	# of Units	Monthly Mortgage Payment	Monthly Rent Per Unit
LESS AFFORDABLE	Standard single-family home	$575,800 **(181% AMI)**	1	$2,473	$3,361 **(180% AMI)**
	Current cottage cluster standard	$334,000 **(107% AMI)**	4	$1,434	$2,900 **(155% AMI)**
	Remove density limit	$231,000 **(82% AMI)**	5	$992	$2,061 **(110% AMI)**
	Reduce setbacks and separation standards	$216,300 **(77% AMI)**	7	$929	$1,888 **(101% AMI)**
	Reduce private and shared yard standards	$207,100 **(74% AMI)**	8	$889	$1,773 **(95% AMI)**
	Allow on-street parking to count	$202,100 **(72% AMI)**	9	$868	$1,674 **(90% AMI)**
	Increase height to two full stories	$199,600 **(71% AMI)**	10	$857	$1,643 **(88% AMI)**
MORE AFFORDABLE	Allow attached unit types	$191,000 **(68% AMI)**	15	$820	$1,538 **(82% AMI)**

TABLE 4. COST BREAKDOWN OF LARGE SINGLE FAMILY HOMES VS. SMALLER HOMES

DEVELOPMENT COSTS	LARGE SINGLE FAMILY HOUSE (2,350 SF)		SMALLER HOME (620 SF)	
	TOTAL	/SQFT	TOTAL	/SQFT
SITE ACQUISITION	$55,125	$8	$14,002	$9
HARD COST	$292,250	$123	$101,420	$164
SOFT COST	$187,884	$80	$71,614	$116
EXPECTED RETURN	$40,491	$17	$15,084	$24
TOTAL COST	$575,750	$228	$202,120	$302

Policy testing on real-world study sites

On the four real-world study sites studied in detail, Opticos Design developed two scenarios for each site:

1. **"Max Build" scenario** to test the maximum feasible development intensity in order to determine the potential impacts on pricing; and
2. **"Ready-to-Build" scenario** that meets the property owner's vision while gaining sufficient financial return on investment.

Cascadia Partners developed pro formas for each design scenario on each site. All the design concepts were adjusted to provide the same rate of return to the developer, so all achieve financial feasibility goals. Each study site was tested assuming a set of draft new policies that included:

- a reduction in parking and setback requirements
- an increase in allowable height and density
- Waiving the maximum number of units allowed on a site

The results are shown below in Table 5.

TABLE 5. RESULTS OF REAL-WORLD STUDY SITES

STUDY SITE	10325 SE 36TH AVE		3736 SE HARVEY ST		10244 SE 43RD AVE		4420 SE JOHNSON CREEK BLVD	
SCENARIO	Design 1	Design 2	Design 1	Design 2	Design 1	Design 2	Design 1	Design 2
# HOMES	11	9	16	13	36	10	36	34
LOW SIZE	1-bed, 400 sf	1-bed, 700 sf	1-bed, 510 sf	2-bed, 700 sf	1-bed, 450 sf	1-bed, 700 sf	1-bed, 700 sf	1-bed, 700 sf
LOW PRICE	$126K	$235K	$182K	$248K	$142K	$249K	$221K	$229K
LOW AMI	29%	54%	42%	57%	33%	57%	51%	53%
HIGH SIZE	3-bed, 1,090 sf	3-bed, 1,000 sf	2-bed, 765 sf	3-bed, 1,000 sf	2-bed, 900 sf	3-bed, 1,050 sf	3-bed, 1,050 sf	3-bed, 1,000 sf
HIGH PRICE	$278K	$317K	$256K	$302K	$274K	$366K	$268K	$313K
HIGH AMI	64%	73%	59%	69%	63%	84%	62%	72%
AVG SIZE	963 sf	967 sf	701 sf	865 sf	675 sf	980 sf	875 sf	985 sf

Lessons Learned

1. None of the design concepts developed for the study sites resulted in a maximum average home size of greater than 1,000 square feet. This can be seen as the threshold of financially feasible and affordable (at less than 80% AMI) cottage cluster development.
2. The degree of affordability in market-rate housing seems to be dependent on the development intensity that is allowed and attained on each site.
3. Some of the scenarios envisioned lower parking ratios than might be allowable under the proposed cluster housing code, unless the underlying zone were to be changed. Yet, even with these caveats, all of the design scenarios for all of the study sites appear to be affordable at less than 85% AMI, with the lowest-price options being affordable to households under 60% AMI.

NONPROFIT & SUBSIDIZED AFFORDABLE HOUSING OPTIONS

Deeper affordability could be provided by subsidized affordable housing providers. There are at least three broad opportunity types for affordable housing to be provided in Milwaukie using the cluster housing program:

- Land trusts
- Affordable housing developments
- Government purchase of individual homes to be provided as dispersed affordable housing

Learn more about these opportunity types in Appendix C.

06

INITIAL SITE DESIGN CONCEPTS

Candidate sites for the initial site design concepts were selected based on:

- the need for a diversity of sites, including a diversity of sizes, shapes, and underlying zoning
- the location outside of a floodplain
- a property owner(s) willing to participate in the process
- the potential to accommodate cluster housing and no other current development proposals or activity that might preclude the eventual development of a housing cluster

DESIGN PROCESS

Cascadia Partners developed a draft pro forma for each site, which set up design goals including number of homes and home size, that achieved financial return targets. Opticos developed a series of design studies to test against various policies, such as lot coverage, parking, common green space area requirements, and the other elements of a cluster housing code. For each site, a design concept was chosen that best achieved the right balance of factors to achieve policy and financial goals.

Design concepts for each site were also reviewed with the site's property owner including pro formas. A pro forma training was held with each owner to transfer knowledge of how to use the pro forma spreadsheet, which was delivered to each owner for their further use.

Two scenarios were developed for each site:

"Max Build" scenario tested the hypothetical and physical maximum build-out of each site within maxed-out code parameters (such as height, parking, and common area dimensions).

"Ready-to-Build" scenario met the property owner's vision and aspirations, and met the need to provide a sufficient financial return on investment.

STUDY SITE SELECTION METHOD

1. GIS property screen

A GIS property screen was used to rank potential study area sites based on lot size, neighborhood, relationship to flood plains, underlying zoning, proximity to transit/LRT, presence of sidewalks, presence of bicycle facilities, and other factors.

2. Property owner outreach

The resulting list of sites was cross-referenced with City staff's knowledge of property owners based on past experience with permit inquiries to develop an initial list of potential property owner participants for the study. The project team conducted outreach to potential participants to perform due diligence and determine which owners would be most suitable for the study. Offers were made to suitable owners to participate in the study, and four were chosen for the study. These owners joined the SAG and remained engaged in the project. The project team visited each site and interviewed each owner to determine their aspirations, visions, and constraints.

STUDY SITE SELECTION CRITERIA

- Need for a diversity of sites, including a diversity of sizes, shapes, and underlying zoning
- Location outside of a floodplain
- Property owner(s) willing to participate in the process
- Site with potential to accommodate cluster housing and no other current development proposals or activity that might preclude the eventual development of a housing cluster

Concept 1:

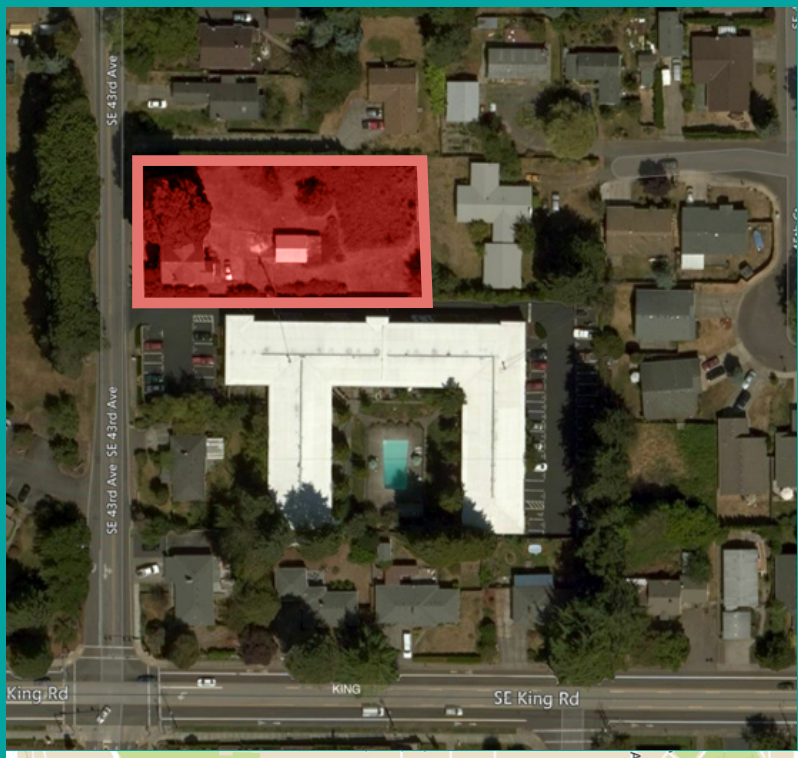
FULL LOT REDESIGN

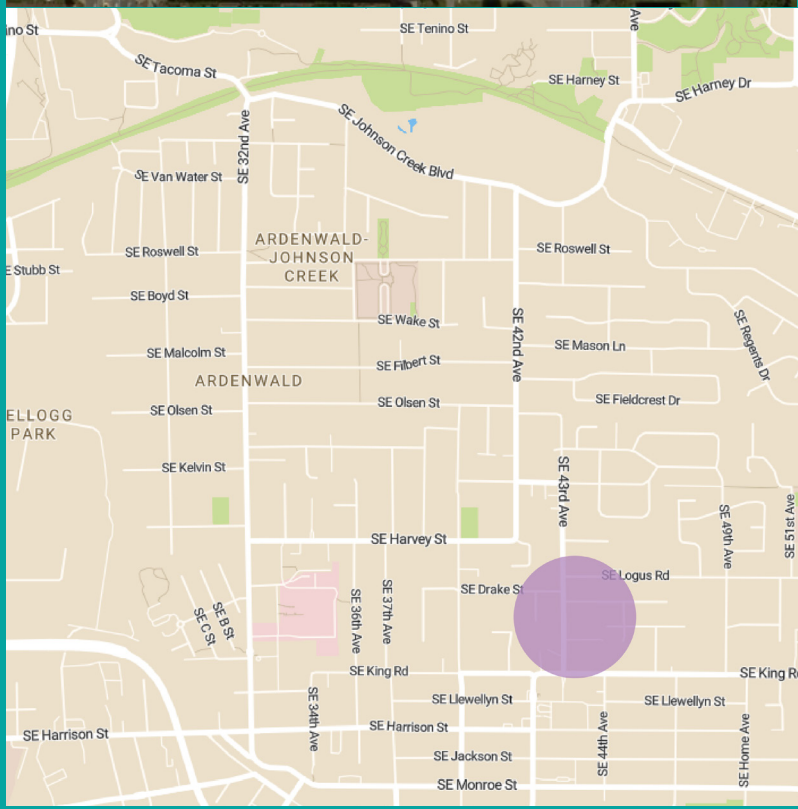
Location: 10244 SE 43rd Ave

Near a commercial center with grocery store, restaurants and retail, and served by a bus line, this commercial center represents an opportunity for a future village center area that could service as an amenities anchor for the surrounding neighborhood. A large apartment complex and a few single family homes are between this site and the commercial center. Increased intensity is thus appropriate for the future context of this site.

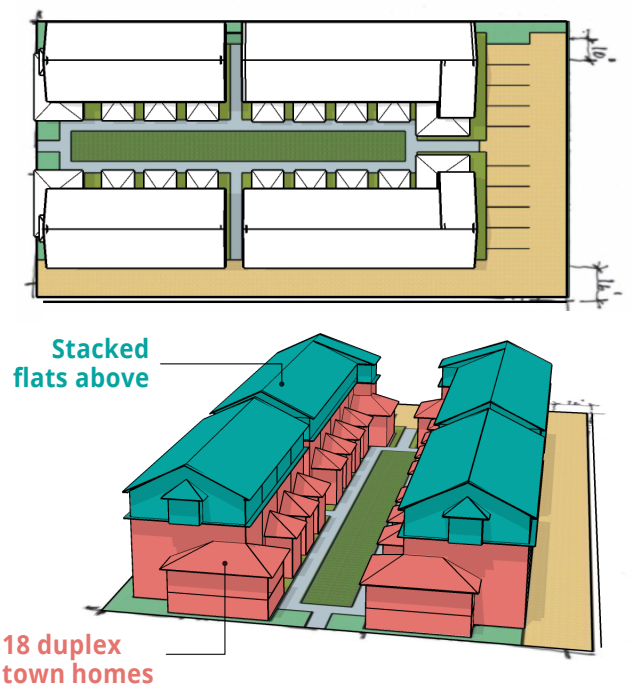
At nearly 26,700 sq ft , this site is largely flat. It features an large deciduous tree in the front yard, and a number of small fruit trees on the property. An existing house anchors the other half of the street frontage next to the large tree.

Currently zoned R7, the max build concept explores the possibility of re-zoning this site to allow for more intense development of attached building types, whereas the second concept explores a less-intense vision that more closely resembles the form of the existing zoning.

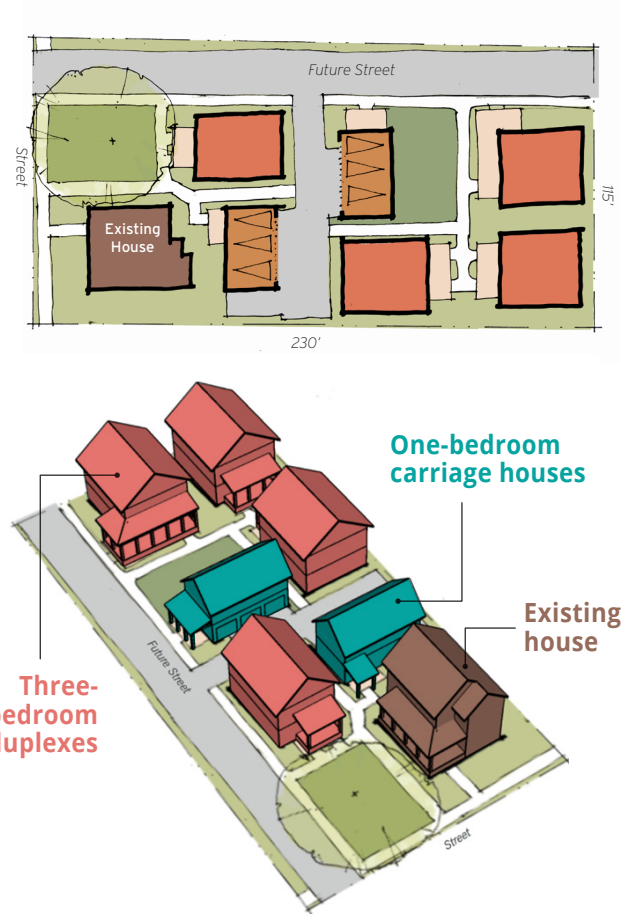




Max Build Scenario	
UNITS	36 total units
UNIT TYPE/ AFFORD-ABILITY	• 18 two-bedroom; 900 sq ft; $274,000 each; **affordable at 63% AMI** • 18 one-bedroom, 450 sq ft; $142,000 each; **affordable at 33% AMI**
AVERAGE HOME SIZE	675 sq ft
PARKING	9 parking spaces in the rear; 0.25 spaces per home*



Ready-to-Build Scenario	
UNITS	10 total units spread across six buildings, in addition to existing house
UNIT TYPE/ AFFORD-ABILITY	• 8 three-bedroom; 1,050 sq ft; $366,000 each; **affordable at 84% AMI** • 2 one-bedroom; 700 sq ft; $249,000 each; **affordable at 57% AMI**
AVERAGE HOME SIZE	980 sq ft
PARKING	Two three-car garages and dedicated surface parking*



** It is assumed that the transit-adjacent location, plentiful bicycle parking, and the changing nature of the transportation economy (including on-demand services such as Lyft and Uber) would provide for mobility for site residents and visitors in the future.*

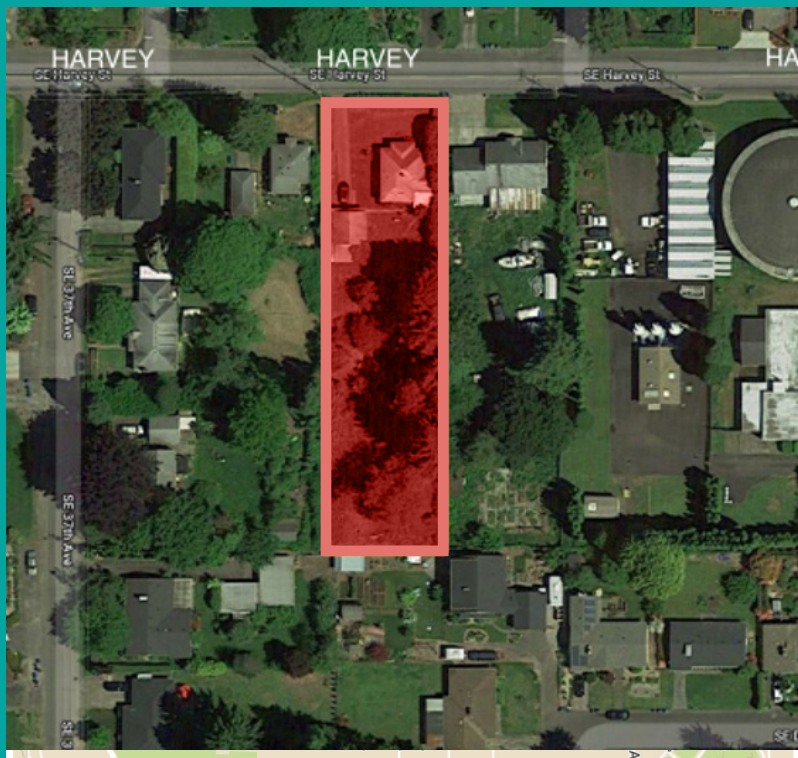
Concept 2:

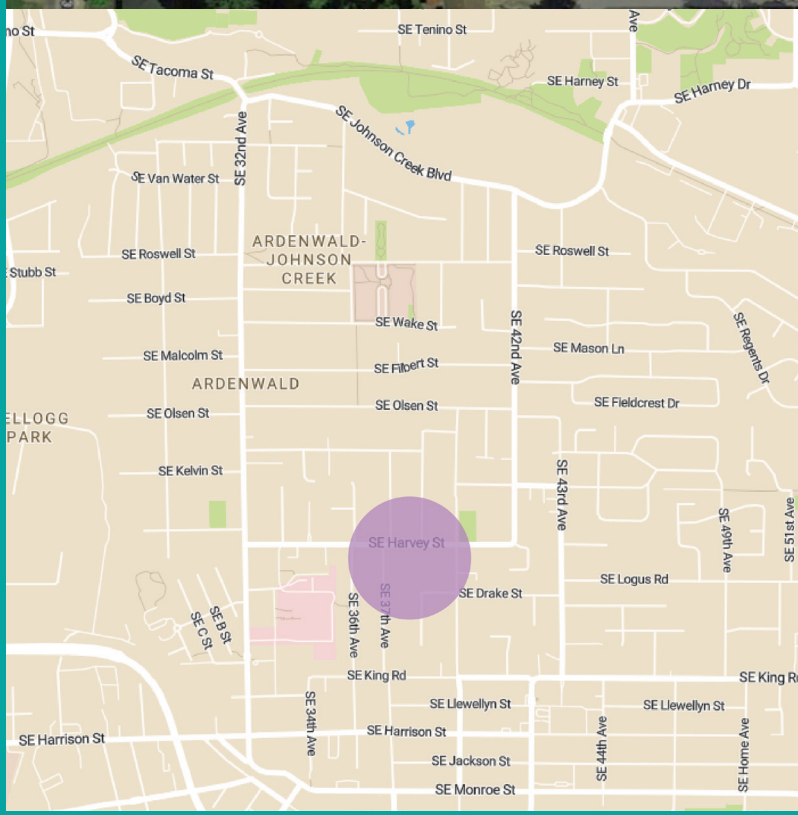
NARROW LOT REDESIGN

Location: 3736 SE Harvey Street

The site at 3736 SE Harvey Street is a long, narrow, mostly-flat lot that's roughly 80 ft wide and 300 ft deep. It features an older existing house and garage closer to the street, with a large garden occupying most of the site. During interviews, the property owner expressed no particular attachment to save the house or garage, so both concepts envisioned their replacement with smaller structures better-located to accommodate the site design.

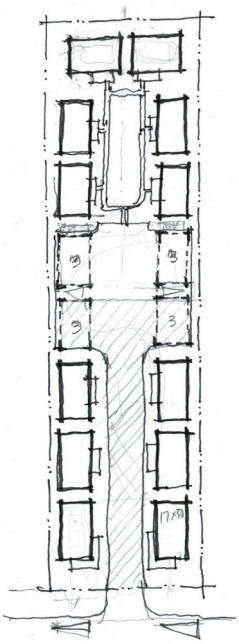
The existing zoning is R7, making this site suitable for testing the application of a cluster housing code on a long, skinny site in a residential neighborhood context.

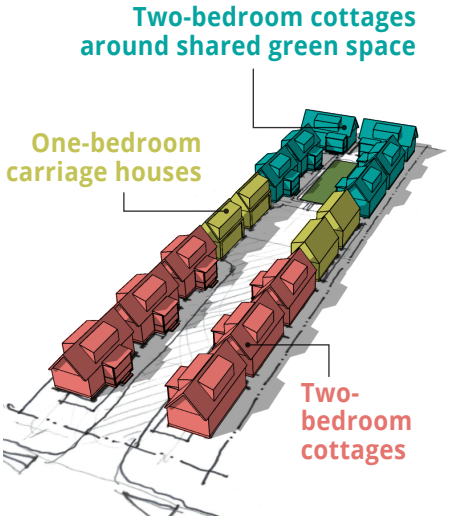




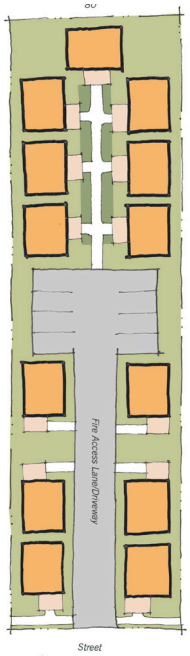
Due to the relatively skinny width of the lot at 80 ft, the initial design concept explored using a "Woonerf" concept – a shared court that places emphasis on providing a safe space for bicycles and pedestrians while allowing automobiles to pass through as guests in the space.

