

# Washington County Equitable Housing Site Barriers and Solutions

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Prepared for the Department of Land Use & Transportation by

Angelo Planning Group

in partnership with Ankrom Moisan Architects and Johnson Economics



## **ACKNOWLEDGEMENTS**

### **Washington County Board of Commissioners**

*Andy Duyck - Chair*

*Dick Schouten - District 1*

*Greg Malinowski - District 2*

*Roy Rogers - District 3*

*Bob Terry- District 4*

### **Washington County Department of Land Use & Transportation**

*Andrew Singelakis, Director*

*Andy Back, Planning and Development Services Division Manager*

*Theresa Cherniak, Principal Planner, Long Range Planning*

*Tom Harry, Principal Planner, Current Planning*

*Kimberly Armstrong, Senior Planner, Long Range Planning*

*Anne Kelly, Senior Planner, Long Range Planning*

*Paul Schaefer, Senior Planner, Current Planning*

*Bryan Robb, Associate Planner, Long Range Planning*

### **Angelo Planning Group**

*Matt Hastie, AICP*

*Clinton "CJ" Doxsee*

### **Ankrom Mosian Architects**

*Don Sowieja, AIA*

*Isaac Johnson, AIA*

### **Johnson Economics**

*Brendan Buckley*

### **Technical Advisory Group**

*Elle Allan, Clean Water Services*

*Kali Bose, Bienestar*

*Kira Cador, Rembold*

*Melisa Dailey, Washington County Department of Housing Services*

*Rachael Duke, Community Partners for Affordable Housing (CPAH)*

*Esmerelda Flores, Centro Cultural de Washington County*

*Juan Carlos Gonzalez, Centro Cultural de Washington County*

*Sheila Greenlaw-Fink, Community Housing Fund (CHF)*

*Jennie Proctor, Washington County Office of Community Development*

*Ben Sturtz, REACH Community Development*

*Nathan Teske, Bienestar*

*Jon Williams, Metro*

Washington County Department of Land Use & Transportation

Planning and Development Services | Long Range Planning

155 N First Avenue, Suite 350 MS14 | Hillsboro, OR 97124

503-846-3519

lutplan@co.washington.or.us | [www.co.washington.or.us/lut](http://www.co.washington.or.us/lut)

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## 1. SUMMARY

While Washington County is one of the state's fastest growing counties and an economic engine in Oregon, assuring that equitable housing opportunities are available for all residents is a growing challenge in the County and the Metro region. This issue affects a broad spectrum of our increasingly diverse population—including people of color, young people, working families, seniors, and those with disabilities.

Multifamily rental housing is in short supply—regional vacancy rates are low and rents are rising at more than twice the national average. The County's 2015-2020 Consolidated Plan estimated an affordable housing gap of 14,000 to 23,000 units for residents at or below 50 percent of median family income (roughly \$37,350 for a family of four). With one out of four County households earning less than \$35,000 a year, it is clear that Washington County, like the rest of the Metro region, should take steps to encourage more equitable and affordable housing.

Equitable housing includes diverse, quality, physically accessible, affordable housing choices with access to opportunities, services and amenities. This broad definition includes choices for homes to buy or rent that are accessible across all ages, abilities and incomes and convenient to everyday needs, such as transit, schools, childcare, food and parks.

In order to meet the housing needs for Washington County's current and future residents, the County seeks to:

- Encourage increased housing supply in general
- Increase housing that is affordable to households at lower incomes (especially 50% median family income and below), and
- Identify incentives and funding sources to support a range of affordable and equitable housing<sup>1</sup> options

A single strategy will not solve this complex issue—Washington County will need to consider a range of options and implementation strategies that can function as a coordinated set of tools to meaningfully impact the housing challenges that face the County.

This project identified existing regulatory and code requirements that negatively impact development feasibility and/or increase development costs for projects that include residential uses, with a focus on encouraging equitable housing development in the County. Previous planning efforts, including Aloha Tomorrow, have also recommended taking action to reduce regulatory and code barriers that impact housing development – but these recommendations have been fairly general. This report includes specific recommendations that, when implemented, will help future development address the County's housing needs.

### Process

Regulatory barriers to development tend to be specifically identified only when development proposals are being evaluated for approval. To be proactive, this project designed draft development concepts for

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<sup>1</sup> For the purposes of this study, Metro uses the working definition of equitable housing as: diverse, quality, physically accessible, affordable housing choices with access to opportunities, services, and amenities.

specific locations and reviewed them for consistency with the County's Community Development Code (CDC) to highlight code barriers that could make development less feasible.

Five study sites were selected for evaluation. Sites were selected to meet multiple site considerations and to test a range of land use districts, development types, and a mix of land uses within the County.

**Table 1: Study Site Summary**

	ALEXANDER STREET	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL SITE
Size	1.6 acres	0.76 acres	2.2 acres	2.8 acres	1.3 acres
District	CBD	TO:RC	R-24	R-15	R-6
Community Plan	Aloha – Reedville – Cooper Mt.	Cedar Hills – Cedar Mill	Aloha – Reedville – Cooper Mt.	Bethany	Raleigh Hills/ Garden Home

Using the variety of actual and theoretical properties and land use districts, the project team created housing development concepts for each location. These include a range of housing types and densities.

**Table 2: Development Concept Summary**

	ALEXANDER STREET	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL SITE
Development Type	Multi-family, senior living	Mixed use – Multi-family above retail	Multi-family	Townhome/ Attached Single-family	Cottage Cluster <sup>2</sup>
Structure Type	4-6 story wood or wood over podium	5-story wood over podium	2-3 story walkup	2-story wood	2-story wood
Units Achieved	101-145*	48	52-96*	36	8
Density Achieved (units per acre)	63-99	63	24-44	13	6
Landscape/ Open Space	20,500 square feet (29.5%)	4,400 square feet (13%)	33,000 square feet (34%)	n/a	n/a
Parking	75 surface parking spaces	56 structured spaces	80 surface parking spaces	72 off-street spaces; 46 on-street spaces	22 surface parking spaces

\* depending on number of floors

<sup>2</sup> Cottage cluster (also called cluster housing) are groups of relatively small homes, typically oriented around a shared common space, such as a courtyard or garden.

Each study site and development concept were evaluated for conformance with Washington County's CDC to identify regulations which may:

1. Make equitable housing development impractical;
2. Negatively impact financial feasibility; and/or
3. Slow down the development process.

Multiple development standards were evaluated to determine if they posed barriers to development for individual sites and development concepts. Some standards were significant barriers to development in one or two cases, but were not necessarily significant barriers for all tested development concepts. Potential development barriers and their impacts on individual test sites are discussed in more detail in Section 6: Potential Barriers.

Standards assessed as potential barriers for test sites include:

- Density
- Off-street Parking
- On-street Parking
- Landscaping Standards
- Yard (Setbacks)
- Public Facility Improvements
- Flood Plain, Drainage Hazard Areas (DHA), & Significant Natural Resource Areas (SNRA)
- Neighborhood Circulation
- Building Façade
- Planned Development Open Space
- Transit Oriented (TO) Review & Standards
- Mixed-Use Standards

In addition, the development concepts were assessed to determine whether financial gaps would necessitate some form of subsidy to make housing development affordable for specific income levels. The assessments considered the financial impact of development incentives, such as increased density and land donation, on projects.

## Recommendations

### Community Development Code Amendments

Recommendations for potential CDC amendments were developed to reduce or eliminate most of the identified regulatory barriers and incentivize equitable housing production. Proposed code amendments, including ordinance language, will be further refined in preparation for review and consideration as part of the County's Long-Range Planning Work Program during the 2018 and 2019 Ordinance Seasons. Refinement of the recommendations must be balanced against existing County policies, relevant Community Plans, and the intended purpose of the affected land use districts.

Potential barriers and solutions that may be addressed through code amendments are associated with a range of standards in the CDC. Please see the Recommendations section, starting page 22, for full descriptions of recommended CDC amendments. Recommended changes include:

- Residential density bonuses for affordable housing.
- Reduced yard (setback) requirements for some housing.

- Amended Planned Development (PD) open space requirements for housing.
- Reduced on-street parking and driveway width for some housing.<sup>3</sup>
- Amendments to allow available on-street parking to substitute for required off-street parking on some individual lots.
- Amendments to private street requirements for some housing.
- Amending or removing ground-floor commercial use requirements in some districts.
- Increased flexibility in allowed housing types.
- Flexible zoning for affordable housing.

Most recommendations include direction for future potential amendments to the Community Development Code that seek to reduce site development barriers to new residential housing and provide incentives for regulated affordable housing. Amendments to the CDC, while valuable, may not significantly shift the supply of equitable or affordable housing on their own, particularly for lower income households.