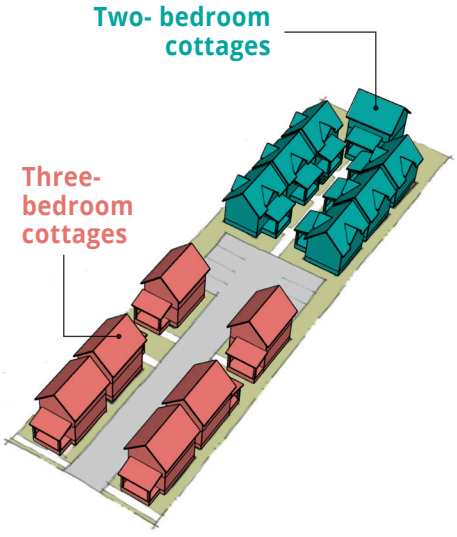
Max Build Scenario	
UNITS	16 total homes
UNIT TYPE/ AFFORD-ABILITY	• 12 two-bedroom; 765 sq ft; $256,000 each; **affordable at 59% AMI**
	• 4 one-bedroom; 510 sq ft; $182,000 each; **affordable at 42% AMI**
AVERAGE HOME SIZE	701 sq ft
PARKING	Three garage parking spaces below each carriage house





Ready-to-Build Scenario	
UNITS	13 total homes
UNIT TYPE/ AFFORD-ABILITY	• 6 three-bedroom; 1,000 sq ft; $302,000 each; **affordable at 69% AMI**
	• 7 two-bedroom; 700 sq ft; $248,000 each; **affordable at 57% AMI**
AVERAGE HOME SIZE	865 sq ft
PARKING	8 parking spaces; 0.5 spaces per home*





** This concept was developed when the proposed parking ratio for this site was 0.5 spaces per home. The parking ratio for housing clusters in R7 base zones not within walking distance of high-quality transit has since been raised to one space per home, meaning that this site design would need to see at least two cottages converted into carriage houses, each with three parking spaces underneath, in order to provide the required amount of off-street parking.*

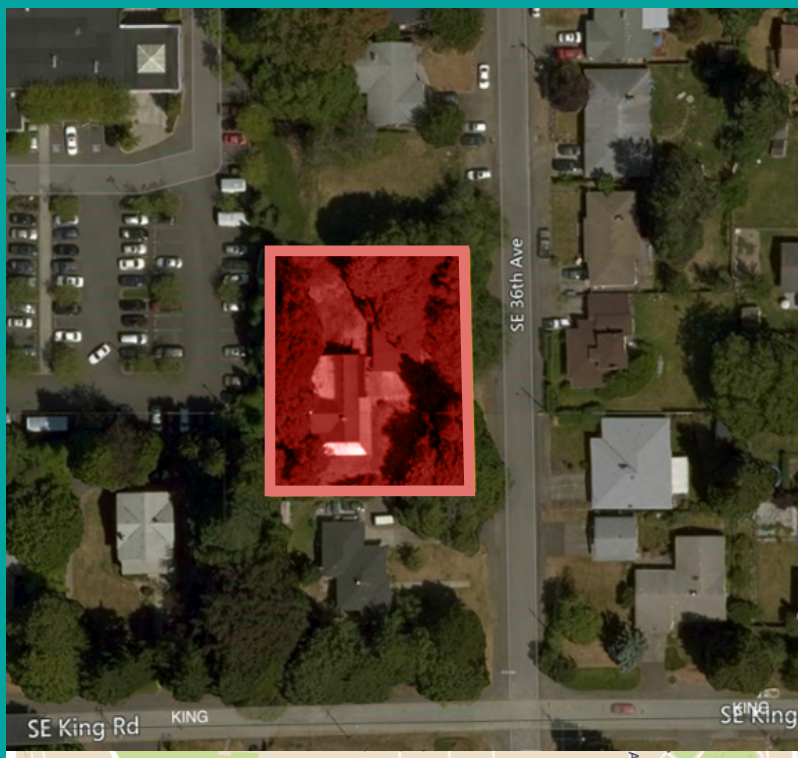
Concept 3:

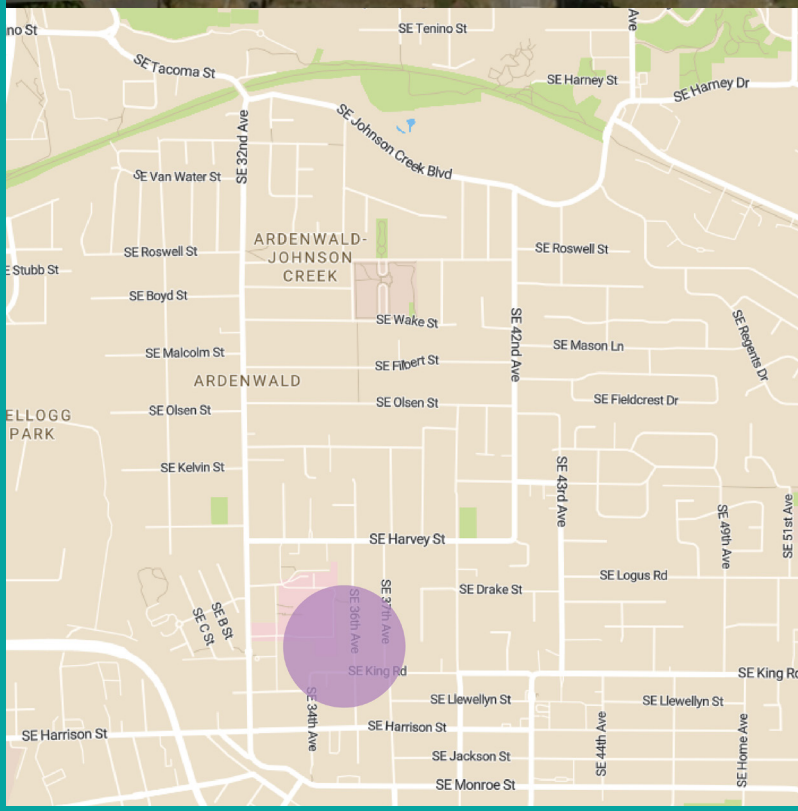
FULL LOT REDESIGN #2

Location: 10325 SE 36th Avenue

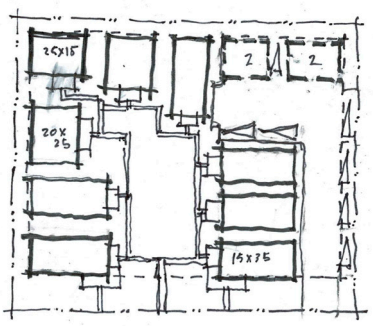
The site is nearly square, at 125 x 150ft, providing 24,000 sf of area to design within. The back of the lot drops off to the adjacent Providence Milwaukie Hospital's parking lot. Taller houses up against this lot line would benefit from a view looking towards Portland's West Hills.

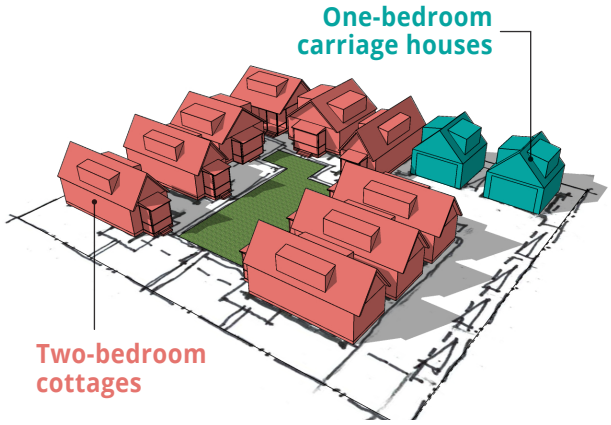
The existing zoning is R7, leading to a lower intensity residential character.



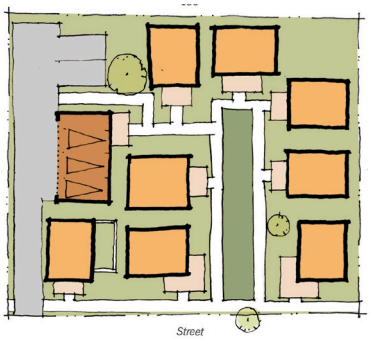


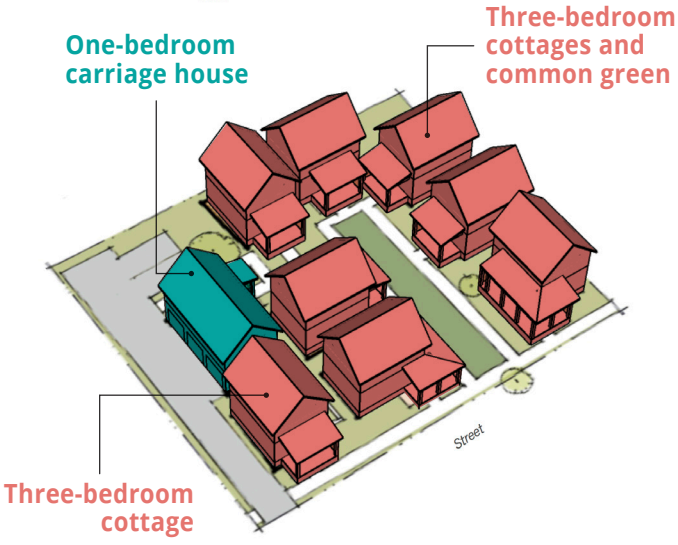
Max Build Scenario	
UNITS	11 total homes
UNIT TYPE/ AFFORD-ABILITY	• 9 three-bedroom; 1,090 sq ft; $278,000 each; **affordable at 64% AMI**
	• 2 one-bedroom; 400 sq ft; $126,000 each; **affordable at 29% AMI**
AVERAGE HOME SIZE	963 sq ft
PARKING	11 parking spaces; 1 space per home





Ready-to-Build Scenario	
UNITS	13 total homes
UNIT TYPE/ AFFORD-ABILITY	• 8 three-bedroom; 1,000 sq ft; $317,000 each; **affordable at 73% AMI**
	• 1 one-bedroom; 700 sq ft; $235,000 each; **affordable at 54% AMI**
AVERAGE HOME SIZE	967 sq ft
PARKING	13 parking spaces; 1 space per home





Concept 4:

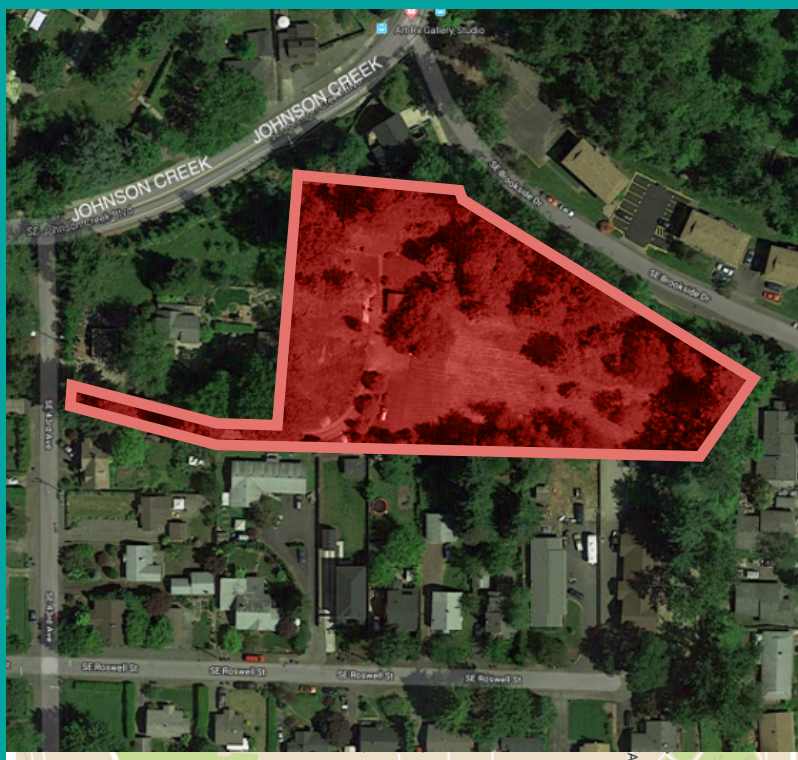
OPEN SPACE REDESIGN

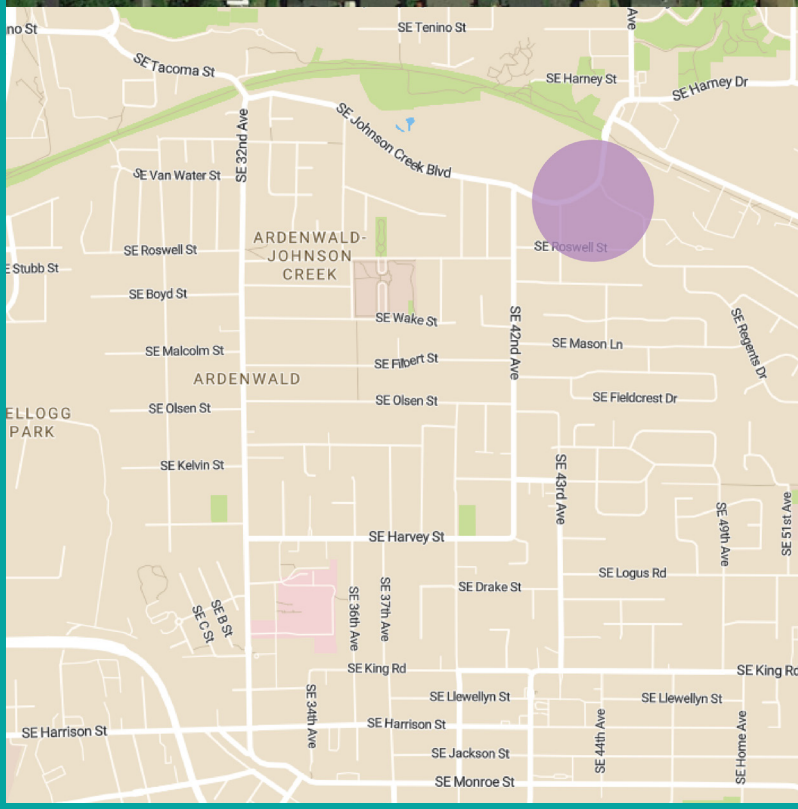
Location: 4420 SE Johnson Creek Boulevard

This site is perhaps the most interesting of all the sites, for reasons beginning with the address: the site is not actually located on SE Johnson Creek Blvd. It originally included a parcel that fronted onto Johnson Creek Blvd, but when that parcel was sold off, this parcel did not receive a new address. Now, however, access is via a long, narrow flagpole driveway from SE 43rd Ave, making this, at 2.11 acres, effectively an extremely large flag lot.

The bulk of the site is relatively flat, except for along the eastern edge of the property where it slopes steeply down through a forested slope to SW Brookside Drive. It features a small number of larger, older fruit trees left over from its agricultural past.

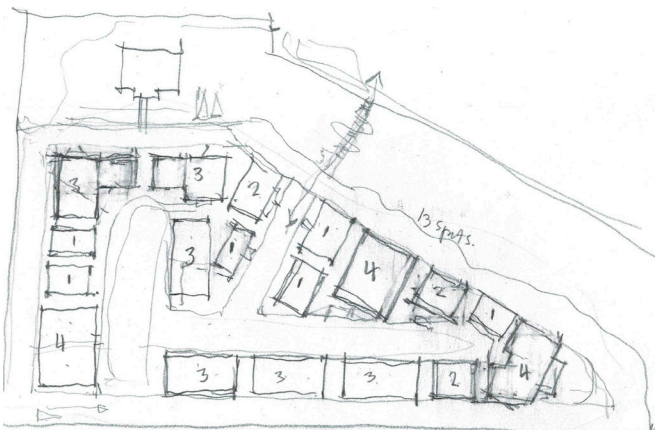
The site is currently zoned R7, but given its proximity to the Frequent Service bus line on Johnson Creek Blvd, as well as the Springwater Corridor bicycle trail just to the north, a case could be made for the site to support higher intensity than would otherwise be envisioned in an R7 zone.

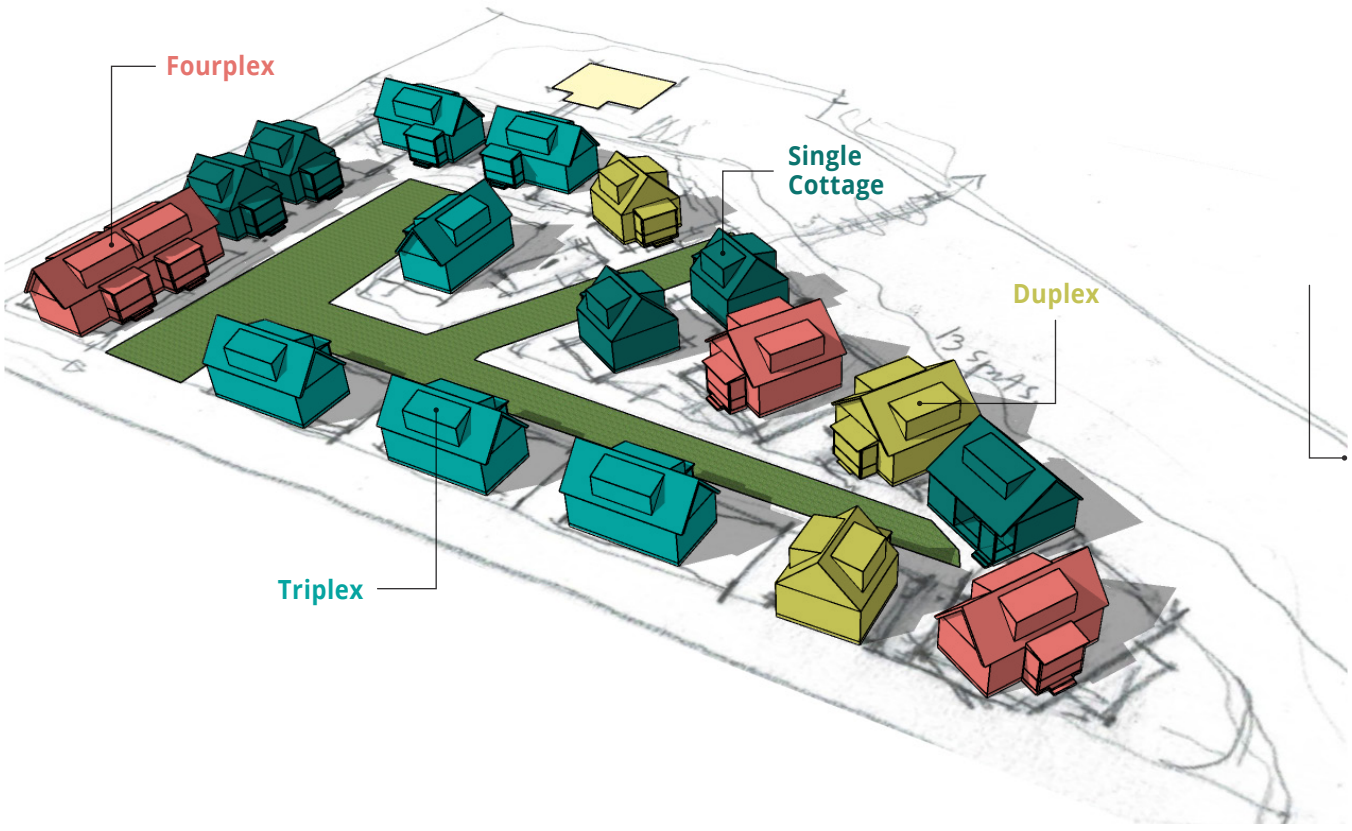




Homes on the site are clustered around a three-pronged common green. A loop road surrounds the housing cluster with most parking provided on-street on this road. A trail with a ramp and staircase would thread down the forested slope to provide access to Johnson Creek Blvd via Brookside Drive.

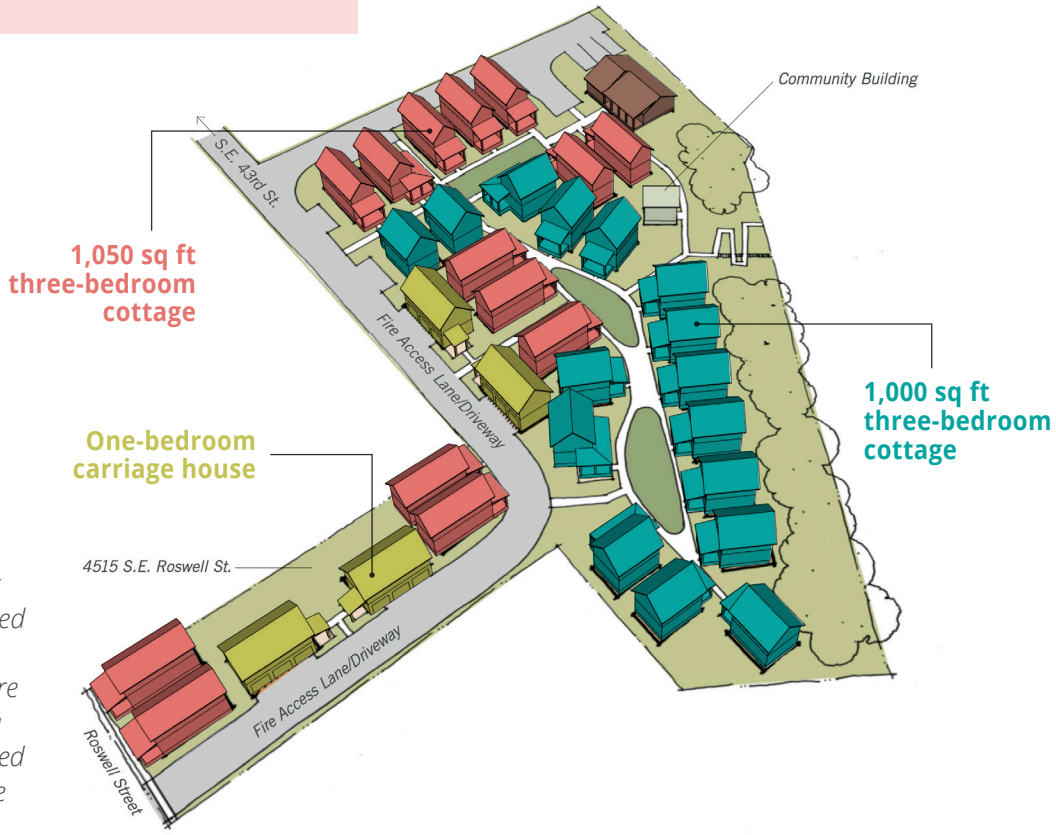
Max Build Scenario	
UNITS	36 total homes
UNIT TYPE/ AFFORD-ABILITY	• 18 one-bedroom; 700 sq ft; $221,000 each; **affordable at 51% AMI** • 18 three-bedroom; 1,050 sq ft; $268,000 each; **affordable at 62% AMI**
AVERAGE HOME SIZE	875 sq ft
PARKING	On-street parking





Based on property owner feedback, this scenario includes fire access lane due to the narrow width of the existing driveway. A revised circulation plan emphasizes an internal sidewalk network, with automobiles kept to the south and west edges of the site and more cohesive common green spaces.

Ready-to-Build Scenario	
UNITS	34 total homes
UNIT TYPE/ AFFORD-ABILITY	• 4 one-bedroom; 700 sq ft; $229,000 each; **affordable at 53% AMI**
	• 16 three-bedroom; 1,000 sq ft; $313,000 each; **affordable at 72% AMI**
	• 14 three-bedroom; 1,050 sq ft; $328,000 each; **affordable at 75% AMI**
AVERAGE HOME SIZE	985 sq ft
PARKING	19 parking spaces



The neighboring property at 4515 SE Roswell St was added to this concept based on conversations with the property owner and the fire marshal, indicating that a new access lane would need to be provided to meet the fire code.

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07

PROPOSED CLUSTER HOUSING CODE RECOMMENDATIONS

PURPOSE AND TITLE

Milwaukie's original Cottage Cluster code contained a single use type that was only allowed in a certain set of zones, not including the lower-density residential R5, R7, and R10 zones which cover the majority of the city. The proposed revised code is retitled the "Cluster Housing Code" to reflect the three types of standards it contains:

1. **low-density neighborhoods;**
2. **commercial and multifamily zones; and**
3. **transit-connected locations**

These standards allow a mix of building types, including attached types such as townhomes that could not be accurately referred to as "cottages."

APPLICABILITY

The revised code is proposed to apply in three types of locations within Milwaukie: The base zones R5, R7, and R10; transit-connected locations; and all other commercial and multifamily base zones where cluster housing is allowed.

Low density neighborhoods

Cluster housing is allowed in the base zones R5, R7 and R10, outside of the area considered to be transit-connected locations.

Commercial and multifamily zones

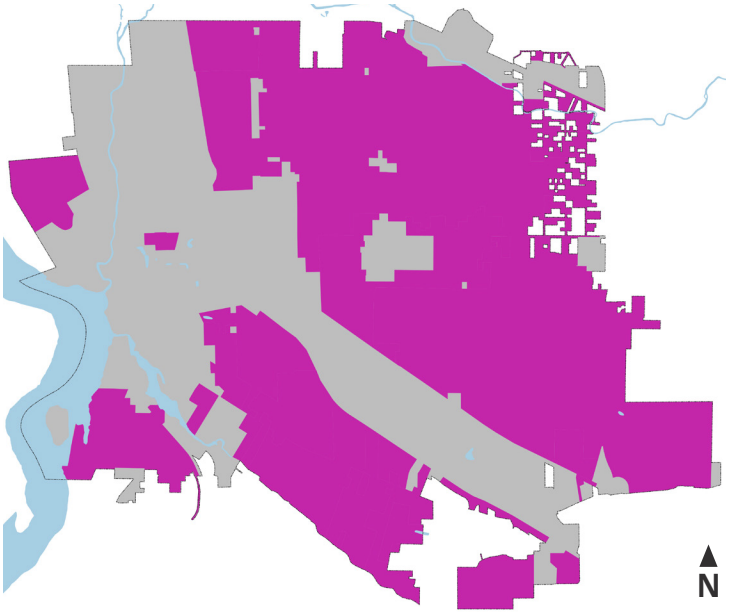
Cluster housing is also is allowed within commercial, mixed use and multifamily zones where cluster housing is listed as an allowed use (R-1, R-1B, R-2, R-2.5, R-3, GMU). Conditional Use review is required for Limited Commercial zones (C-L) and Neighborhood Mixed Use zones (NMU).

Transit-connected locations

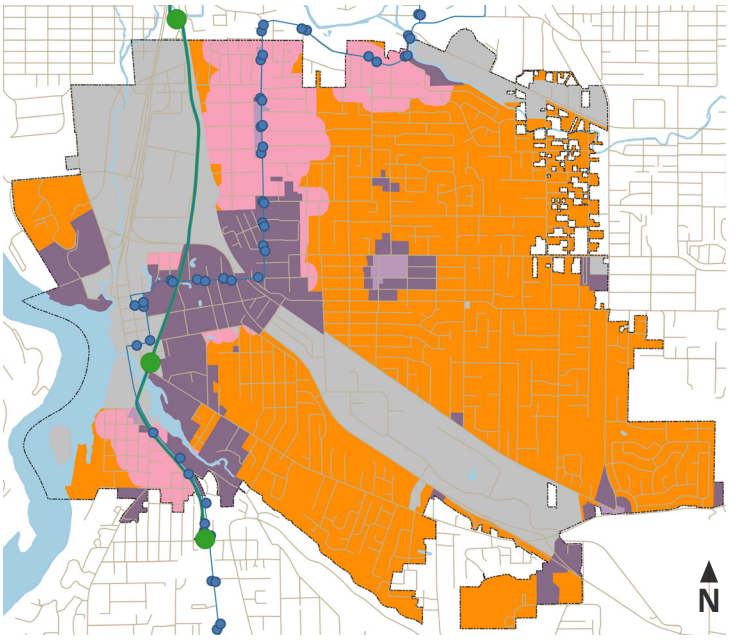
The third location where cluster housing is allowed are transit-connected locations within the base zones R5, R7, and R10. A lot is considered to be in a "transit-connected location" if the applicant can show that it is (or will be by the time construction is complete) directly connected by a complete sidewalk network to a frequent transit service stop within a 1/4 mile walk.

** Sidewalk network data not available. Map shows areas that would count as transit-connected locations if the sidewalk network were built out.*

*** Conditional use permit required for cluster housing in the NMU and C-L zones.*



Residential zones where cottage clusters are currently not allowed



TriMet MAX Line/ Station

TriMet Frequent Transit Service

Low Density Neighborhood

Transit-connected Locations*

Commercial/ Multifamily Zones

Commericial/ Multifamily Zones**

Cluster Housing Not Allowed

The proposed code revisions are summarized below. See Appendix D for further details on the code revisions.

LAND DIVISIONS

- Allow a cluster housing development on any size site to include a land division resulting in new lots with **no minimum lot size, and no maximum density limitations**.

DEVELOPMENT STANDARDS

- **Proposed cluster housing code supersedes the base zone development standards** for height, density, minimum lot size, setbacks, yards, lot coverage, and minimum vegetation, as well as other design standards and parking standards. These proposed standards are shown in Table 4.

The development standards are intended to:

1. **Promote market-rate provision of homes affordable to households of a variety of incomes and sizes.**
2. **Encourage a design that balances a reduction in private outdoor space with shared outdoor common area.**
3. **Promote community-building both within a housing cluster and with the surrounding neighborhood.**

SIZE

- **Total footprint of each home:** Maximum 1,200 sq ft (or 1,000 for lots that are not in a transit-connected location in base zones R5, R7 and R10)
- **Total floor area of each home:** Maximum 1,600 sq ft
- **Average floor area of all homes:** Maximum 1,000 sq ft

HEIGHT

- **Maximum number of stories:**
  - » 2 stories in low density neighborhoods (R5, R7, and R10)
  - » 2.5 stories in transit-connected locations within base zones
  - » 3 stories in commercial and multifamily zones
- **Maximum height to the highest eaves on any building facing a common open:**
  - » 1.618 times the width of that common green between the two closest buildings across its narrowest average width.
- **Daylight basements exempted from floor count.**

ORIENTATION

- **Front façade orientation:**
  - » must be oriented toward common open space or public street.
- **If a home does not face a common open space or public street:**
  - » must be oriented toward an internal pedestrian circulation path.
- **Minimum 50% of all cluster homes** must be oriented towards common open space.

TABLE 6. CLUSTER HOUSING DEVELOPMENT STANDARDS

Standards	Low-density neighborhoods	Transit-connected locations	Commercial and multifamily zones
HOME TYPES			
Buiding types allowed	Detached	Attached	Attached
HOME SIZE			
Building footprint (maximum)	1,000 sf	1,200 sf	1,200 sf
Max floor area per home	1,600 sf		
Max average floor area per home	1,000 sf		
HEIGHT			
Max # of stories	2	2.5	3
Max structure height between 5 & 10 ft of rear lot line	15 ft		
Max height to eaves facing common green	1.618 times the narrowest average width between two closest buildings		
SETBACKS, SEPARATIONS, AND ENCROACHMENTS			
Separation between homes (minimum)	4 ft	0 ft	0 ft
Side and rear site setbacks	5 ft		
Front site setback (minimum)	15 ft	10 ft	0-10 ft
Front site setback (maximum)	20 ft		
LOT COVERAGE, IMPERVIOUS AREA, VEGETATED AREA			
Lot coverage (maximum)	50%	55%	60%
Impervious area (maximum)	60%	65%	70%
Vegetated site area (minimum)	35%	30%	25%
Tree cover (minimum at maturity)	40%		
COMMUNITY AND COMMON SPACE			
Community building footprint (maximum)	1,500 sf	2,000 sf	3,000 sf
PARKING			
Automobile parking spaces per primary home (minimum)	1	0.5	0.25
Dry, secure bicycle parking spaces per home (minimum)	1.5		
Guest bicycle parking spaces per home (minimum)	0.5		

HOME TYPES

- **Allow detached primary homes in R5, R7, or R10 base zones** in non-transit-connected locations
- **Allow attached home types** in transit-connected locations and in all other base zones.
- **Allow accessory dwelling units (ADUs)** for any detached or attached single family home in a cluster housing development, in compliance with recent state legislation in Oregon where ADUs are allowed.

SETBACKS, SEPARATIONS, AND ENCROACHMENTS

- **Minimum rear and side setbacks:**
  - 10 ft rear setback for structures above 15 feet high in zones R5, R7, and R10
  - 5 ft rear setback for all other structures within a cluster development
  - 5 ft side setback for all cluster housing development
- **Minimum front setback:**
  - 15 ft in the R5, R7, and R-10 base zones
  - 10 ft in transit-connected locations
  - 10 ft in all other locations, unless the base zone allows for a smaller setback
- **Maximum front setback:**
  - 20 ft, unless a greater setback is required due to steep slopes or natural features
- **Minimum separation between homes:**
  - 4 ft in R5, R7, or R10 base zones that are not in a transit-connected location
  - No separation required in other locations
- **Maximum front stair encroachment into common green space:**
  - 20% of the width of the green
- **Maximum eave overhang onto common green space:**
  - 24 in., or to the extent allowable by the building code

FRONT PORCHES AND ENTRIES

- **Front porch or recessed entryway required** on each primary home in a cluster development.
  - The front door of the dwelling must open onto the porch or recessed entry
  - Entire front porch area or recessed entry must be covered
  - Surface of the front porch or recessed entry not to exceed 48 in above grade, as measured from the average ground level at the front of the porch.
- **Minimum porch depth:** 6.5 ft
- **Minimum porch width:** at least 60% of the length of the front façade

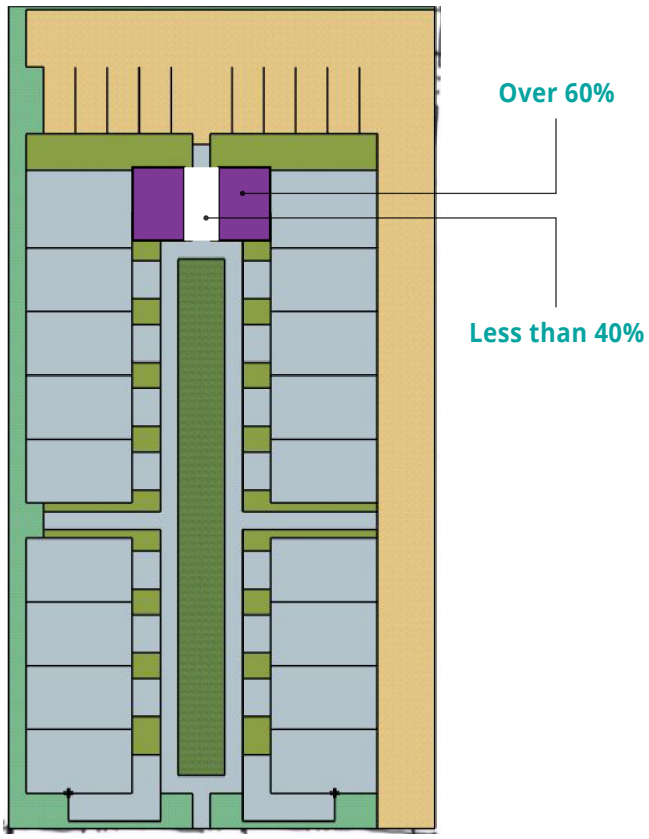
- **Minimum dimensions of recessed entry:** 5 ft by 5 ft

CLUSTER HOUSING DESIGN STANDARDS

- **Front porch fronting a street:**
  - » Minimum 60% coverage of the width of the home and is at least 8 ft deep.
- **Windows and doors:**
  - » Minimum 15% coverage of the façade area if oriented toward a street, common open space, or interior walkway
  - » Windows must be vertical or square in orientation – at least as tall as each window is wide.
  - » Allow horizontal window openings to be filled by either two or more vertically-oriented windows with maximum of two different sizes or a horizontal window with a band of individual lites across the top. Lites must be either vertical or square and must cover at least 20% of the total height of the window.

SITE DESIGN AND OTHER STANDARDS

- **Minimum of 3 primary homes required in cluster development** with an adequately sized and central common open space.
- **A common open space must meet the following standards:**
  - » Minimum 100 sq ft of area for each home, excluding ADUs
  - » Minimum dimensions of 20 ft by 12 ft;
  - » Entrance to at least one common open space area must be visible and accessible from an adjacent public street
    - » Homes must enclose at least 60% of three sides of common open space areas to which at least half of the homes are oriented.



INDOOR COMMUNITY SPACE

- **Allow community building or other common indoor space** for the shared use of its residents and guests;
  - **Maximum footprint:**
    - 1,500 sq ft in the R-5, R-7, and R-10 zones
    - 2,000 sq ft in transit-connected locations
    - 3,000 sq ft in all other locations

Photo credit: Ross Chapin

LOT COVERAGE, IMPERVIOUS AREA, VEGETATED AREA AND TREE COVER

- **Maximum footprint of all structures within a housing cluster:**
  - 50% of the site area in the R5, R7, and R-10 base zones
  - 55% of the site in transit-connected locations
  - 60% in all other locations
- **Maximum footprint of impervious surfaces, including all structures:**
  - 60% of the site area in the R5, R7, and R-10 base zones
  - 65% of the site in transit-connected locations
  - 70% in all other locations
- **Minimum footprint of vegetation and landscaped, pervious areas:**
  - 35% of the site area in the R5, R7, and R-10 base zones
  - 30% of the site in transit-connected locations
  - 25% in all other locations
- **Minimum required footprint of vegetation and landscaped, pervious areas:**
  - 50% of front yard between front of homes and the adjacent street
- **Tree plan required for approval:**
  - Minimum 40% site coverage with summer tree canopy at tree maturity.
  - Must include maintenance procedures to ensure tree health, including proper watering systems such as drip irrigation or graywater systems.

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08

CONCLUSION & NEXT STEPS

This analysis of cluster housing in Milwaukie clearly shows that, with the changes described, cluster housing has very strong potential to deliver meaningful workforce housing in an attractive and livable format. This proposal has been finely tuned to balance the scale of development so that it does not overwhelm surrounding neighborhoods, while allowing for sufficient development intensity to allow price points affordable as workforce housing.

RECOMMENDED NEXT STEPS IN THE EVOLUTION OF CLUSTER HOUSING STANDARDS

01

Develop a set of design standard guidelines for cluster housing that provide specific design strategies to:

- create the feeling of a shared outdoor room within common green areas;
- create a sense of community within each housing cluster; and
- provide a sense of timeless quality that will stand the test of time while still enabling the provision of affordable workforce housing.

The cluster housing format has historically provided some of our most enduring examples of quality workforce housing, not just in the Portland region, but also up and down the West Coast and across the country.

With the shifting focus of housing development in the United States after World War II to focus rather exclusively on single family homes and large-scale apartment buildings, cluster housing production dwindled and nearly vanished. Now, however, it has been revived by Ross Chapin, Eli Spevak, and other New Urbanists and practitioners. This project continues and encourages this revival by showing a path forward to use the cluster housing format to provide affordable market-rate workforce housing that fits and enhances the community.

02

Establish a set of streets (or sections of streets) and a map of locations where head-in or angled on-street parking would be acceptable, possibly with two tiers of allowance:

1. one where on-street parking would be allowed unconditionally, and
2. one where it would be allowed only in combination with some amount of property dedication.

03

Develop a set of SDC and fee reductions and/or waivers to incentivize cluster housing development in Milwaukie in the near term. Market this incentive to the development community along with the launch of the new cluster housing program, possibly with a well-advertised sunset date (within five or ten years).

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MILWAUKIE COTTAGE CLUSTER ANALYSIS

APPENDICES

A

EXPERT REVIEW OF ZONING CODE ANALYSIS

Peer review of the existing cottage cluster zoning code analysis and proposals for the new code was conducted over several months in two phases. The initial peer review was conducted with Opticos Design, leading directly to recommendations for the proposed new code. The first draft of the proposed new code was then reviewed with Eli Spevak of Orange Splot, and with CNU-Cascadia.

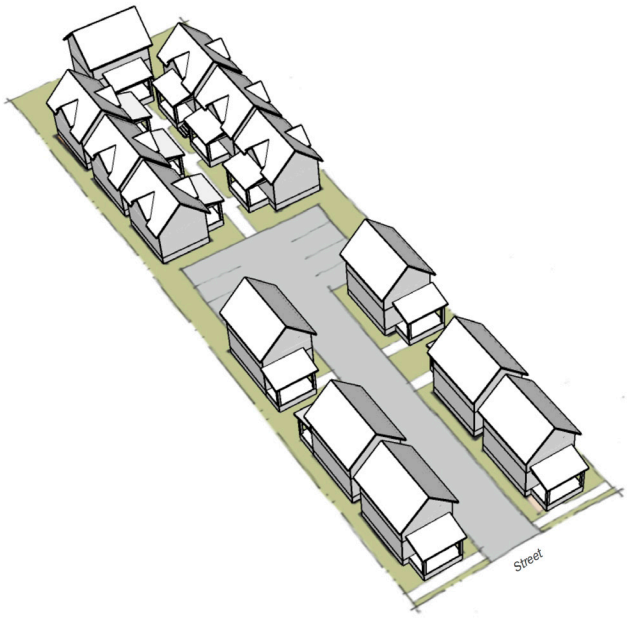
Initial review with Opticos Design including the following general comments and suggestions:

- Cluster housing should be allowed without requiring a lot subdivision process, which works better with detached buildings than for attached units, and may not be compatible with stacked units
- Private open space should not be required; a key component of cluster housing is shared open space.
- Provide a minimum (and perhaps maximum) common open space width and length that is defined relative to the surrounding building heights
- The shared court should be accessible from the front street
- Use the project study sites to confirm that the common open space requirement per unit can be met, or otherwise determine a reasonable reduction in size
- The current code restricts material types facing the street to only two, lap or shake material - could other materials be allowed?
- Consider allowing multiple common greens on a site
- Limit cluster housing heights in low density residential zones to two
- Allow more height in higher density zones where the base zone height is also taller

Follow-up peer review with CNU-Cascadia and Eli Spevak of Orange Splot included the following themes, comments, and suggestions:

- Consider waiving some SDCs and fees in order to “prime the pump” and encourage construction of new cluster housing projects in Milwaukie

- Allow cluster housing developments below a certain size threshold to use existing water connections, rather than charging SDCs for new connections
- Classify SDCs and fees by those that seem fair, and those that need to scale more appropriately
- Do not use language referring to the classic dichotomy of "single family" vs "multifamily", which is misleading when it comes to single family (which may in fact contain multiple families, or just an individual or unrelated persons rather than a "family"), and indeed may soon evolve to include more Missing Middle housing types; instead, refer to lower intensity and higher intensity zones
- Define zones and housing types by virtues of form, such as height and lot coverage, as well as proximity to high quality transit
- Provide for multiple ownership options, including fee simple (single family or townhome on own lot), condominium, and others, such as housing cooperatives.
- Eliminate minimum lot size standards to allow for parcelization and sale of fee-simple homes; do not require any minimum lot frontage, depth, or width for new lots created within a cluster housing development
- Offer incentives to encourage more cluster housing:
  - » Type 1 review by right
  - » Waive SDCs
  - » Right-size infrastructure requirements
- Determine incentives for a developer to choose to use the provisions of the Cluster Housing Code in multifamily or commercial zones, rather than just building a simple apartment building, such as:
  - » Allow for a townhome on its own lot where otherwise single dwellings on own lots might not be allowed
- Establish a gradation of pedestrian path size minimums, for units served by the same path:
  - » 3 ft for up to 4 units
  - » 4 ft for 4 to 20 units
  - » 5 ft for more than 20 units
- Allow woonerfs (shared pedestrian / bicycle space where automobiles are allowed as low-speed guests, use design elements such as permeable pavers to communicate the intent of the space)



Require bicycle parking:

- » Especially in the context of a city that lacks a complete sidewalk network or widespread high-quality transit, bicycles represent the lowest-hanging fruit in terms of a low-carbon transportation solution
- » 1.5 dry, secure bicycle parking spaces for each unit, minimum

- Don't regulate density, instead just regulate elements of form such as site coverage and height
- Require tall narrow vertical windows, rather than horizontal windows
- Do not require or specify a minimum site or lot size
- 50% lot coverage is too strict, allow for up to 60%
- Regulate common open space to achieve the desired feeling of spaciousness, and encourage more balconies, porches, rooftops, etc to provide more open space
- The common open space should be regulated and designed to feel like an outdoor room, using planters and other elements to visually make it as room-like as possible
- Providing two paths around a green, narrowing down to one path at entries, and widening out again, creates the necessary separation between private, semi-private, and public space; the fact of the common green is defined as the area in the middle of the two paths
- Consider providing setback bonuses, SDC breaks, or landscape requirement reductions for developers proposing innovative solutions to daylight and views, because dense proposals provide other public benefits
- Do not require additional common open space for ADUs
- Do not require front porches on the interior of a cluster housing development; instead, focus on making the entry, and allow recessed entries
- Require front porches facing the public street to help contribute to the sense of neighborhood community
- Don't regulate style; there are beautiful modern-style cluster housing developments out there, such as Aqua in Miami, that include wonderful contributing elements such as useable roof decks, patios, balconies, tall vertical windows, and a tight street presence.

Photo credit: Duany Plater-Zyberk

B

DETAILED MARKET ANALYSIS

DEMOGRAPHICS: POPULATION, HOUSEHOLDS AND TENURE

Milwaukie has grown by about 0.4% annually since 1990, with most growth occurring between 1990 and 2000, some negative growth between 2000 and 2010, and annual population increases of 0.2% since 2011. For comparison's sake, the City of Portland and Clackamas County have grown by 1.4% and 1.5% annually over the same period. Given the low rates of housing production in Milwaukie, it is likely that its relatively slower growth is due largely to the lack of housing available in the city.

Household size in Milwaukie decreased between 1990 and 2010 from 2.35 to about 2.30, where it has remained since. Portland, by comparison, has crept upwards from

FIGURE 7. POPULATION GROWTH RATE, 2000-2017

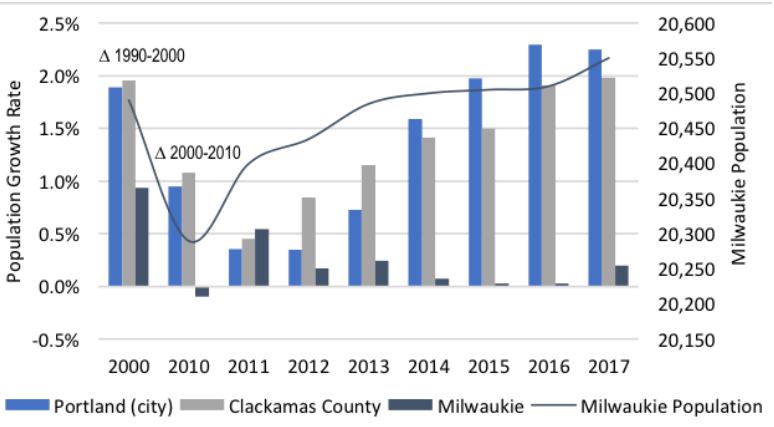
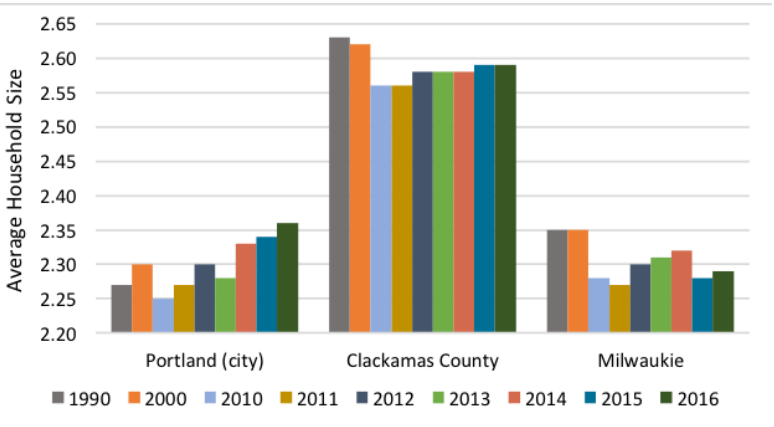


FIGURE 8. AVERAGE HOUSEHOLD SIZE COMPARISON, 1990-2016



2.27 in 1990 to 2.35; and Clackamas County has consistently remained at 2.60 people per household. Most households in Milwaukie have one or two people; between 2011 and 2016, marginal household growth in the city occurred in four and four or more person households. The city has been losing population under 35 and between the ages of 55 and 64, typically one-person and downsizing households; it has been gaining population between the ages of 34 and 54, and over the age of 65.

Owner-occupied homes have made up between 55% and 60% of Milwaukie's housing stock at a relatively constant rate over the past 26 years. Since 2010 Milwaukie has been gaining home owners and losing renters, but at low rates (0.6% owner gain / renter loss). By comparison, Portland has been gaining renter over owner households at much higher rates (0.1% owner and 1.6% renter), as has Clackamas County (0.5% owner, 1.9% renter); unlike Milwaukie, neither Portland nor Clackamas County has been losing owners or renters in absolute terms. It is very likely that, with very low housing production over recent decades in Milwaukie, that existing units have been converted from rentals to ownership, pushing renters out of the city for lack of alternative rental homes within the city for them to go to.