#### Policy and Program Support

Recommended code amendments listed above will help, but code amendments should be part of a comprehensive set of tools needed to meet the growing demand for affordable housing. To maximize the impact of these recommended code amendments, Washington County should consider additional policy changes to support equitable and affordable housing, offer development incentives, provide dedicated funding, and implement other policy and programmatic initiatives that facilitate development of affordable housing. In addition, equitable housing strategies should address the need for access to affordable transportation options, to public and personal social services, and to shopping and employment centers.

Policy and programmatic strategies to reduce barriers to housing development that the County may wish to explore further include (but are not limited to) the following:

- Refine existing policy foundation to be more supportive of equitable and affordable housing.
- Find opportunities to streamline or shorten permitting processes and timelines where possible, including continuing to prioritize development applications for regulated affordable housing projects.
- Subsidize regulated affordable housing through:
  - Continued donations and discounting of public land for regulated affordable housing.
  - Enabling additional property tax exemptions or abatements for regulated affordable housing.
  - Reducing or waiving System Development Charges (SDCs) and/or development fees and charges.
- Establish a development tax (e.g. a Construction Excise Tax) and/or other value capture incentives to encourage regulated affordable housing

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<sup>3</sup> Off-street parking regulations were updated in 2017 to simplify the standards and provide additional flexibility. The overall effect of the updated regulations will need to be assessed in the future.

## 2. PUBLIC AND AGENCY INVOLVEMENT

Public engagement is the foundation of all planning activities in Washington County. Planning efforts are conducted for, and with the community. A Public Involvement Plan (PIP) was developed for this project to ensure, to the extent possible, that those potentially affected by this planning project - jurisdictional partners and interested parties - had the opportunity to understand the projects' objectives and implications, participate in project discussions, and provide input to inform decisions.

### Technical Advisory Group (TAG)

Public involvement primarily focused on stakeholders and was conducted through a Technical Advisory Group (TAG). The TAG held four group meetings throughout the project to provide input and feedback.

Because the primary products of this project are code amendments recommendations designed to reduce barriers to equitable housing production in the County, the stakeholders most immediately impacted include local jurisdictions, housing developers and providers, and people engaged in related professions such as architects, designers, lenders, or development project managers.

Housing directly and indirectly impacts all community members, and housing equity and affordability concerns often have a more significant impact on historically underrepresented community members, including low income households, communities of color, people with disabilities, and elderly persons. As such, this project included representatives from Bienestar and Centro Cultural de Washington County, as well as affordable housing developers that serve lower-income renters. Including these representatives on the TAG helped ensure that project recommendations would not unintentionally create barriers to housing that serves these communities.

The TAG included representatives from several other organizations, including Washington County Current Planning, the Department of Housing Services, the Office of Community Development, Clean Water Services, the Community Housing Fund, Community Partners for Affordable Housing (CPAH), REACH Community Development, Rembold, and Metro.

County staff also conducted interviews with market-rate developers and representatives from the Home Builders Association to discuss development barriers and project recommendations.

### Project Website

A project website was created with general information about the project. It provided opportunities for the public to provide comments and connect to the project team. The project website and key project materials were made available in English and Spanish, using contextual translation.

## 3. STUDY SITE SELECTION

Five sites were identified to test development concepts for potential code barriers. Two of the sites – Alexander Street and Cornell/Murray – were identified prior to the first TAG meeting on October 6, 2017. Three additional sites were selected during the initial stages of the project. The project team took several factors into consideration when selecting sites. The primary study site selection considerations included locations in Washington County's Community Planning Areas, a range of sizes between sites, and various land use designations that allowed a range of residential densities. TAG members provided feedback on additional possible sites for analysis and affirmed the desire to include at least one site that was on land owned or operated by a faith-based institution as well as an analysis of smaller housing

types such as cluster housing (often referred to as “cottage cluster housing”). The remaining three sites were selected using the following primary and secondary site considerations.

### Primary Site Selection Considerations

- Opportunity areas: Desire for sites to represent at least 3 and possibly 4 of the Opportunity Areas identified in the Portland State University Master of Urban and Regional Planning (MURP) Affordable Housing Strategy,<sup>4</sup> including Aloha, Cornell-Murray, Bethany, and Metzger-Garden Home.
- Site Size: Sites should include range of sizes, representing medium to large sites; optimum range: capacity to allow 20+ residential units, 2-6 acres.
- Land use designations: The range of sites should include several land use designations, including Residential, mixed-use (such as Community Business District), Transit-Oriented (TO), Institutional. The goal is to use this project to identify barriers to development that considers residential uses in as many land use districts that would allow residential development as possible.
- Building types: Conceptual plans should include a range of building types, including multi-family, single-family attached and mixed use (with ground floor commercial).

### Secondary Site Selection Considerations

- Ownership: Parcels owned by public entities will be preferred, if available.
- Willing partners: Parcels owned by potential partners who are interested in developing affordable housing will be preferred, if available.
- Existing or planned adjacent uses (if known) should be compatible with the types of housing to be tested on the site.
- Access to transit and amenities (note—Opportunity Areas are all located in proximity to a designated Town Center and are assumed to have some access to transit & services).
- Demographic assessment (use American Community Survey (ACS) data to determine if block group or Census tract has significantly different demographics or income than County as a whole, plus any relevant local knowledge).
- Absence of obvious near-term development barriers such as wetlands, brownfields, etc.
- Other factors as practical (e.g. known employment opportunities nearby, etc.).

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<sup>4</sup> [https://www.pdx.edu/usp/sites/www.pdx.edu.usp/files/WaCo%20Afford%20Housing%20Strategy\\_PSU%20WORKSHOP\\_120216.pdf](https://www.pdx.edu/usp/sites/www.pdx.edu.usp/files/WaCo%20Afford%20Housing%20Strategy_PSU%20WORKSHOP_120216.pdf)

### 4. STUDY SITE SUMMARY

Five study sites were selected to test the development process, develop site plans, and identify potential code barriers. The five sites are described below in terms of land use, environmental constraints, transit and amenities and demographics.

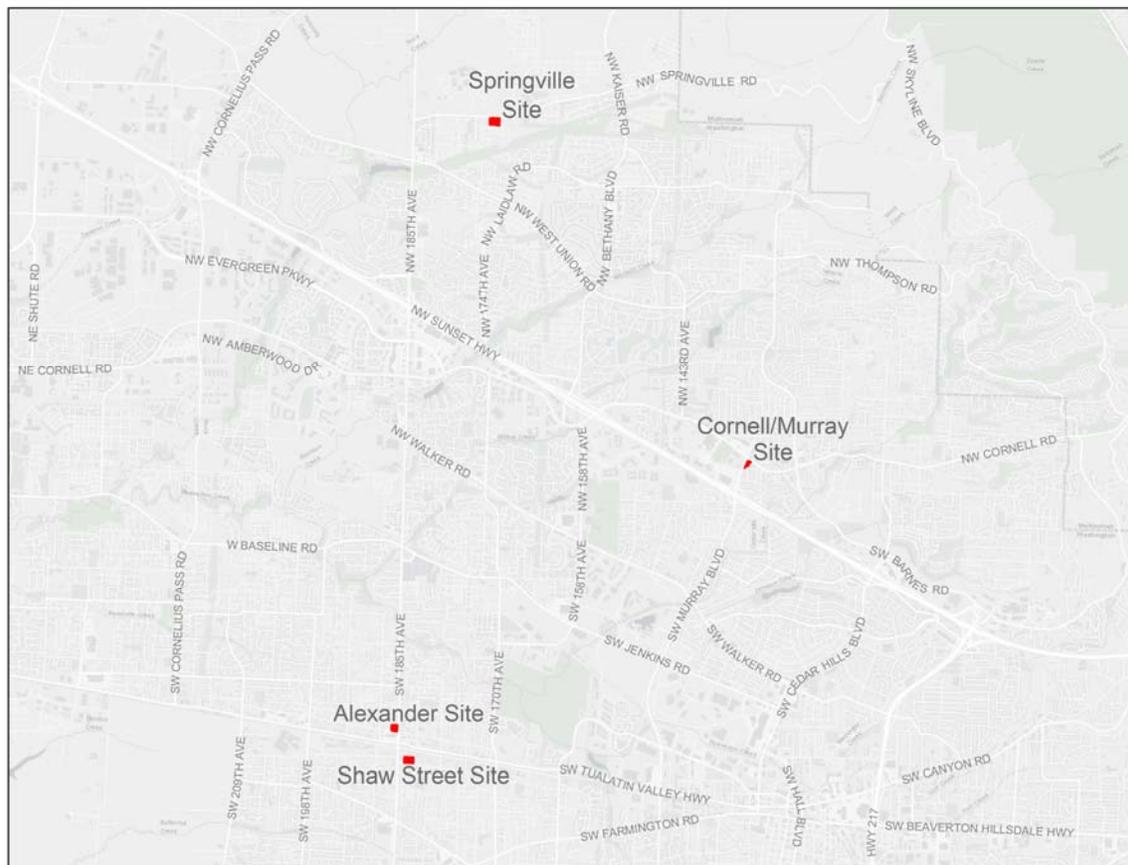
#### Land Use

The land use designations for the five sites are summarized in Table 3. The referenced districts and Community Plans regulate the range of intensities, types, and mix of land uses allowed.