FIGURE 9. OWNER-OCCUPIED HOMES COMPARISON, 1990-2016

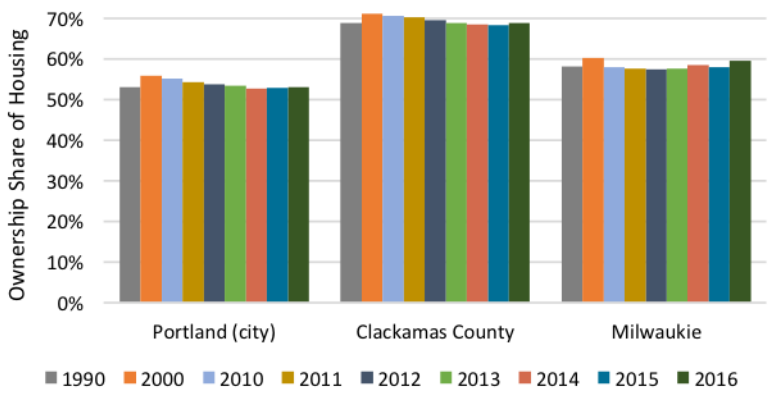


FIGURE 10. RESIDENTIAL BUILDING PERMITS ISSUED BETWEEN 1990-2017

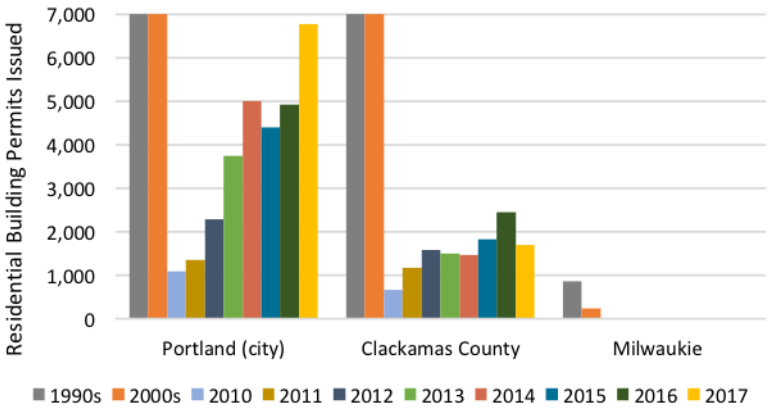
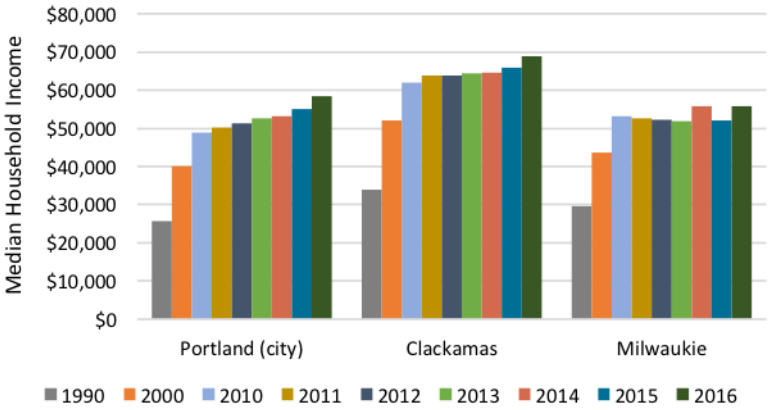


FIGURE 11. MEDIAN HOUSEHOLD INCOME, 1990-2016



HOUSING STOCK

Milwaukie added almost no housing between 2000 and 2017 (the latest year for which market study data was available when it was conducted in August, 2018). Since 2000, 294 housing units have been added, including only 40 between 2010 and 2017. The bulk of new housing units added since 1990 were constructed prior to 2000, resulting in an average annual growth rate in housing units since 1990 of 0.5% per year. This likely has a causal relationship to the 0.4% annual growth in households since 1990.

HOUSEHOLD INCOME AND HOUSING COSTS

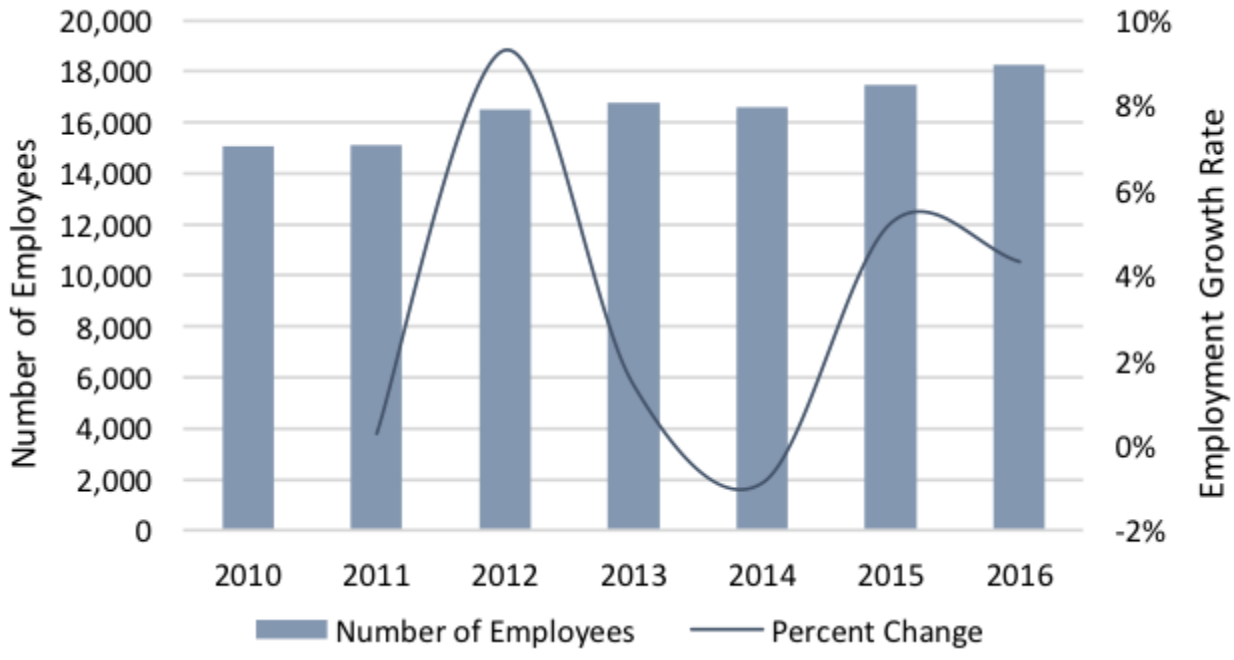
Since 2010, median household income in Milwaukie has remained relatively flat, with 0.8% annual increases in some years balanced by declines in other years, indicating that higher income households are leaving the city. Portland and Clackamas County, on the other hand, has been small but consistently positive gains in median household income since 2010.

Median housing costs have increased by over 2% annually since 2010 in Milwaukie. Since 2000, the increase in the median cost of housing for owners and renters has outpaced the increase in median household income by roughly 0.5% to 1% annually. This indicates that housing has been consistently getting less affordable in Milwaukie, as wage increases of earners have not kept pace with housing cost increases.

EMPLOYMENT

Unlike housing, employment in Milwaukie has average an annual growth rate of about 3.2%, with significantly higher growth in some years. With employment growth roughly 18 times higher than population growth in Milwaukie, presumably an increasing amount of employees would prefer to find housing close to their jobs in the city.

FIGURE 12. EMPLOYMENTBETWEEN2010-2016



HOUSING STOCK SALES TREND DATA

Home sales data of nearly 3,000 RMLS transactions between 2011 and 2018 were analyzed, and the results indicate an exceptionally uniform housing stock. The vast majority of the homes sold are between 1,100 and 2,300 square feet, with three or four bedrooms, and sit on lots of about 0.17 acres in size; 90 to 95% of this housing stock was built before the year 2000. Comparing the most recent home sales to existing housing unit data from the U.S. Census reveals significant demand for newer housing, specifically homes built after 2010.

A growth in sales prices per square foot since 2011 indicates that demand is more significant for smaller than larger homes: in general, sales price per square foot is higher for smaller homes. When price per square foot for similar units is compared over time, the pattern of demand that emerges indicates that the price per square foot for a two-bedroom home has been increasing by 14% per year since 2011, while since then it has only been increasing by 10% for three bedroom and 8% for four bedroom homes, annually. Similarly, the average price per square foot for homes of 400 to 800 square feet in size has been increasing by 22% per year since 2011, whereas since then it has only been increasing by 13% annually for 800 to 1,200 square foot homes, by 10% for homes

FIGURE 13. HOME SALES BY AVERAGE SQUARE FEET AND LOT SIZE, 2011-2018

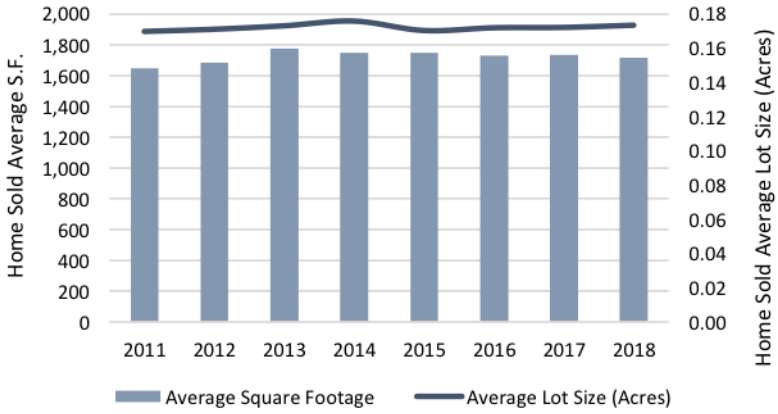


FIGURE 14. HOME SALES BY AVERAGE NUMBER OF BEDROOMS, 2011-2018

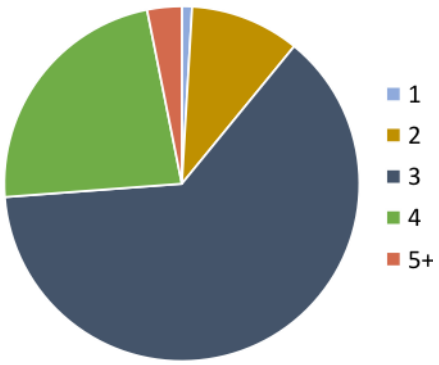


FIGURE 15. HOME SALES BY YEAR BUILT VS AGE OF HOUSING STOCK, 2011-2018

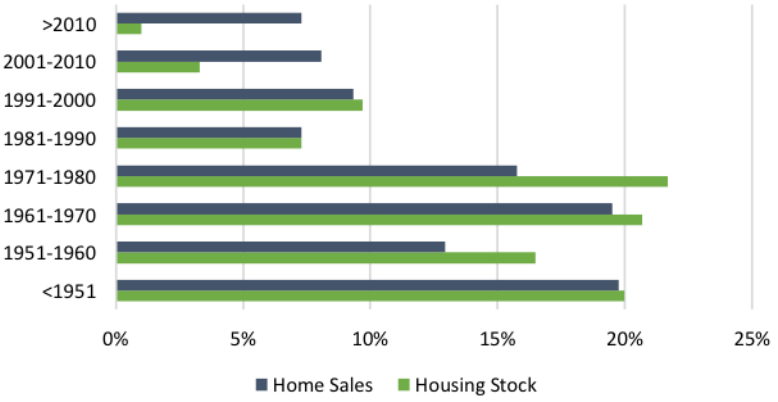


FIGURE 16. SALES PRICE/SQUARE FOOT BY NUMBER OF BEDROOMS IN MILWAUKIE, 2011-2018

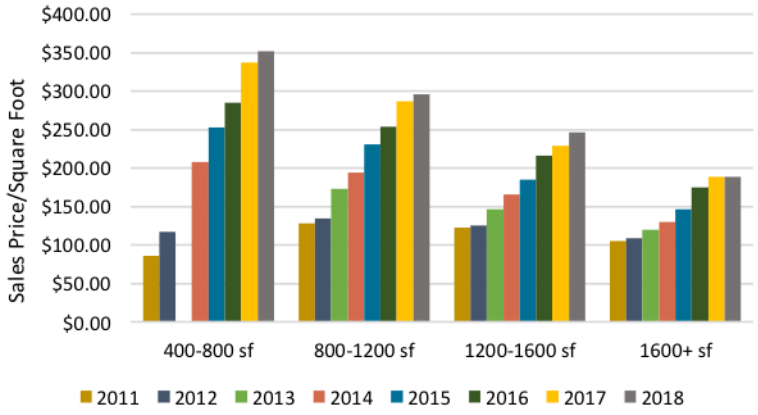


FIGURE 17. SALES PRICE/SQUARE FOOT BY UNIT SIZE IN MILWAUKIE, 2011-2018

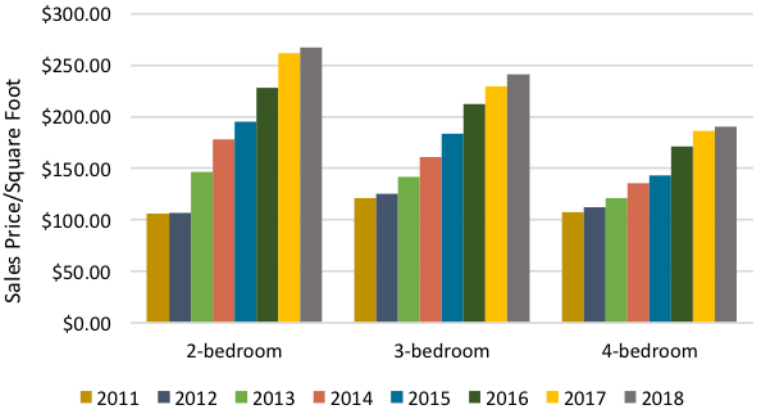
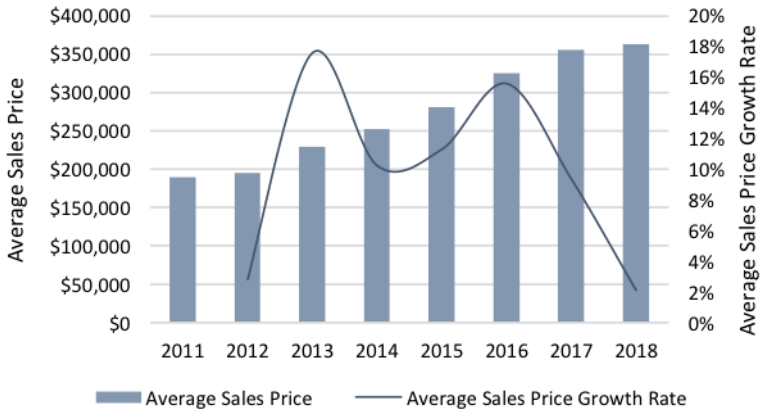


FIGURE 18. AVERAGE SALES PRICE IN MILWAUKIE, 2011-2018



of 1,200 to 1,600 square feet, and by 9% annually for homes larger than 1,600 square feet.

Home prices in Milwaukie have increased by about 10% annually since 2011, from an average of $189,500 in 2011 to about $363,000 in 2018, almost doubling over seven years.

New homes in housing clusters will likely find a ready market, as buyers in Milwaukie have been willing to pay increasingly more for smaller homes. Average pricing for new homes for sale with an average size of 800 to 2,000 square feet will likely increase by about 7.8% to $336 per square foot, from roughly $231 in 2018. For smaller homes of 600 to 1,100 square feet, pricing is projected to increase from an average of $285 per square foot in 2018 to roughly $450 per square foot in 2023.

RENTAL MARKET DATA

Since 2014, rent has increased by 9% to 10% annually for all home types except studios. Assuming an annual increase in rents of about 6% over the next five years, average rents are anticipated to rise from $1.33 per square foot in 2018 to $2.05 per square foot by 2023, or from $1,409 to $1,687 in average monthly rent from 2018 to 2023.

FIGURE 19. AVERAGE RENTS, RENTS/SF AND UNIT SIZES, 2014-2018

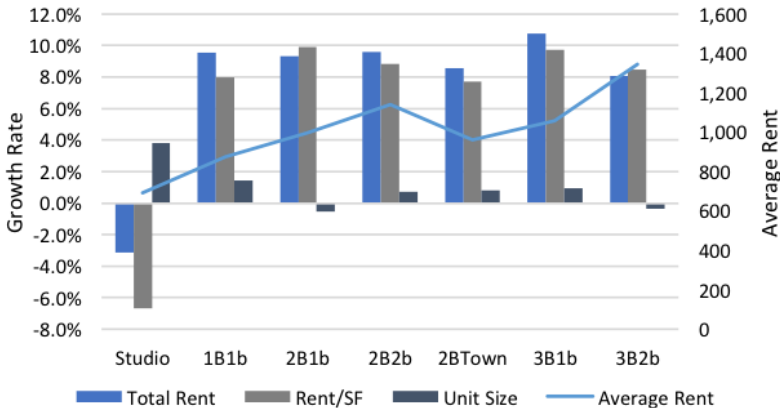


FIGURE 20. ESTIMATED PRICING FOR RENTAL HOUSING, 2018-2023

Estimated Current Demand (2018) | One to Three Bedroom Units (Avg 600-1,100 Square Feet)

Unit Type	Average	Range of Unit Pricing			
	SqFt	Low	High	Average	Avg $/SqFt
1 Bed	600	$795	$1,113	$954	$1.59
2 Bed	850	$1,008	$1,332	$1,224	$1.44
3 Bed	1,100	$1,213	$1,836	$1,443	$1.31
Totals/Weighted Avg	**1,061**	**$795**	**$1,836**	**$1,409**	**$1.33**

Forecasted Values (2023) | One to Three Bedroom Units (Avg 600-1,100 Square Feet)

Unit Type	Average	Range of Unit Pricing			
	SqFt	Low	High	Average	Avg $/SqFt
1 Bed	600	$1,064	$1,489	$1,277	$2.13
2 Bed	850	$1,551	$2,049	$1,800	$2.12
3 Bed	1,100	$1,624	$2,457	$2,041	$1.86
Totals/Weighted Avg	**1,061**	**$1,064**	**$2,457**	**$1,687**	**$2.05**

ESTIMATED HOUSING DEMAND

Over the next five years to 2023, 343 new housing units are needed based on population and household growth forecasts prepared by Metro. Of these, roughly 307 new homes will be needed to meet ownership demand, and 36 new homes will be needed to meet rental demand. Given the apparent demand for smaller units over the past seven years, the number of smaller households in Milwaukie, and the overwhelming uniformity of its housing stock, it is likely that new smaller homes will outperform larger homes.

FIGURE 21. DEMAND FOR NEW HOUSING BY OWNERSHIP AND RENTAL DEMAND, MILWAUKIE, 2012-2023

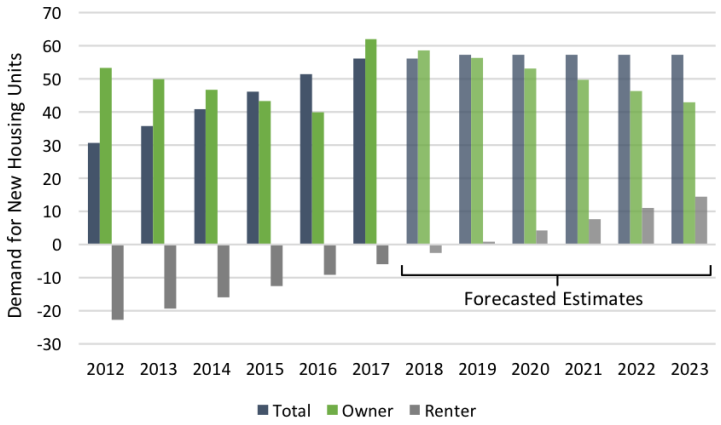


FIGURE 22. ESTIMATED PRICING FOR OWNERSHIP HOUSING, SCENARIO A, MILWAUKIE, 2018-2023

Estimated Current Demand (2018) | One to Three Bedroom Units (Avg 600-1,100 Square Feet)

Unit Type	Average	Range of Unit Pricing			
	SqFt	Low	High	Average	Avg $/SqFt
1 Bed	600	$171,708	$233,573	$214,635	$357.72
2 Bed	850	$234,317	$309,633	$284,527	$334.74
3 Bed	1,100	$255,463	$386,646	$303,794	$276.18
Totals/Weighted Avg	**1,061**	**$171,708**	**$386,646**	**$300,801**	**$285.27**

Forecasted Values (2023) | One to Three Bedroom Units (Avg 600-1,100 Square Feet)

Unit Type	Average	Range of Unit Pricing			
	SqFt	Low	High	Average	Avg $/SqFt
1 Bed	600	$229,784	$312,574	$271,179	$451.96
2 Bed	850	$360,525	$476,409	$418,467	$492.31
3 Bed	1,100	$341,867	$517,420	$429,644	$390.59
Totals/Weighted Avg	**1,061**	**$229,784**	**$517,420**	**$371,109**	**$450.62**

FIGURE 23. ESTIMATED PRICING FOR OWNERSHIP HOUSING, SCENARIO B, MILWAUKIE, 2018-2023

Estimated Current Demand (2018) | One to Four Bedroom Units (Avg 800-2,000 Square Feet)

Unit Type	Average	Range of Unit Pricing			
	SqFt	Low	High	Average	Avg $/SqFt
1 Bed	800	$201,915	$306,849	$252,394	$315.49
2 Bed	1,200	$177,778	$383,562	$315,492	$262.91
3 Bed	1,600	$166,935	$523,111	$386,495	$241.56
4 Bed	2,000	$156,077	$446,132	$380,480	$190.24
Totals/Weighted Avg	**1,659**	**$156,077**	**$523,111**	**$376,777**	**$230.58**

Forecasted Values (2023) | One to Four Bedroom Units (Avg 800-2,000 Square Feet)

Unit Type	Average	Range of Unit Pricing			
	SqFt	Low	High	Average	Avg $/SqFt
1 Bed	800	$270,208	$410,634	$340,421	$425.53
2 Bed	1,200	$273,533	$590,157	$431,845	$359.87
3 Bed	1,600	$223,397	$700,041	$461,719	$288.57
4 Bed	2,000	$208,866	$597,025	$402,945	$201.47
Totals/Weighted Avg	**1,659**	**$208,866**	**$700,041**	**$407,785**	**$336.31**

C

NON-PROFIT AND SUBSIDIZED AFFORDABLE HOUSING OPTIONS

Deeper affordability could be provided by subsidized affordable housing providers. There are at least three broad opportunity types for affordable housing to be provided in Milwaukie using the cluster housing program:

- Land trusts
- Affordable housing developments
- Government purchase of individual homes to be provided as dispersed affordable housing

LAND TRUSTS

When a land trust develops or acquires a site, it can provide affordable housing using three broad mechanisms: writing down the cost of the land; renting homes at cost without marking up for profit; and restricting the resale price of homes sold.

Land cost write-down

One of the primary tools used by a community land trust to provide housing at affordable prices is to remove the price of land from the price of each home. The land trust in effect holds the land, then sells the homes on top of it without including the cost of land in the selling price of the home. This can lead to a commensurate reduction in housing costs that depends on how much of the price of each home is made up of the cost of the land, which in turn depends on the initial cost of the land and the number of homes placed on that land.

Land trust rental homes

When land trusts provide rental housing, that housing can be offered at a reduced rate for two reasons: 1) the cost of the land may not need to be paid back through revenue from rents, and 2) the land trust, as a non-profit, does not need to show a return on investment beyond that needed to cover costs. Sometimes, a land trust will also be structured as a Community Development Corporation (CDC), allowing it to focus on providing housing and services to low-income and vulnerable populations.

Land trust home sales

When a land trust sells homes that it develops, it will often deed-restrict the home, such that the revenue from any future sale is constrained;

one popular model is to only allow the seller to collect up to 50% on the gain in property value due to appreciation, ensuring that the home will remain relatively more affordable than market-rate homes for sale in the same area. While this restricts the wealth-building potential of such homes for their buyers, it does not completely preclude the opportunity to build wealth through home ownership, and it also offers the opportunity to engage in such wealth-building to populations that may not otherwise have access to it at all, due to the high costs of market-rate housing.

AFFORDABLE HOUSING DEVELOPMENTS

When an entire site is developed by an affordable housing provider, a number of different tools can be combined to allow for homes to be brought to market at deep levels of affordability, potentially including for households making less than 30% of AMI. These include: subsidies to purchase the site; low-interest financing for construction; and other tools to allow for services to be provided for residents with additional needs beyond the basic need for housing within financial reach. Many of these tools are policy-based, such that the degree of affordability that is attainable is based on the specific policies being implemented by the tool, more so than the physical design of the homes being provided.

GOVERNMENT PURCHASE OF INDIVIDUAL DISPERSED-LOCATION HOMES

By definition under this proposed cluster housing code, cluster housing developments bring at least three homes to market on each site; potentially, these can include a mix of home sizes and types, at different price points. Under a dispersed-location home purchase program, funding from Metro's Affordable Housing Bond or other sources could be used to purchase one or more homes from the developer of a housing cluster, to be managed as affordable housing to help meet regional goals for affordable housing production. The benefits of such a program would include allowing the costs of home production to be carried by the private sector, while allowing the public sector to purchase homes on the open market in order to meet policy goals for affordable housing production. It's possible that deeper affordability benefits could be attained if low- or no-interest financing could be provided for the construction of mixed-income housing clusters, from which some units could be purchased as affordable housing, and some sold (or rented) at market rates.

D

PROPOSED CLUSTER HOUSING CODE RECOMMENDATIONS

LAND DIVISIONS

The proposed revised code would allow a cluster housing development on any size site to include a land division resulting in new lots with no minimum lot size, and no maximum density limitations. It would allow access to each new lot be provided flexibly, including using pedestrian paths through private common areas controlled by a Home Owners Association (HOA) or otherwise dedicated for common, rather than private or limited use.

DEVELOPMENT STANDARDS

The proposed revised cluster housing code supersedes the base zone development standards for height, density, minimum lot size, setbacks, yards, lot coverage, and minimum vegetation, as well as other design standards and parking standards.

These proposed standards are shown in Table 4. These proposed cluster housing standards are intended to:

1. promote market-rate provision of homes affordable to households of a variety of incomes and sizes,
2. encouraging a design that balances a reduction in private outdoor space with shared outdoor common area, and
3. promoting community-building both within a housing cluster and between the cluster and its surrounding neighborhood.

SIZE

The total footprint of a home in a housing cluster is proposed to be limited to 1,200 sq ft (or 1,000 for lots that are not in a transit-connected location in base zones R5, R7 and R10). The total floor area of each home is proposed to be limited to 1,600 sq ft, and the maximum average floor area of all homes in a housing cluster shall not exceed 1,000 sq ft.

The restriction on the maximum average floor area is intended to ensure that increased production of workforce housing is an outcome of the cluster housing code adoption.

TABLE 7. CLUSTER HOUSING DEVELOPMENT STANDARDS

Standards	Low-density neighborhoods	Transit-connected locations	Commercial and multifamily zones
HOME TYPES			
Buiding types allowed	Detached	Attached	Attached
HOME SIZE			
Building footprint (maximum)	1,000 sf	1,200 sf	1,200 sf
Max floor area per home	1,600 sf		
Max average floor area per home	1,000 sf		
HEIGHT			
Max # of stories	2	2.5	3
Max structure height between 5 & 10 ft of rear lot line	15 ft		
Max height to eaves facing common green	1.618 times the narrowest average width between two closest buildings		
SETBACKS, SEPARATIONS, AND ENCROACHMENTS			
Separation between homes (minimum)	4 ft	0 ft	0 ft
Side and rear site setbacks	5 ft		
Front site setback (minimum)	15 ft	10 ft	0-10 ft
Front site setback (maximum)	20 ft		
LOT COVERAGE, IMPERVIOUS AREA, VEGETATED AREA			
Lot coverage (maximum)	50%	55%	60%
Impervious area (maximum)	60%	65%	70%
Vegetated site area (minimum)	35%	30%	25%
Tree cover (minimum at maturity)	40%		
COMMUNITY AND COMMON SPACE			
Community building footprint (maximum)	1,500 sf	2,000 sf	3,000 sf
PARKING			
Automobile parking spaces per primary home (minimum)	1	0.5	0.25
Dry, secure bicycle parking spaces per home (minimum)	1.5		
Guest bicycle parking spaces per home (minimum)	0.5		

HEIGHT

The height for all structures in a housing cluster is proposed to be restricted to: two stories in base zones R5, R7, and R10, except for lots in transit-connected locations within those base zones, where the height shall not exceed 2.5 stories; and 3 stories in all other base zones and locations.

To ensure that the heights of buildings around a common green do not overwhelm the scale of that green, the height to the highest eaves on any building facing a common open is restricted to exceed 1.618 times the width of that common green between the two closest buildings across its narrowest average width. Daylight basements are proposed to be exempted from counting towards the number of floors of height allowed for structures in a housing cluster development.

ORIENTATION

The front of a home is defined as the façade with the main entry door and front porch. This façade will need to be oriented toward either a common open space or public street. If a home is not contiguous to either of these, then it should orient toward an internal pedestrian circulation path. At least half of all the homes in a housing cluster need to be oriented toward its common open space.

HOME TYPES

The proposed revised code only allowed detached primary homes in the R5, R7, or R10 base zones that are not in a transit-connected location; it allows for attached home types in transit-connected locations and in all other base zones.

Accessory dwelling units (ADUs) are allowed for any detached or attached single family home in a cluster housing development, in compliance with recent state legislation in Oregon broadening the situations where ADUs are allowed and encouraged. Indeed, the pro forma sensitivity testing performed for this project shows that accessory units to homes in a housing cluster could allow for the deepest levels of housing affordability within each cluster.

SETBACKS, SEPARATIONS, AND ENCROACHMENTS

The proposal allows for the front stairs of a home to encroach into a common green by no more than 20% of the width of the green; and for eaves to overhang the common green by up to 24 in.

The minimum space between homes is proposed to be 4 ft in the R5, R7, or R10 base zones that are not in a transit-connected location, with no separation between homes required in other locations. The proposal allows architectural features and minor building projections—such as eaves, overhangs, or chimneys—to project into this required separation by up to 24 in, to the extent allowable by the building code.

The proposal requires structures above 15 feet in height within a cluster development to be located at least 10 ft from the rear lot line(s) in zones R5, R7, and R10, and it requires all structures within a cluster development to be located no closer than 5 ft from the rear lot line, and at least 5 ft from the side lot line(s), of the site on which the housing cluster is developed. It allows parking, steps, ramps, drive aisles, and retaining walls to encroach into these side and

rear setback areas as needed, within the overall lot coverage and lot vegetation requirements.

The proposed minimum setback between the nearest home and the site's front street lot line is 15 ft in the R5, R7, and R-10 base zones; 10 ft in transit-connected locations; and 10 ft in all other locations, unless the base zone allows for a smaller setback, in which case it allows for the smaller setback. It restricts the maximum front setback to 20 ft, unless a greater setback is required because of steep slopes. It allows porches to intrude into the front setback to within 5 ft of the front lot line. It allows walkways, sidewalks, steps, ramps, drive aisles, and retaining walls to encroach into the front setback as needed, within the limitations of the required amount of vegetation within the front setback.

CLUSTER HOUSING DESIGN STANDARDS

The intent of the housing cluster design standards is to create homes that engage with the street and each other in a manner that builds community and contributes positively to the neighborhood public realm. To this end, the proposed standards require homes in a cluster fronting a street to include a front porch facing the street that covers at least 60% of the width of the home and is at least 8 ft deep. The standards require that windows and doors account for at least 15% of the façade area for façades oriented toward a street, common open space, or interior walkway, and that these windows be either vertical or square in orientation – at least as tall as each window is wide. Horizontal window openings are allowed to be filled by either two or more vertically-oriented windows that are either all the same size, or with no more than two sizes used, or a horizontal window with a band of individual lites across the top; the lites must be either vertical or square and must cover at least 20% of the total height of the window.

FRONT PORCHES AND ENTRIES

The proposed standards require each primary home in a cluster to have a porch or recessed entryway on the front of the home. This area is intended to function as an outdoor room that extends the living space of the home into the semipublic area between the home and the open space.

When a porch is provided, the minimum porch depth is to be 6.5 ft, and the width of the porch is to be at least 60% of the width of the overall length of the front façade.

When a recessed entry is provided, it is to have minimum dimensions of 5ft by 5ft.

The front door of the dwelling is to open onto the porch or recessed entry. The entire area of the front porch or recessed entry is to be covered, and the surface of the front porch or recessed entry is not to exceed 48 in above grade, as measured from the average ground level at the front of the porch.

SITE DESIGN AND OTHER STANDARDS

Under this proposal, a cluster housing development is to include a minimum of 3 primary homes. It must include an adequately sized and centrally located common open space, as a key component of cluster housing developments. A common open space needs to meet the following standards: the common open space is to have at least 100 sq ft of area for each home in the housing cluster development,

excluding ADUs; the minimum dimensions for the common open space are 20 ft by 12 ft; the entrance to at least one common open space area in a cluster housing development is to be visible and accessible from an adjacent public street; and homes are to enclose at least 60% of three sides of common open space areas to which at least half of the homes in a cluster housing development are oriented. Enclosure is defined as the sum of the widths of all the homes on each side of a common open space area over the width of that side of that common open space area. This requirement is intended to provide the feeling of an outdoor room for the common open space area.

INDOOR COMMUNITY SPACE

Each cluster housing development may feature a community building or other common indoor space for the shared use of its residents and guests; such a building or space may have a footprint not to exceed: 1,500 sq ft in the R-5, R-7, and R-10 zones; 2,000 sq ft in transit-connected locations; or 3,000 sq ft in all other locations.

LOT COVERAGE, IMPERVIOUS AREA, VEGETATED AREA AND TREE COVER

The standards for lot coverage, impervious area, vegetated area, and tree cover are intended to provide for the eventual growth of an urban forest canopy that covers at least 40% of the area of the City of Milwaukie, with ample room for gardens and other vegetation, as well as for natural functions provided by permeable surfaces, such as stormwater infiltration (though this particular function can also be provided using solutions such as dry wells).

To this end, the total footprint of all structures within a housing cluster are not to exceed: 50% of the site area in the R5, R7, and R-10 base zones; 55% of the site in transit-connected locations; or 60% in all other locations. Impervious surfaces, including all structures, are not to exceed: 60% of the site area in the R5, R7, and R-10 base zones; 65% of the site in transit-connected locations; or 70% in all other locations. Vegetation and landscaped, pervious areas are to cover at least: 35% of the site area in the R5, R7, and R-10 base zones; 30% of the site in transit-connected locations; or 25% in all other locations. The area of the site's front yard, between the front homes and the adjacent street, is to be at least 50% covered by vegetation and landscaped, pervious areas. A tree plan is to be approved and followed that includes the planting of tree species in appropriate locations to cover at least 40% of the site with summer tree canopy at tree maturity. The tree plan must include maintenance procedures to ensure tree health throughout each tree's lifetime, including proper watering through means such as drip irrigation or greywater systems.

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CASCADIA PARTNERS

OPTICOS

Orange Splot

jla public involvement

CITY OF MILWAUKIE

CITY OF **MILWAUKIE**

To: Planning Commission

Through: Dennis Egner, Planning Director

From: Vera Kolias, Associate Planner

Date: June 18, for June 25, 2019, Continued Public Hearing

Subject: **File:** VR-2019-003
Applicant: Dean Masukawa
Owner(s): Tyee Management Company
Address: 37th Ave and Monroe St
Legal Description (Map & Tax Lot): 11E36AB03003 and 11E36AA19203
NDA: Ardenwald and Hector Campbell

The first public hearing on this project was held on May 28. The hearing was continued to provide the Historic Milwaukie NDA the opportunity to review the application materials and provide comments.

ACTION REQUESTED

The action requested is to approve application VR-2019-003 and adopt the recommended Findings and Conditions of Approval found in Attachment 1 of the materials submitted for the May 28 public hearing. This action would allow development of a five-story building as part of the Monroe Apartments development.

Please refer to the staff report and attachments, as well as the video of the public hearing, for background information on this project: May 28 public hearing information.

CONCLUSIONS

A. Staff recommendation:

1. Approve the Variance for building height in the General Mixed Use Zone. This would result in a single 5-story multifamily building that would be part of a larger multi-building residential apartment complex.
2. Adopt the recommended Findings.

Staff notes that the Commission should review the applicant's response to the Design and Landmarks Committee's recommendation about reducing the massing on the three large gable ends.

CODE AUTHORITY AND DECISION-MAKING PROCESS

The proposal is subject to the following provisions of the Milwaukie Municipal Code (MMC).

- MMC 19.303 Commercial Mixed-Use Zones
- MMC 19.911.7 Building Height Variance in the General Mixed Use Zone
- MMC 19.1006 Type III Review
- MMC 19.1011 Design Review Meetings

This application is subject to Type III review, which requires the Planning Commission to consider whether the applicant has demonstrated compliance with the code sections shown above. In Type III reviews, the Commission assesses the application against review criteria and development standards and evaluates testimony and evidence received at the public hearing.

The Commission has 4 decision-making options as follows:

A. Approve the application subject to the recommended Findings.

B. Approve the application with modified Findings and new Conditions of Approval. Such modifications need to be read into the record.

C. Deny the application upon finding that it does not meet approval criteria.

D. Continue the hearing.

The final decision on this application, which includes any appeals to the City Council, must be made by July 26, 2019, in accordance with the Oregon Revised Statutes and the Milwaukie Zoning Ordinance. The applicant can waive the time period in which the application must be decided.

COMMENTS

In addition to the required referral and public notice, and the comments included in the May 20 staff report, the following comments were received by staff prior to the June 25 continued public hearing. See Attachment 1 for further details. David Aschenbrenner, Chair, Hector Campbell NDA: The NDA voted at their meeting on April 8 to support the variance application. The NDA noted the need for a traffic study to assess and address the future impacts on the surrounding street system.

- Vera Kolias, Associate Planner: In response to a series of questions submitted by the Ardenwald NDA, staff sent an email response to all the affected NDAs.
- Ray Bryan, Chair, Historic Milwaukie NDA: The Land Use Committee submitted brief comments relative to the height variance, noting that if the grade change between the street and location of the proposed 5-story building was significant enough to make

Building 1 lower, then they saw no problem with the request. Additional comments and questions were included that are more appropriate for Phase 2 permitting.

ATTACHMENTS

Attachments are provided as indicated by the checked boxes. All material is available for viewing upon request.

	PC Packet	Public Copies	Packet
1. Comments	☒	☒	☒

Key:
Early PC Mailing = paper materials provided to Planning Commission at the time of public notice 20 days prior to the hearing.
PC Packet = paper materials provided to Planning Commission 7 days prior to the hearing.
Public Copies = paper copies of the packet available for review at City facilities and at the Planning Commission meeting.
Packet = packet materials available online at https://www.milwaukieoregon.gov/bc-pc/planning-commission-31.

Vera Kolias

From: Vera Kolias
Sent: Thursday, June 06, 2019 10:20 AM
To: 'Lisa Gunion-Rinker'; David Aschenbrenner; 'Ray Bryan'
Cc: Leila Aman; Alma Flores; Dennis Egner
Subject: Responses to Monroe Apartments questions

Hello Lisa, Dave, and Ray,

The Ardenwald NDA submitted questions to the City regarding the proposed Monroe Apartments project on the McFarland site. As a courtesy to the Hector Campbell and Historic Milwaukie NDAs, which are also considered "affected NDAs", we are also sharing them with you.

1. **What is the land use review process for this site?**

Part 1 – land use file# VR-2019-003

- A Variance is needed to confirm 5-story building height – Type III

Part 2 – not submitted yet

- Development Review: Multi-family housing – Type II
- Transportation Facilities Review – Transportation Impact Study (TIS)
    - Includes City and peer review of the TIS

Type II – Director's decision – includes public notice and opportunity to comment
Type III – Planning Commission public hearing – includes public notice and opportunity to comment

2. **What is the stormwater system capacity and what capital projects/sewer system upgrades are required?**

The Meek Street stormwater project has been identified and is currently in the 2017- 2019 Capital Improvement Plan (CIP) (Page 100 of the 2017-2019 CIP; see Meek Street project map). The project is set to install a new 36" storm pipe from Boyd Street south to Monroe Street along two detention facilities. Under the current CIP, the project is set to be done in 2 phases.

Implementing Phase 1 and Phase 2 concurrently is both efficient and cost effective. Staff has been processing an Infrastructure Financing Authority loan to achieve these improvements since Council's vote of support on February 1, 2019 to have both phases completed by 2020.

3. **What is the location of city water wells in relation to this site?**

There are no city wells on the site. There is a city well and pump station located on the city-owned property at the corner of 37th Ave and Washington St.

4. **What is the percent of landscaping coverage proposed?**

A minimum of 15% is required. Materials provided to date state they will comply – exact percent unknown at this time. Minimum common open space required is 31,498 sq. ft. Current site plan exceeds code minimum. Confirmation of compliance will be part of Phase 2 permitting.

5. **What are the System Development Charges (SDC's) for neighborhood parks?**

In 2017, the City Council asked North Clackamas Parks and Recreation District to prioritize SDC's collected in Milwaukie to Milwaukie Bay Park. Please contact Council if you are interested in a different prioritization.

6. **What is the proposed height of the backwall of the garages next to the bike/pedestrian pathway?**

Unknown at this time. Confirmation of compliance will be part of Phase 2 permitting.

7. **What will the line of site for trains traveling through and what type of fencing is proposed between train line and bike pedestrian pathway?**

Must be designed to meet ODOT Rail standards – ODOT will review as part of Phase 2 permitting.

8. **What are the potential sound walls adjacent to the railroad property?**

They are proposing a sound wall or sound barrier of some kind. The specific design is unknown and will be part of Phase 2 permitting.

9. **What are the number of trains currently traveling on the train line each day of the week?**

Train schedules and exact information are very difficult to obtain from the railroad. It is the City's understanding that as a matter of safety and security there is no train schedule published.

10. **What are the traffic study requirements? What is the timeline on the traffic study and what will the study look at?**

A traffic study is being prepared according to the City of Milwaukie standards to determine anticipated impacts to several intersections adjacent to or close to the project, any mitigation that may be required, and to confirm there is adequate planned parking spaces available to serve the proposed apartment facility considering existing uses in the area. The developer has worked with the City of Milwaukie to develop a site plan including the provision of parallel on street parking in conformance with urban planning and urban design best practices. The timing of the traffic study is unknown currently.

11. **How many entrances and exits (driveways) are currently proposed and is that consistent with adopted plans?**

This will be confirmed as part of Phase 2 permitting. Current site plans provide for a full-access driveway onto 37th Avenue at the Washington Street intersection, and a second, gated fire access drive on Monroe Street approximately 90 feet east of Oak Street.
The Central Milwaukie Land Use and Transportation Plan (CMLUT) shows potential access points to the site on the Transportation/Circulation Diagram (p. 22-23) for illustrative purposes only. The current site plan is consistent with this plan.

12. **What are the quiet zones and potential impacts?**

This project will not alter the status of the adjacent rail corridor quiet zone. A quiet zone is assumed to be in place 24 hours, 7 days a week; however, federal law does not prohibit the train engineer to blow the whistle if it is deemed necessary.

13. **What are the proposed fire engine ingress/egress points and proposed fire hydrant locations?**

This will be confirmed as part of Phase 2 permitting, but the submitted site plan currently shows gated fire access on the west end of the Monroe St frontage near Oak St. Hydrant locations are not shown on the current plans. This will all be reviewed as part of the required Fire Access and Water Supply Plan.

14. **This is a brownfields site; what mitigation efforts have been made and how will the residents be protected? [What soil vapor mitigation system installation, DEQ monitoring of naphthalene gas wells, clubhouse location/use in relation to the Brownfield Site?]**

Parcel 1 received a No Further Action (NFA) from DEQ in July 2002 after clean-up measures occurred in 2001. The redevelopment of Parcel 2 requires DEQ involvement and oversight. The City and the DEQ have been, and will continue to be, involved in the project design and construction to ensure compliance with all requirements. It is important to note that DEQ and City controls on Parcel 2 prevent residential use but allow and support the parking and amenity structure uses as designed.

15. **Where are the utility trench locations and what groundwater monitoring program requirements is needed?**

Utility trench locations will be finalized during the design and entitlement process. The utility trenches will be installed per DEQ and City design requirements. The DEQ has site-specific language that controls the monitoring requirements. All monitoring will be performed in compliance with the City and DEQ requirements.

Future utility locations are still under design.

16. **How does this development connect with the future Monroe St. Greenway?**

The project will construct the multi-use, proposed future path connecting Oak Street to 37th Avenue, as similar to what is shown on page 18 of the adopted Monroe St. Neighborhood Greenway Final Plan.
https://www.milwaukieoregon.gov/sites/default/files/fileattachments/engineering/project/1581/monroest_greenwayfinalplan_plan_only_for_web_0.pdf

17. **How does the city measure the cumulative transportation effects of development?**

Historically, the City has tracked intersection performance and transportation impacts and effects when our Transportation System Plan has been updated.

Any questions should be directed to me, as I am managing the land use review for this project.

Thank you,

Vera Kolias

From: Ray Bryan <ray1bryan2@gmail.com>
Sent: Tuesday, June 11, 2019 6:19 AM
To: Vera Kolias
Subject: Monroe Apartments

Hi Vera,
Thanks for all the information you have provided. In a nutshell the only question we have about the bonus stories is how the grading of the site will be done. If the elevation of the 5 story buildings is significantly lower than the 3 story buildings on the north and east sides of the property, we don't see a problem.

We do have a slue of concerns about the project, we recognize the specific decision at hand (bonus stories) is very limited, but we also think it would only be fair to city staff and the developer to give some advance notice of our larger concerns.

Double tracking of RR tracks, the preferred option for Oregon's higher speed rail project currently in the environmental impact evaluation stage. Is the existing RR right of way sufficient or two tracks? What are City's plans for emergency vehicle crossing with double track construction and the increased in train activity they will bring? Safety of pedestrians crossing of RR tracks single or double track.
Soil contamination, ground water quality, nearby wells, best practices to deal with the pollution, excavation of soil?, is the site safe for living?
Grading and elevation of final project.
Parking demand greater than supplied by the design.
Safe student access to Milwaukie High and El Puente magnet school.
Pedestrian safety and access to, 224 crossing at Oak and 37th.
Wonky design of 37th/Edison and 224 intersection.
The impact of increased trips to local streets and intersections.
Lack of implementation of existing technology to increase safety at 224 intersections.
The proximity of the entrance to the apartments and the RR crossing and RR Avenue intersection.

I think this covers what we talked about, we can review again at the next phase or I can make a list of questions now and send it in before the planning commission meeting?Please let me know if you have any questions.

Thank you again for all your time,

Ray Bryan
Historic Milwaukie Land Use Committee member

CITY OF MILWAUKIE

To: Planning Commission

Through: Dennis Egner, Planning Director

From: David Levitan, Senior Planner

Date: June 18, 2019, for June 25, 2019 Worksession

Subject: Planning Commission Input on Comp Plan Block 3 Policies

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ACTION REQUESTED

Staff has developed draft goals and policies for the four Block 3 topic areas – public facilities, urban design, natural resources, and environmental quality – based on input from the Comprehensive Plan Advisory Committee (CPAC). Staff is requesting that the Planning Commission review and comment on the draft goals and policies, and identify topic areas and questions that should be featured in the upcoming block 3 open house and online survey.

History of Prior Actions and Discussions

- May 22, 2018: The Commission provided feedback on the block 1 policies.
- June 26, 2018: The Commission provided additional feedback on the block 1 policies, which were subsequently "pinned down" by the City Council on August 7.
- November 27, 2018: The Commission provided feedback on the block 2 policies, which were subsequently "pinned down" by the City Council on January 15, 2019.
- June 11, 2019: The Commission provided feedback on the housing block policies, which are scheduled to be "pinned down" by the City Council on July 16, 2019.