**Table 3: Study Site Summary**

	ALEXANDER ST.	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL SITE
Size	1.6 acres	0.76 acres	2.2 acres	2.8 acres	1.3 acres
District	CBD	TO:RC	R-24	R-15	R-6
Community Plan	Aloha – Reedville – Cooper Mt.	Cedar Hills – Cedar Mill	Aloha – Reedville – Cooper Mt.	Bethany	Raleigh Hills/ Garden Home

**Figure 1: Study Site Locations (Theoretical Site Not Shown)**



**Alexander Street Site**

The Alexander Street Multi-Family Senior site is part of a larger area under one ownership known as the “Aloha Opportunity site”. The larger opportunity site was a focus of Washington County’s Aloha Tomorrow project. A component of the project supports the development of an active, mixed-use location with a multi-modal Main Street environment on SW Alexander Street.

The Alexander Street site is located on land currently designated Community Business District (CBD), which allows for a wide mix of uses, including medium-to-large scale retail service, and business; office and institutional uses; and medium to high density residential uses.

The Aloha Tomorrow project recommends the creation of a Town Center Core District that could be applied to the Alexander site and surrounding properties. The new Town Center Core District would change allowed land uses and development standards. Recommended Town Center Core standards are similar to existing CBD standards, with recommended modifications to support the creation of a walkable, pedestrian-oriented Town Center area with a community-friendly urban form. If the Town Center Core District is created, new standards would apply in locations that receive that designation.

**Cornell-Murray Site**

The Cornell-Murray Mixed Use site, owned by Washington County, was envisioned to be developed as a mixed-use affordable housing development under the County’s jurisdiction, in partnership with Community Partners for Affordable Housing (CPAH). However, certain regulations within the Cedar Hills - Cedar Mill Community Plan (CP) and the CDC created challenges to developing the site for a mixed-use affordable housing development. After identifying these development constraints, CPAH requested annexation into the City of Beaverton, which has development regulations that would better accommodate the project and leased the property from the County in order to continue project development in a timely manner.

For purposes of this study, the site is reviewed under the County land use designation and Community Plan requirements that existed prior to city annexation. Prior to annexation, the Cornell-Murray Mixed Use site was located in Washington County’s Transit Oriented Retail Commercial District (TO:RC). The County’s transit oriented (TO) districts are intended to direct and encourage development that is transit supportive and pedestrian oriented.

**Shaw Street Site**

The Shaw Street Multi-Family site is part of a larger area held by the Korean Bethel Church, a private institution. The portion of the site with frontage on SW Blanton Street in the R-24 district, and not currently developed with church facilities, is likely the most suitable for affordable housing development and was the focus of a potential development concept for the site. The R-24 district requires residential development density to be between 19 and 24 units per acre, except as otherwise permitted.<sup>5</sup>

**Springville Road**

The Springville Road Single-Family Attached site is a privately-owned property consisting of six tax lots adjacent to NW Springville Road. The site is located in Washington County’s R-9 District, which requires residential development density to be between seven and nine units per acre, except as otherwise permitted. For the purposes of this project, the site was treated as though it was designated R-15. This

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<sup>5</sup> Note: during the course of this project, the church submitted a development application to construct a new church expansion and consolidate the R-24 parcels into one tax lot. Although the current proposal does not include any residential development, future development or redevelopment of the site could include housing.

allowed the project team to evaluate a townhouse project, which was determined to be impractical and likely financially infeasible at the R-9 density.

### **Theoretical Site**

The theoretical site is based on a compilation of previous development proposals that Washington County has recently reviewed. In addition, this site was intended to allow evaluation of potential development barriers not found in other identified sites, including lower residential density and environmental constraints, as well as use of a cottage cluster development pattern. For the purpose of this site evaluation, the theoretical site is designated R-6 and located on a corner lot with two arterial street frontages.