BACKGROUND

The city is currently undertaking the first major update to its Comprehensive Plan since 1989, a two-year process that will result in updated goals and policies. The project work plan includes three six-month blocks of work, with a separate block that is focused on housing, running concurrently to blocks 2 and 3. Council will adopt a resolution "pinning down" the list of goals and policies for each block of topics before adopting the entirety of the Comprehensive Plan by ordinance in late 2019. The goals and policies for block 1 were pinned down by resolution on August 21, 2018, and those for block 2 were pinned down on January 15, 2019. Council is currently scheduled to pin down the goals and policies for the housing block on July 16 and for block 3 on August 20.

Block 3 of the Comprehensive Plan Update kicked off in early 2019 and includes four topics – public facilities, urban design, natural resources, and environmental quality. The CPAC has held three meetings for block 3, with the fourth and final meeting scheduled for August 5. The third

meeting took place on June 17, at which CPAC members provided feedback on staff's first draft of block 3 policies (Attachment 1). Prior to the meeting, the policies were reviewed by the Public Works Director, Engineering Director, and Climate Action and Sustainability Coordinator. CPAC members provided excellent feedback on the draft policies, which staff is currently incorporating into a set of updated policies that will be distributed to the Commission prior to their June 25 meeting. (Attachment 2 sent June 20, 2019)

The public outreach program for block 3 will be slightly different from what was done for blocks 1 and 2 and the housing block. This is partly due to the time of year (summer can be a difficult time to engage the public, and the city has held a number of events over the past few months and is looking to avoid participation fatigue) and partly due to where we are in regard to policy development (town halls for previous blocks occurred before policies were drafted).

In place of a town hall, the City will be hosting an open house at the Public Safety Building on July 15 from 5:30 to 7:30 pm (similar to what was held for the cottage cluster/accessory dwelling units project in early April). The open house will include a station for each of the four block 3 topics, with attendees asked to weigh in on 4-5 big ticket questions/concepts that are included in each set of draft block 3 policies. The open house will be complemented by an online survey, which will be open for 10-14 days during the latter half of July, as well as a series of focus groups with targeted stakeholders from the Latinx, natural resource, and development communities, which are tentatively scheduled for the week of July 8.

Following the outreach events in July, staff will incorporate feedback into a revised set of policies. The CPAC (August 5), City Council (August 6), and Planning Commission (August 13) will each have a final opportunity to review the policies, before the Council is scheduled to "pin down" the policies by resolution on August 20.

Questions for Commission

1. Are their specific block 3 goals or policies that should be added, revised, or removed?
2. What questions/concepts should staff make sure to include as part of the block 3 open house and online survey? Staff would like to include 4-5 questions per topic area.

ATTACHMENTS

Attachments are provided as indicated by the checked boxes. All material is available for viewing upon request.

	PC Packet	Public Copies	E-Packet
1. Block 3 Draft Goals and Policies	☒	☒	☒
2. Updated Block 3 Draft Goals and Policies (sent 6/20/2019)	☒	☒	☒
3. North Clackamas Urban Watersheds Council Comments (sent 6/24/2019)	☒	☒	☒

Key:

PC Packet = paper materials provided to Planning Commission 7 days prior to the meeting.

Public Copies = paper copies of the packet available for review at City facilities and at the Planning Commission meeting.

E-Packet = packet materials available online at https://www.milwaukieoregon.gov/bc-pc/planning-commission-31 .

Draft Natural Resource & Environmental Quality Policies 6/12/19

Goal 1 – Protect and conserve Milwaukie's environmental quality and natural resources.

1. Protect and enhance the function, quality, and diversity of the City's natural resources and ecosystems through a combination of development regulations, incentives, and partnerships with other public agencies, community groups, property owners, and other residents.

2. Pursue funding for the acquisition, protection, or enhancement of natural resources through local groups, environmental organizations, and federal and State agencies.

3. Promote public education and collaboration in developing strategies for protecting the function and quality of air, water, and other natural resources.

4. Support the clean-up and remediation of brownfields and other potentially contaminated land in an effort to protect natural resources and the City's groundwater supply.

5. Periodically update the City's inventory of wetlands and other natural resources.

Goal 2 – Enhance water quality and water resources.

1. Support programs and regulations to enhance healthy watersheds and maintain resilient floodplains.

2. Support efforts to restore Kellogg and Johnson Creeks and remove the Kellogg Dam.

3. Improve and expand coordination with adjacent jurisdictions on the protection and restoration of local rivers, creeks, and other natural resources.

4. Maintain the City's regulatory hierarchy that requires development to 1) avoid, 2) minimize, and 3) mitigate for impacts to natural resources.

5. Manage floodplains to protect and restore associated natural resources and functions, increase storage capacity, minimize the adverse impacts of flood events, and promote climate change resiliency.

6. Protect water quality of streams by controlling the amount, temperature, and quality of the runoff that flows into them, including through the reduction of sediment, bacteria, hazardous chemicals, metals, and other pollutants.

7. Maintain and improve stormwater detention and treatment standards to meet water quality and wildlife habitat protection goals and standards. Place an emphasis on design of stormwater facilities that incorporate green technology and systems.

8. Monitor and ensure protection of the City's groundwater resources, particularly those water resources that provide the City with potable water.

9. Cooperate with State and federal regulatory programs to protect domestic groundwater resources from potential pollution.

Goal 3 – Protect and conserve fish and wildlife habitat.

1. Protect habitat areas for fish and wildlife species that live and move through the City, with a focus on habitat that is part of or helps create an interconnected system of high-quality habitat.

2. Consider impacts to habitat connectivity when reviewing development proposals.

3. Work with regulatory agencies and private property owners to remove barriers to fish passage between the Willamette River and its tributaries.

4. Protect and enhance riparian vegetation along creeks and streams to better manage water temperature and to provide a source of woody debris for habitat.

5. Require mitigation that replaces the ecological functions and values lost through disturbance of riparian corridors and habitat conservation areas when development is approved.

6. Encourage voluntary restoration of natural resource areas, including removal of invasive-species vegetation and planting of native-species or climate-adapted vegetation.

Goal 4 – Develop a healthy urban forest in Milwaukie.

1. Maintain and implement an urban forestry program.

2. Support achievement of the City's goal of creating a 40% tree canopy through a combination of development code and other strategies that lead to preservation of existing trees and planting of new trees.

3. Provide flexibility in the division of land, the siting and design of buildings, and design standards as appropriate to reduce the impact of development on environmentally-sensitive areas and to retain native vegetation and trees.

4. Enhance protections for existing native-species and climate-adapted trees and tree canopy.

Goal 5 – Encourage sustainable design and development practices.

1. Provide alternatives to conventional construction and site planning techniques; and incorporate sustainable and low-impact building- and site-planning technologies, habitat-friendly development strategies, and green infrastructure into City codes and standards.

2. Identify and diminish or remove existing barriers to sustainable design and development in City codes.

Goal 6 – Maintain a safe and healthy natural environment.

1. Improve air quality to provide a healthy and sustainable environment consistent with federal and state standards.

2. Encourage the monitoring of local industrial activities to ensure that applicable State and federal standards are met.

3. Support community-led efforts such as good-neighbor agreements that aim to evaluate and reduce local sources of air pollution and their impacts on local residents.

4. Encourage building and landscape design and land use patterns that limit and/or mitigate negative noise impacts to building users and residents, particularly in areas near freeways, regional freight ways, major city traffic streets, and other sources of noise.

5. Continue to support enforcement of noise standards and other nuisance codes for industries and vehicles.

6. Evaluate impacts related to light pollution and require appropriate mitigation.

Draft Public Facilities and Services Policies – 6/12/19

Goal 1 – Plan, develop and maintain a timely, orderly and efficient arrangement of public facilities and services to serve urban development.

1. Ensure that the levels of public facilities and services that are provided to existing City residents, businesses, and vulnerable populations are not compromised as urban development or growth occurs.

2. Except when part of a program or incentive to annex properties outside the City limits, ensure that existing residents and taxpayers do not pay for services delivered outside its limits or to non-City residents.

3. Ensure that developers pay their proportionate share of the cost of utilities and facilities needed to support their developments, except in such cases where the City may provide incentives to achieve one or more of the following: housing affordable to low income households, net zero homes, annexation, natural resource protection, equity, accommodation of displaced residents, or other priorities outlined in the City vision.

4. To maximize the efficient provision of all services and to encourage cooperation and coordination, maintain up-to-date intergovernmental agreements with all public service agencies and service agreements with the providers of private services.

5. Cooperate with other service providers in North Clackamas County to plan for supply security, new technologies, and resiliency in the delivery of urban services to the urban areas.

6. Use public facilities to strategically invest in different parts of the City in order to reduce disparities, enhance livability, promote growth and redevelopment, and to maintain affordability.

7. As an element of the Comprehensive Plan, maintain a Public Facilities Plan, in conformance with Statewide Planning Goals, that incorporates key components of the master plans for water, wastewater, stormwater, and other public facilities under City control. Use the Public Facilities Plan to help guide the programing of improvements as the City's Capital Improvement Plan is updated.

8. Require public facilities improvements consistent with the Public Facilities Plan to be made as properties develop.

9. Maintain a set of Public Works Standards to ensure that appropriate and adequate public improvements occur as property develops.

10. Ensure that the City's infrastructure and facilities can reasonably withstand natural or man-made disasters and that systems will continue to function during an emergency event.

11. Employ innovative technologies to upgrade and maintain systems and to ensure that systems are sustainable and resilient.

Goal 2 – Develop and maintain water services and cooperate with other agencies to provide an adequate and efficient provision of water services.

1. Maintain and safeguard groundwater as the primary water supply source for the community. Utilize wellhead protection zones and land use restrictions to avoid impacts on wells and to maintain water quality.

2. Increase storage capacities and provide interconnections with the water systems of other providers in the region to ensure a reliable water supply for use during emergencies or periods of extremely high demand and to combat climate change.

3. Continue to develop water storage and well sources to ensure the availability of adequate water supply and water pressure in all areas of the City. Strive to provide water at pressures at levels sufficient for firefighting throughout the City.

4. Strive to be self-sufficient in meeting the water demands of City residents.

5. Encourage programs and incentives to reduce water use by customers of the City's water system.

6. Encourage use of grey water systems and rainwater collection as strategies for expanding water supply and reducing the demand for water provided by the City.

Goal 3 - Continue to ensure that adequate wastewater collection and treatment services are available to all Milwaukie residents.

1. Continue to contract for wastewater treatment and services and comply with federal and State clean water requirements in managing the wastewater collection system.

2. Maintain and improve the existing sanitary sewer collection system through preventive maintenance and ongoing appraisal.

3. Ensure that all future residents are provided with adequate wastewater collection services.

4. Encourage the optimization and improvement of the Kellogg Water Resource Recovery Facility (the sewage treatment plant). Encourage capacity expansion through water conservation and the use of pre-treatment by heavy users.

5. Work with plant operators to minimize or eliminate external impacts of the wastewater treatment process by reducing the overall physical footprint of the plant, capping portions of the plant, reducing vehicle trips, eliminating odors, or other viable strategies.

Goal 4 - Maintain and improve the City's stormwater management system to ensure that waterways are clean, accessible, and free flowing.

1. Preserve and restore historic floodplains to better manage flood events, to provide and enhance wildlife habitat, and to improve water quality.

2. Require systems designed to treat stormwater, consistent with state and federal water quality standards before it is discharged into the City's creeks, lakes, and the Willamette River.

3. Where City stormwater facilities are not available, stormwater should be managed and treated on-site.

4. To the extent possible, stormwater should be managed with green infrastructure such as green roofs, water quality swales, rain gardens, and the intentional placement of appropriate trees.

5. Restrict development within drainageways to prevent erosion, regulate stormwater runoff, protect water quality, and protect and enhance the use of drainageways as wildlife corridors.

Goal 5 - Ensure that solid waste services are made available to City residents.

1. Manage the collection of solid waste and recyclable materials through franchise agreements with private operators.

2. Manage and monitor the adequacy of the solid waste hauler service and communicate with private operators when problems arise.

3. Require solid waste haulers to provide recycling and composting services.

4. Examine strategies to reduce food waste in the City.

5. Require new development to provide on-site space for recycling.

Goal 6 - Maintain facilities and personnel to respond to public safety needs quickly and efficiently.

1. Support efforts to implement Crime Prevention Through Environmental Design principles in building and site design.

2. Reduce citizen susceptibility to crime through increasing awareness of crime prevention methods and involving the community in crime prevention programs.

3. Coordinate with the fire department to address fire safety in the design of buildings and through site planning, consistent with state fire code requirements and other best practices for fire protection.

4. Ensure there is a uniform level of fire protection throughout the City through a combination of both prevention and suppression activities.

5. Ensure that streets are designed and maintained to allow access for emergency services.

Goal 7 - Coordinate with the North Clackamas School District in planning for school facilities.

1. Coordinate community development activities and public services with the school district, and continue to work with the district, in coordination with the City's park and recreation provider, to ensure that the community and neighborhood recreational and educational needs are met.

2. Ensure that traffic improvements such as sidewalks and bikeways are provided to promote safe routes to schools.

Goal 8 - Support local health care delivery agencies in providing adequate services and facilities to meet local needs.

1. Support creation of a master plan for ongoing improvements and development at the hospital.

2. Support the provision of temporary housing for the families of patients at the hospital.

Goal 9 - Provide high levels of administrative services to the people of Milwaukie while maintaining cost-effectiveness and convenience.

1. Maintain the efficiency of the City's land development processing, including provision of a one-stop development permit center.

2. Ensure that library service levels and facilities keep pace with the demand of existing and future residents.

3. Maintain a public safety building which houses City police services.

4. Strive to consolidate administrative services in one building.

Goal 10 - Ensure that energy and communications services are adequate to meet residential and business needs.

1. Coordinate with public utility and communications companies to ensure adequate services are provided, while minimizing negative impacts on residential neighborhoods, natural and scenic resources, and recreational areas.

2. Encourage grid modernization to promote energy security and to work toward achieving a net zero community.

3. Encourage the provision of electric vehicle charging stations in appropriate locations.

4. Explore opportunities to create a communications utility that would provide high speed broadband internet service.

5. Work with utility companies to place wires underground to reduce damage from storm events.

Draft Urban Design Policies – 6/12/19

Goal 1 - Design: Use a design framework that considers location and development typology to guide urban design standards and procedures that are customized at a district level.

1. **Downtown Milwaukie** Policies
   a) Allow for a variety of dense urban uses in multi-story buildings that can accommodate a mix of commercial, retail, office and higher density residential uses.
   b) Provide a high-quality pedestrian environment that supports excellent access to the area's multiple transportation modes
   c) Capitalize on proximity to and views of the Willamette River
   d) Ensure that buildings are designed to contribute to an active, pedestrian oriented streetscape.
   e) Require that new buildings respect historic patterns of development in the downtown with regard to building openings, storefront design, and design details.
   f) Ensure that standards and guidelines support a defined and well-articulated design vision for the downtown.

2. **Central Milwaukie** Policies
   a) Ensure that new development supports transportation connectivity through the Central Milwaukie district.
   b) Ensure buildings and sites are designed to support a pedestrian-friendly streetscape and establish a storefront environment along key streets.
   c) Manage the bulk and form of buildings to provide a transition between Central Milwaukie and adjacent areas with a lower density residential comprehensive plan designation.
   d) Broaden the scope of the area to include the Milwaukie Market Place, Providence Hospital, and the Hillside Development.

3. **Neighborhood Mixed Use** Policies
   a) Provide opportunities for a mixture of neighborhood commercial services and housing which are well-connected to the surrounding neighborhoods by sidewalks and bikeways.
   b) Ensure that development is designed to be a good neighbor to surrounding residential areas through appropriate setbacks, building placement, buffers, and landscaping.
   c) Require that new development connect to surrounding neighborhoods for pedestrians and others using active transportation modes to travel to and within the district.
   d) Ensure that new mixed use and commercial buildings provide a commercial storefront environment with sidewalks and amenities appropriate to create an active, pedestrian-focused streetscape.
   e) Ensure that new development is compatible with what has been historically permitted on adjoining residential properties in terms of height, bulk, and building form.

4. **Neighborhood Hubs** Policies
   a) Provide opportunities for development and use of neighborhood-level commercial services and amenities and gathering places for surrounding residential areas.
   b) Ensure that new development projects are at a scale that fits with the height, bulk and form of development that have been historically permitted in the neighborhood.

c) Ensure new development contributes to a pedestrian friendly environment along the property frontage, recognizing that a storefront environment is not mandatory in a neighborhood hub setting.
d) Encourage development of outdoor seating areas and pedestrian plazas.
e) Provide for a high level of flexibility in design to accommodate a variety of start-up uses and explore innovative techniques for waiving or deferring full site development and parking requirements.

5. **North Milwaukie Innovation Area** Policies
   a) Provide opportunities for a wide range of employment uses including manufacturing, office, and limited retail uses, as well as mixed-use residential in the area close to the Tacoma Station Area.
   b) Ensure that the design of new development and redevelopment projects contribute to a pedestrian friendly environment within the Tacoma Station Area.
   c) Provide for active transportation connections throughout the NMIA.
   d) Require green building features for buildings that exceed the base zone height.
   e) Limit the size and display characteristics of commercial signage.

6. **International Way Business District** Policies
   a) Provide flexibility for industrial and office employment in the district.
   b) Protect natural resources in the district including Minthorn Natural Area and the drainageways that connect to it.
   c) Provide landscaping along street frontages in the district.
   d) With redevelopment, provide pedestrian and active transportation improvements through the district.
   e) Limit the size and display characteristics of commercial signage.

7. **Corridors** Policies
   a) Provide opportunities for higher intensity development in areas within walking distance of frequent transit service.
   b) Ensure that design standards require direct pedestrian connections to the closest transit line.
   c) If new development includes a commercial component, require a storefront design.
   d) Ensure development design contributes to a comfortable pedestrian environment.
   e) Maintain development and design standards that provide for a transition in development intensity between the development site and adjoining areas designated or planned for lower density residential uses.

Goal 2 - Livability. Enhance livability by establishing urban design concepts and standards that help improve the form and function of the built environment.

1. Create a **Pedestrian Environment** that aims to**:**
   a) Prioritize enhancement of the environment for pedestrians and people using other active transportation modes when expending public funds on street improvements.
   b) Require new development to be designed in a manner that contributes to a comfortable, safe environment for pedestrians and other non-motorized users in the public right-of-way.
   c) Enhance pedestrian spaces through adequate landscaping, trees, and amenities such as benches and lighting.

d) Encourage storefront retail to be developed along street frontages in commercial and mixed-use districts.
e) Provide for pedestrian connectivity and access by other active transportation modes.
f) Use urban design features to slow traffic through NMU districts and neighborhood hub areas.
g) To enhance the pedestrian experience, explore opportunities for woonerf and living street designs in areas with appropriate traffic volumes.

2. Establish appropriate **parking** standards that help to**:**
   a) Reduce the amount of off-street automobile parking required for new development and place a greater emphasis on active transportation.
   b) As opportunities arise, encourage redevelopment of existing parking lots or conversion of lots for recreational activities.
   c) Buffer parking lots from the pedestrian environment with landscaping and with walls along streets in the town center.
   d) Provide on-street parking on frontages that have commercial storefronts.
   e) Prohibit off-street parking between the sidewalk and the front of any new commercial or mixed- use building.

3. Establish **landscaping standards and stormwater improvements** that help Integrate the Urban and Natural Environment and which**:**
   a) Maintain landscaping design standards that require landscape plan approval as part of the development review process.
   b) Use the landscape planning process to ensure that new development provides tree canopy cover consistent with city objectives.
   c) Allow for vertical landscaping or green roofs to substitute for ground landscaping in situations where sites are constrained and there is a public benefit associated with the project.
   d) Require street trees consistent with urban forestry goals.
   e) Utilize green infrastructure (bioswales, rain gardens, pervious pavement, and green roofs) to minimize pervious surfaces and to capture and treat stormwater on site.
   f) Where appropriate, integrate natural features into the site planning process while also ensuring that designated natural resources are protected and conserved.

4. **Plan for the design of the Public Realm**
   a) Provide clear standards for the design of public improvements.
   b) Articulate the specific details that are necessary to achieve design objectives of adopted project plans or special area plans unique to specific streets or public spaces.
   c) Provide seating in public spaces where people are intended to gather. Areas of public seating should have access to direct sunlight.

Goal 3 - Process. Provide a clear and straight forward design review process for development in Milwaukie along with incentives to achieve desired outcomes.

1. Use a two-track **Design Review** process to ensure that new development and redevelopment projects are well designed. Provide a clear and objective set of standards as well as an optional, discretionary track that allows for greater design flexibility provided design objectives are satisfied.

2. Ensure that a **clear and objective process** is available for all needed housing types that is well designed, provides adequate open space, and fits into the community, while offering an alternatives discretionary path for projects that cannot meet these standards.

3. Expand **incentives** and refine development standards that help to:
   a) Provide flexibility for commercial use of existing residential structures within Neighborhood Hubs and Neighborhood Mixed Use districts.
   b) Provide flexibility for the types of uses permitted as home occupations where it can be demonstrated that the home occupation will help meet the daily needs of residents in the surrounding neighborhood.
   c) Consider the use of vertical housing tax abatements and other financial tools to encourage development in Neighborhood Hubs

4. Require that **comprehensive plan amendment applications** address the following guidelines when the amendment would increase the intensity and/or density of a commercial or mixed-use area:
   a) High density districts should be:
      i. Served by collector or arterial streets
      ii. Within ¼ mile of a park
      iii. Within ¼ mile of commercial services
   b) Medium density districts should be:
      i. Served by collector or arterial streets
      ii. Within ½ mile of a park
      iii. Within ½ mile of commercial services
   c) Low density districts should be:
      i. Served by local, collector, or arterial streets
      ii. Within ½ mile of a park
      iii. Within ½ mile of commercial services
   d) Mixed use districts should be:
      i. Served by collector or arterial streets
      ii. Within ¼ mile of a park
      iii. Located to serve residents in the surrounding ¼ mile area

<u>Geographic Designations</u>

- **Downtown Milwaukie** is part of the Milwaukie Town Center, which is a regional destination in the Metro 2040 Growth Concept.
- **Central Milwaukie** is part of the Milwaukie Town Center that serves the larger Milwaukie community with goods and services and seeks to: Provide opportunities for a dense combination of commercial retail, office, services, and housing uses.
- **Neighborhood Mixed Use** areas are located primarily along collector or arterial roads
- **Neighborhood Hubs** are dispersed throughout Milwaukie
- The **North Milwaukie Innovation Area** is one of the City's main employment areas that has identified redevelopment opportunities.
- The **International Way Business District** is a major employment area off of International Way and Highway 224
- **Corridors** are located along frequent transit lines and aim to:

Draft Natural Resource & Environmental Quality Policies- Revised 6/20/19

Goal 1 – Protect and conserve Milwaukie's natural resources and maintain the quality of its air, land and water.

1. Protect and enhance the quality, and diversity of the City's natural resources and ecosystems through a combination of development regulations, incentives, and partnerships with other public agencies, community groups, property owners, and other residents.

2. Partner with community groups, environmental organizations, and others to pursue regional, state, and federal funding for the acquisition, protection, or enhancement of natural resources.

3. Promote public education and collaboration when developing strategies to protect air and water quality and other natural resources.

4. Support the clean-up and remediation of brownfields and other potentially contaminated land in an effort to protect natural resources and the City's groundwater supply.

5. Periodically update the City's inventory of wetlands and other natural resources.

Goal 2 – Enhance water quality and water resources.

1. Support programs and regulations to enhance healthy watersheds and maintain resilient floodplains.

2. Support efforts to restore Kellogg and Johnson Creeks and remove the Kellogg Dam.

3. Improve and expand coordination with adjacent jurisdictions on the protection and restoration of local rivers, creeks, and other natural resources.

4. Maintain the City's regulatory hierarchy that requires development to 1) avoid, 2) minimize, and 3) mitigate for impacts to natural resources.

5. Manage floodplains to protect and restore associated natural resources and functions, increase storage capacity, minimize the adverse impacts of flood events, and promote climate change resiliency.

6. Protect water quality of streams by controlling the amount, temperature, turbidity, and quality of the runoff that flows into them, including through the reduction of sediment, bacteria, hazardous chemicals, metals, and other pollutants, in partnership with other regulatory agencies.

7. Maintain and improve stormwater detention and treatment standards to meet water quality and wildlife habitat protection goals and standards. Place an emphasis on design of stormwater facilities that incorporate green technology and systems.

8. Monitor and ensure protection of the City's groundwater resources, particularly those water resources that provide the City with potable water.

9. Coordinate and partner with State and federal regulatory programs to protect domestic groundwater resources from potential pollution, including potential impacts associated with infiltration from water, wastewater and stormwater pipes.

Goal 3 – Protect and conserve fish and wildlife habitat.

1. Protect habitat areas for fish and wildlife species that live and move through the City, including indigenous fish populations subject to Native American fishing rights. Focus these efforts on habitat that is part of or helps create an interconnected system of high-quality habitat, and also considers downstream impacts of activities within Milwaukie.

2. Consider impacts to wildlife habitat connectivity when reviewing development proposals.

3. Work with regulatory agencies and private property owners to remove barriers to fish passage between the Willamette River and its tributaries.

4. Protect and enhance riparian vegetation along creeks and streams to better manage water temperature and to provide a source of woody debris for habitat.

5. Require mitigation that replaces the ecological functions and values lost through disturbance of riparian corridors and habitat conservation areas when development is approved.

6. Encourage voluntary restoration of natural resource areas, including removal of invasive-species vegetation and planting of native-species or climate-adapted vegetation.

Goal 4 – Develop a healthy urban forest in Milwaukie.

1. Maintain and implement an urban forestry program.

2. Support achievement of the City's goal of creating a 40% tree canopy through a combination of development code and other strategies that lead to preservation of existing trees and planting of new trees.

3. Provide flexibility in the division of land, the siting and design of buildings, and design standards as appropriate to reduce the impact of development on environmentally-sensitive areas and to retain native vegetation and trees.

4. Enhance protections for existing native-species and climate-adapted trees and tree canopy.

Goal 5 – Encourage sustainable design and development practices.

1. Provide information about alternatives to conventional construction and site planning techniques.

2. Incorporate sustainable and low-impact building- and site-planning technologies, habitat-friendly development strategies, and green infrastructure into City codes and standards.

3. Identify and diminish or remove existing barriers to sustainable design and development in City codes.

Goal 6 – Maintain a safe and healthy level of air quality and monitor, reduce, and mitigate noise and light pollution.

1. Coordinate with federal and state agencies to help ensure compliance with state and federal air quality standards.

2. Encourage the environmental monitoring of local industrial activities to ensure that applicable State and federal air quality standards are met.

3. Support local efforts such as good-neighbor agreements that aim to evaluate and reduce local sources of air pollution and their impacts on local residents.

4. Encourage building and landscape design and land use patterns that limit and/or mitigate negative noise impacts to building users and residents, particularly in areas near freeways, regional freight ways, major city traffic streets, and other sources of noise.

5. Continue to enforce noise standards and other nuisance codes for industries and vehicles.

6. Evaluate impacts related to light pollution and require appropriate mitigation.

Draft Public Facilities and Services Policies – Revised 6/20/19

Goal 1 – Plan, develop and maintain an orderly and efficient system of public facilities and services to serve urban development.

1. Ensure that the levels of public facilities and services that are provided to existing City residents, businesses, and vulnerable populations are not compromised as urban development or growth occurs.

2. Except when part of a program or incentive to annex properties outside the City limits, ensure that existing residents and taxpayers do not pay for services delivered outside its limits or to non-City residents.

3. As an element of the Comprehensive Plan, maintain a Public Facilities Plan, in conformance with Statewide Planning Goals, that incorporates key components of the master plans for water, wastewater, stormwater, and other public facilities under City control.

4. Use the Public Facilities Plan to help guide the programing of improvements as the City's Capital Improvement Plan is updated and to establish Public Work Standards that identify the public facilities improvements that are required for properties to develop.

5. Use public facilities to strategically invest in different parts of the City and to help reduce disparities, enhance livability, promote growth and redevelopment, and to maintain affordability.

6. Ensure that developers pay their proportionate share of the cost of utilities and facilities needed to support their developments, except in such cases where the City may provide incentives to achieve one or more of the following: housing affordable to low income households, net zero buildings, annexation, natural resource protection, equity, accommodation of displaced residents, or other priorities outlined in the City vision.

7. To maximize the efficient provision of all services and to encourage cooperation and coordination, maintain up-to-date intergovernmental agreements with all public service agencies and service agreements with the providers of private services.

8. Work with other service providers in North Clackamas County to plan for supply security, new technologies, and resiliency in the delivery of urban services to the urban areas.

9. Ensure that the City's infrastructure and facilities can reasonably withstand natural or man-made disasters and that systems will continue to function during an emergency event.

10. Employ innovative technologies to upgrade and maintain systems and to ensure that systems are sustainable and resilient.

Goal 2 – Ensure the adequate and efficient provision of water services.

1. Maintain and safeguard groundwater as the primary water supply source for the community. Utilize wellhead protection zones and land use restrictions to avoid impacts on wells and to maintain water quality.

2. Increase storage capacities and provide interconnections with the water systems of other providers in the region to ensure a reliable water supply for use during emergencies or periods of extremely high demand and to combat climate change.

3. Continue to develop water storage and well sources to ensure the availability of adequate water supply and water pressure in all areas of the City. Strive to provide water flows at levels sufficient for firefighting throughout the City.

4. Strive to be self-sufficient in meeting the water demands of current and future City residents.

5. Encourage programs and incentives to promote water conservation by customers of the City's water system.

6. Encourage use of grey water systems and rainwater collection as strategies for expanding water supply and reducing the demand for water provided by the City.

Goal 3 - Continue to ensure that adequate wastewater collection and treatment services are available to all Milwaukie residents.

1. Comply with federal and State clean water requirements in managing the wastewater collection system.

2. Maintain and improve the existing sanitary sewer collection system through preventive maintenance and ongoing appraisal.

3. Ensure that all future residents are provided with adequate wastewater collection services.

4. Encourage the optimization and improvement of the Kellogg Water Resource Recovery Facility (the sewage treatment plant). Encourage capacity expansion through water conservation and the use of pre-treatment by heavy users.

5. Work with plant operators to minimize or eliminate external impacts of the wastewater treatment process by reducing the overall physical footprint of the plant, covering portions of the plant, reducing vehicle trips, eliminating odors, and/or other viable strategies.

6. Participate in developing long-term plans for the treatment plant, including examination of the potential for generating energy from plant operations and the possible acquisition of the plant by the City.

Goal 4 - Maintain and improve the City's stormwater management system to ensure that waterways are clean and free flowing.

1. Preserve and restore historic floodplains to better manage flood events, to provide and enhance wildlife habitat, and to improve water quality.

2. Require that new development and redevelopment treat stormwater consistent with state and federal water quality standards before it is discharged into the City's creeks and lakes and the Willamette River.

3. Require that stormwater be managed and treated on-site, except where proven to be infeasible.

4. To the extent possible, stormwater should be managed with green infrastructure such as green roofs, water quality swales, rain gardens, and the intentional placement of appropriate trees.

5. Restrict development within drainageways to prevent erosion, regulate stormwater runoff, protect water quality, and protect and enhance the use of drainageways as wildlife corridors.

6. Examine and encourage opportunities to daylight creeks, where feasible.

7. Expand public outreach and education programs on how the community can help protect Milwaukie waterways.

Goal 5 - Ensure that solid waste services are made available to City residents.

1. Utilize franchise agreements with private operators to coordinate the collection of solid waste, recyclable materials, and yard/food waste, reduce environmental impacts, and identify strategies to reduce waste generation.

2. Manage and monitor the adequacy of the solid waste hauler service and communicate with private operators when problems arise.

3. Require solid waste haulers to provide curbside or onsite recycling and composting services.

4. Examine and pursue strategies to reduce food waste and expand opportunities for composting.

5. Require new development to provide on-site space for recycling.

Goal 6 - Maintain facilities and personnel to respond to public safety needs quickly and efficiently.

1. Support efforts to implement Crime Prevention Through Environmental Design principles in building and site design.

2. Increase public awareness of crime prevention methods and involve the community in crime prevention programs.

3. Coordinate with the fire department to address fire safety in the design of buildings and through site planning, consistent with state fire code requirements and other best practices for fire protection.

4. Distribute resources throughout the city for responding to fires, floods, and other natural and human-induced disasters, including staff designated to help coordinate the city's response. ..

5. Ensure that streets are designed and maintained to allow access for emergency services.

Goal 7 - Coordinate with local partners in planning for schools, medical facilities, and other institutional uses.

1. Coordinate community development activities and public services with the school district.

2. Continue to work with the district, in coordination with the City's park and recreation provider, to ensure that the community and neighborhood recreational and educational needs are met.

3. Ensure that transportation improvements such as sidewalks and bikeways are provided to promote safe routes to schools.

4. Support creation of a master plans for institutional uses such as parks, schools and hospitals.

5. Support the provision of temporary housing for the families of local medical patients.

Goal 8 - Provide high quality administrative services to the people of Milwaukie while maintaining cost-effectiveness and convenience.

1. Maintain the efficiency of the City's land development processing, including provision of a one-stop development permit center.

2. Ensure that library service levels and facilities keep pace with the demand of existing and future residents.

3. Maintain a public safety building which houses City police services.

4. Strive to consolidate public-facing city services (other than public safety) in one city facility.

Goal 9 - Ensure that energy and communications services are adequate to meet residential and business needs.

1. Coordinate with public utility and communications companies to ensure adequate services are provided, while minimizing negative impacts on residential neighborhoods, natural and scenic resources, and recreational areas.

2. Encourage grid modernization to promote energy security and grid resiliency and to work toward achieving a net zero community.

3. Encourage the provision of electric vehicle charging stations in appropriate locations.

4. Explore opportunities to create a public communications utility that would expand equitable access to high speed broadband internet service.

5. Work with utility companies to underground utility systems and infrastructure to improve aesthetics and reduce damage from storm events and other natural disasters.

6. Promote and prioritize renewable energy production and use.

Draft Urban Design Policies – Revised 6/20/19

Goal 1 - Design: Use a design framework that considers location and development typology to guide urban design standards and procedures that are customized by zoning district.

1. **Downtown Milwaukie** Policies
   a) Allow for a variety of dense urban uses in multi-story buildings that can accommodate a mix of commercial, retail, office and higher density residential uses.
   b) Provide a high-quality pedestrian environment that supports excellent access to the area's multiple transportation modes.
   c) Capitalize on proximity to and views of the Willamette River.
   d) Ensure that buildings are designed with storefront windows and doors, weather protection, and details that contribute to an active, pedestrian oriented streetscape.
   e) Ensure that standards and guidelines implement a well-defined design vision for the downtown that has been vetted by the community.

2. **Central Milwaukie** Policies
   a) Ensure that new development supports better transportation connectivity through the Central Milwaukie district. Increased connectivity should include pedestrian improvements through the Milwaukie Marketplace shopping center.
   b) Enhance Highway 224 intersections to increase the safety and comfort for pedestrians and cyclists traveling on cross streets. Implement these safety improvements through the Transportation Systems Plan.
   c) Ensure buildings and sites are designed to support a pedestrian-friendly streetscape and establish a storefront environment along key streets as set out in the Central Milwaukie Land Use and Transportation Plan.
   d) Manage the bulk and form of buildings to provide a transition between Central Milwaukie and adjacent areas with a lower density residential comprehensive plan designation.
   e) Broaden the scope of the Central Milwaukie Land Use and Transportation Plan to include the Milwaukie Market Place, Providence Hospital, and the Hillside Development.

3. **Neighborhood Mixed Use** (NMU) Policies
   a) Provide opportunities for a mixture of neighborhood commercial services and housing which are well-connected to the surrounding neighborhoods by sidewalks and bikeways.
   b) Ensure that development is designed to minimize impacts to surrounding residential areas through appropriate setbacks, building placement, buffers, and landscaping.
   c) Require that new development connect to surrounding neighborhoods for pedestrians and others using active transportation modes to travel to and within the district.
   d) Ensure that new mixed use and commercial buildings provide a commercial storefront environment with sidewalks and amenities appropriate to create an active, pedestrian-focused streetscape.
   e) Ensure that new development is compatible with what has been historically permitted on adjoining residential properties in terms of height, bulk, and building form.

4. **Neighborhood Hubs** Policies (outside of NMU areas)
   a) Provide opportunities for the development of neighborhood commercial services and the provision of amenities and gathering places for residents of the surrounding area.

b) Ensure that new development projects are at a scale that fits with the height, bulk and form of development that have been historically permitted in the neighborhood.
c) Ensure new development contributes to a pedestrian friendly environment along the property frontage, recognizing that a storefront environment is not mandatory in a neighborhood hub setting.
d) Encourage development of multi-season outdoor seating areas and pedestrian plazas.
e) Provide for a high level of flexibility in design and incentives to accommodate a variety of start-up uses and explore innovative techniques for waiving or deferring full site development and parking requirements.
f) Provide a process to allow start-up and temporary uses that take advantage of incentives and deferral programs to make a smooth transition to status as a permanent use.

5. **North Milwaukie Innovation Area** Policies
   a) Provide opportunities for a wide range of employment uses including manufacturing, office, and limited retail uses, as well as mixed-use residential in the area close to the Tacoma Station Area.
   b) Ensure that the design of new development and redevelopment projects contribute to a pedestrian friendly environment within the Tacoma Station Area.
   c) Provide for active transportation connections throughout the NMIA.
   d) Implement provisions of the North Milwaukie Innovation Plan.

6. **International Way Business District** Policies
   a) Provide flexibility to allow a wide variety of employment uses including industrial, research, office, and limited commercial in the district.
   b) Protect natural resources in the district including Minthorn Natural Area and the waterways that connect to it.
   c) Require landscaping along street frontages in the district.
   d) With redevelopment, provide pedestrian and active transportation improvements through the district.
   e) Work to ensure that the district is well-served by transit or micro-transit and that transit stops and shelters are safe, comfortable, and easy to access.

7. **Corridors** Policies
   a) Provide opportunities for higher intensity development in areas within walking distance of frequent transit service.
   b) Ensure that design standards require direct pedestrian connections to the closest transit line.
   c) If new development includes a commercial component, require a storefront design.
   d) Ensure that all new development contributes to a safe, well-connected, and attractive pedestrian environment.
   e) Maintain development and design standards that provide for a transition in development intensity between the development site and adjoining areas designated or planned for lower density residential uses.

Goal 2 - Livability. Enhance livability by establishing urban design concepts and standards that help improve the form and function of the built environment.

1. Policies to promote a great **Pedestrian Environment:**

a) Prioritize enhancement of the environment for pedestrians and people using other active transportation modes when expending public funds on street improvements.
b) Require new development and public improvements to be designed in a manner that contributes to a comfortable and safe environment for everyone, including pedestrians and other non-motorized users in the public right-of-way.
c) Enhance pedestrian spaces through adequate landscaping, trees, and amenities such as benches and lighting.
d) Encourage small-scale storefront retail to be developed along street frontages in commercial and mixed-use districts.
e) Provide for pedestrian connectivity and access by other active transportation modes.
f) Use urban design features to slow traffic through NMU districts and neighborhood hub areas.
g) To enhance the pedestrian experience, explore opportunities for woonerf and living street designs in areas with appropriate traffic volumes.

2. Policies for **Parking**-related design:
   a) Reduce the amount of off-street automobile parking required for new development and place a greater emphasis on active transportation.
   b) As opportunities arise, encourage redevelopment of existing parking lots or conversion of lots for recreational activities.
   c) Buffer parking lots from the pedestrian environment with landscaping and with public art or decorative walls along streets in the town center.
   d) Provide on-street parking on frontages that have commercial storefronts.
   e) Limit off-street parking between the public sidewalk and the front of any new commercial retail or mixed-use building.
   f) Anticipate and plan for the conversion of parking spaces into pick-up/drop-off areas as use of shared modes of transportation (Uber, Lyft, micro-transit) grows in the community.
   g) Require canopy trees in parking lots to reduce stormwater runoff and better manage urban temperatures.

3. Policies to enhance integration of the Urban and Natural Environment:
   a) Maintain landscaping design standards that require landscape plan approval as part of the development review process.
   b) Use the landscape planning process to ensure that new development provides tree canopy cover consistent with city objectives.
   c) Allow for vertical landscaping or green roofs to substitute for ground landscaping in situations where sites are constrained and there is a public benefit associated with the project.
   d) Require street trees consistent with urban forestry goals.
   e) Utilize green infrastructure (bioswales, rain gardens, pervious pavement, and green roofs) to minimize pervious surfaces and to capture and treat stormwater on site.
   f) Where appropriate, integrate natural features into the site planning process while also ensuring that designated natural resources are protected and conserved.

4. **Policies for the design of Public Spaces:**
   a) Provide clear standards for the design and improvement of public spaces and streets as set forth in design objectives of adopted project plans or special area plans.

b) Provide multi-season seating in public spaces where people are intended to gather. Areas of public seating should have access to direct sunlight and shade.

5. Policies to promote Community Character:
   a) Limit the size and display characteristics of commercial signage, especially along Highway 224 and Highway 99E.
   b) Where feasible, design of buildings should include views and orientation toward the Willamette river or other waterways.
   c) Encourage green buildings through a program that allows extra building height with the development of a green building.
   d) Ensure that policies and codes related to urban design are consistently and regularly enforced.

Goal 3 - Process. Provide a clear and straight forward design review process for development in Milwaukie along with incentives to achieve desired outcomes.

1. Use a two-track **Design Review** process to ensure that new development and redevelopment projects are well designed. Provide a clear and objective set of standards as well as an optional, discretionary track that allows for greater design flexibility provided design objectives are satisfied.

2. Ensure that a **clear and objective process** is available for all needed housing types that is well designed, provides adequate open space, and fits into the community, while offering an alternatives discretionary path for projects that cannot meet these standards.

3. Expand **incentives** and refine development standards that help to:
   a) Provide flexibility for commercial use of existing residential structures within Neighborhood Hubs and Neighborhood Mixed Use districts.
   b) Provide flexibility for the types of uses permitted as home occupations where it can be demonstrated that the home occupation will help meet the daily needs of residents in the surrounding neighborhood.
   c) Consider the use of vertical housing tax abatements and other financial tools to encourage development in Neighborhood Hubs

4. Require that **comprehensive plan amendment applications** address the following guidelines when the amendment would increase the intensity and/or density of a commercial or mixed-use area:
   a) High density districts should be:
      i. Served by collector or arterial streets
      ii. Within ¼ mile of a park
      iii. Within ¼ mile of commercial services
   b) Medium density districts should be:
      i. Served by collector or arterial streets
      ii. Within ½ mile of a park
      iii. Within ½ mile of commercial services
   c) Low density districts should be:
      i. Served by local, collector, or arterial streets
      ii. Within ½ mile of a park

iii. Within ½ mile of commercial services

d) Mixed use districts should be:
   i. Served by collector or arterial streets
   ii. Within ¼ mile of a park
   iii. Located to serve residents in the surrounding ¼ mile area

Geographic Designations

- **Downtown Milwaukie** is part of the Milwaukie Town Center, which is a regional destination in the Metro 2040 Growth Concept.
- **Central Milwaukie** is part of the Milwaukie Town Center that serves the larger Milwaukie community with goods and services and seeks to provide opportunities for a dense combination of commercial retail, office, services, and housing uses.
- **Neighborhood Mixed Use** areas are located primarily along collector or arterial roads
- **Neighborhood Hubs** are dispersed throughout Milwaukie
- The **North Milwaukie Innovation Area** is one of the City's main employment areas that has identified redevelopment opportunities.
- The **International Way Business District** is a major employment area off of International Way and Highway 224
- **Corridors** are located along frequent transit lines.

6/24/19

To: Denny Egner, Planning Director, City of Milwaukie
David Levitan, Senior Planner
From: Neil Schulman, Executive Director
cc: Mark Gamba, Mayor
Lisa Batey, City Councilor
Natalie Rogers, Climate Action Plan Manager

RE: Comments on Comprehensive Plan Proposed Block 3 Goals and Policies

The North Clackamas Urban Watersheds Council thanks the City of Milwaukie for a well-thought out Comprehensive Plan process and appreciates the opportunity to provide input on the sections and policies relevant to our mission of ensuring healthy watersheds for fish, wildlife, and people. We look forward to partnering more in the future with the City of Milwaukie to achieve our shared aims. Below are our comments. We are always happy to discuss them with you further.

Our comments address areas relevant to NCUWC's mission of restoring healthy watersheds for fish, wildlife and people. Because the built environment influences watershed health profoundly through building footprints, stormwater, water quality and habitat impacts, we have comments on both the Natural Resources & Environmental Quality and Urban Design and Public Facilities and Services components where they impact watershed health.

Where appropriate, we have added notes in the attached PDF where we feel changes in specific language is warranted. (Our suggested language is in red). More general comments, or areas where things are not addressed in the plan, are below and comments have been added to the PDF.

General Comments:

We believe that the City's policies go a long ways to creating a future in which Milwaukie will have a largely healthy environment as it grows. However, we also believe that the Policies and Goals are not quite strong enough given the reality of a changing climate and the forecasted population growth and housing needs to make this hope a reality. In general, we believe these policies and goals should be stronger, should more fully incorporate the climate work that the City is doing that places it in a leading position among small cities, and some areas of significance are left out of these policies entirely and should be added.

Natural Resources & Environmental Quality Policies:

Goal 1:

We support these goals, with some strengthening language in the attached PDF. However, we feel two areas in particular should be strengthened: hydrologic connections between uplands and floodplains and climate change:

1. *Hydrologic connections between uplands and floodplains:* The language in this and other sections articulates the value of floodplains and the desire to manage floodplains to reduce flood risk. However, floodplains cannot be managed without good environmental management of the uplands. Increased impervious surfaces in uplands results in higher peak flows and lower summer flows in floodplains, expands areas that flood, and reduces water quality regardless of how well floodplains themselves must be managed. We urge the city to add language, policies and zoning through to address the hydrologic (water quantity, timing and quality) connections between uplands and floodplains.

2. *Climate Change:* As climate changes, stressors will become more felt in many areas: late season water availability, temperature, higher peak flows, values of cold-water refugia habitat for ESA-listed fish, etc. The policies must be forward looking and expressly direct future zoning, ordinances and policies and programs to forecast, model and anticipate these changes with a margin of error that protects a healthy environment for future generations.

Goal 2:

- The previous comments on hydrologic connections and climate change also apply to this section.
- *Riparian Buffer Zones:* There is no explicit mention of riparian zones and the essential role they play in water quality, fish and wildlife habitat, lower temperature in creeks, control erosion, filter pollutants before entering the stream, contribute to natural channel structure, migration corridors for both aquatic and terrestrial wildlife, as well as human access to healthy streams for recreation, health and aesthetic purposes. The City should adopt Conservation of riparian zones must be accomplished by several means, including but not limited expansion of voluntary programs such as the Council's Streamside Stewards program, adoption of protective zoning, codes and ordinances, requirements of new development, and incentives for restoring riparian zones on private property. *Stream Buffers:* No mention is made in the document for ensuring the size adequacy and enforcement of vegetated stream buffers for water quality, erosion control, fish and wildlife, and shade (and other values of native trees).; Metro's Title 3 will not be adequate as climate change and population growth proceed. A forward-looking restoration of riparian zones will also provide benefits in flood management as climate and development increases peak flows, by providing channel roughness, wooded areas where water can slow down, and greater buffering of private property from floodwaters.
- *Hydrologic Regime:* We believe an additional policy is needed to address the protection of late season (summer) flows and reduction of flashiness (high peak flows during rain events with subsequent flood risk) during rain events. This is a result of both climate change and increased impervious surface in uplands from development and inadequate stormwater management. The City should enact measures to preserve late season flow and reduce peak flow events; this has

implications for land use, transportation and stormwater codes, as well as possible purchase, leasing, repositioning of water rights, etc.

- *Cold Water Refugia:* The geology of our stretch of the Willamette River is such that side channels and alcoves that provide cold water refugia for ESA-listed salmon and steelhead are generally not possible. Therefore, confluences and the lower reaches of stream channels into the Willamette are the only means these can be provided (USGS, 2018.) This places a premium on removing Kellogg Dam as well as restoration work and stewardship of other streams in the City. We urge the City to adopt an explicit goal of providing cold-water refugia for salmonids.

Goal 3:

- The previous comments on hydrologic connections, climate change, late season flows, and riparian zones and stream buffers also apply to this section.
- *Stream Channel Complexity:* This section mentions riparian vegetation and habitat, but does not mention in any way stream channel morphology, instream complexity (large wood, pools, side channels, riffles, etc.) that are vital to healthy habitat as well as vegetation, and have implications for water quality, temperature and other factors. These features also reduce flood risk elsewhere in the watershed.

Goal 4:

- Previous comments on riparian zones and stream buffers apply
- *Tree Ordinance:* The Council strongly supports the development of a robust tree ordinance that will yield a variety of benefits to human health and property values, as well as to habitat, climate resilience, air quality, and stormwater treatment. We also believe that the development of a multi-aged canopy structure will be important to future generations so that Milwaukie's urban forest will endure.

Goal 5:

- *Design of Housing, Nature, and Affordability:* Milwaukie is facing simultaneous needs to preserve and enhance a healthy environment, to provide more housing, and to provide affordable housing. It is critical to recognize that these are not either/or choices: design and development practices exist that allow more housing that is located, designed and built in ways that do not negatively impact stormwater, water quality and quantity, or fish and wildlife habitat, and that are affordable. Furthermore, those who are not wealthy should also have access to environmentally friendly designs and healthy streams and clean water. The City should resist being drawn into an all-too-common zero-sum game between these issues, and should enact a policy that explicitly states this.
- Riparian Zones: Design and development standards for buildings, roads, and parking areas near streams should have strong requirements to preserve and actually *expand* riparian zones to offset any contribution to stormwater or more flashy hydrographs (see hydrologic regimes, above)

Goal 6:

- See language suggestions on attached PDF.

Urban Design Policies:

Goals 1:

- Above comments on design and location of housing, nature and affordability apply here as well.

Goal 2:

- *Stormwater and Impervious Surface:* In addition to goals mentioned, specific direction should be provided that in all instances, the City must not just minimize expansion of impervious surface but must reduce the total amount of impervious surface below current levels to provide for a healthy watershed hydrologic function and reduce flooding. The amount of impervious surface in the Kellogg-Mt. Scott watershed, currently at 47% (Clackamas Partnership, 2018) and must be reduced to below 45%, the point below which watershed function can be restored to health much more easily ((May, et al, 1997, Wang et al, 2001). Stronger measures must be adopted to reduce pavement (especially in parking lots), employ cutting-edge stormwater management tactics to both new and existing development, require use of pervious pavement, reduce building footprints by building up rather than out, and other measures. These techniques are consistent with pedestrian-friendly, aesthetically pleasing designs and provide other benefits to human health and property value.

Public Facilities and Services Policies:

Goal 4:

- *Hydrologic connections between uplands and floodplains, and riparian zones & stream buffers:* Comments regarding hydrologic connections between floodplains and uplands, and riparian buffers mentioned above in the Natural Resources policies apply here.
- *Stormwater and Impervious Surfaces:* comments regarding stormwater treatment, building design, and impervious surface apply here as well

Please contact us if you have any questions about these comments or wish to discuss them further. We look forward to working with the City to make Milwaukie a thriving, healthy community that is at the forefront of incorporating nature into all aspects of nature into the city.

Sincerely,

Neil Schulman
Executive Director

Draft Natural Resource & Environmental Quality Policies 6/12/19

Goal 1 – Protect and enhance Milwaukie's environmental quality and natural resources.

1. Protect and enhance the function, quality, and diversity of the City's natural resources and ecosystems through a combination of development regulations, incentives, programs and partnerships with other public agencies, community groups, property owners, businesses, and other residents. Account for, forecast, model, and consider changes in climate and future environmental impacts of population growth in regulations, incentives, programs and partnership in ways that err on the side of a healthy environment.

2. Pursue funding for the acquisition, protection, or enhancement of natural resources through local groups, environmental organizations, and federal, regional and State agencies.

3. Promote public education and collaboration in developing strategies for protecting the function and quality of air, water, soil, and other natural resources.

4. Support the clean-up and remediation of brownfields and other potentially contaminated land in an effort to protect natural resources and the City's groundwater supply.

5. Periodically update the City's inventory of wetlands, floodplains, fish and wildlife habitat, and other natural resources.

Goal 2 – Enhance water quality and water resources.

1. Support programs and regulations to enhance healthy watersheds and maintain resilient floodplains, riparian zones, and healthy and natural hydrologic connections between uplands, floodplains, and watersheds.

2. Support efforts to restore Kellogg and Johnson Creeks and remove the Kellogg Dam.

3. Improve and expand coordination with adjacent jurisdictions on the protection and restoration of local rivers, creeks, and other natural resources.

4. Maintain the City's regulatory hierarchy that requires development to 1) avoid, 2) minimize, and 3) mitigate for impacts to natural resources.

5. Manage floodplains and uplands to protect and restore associated natural resources and functions, increase storage capacity, minimize the adverse impacts of flood events, and promote climate change resiliency.

6. Protect water quality and quantity of streams by controlling the amount, temperature, and quality of the runoff that flows into them, including through the reduction of sediment, bacteria, hazardous chemicals, metals, and other pollutants, seeking opportunities to guarantee late season flows, and natural hydrologic regimes.

7. Improve stormwater detention and treatment standards to meet water quality and wildlife habitat protection goals and standards. Require and incentivize design of stormwater facilities that incorporate green technology and systems and that provide collateral wildlife habitat and aesthetic value.

8. Monitor and ensure protection of the City's groundwater resources, particularly those water resources that provide the City with potable water.

9. Cooperate with State and federal regulatory programs to protect domestic groundwater resources from potential pollution.

Goal 3 – Protect and conserve fish and wildlife habitat.

1. Protect habitat areas for fish and wildlife species that live and move through the City, with a focus on habitat that is part of or helps create an interconnected system of high-quality habitat.

2. Consider impacts to habitat connectivity when reviewing development proposals and incorporate the best available science and regional planning efforts into the review process.

3. Work with regulatory agencies and property owners to remove barriers to fish and wildlife passage.

4. Protect and enhance stream channel morphology and complexity, large woody debris, riparian vegetation along creeks and streams to better manage water temperature and to provide a source of woody debris for habitat.

5. Require mitigation that replaces the ecological functions and values lost through disturbance of riparian corridors and habitat conservation areas when development is approved.

6. Encourage and incentivize voluntary restoration of natural resource areas, including removal of invasive-species vegetation and planting of native-species or climate-adapted vegetation.

Goal 4 – Develop a healthy urban forest in Milwaukie.

1. Maintain and implement an urban forestry program.

2. Support achievement of the City's goal of creating a 40% tree canopy through a combination of development code and other strategies that lead to preservation of existing trees and planting of new trees. Prioritize the use of native plants. Pursue a multi-aged canopy that will endure for generations.

3. Provide flexibility in the division of land, the siting and design of buildings, and design standards as appropriate to reduce the impact of development on environmentally-sensitive areas and to retain native vegetation and trees.

4. Enhance protections for existing native-species and climate-adapted trees and tree canopy.

Goal 5 – Encourage sustainable design and development practices.

1. Provide alternatives to conventional construction and site planning techniques; and incorporate sustainable and low-impact building- and site-planning technologies, habitat-friendly development strategies, and green infrastructure into City codes and standards and enforcement programs.

2. Identify and diminish or remove existing barriers to sustainable design and development in City codes.

3. Require full protection and a net increase of riparian zones in any new development near streams

Goal 6 – Maintain a safe and healthy natural environment.

1. Improve air quality to provide a healthy and sustainable environment consistent with federal and state standards.

2. Encourage the monitoring of local industrial activities to ensure that applicable State and federal standards are met.

3. Support community-led efforts such as good-neighbor agreements that aim to evaluate and reduce local sources of air, water, and noise pollution and their impacts on local residents.

4. Encourage, incentivize and/or require building and landscape design and land use patterns that limit and/or mitigate negative noise impacts to building users and residents, particularly in areas near freeways, regional freight ways, major city traffic streets, and other sources of noise.

5. Continue to support enforcement of noise standards and other nuisance codes for industries and vehicles.

6. Evaluate impacts related to light pollution and require appropriate mitigation.

Draft Urban Design Policies – 6/12/19

Goal 1 - Design: Use a design framework that considers location and development typology to guide urban design standards and procedures that are customized at a district level.

1. **Downtown Milwaukie** is part of the Milwaukie Town Center, which is a regional destination in the Metro 2040 Growth Concept, and is designed to:
   a) Allow for a variety of dense urban uses in multi-story buildings that can accommodate a mix of commercial, retail, office and higher density residential uses.
   b) Provide a high-quality pedestrian environment that supports excellent access to the area's multiple transportation modes
   c) Capitalize on proximity to and views of the Willamette River
   d) Ensure that buildings are designed to contribute to an active, pedestrian oriented streetscape.
   e) Require that new buildings respect historic patterns of development in the downtown with regard to building openings, storefront design, and design details.
   f) Ensure that standards and guidelines support a defined and well-articulated design vision for the downtown.

2. **Central Milwaukie** is part of the Milwaukie Town Center that serves the larger Milwaukie community with goods and services and seeks to: Provide opportunities for a dense combination of commercial retail, office, services, and housing uses.
   a) Ensure that new development supports transportation connectivity through the Central Milwaukie district.
   b) Ensure buildings and sites are designed to support a pedestrian-friendly streetscape and establish a storefront environment along key streets.
   c) Manage the bulk and form of buildings to provide a transition between Central Milwaukie and adjacent areas with a lower density residential comprehensive plan designation.
   d) Broaden the scope of the area to include the Milwaukie Market Place, Providence Hospital, and the Hillside Development.

3. **Neighborhood Mixed Use** areas are located primarily along collector or arterial roads and are designed to:
   a) Provide opportunities for a mixture of neighborhood commercial services and housing which are well-connected to the surrounding neighborhoods by sidewalks and bikeways.
   b) Ensure that development is designed to be a good neighbor to surrounding residential areas through appropriate setbacks, building placement, buffers, and landscaping.
   c) Require that new development connect to surrounding neighborhoods for pedestrians and others using active transportation modes to travel to and within the district and to parks and natural areas.
   d) Ensure that new mixed use and commercial buildings provide a commercial storefront environment with sidewalks and amenities appropriate to create an active, pedestrian-focused streetscape.
   e) Ensure that new development is compatible with what has been historically permitted on adjoining residential properties in terms of height, bulk, and building form.

4. **Neighborhood Hubs** are dispersed throughout Milwaukie and aim to:
    a) Provide opportunities for development and use of neighborhood-level commercial services and amenities and gathering places for surrounding residential areas.
    b) Ensure that new development projects are at a scale that fits with the height, bulk and form of development that have been historically permitted in the neighborhood.
    c) Ensure new development contributes to a pedestrian friendly environment along the property frontage, recognizing that a storefront environment is not mandatory in a neighborhood hub setting.
    d) Encourage development of outdoor seating areas and pedestrian plazas.
    e) Provide for a high level of flexibility in design to accommodate a variety of start-up uses and explore innovative techniques for waiving or deferring full site development and parking requirements.

5. The **North Milwaukie Innovation Area** is one of the City's main employment areas that has identified redevelopment opportunities that seek to::
    a) Provide opportunities for a wide range of employment uses including manufacturing, office, and limited retail uses, as well as mixed-use residential in the area close to the Tacoma Station Area.
    b) Ensure that the design of new development and redevelopment projects contribute to a pedestrian friendly environment within the Tacoma Station Area.
    c) Provide for active transportation connections throughout the NMIA.
    d) Require green building features for buildings that exceed the base zone height.
    e) Limit the size and display characteristics of commercial signage.

6. The **International Way Business District** is a major employment area off of International Way and Highway 224 that serves to:
    a) Provide flexibility for industrial and office employment in the district.
    b) Protect natural resources in the district including Minthorn Natural Area and the drainageways that connect to it.
    c) Provide landscaping along street frontages in the district.
    d) With redevelopment, provide pedestrian and active transportation improvements through the district.
    e) Limit the size and display characteristics of commercial signage.

7. **Corridors** are located along frequent transit lines and aim to:
    a) Provide opportunities for higher intensity development in areas within walking distance of frequent transit service.
    b) Ensure that design standards require direct pedestrian connections to the closest transit line.
    c) If new development includes a commercial component, require a storefront design.
    d) Ensure development design contributes to a comfortable pedestrian environment.
    e) Maintain development and design standards that provide for a transition in development intensity between the development site and adjoining areas designated or planned for lower density residential uses.

Goal 2 - Livability. Enhance livability by establishing urban design concepts and standards that help improve the form and function of the built environment.

1. Create a **Pedestrian Environment** that aims to**:**
   a) Prioritize enhancement of the environment for pedestrians and people using other active transportation modes when expending public funds on street improvements.
   b) Require new development to be designed in a manner that contributes to a comfortable, safe environment for pedestrians and other non-motorized users in the public right-of-way.
   c) Enhance pedestrian spaces through adequate landscaping, trees, and amenities such as benches and lighting.
   d) Encourage storefront retail to be developed along street frontages in commercial and mixed-use districts.
   e) Provide for pedestrian connectivity and access by other active transportation modes.
   f) Use urban design features to slow traffic through NMU districts and neighborhood hub areas.
   g) To enhance the pedestrian experience, explore opportunities for woonerf and living street designs in areas with appropriate traffic volumes.

2. Establish appropriate **parking** standards that help to**:**
   a) Reduce the amount of off-street automobile parking required for new development and place a greater emphasis on active transportation.
   b) As opportunities arise, encourage redevelopment of existing parking lots or conversion of lots for recreational activities.
   c) Buffer parking lots from the pedestrian environment with landscaping and with walls along streets in the town center.
   d) Provide on-street parking on frontages that have commercial storefronts.
   e) Prohibit off-street parking between the sidewalk and the front of any new commercial or mixed- use building.

3. Require and enforce cutting-edge **landscaping standards and stormwater improvements** that help Integrate the Urban and Natural Environment and which**:**
   a) Maintain landscaping design standards that require landscape plan approval as part of the development review process.
   b) Use the landscape planning process to ensure that new development provides tree canopy cover consistent with city objectives.
   c) Allow for vertical landscaping or green roofs to substitute for ground landscaping in situations where sites are constrained and there is a public benefit associated with the project.
   d) Require street trees consistent with urban forestry goals.
   e) Utilize green infrastructure (bioswales, rain gardens, pervious pavement, and green roofs) to minimize pervious surfaces and to capture and treat stormwater on site.
   f) Where appropriate, integrate natural features into the site planning process while also ensuring that designated natural resources are protected and conserved.
   g) Require overall net decrease in impervious surfaces on a watershed basis; enact strong regulations to require on-site infiltration wherever possible, require upstream 1:1 or better mitigation of impervious surfaces when added, and pursue incentives and programs to reduce stormwater impact of existing development.

4. **Plan for the design of the Public Realm**
   a) Provide clear standards for the design of public improvements.
   b) Articulate the specific details that are necessary to achieve design objectives of adopted project plans or special area plans unique to specific streets or public spaces.

c) Provide seating in public spaces where people are intended to gather. Areas of public seating should have access to direct sunlight.

Goal 3 - Process. Provide a clear and straight forward design review process for development in Milwaukie along with incentives to achieve desired outcomes.

- Use a two-track **Design Review** process to ensure that new development and redevelopment projects are well designed. Provide a clear and objective set of standards as well as an optional, discretionary track that allows for greater design flexibility provided design objectives are satisfied.

- Ensure that a **clear and objective process** is available for all needed housing types that is well designed, provides adequate open space, and fits into the community, while offering an alternatives discretionary path for projects that cannot meet these standards.

- Expand **incentives** and refine development standards that help to:
  - Provide flexibility for commercial use of existing residential structures within Neighborhood Hubs and Neighborhood Mixed Use districts.
  - Provide flexibility for the types of uses permitted as home occupations where it can be demonstrated that the home occupation will help meet the daily needs of residents in the surrounding neighborhood.
  - Consider the use of vertical housing tax abatements and other financial tools to encourage development in Neighborhood Hubs

- Require that **comprehensive plan amendment applications** address the following guidelines when the amendment would increase the intensity and/or density of a commercial or mixed-use area:
  - High density districts should be:
    - Served by collector or arterial streets
    - Within ¼ mile of a park, trail and/or natural area
    - Within ¼ mile of commercial services
  - Medium density districts should be:
    - Served by collector or arterial streets
    - Within ½ mile of a park, trail and/or natural area
    - Within ½ mile of commercial services
  - Low density districts should be:
    - Served by local, collector, or arterial streets
    - Within ½ mile of a park, trail and/or natural area
    - Within ½ mile of commercial services
  - Mixed use districts should be:
    - Served by collector or arterial streets
    - Within ¼ mile of a park, trail and/or natural area
    - Located to serve residents in the surrounding ¼ mile area

Draft Public Facilities and Services Policies – 6/12/19

Goal 1 – Plan, develop and maintain a timely, orderly and efficient arrangement of public facilities and services to serve urban development.

1. Ensure that the levels of public facilities and services that are provided to existing City residents, businesses, and vulnerable populations are not compromised as urban development or growth occurs.

2. Except when part of a program or incentive to annex properties outside the City limits, ensure that existing residents and taxpayers do not pay for services delivered outside its limits or to non-City residents.

3. Ensure that developers pay their proportionate share of the cost of utilities and facilities needed to support their developments, except in such cases where the City may provide incentives to achieve one or more of the following: housing affordable to low income households, net zero homes, annexation, natural resource protection, equity, accommodation of displaced residents, or other priorities outlined in the City vision.

4. To maximize the efficient provision of all services and to encourage cooperation and coordination, maintain up-to-date intergovernmental agreements with all public service agencies and service agreements with the providers of private services.

5. Cooperate with other service providers in North Clackamas County to plan for supply security, new technologies, and resiliency in the delivery of urban services to the urban areas.

6. Use public facilities to strategically invest in different parts of the City in order to reduce disparities, enhance livability, promote growth and redevelopment, and to maintain affordability.

7. As an element of the Comprehensive Plan, maintain a Public Facilities Plan, in conformance with Statewide Planning Goals, that incorporates key components of the master plans for water, wastewater, stormwater, fish and wildlife habitat, and other public facilities under City control. Use the Public Facilities Plan to help guide the programing of improvements as the City's Capital Improvement Plan is updated.

8. Require public facilities improvements consistent with the Public Facilities Plan to be made as properties develop.

9. Maintain a set of Public Works Standards to ensure that appropriate and adequate public improvements occur as property develops.

10. Ensure that the City's infrastructure and facilities can reasonably withstand natural or man-made disasters and that systems will continue to function during an emergency event.

11. Employ innovative technologies to upgrade and maintain systems and to ensure that systems are sustainable and resilient.

Goal 2 – Develop and maintain water services and cooperate with other agencies to provide an adequate and efficient provision of water services.

1. Maintain and safeguard groundwater as the primary water supply source for the community. Utilize wellhead protection zones and land use restrictions to avoid impacts on wells and to maintain water quality.

2. Increase storage capacities and provide interconnections with the water systems of other providers in the region to ensure a reliable water supply for use during emergencies or periods of extremely high demand and to combat climate change.

3. Continue to develop water storage and well sources to ensure the availability of adequate water supply and water pressure in all areas of the City. Strive to provide water at pressures at levels sufficient for firefighting throughout the City.

4. Strive to be self-sufficient in meeting the water demands of City residents.

5. Encourage programs and incentives to reduce water use by customers of the City's water system.

6. Encourage use of grey water systems and rainwater collection as strategies for expanding water supply and reducing the demand for water provided by the City. Remove code and other barriers to these systems.

Goal 3 - Continue to ensure that adequate wastewater collection and treatment services are available to all Milwaukie residents.

1. Continue to contract for wastewater treatment and services and comply with federal and State clean water requirements in managing the wastewater collection system.

2. Maintain and improve the existing sanitary sewer collection system through preventive maintenance and ongoing appraisal.

3. Ensure that all future residents are provided with adequate wastewater collection services.

4. Encourage the optimization and improvement of the Kellogg Water Resource Recovery Facility (the sewage treatment plant). Encourage capacity expansion through water conservation and the use of pre-treatment by heavy users.

4. Work with plant operators to minimize or eliminate external impacts of the wastewater treatment process by reducing the overall physical footprint of the plant, capping portions of the plant, reducing vehicle trips, eliminating odors, or other viable strategies.

Goal 4 - Maintain and improve the City's stormwater management system to ensure that waterways are clean, accessible, and free flowing.

1. Preserve and restore natural-functioning and historic floodplains, and healthy uplands with reduced impervious surfaces to better manage flood events, to provide and enhance wildlife habitat, and to improve water quality and restore natural flow regimes and provide resilience in the face of climate change.

2. Require systems designed to detail and treat stormwater, reduce impervious surface, and maximize infiltration and on-site treatment whenever possible, consistent or exceeding state and federal water quality standards before it is discharged into the City's creeks, lakes, and the Willamette River.

3. Where City stormwater facilities are not available, stormwater should be managed and treated on-site with maximum infiltration, and impervious surfaces should be net-reduced.

4. To the extent possible, stormwater should be managed with green infrastructure such as green roofs, water quality swales, rain gardens, and the intentional placement of appropriate trees.

5. Restrict development within drainageways to prevent erosion, regulate stormwater runoff, protect water quality, and protect and enhance the use of drainageways as wildlife corridors.

Goal 5 - Ensure that solid waste services are made available to City residents.

1. Manage the collection of solid waste and recyclable materials through franchise agreements with private operators.

2. Manage and monitor the adequacy of the solid waste hauler service and communicate with private operators when problems arise.

3. Require solid waste haulers to provide recycling and composting services.

4. Examine strategies to reduce food waste in the City.

5. Require new development to provide on-site space for recycling.

Goal 6 - Maintain facilities and personnel to respond to public safety needs quickly and efficiently.

1. Support efforts to implement Crime Prevention Through Environmental Design principles in building and site design.

2. Reduce citizen susceptibility to crime through increasing awareness of crime prevention methods and involving the community in crime prevention programs.

3. Coordinate with the fire department to address fire safety in the design of buildings and through site planning, consistent with state fire code requirements and other best practices for fire protection.

4. Ensure there is a uniform level of fire protection throughout the City through a combination of both prevention and suppression activities.

5. Ensure that streets are designed and maintained to allow access for emergency services.

Goal 7 - Coordinate with the North Clackamas School District in planning for school facilities.

1. Coordinate community development activities and public services with the school district, and continue to work with the district, in coordination with the City's park and recreation provider, to ensure that the community and neighborhood recreational and educational needs are met.

2. Ensure that traffic improvements such as sidewalks and bikeways are provided to promote safe routes to schools.

Goal 8 - Support local health care delivery agencies in providing adequate services and facilities to meet local needs.

1. Support creation of a master plan for ongoing improvements and development at the hospital.

2. Support the provision of temporary housing for the families of patients at the hospital.

Goal 9 - Provide high levels of administrative services to the people of Milwaukie while maintaining cost-effectiveness and convenience.

1. Maintain the efficiency of the City's land development processing, including provision of a one-stop development permit center.

2. Ensure that library service levels and facilities keep pace with the demand of existing and future residents.

3. Maintain a public safety building which houses City police services.

4. Strive to consolidate administrative services in one building.

Goal 10 - Ensure that energy and communications services are adequate to meet residential and business needs.

1. Coordinate with public utility and communications companies to ensure adequate services are provided, while minimizing negative impacts on residential neighborhoods, natural and scenic resources, and recreational areas.

2. Encourage grid modernization to promote energy security and to work toward achieving a net zero community.

3. Encourage the provision of electric vehicle charging stations in appropriate locations.

4. Explore opportunities to create a communications utility that would provide high speed broadband internet service.

5. Work with utility companies to place wires underground to reduce damage from storm events.