### **Environmental Constraints**

Environmental constraints such as slope, wetlands, or wildlife habitat can impact a development's feasibility. Constraints such as wetlands and wildlife habitat include regulatory requirements that can be barriers, in addition to rendering portions of the site unbuildable. For example, sites located within an identified wetland area are required to provide additional plans and documentation, certified by a professional engineer, that show the site will be constructed to avoid or mitigate potential impacts.

Based on publicly available data, none of the physical study sites include County-regulated environmental constraints. The nearest identified environmental constraints were not close enough for CDC regulations to apply.

Because none of the identified study sites include environmental barriers, a drainage hazard area (DHA) was included in the Theoretical site to allow evaluation of potential CDC barriers related to DHA standards. Flood plains and drainage hazards are not uncommon for new developments and often pose development challenges.

### **Transit**

Access to nearby public amenities, such as parks, schools, and transit, provide basic services and enhanced quality of life that is supportive of affordable and equitable housing. Existing transit service at the study sites is provided as follows:

#### **Alexander Street Site**

- Line 52 (Farmington/ 185th)
- Frequent Service Line 57 (TV Hwy/ Forest Grove)

#### **Cornell/Murray Site**

- Line 62 (Murray)
- Line 48 (Cornell)

#### **Shaw Street Site**

- Line 52 (Farmington/ 185th)
- Frequent Service Line 57 (TV Hwy/ Forest Grove)

#### **Springville Site**

- Line 47 (Baseline/ Evergreen)
- Line 67 (Bethany/ 158<sup>th</sup>)

### Theoretical Site

- Assumes one regular service transit line is located adjacent to the site.
- Assumes a mix of small business are located across the street.

### Demographics

Demographic factors provide very general indicators of a community's need for affordable housing. The Environmental Protection Agency (EPA)'s "EJScreen" was used to evaluate the demographics of the community within a 1-mile radius of each site.

**Table 4: Summary of Study Site Demographics within 1-mile Site Radius**

	ALEXANDER STREET	CORNELL-MURRAY	SHAW STREET	SPRINGVILLE	WASHINGTON COUNTY
Population	21,254	14,600	21,514	12,372	556,210
Population Density (per sq. mile)	6,693	4,813	6,947	4,087	768
Minority Population	9,470	4,528	9,461	4,751	176,685
% Minority	45%	31%	44%	38%	32%
Households	6,870	6,180	7,059	4,452	206,426
Housing Units	7,255	6,493	7,391	4,743	217,085
Housing Units Built Before 1950	166	409	210	17	11,029
Per Capita Income	24,099	39,625	23,578	42,317	32,369

Source: U.S. Census Bureau, American Community Survey (ACS) 2011-2015

## 5. DEVELOPMENT CONCEPTS

As part of this effort, the project team developed draft development concepts for each site location to study the development's feasibility and identify potential code barriers to efficient development. The concepts include a range of residential dwelling types, including multi-story multi-family senior living, garden-style walk-up apartments, mixed-use housing, townhomes, and a cluster cottage development. Each concept was then reviewed for consistency with CDC requirements to highlight specific code barriers that affected each residential development type.

**Alexander Street Site**

The development concept for the Alexander Street site is a multi-story, multi-family senior living residential dwelling type. Three development options, ranging from probable to unlikely, were prepared. The two probable options evaluated what could be reasonably built on the site given current market conditions. The unlikely option evaluated the feasibility of building near the maximum allowed density of 160 units, which would include a 6-story, podium style construction, with structured parking.

**Table 5: Alexander Street Site Development Concept Summary**

District Criteria	Size	1.6 acres
	District	CBD
	Allowed Density* (with no commercial) (Min-Max)	20-40 u/acre ** 40-100 u/acre***
	Allowed # Units this Site	32-160
	Minimum Lot Area	8,500 square feet
	PD Open Space	20 or 30%
	Minimum Landscaping	15%
	Setbacks	F: 20' S: 0' SS: 20 R: 0' Parking: 5'
	Off-street Parking	1 per studio or 1-bedroom 1.5 per 2-bedroom
Development Concept	Development Type	Multi-family, seniors
	Structure Type	Probable: 4 story wood Possible: 5 story wood Unlikely: 5 stories over 1 story podium
	Concept Achieved Density	Probable: 63 units/acre Possible: 81 units/acre Unlikely: 99 units/acre
	Concept Achieved # Units this Site	Probable: 101 Possible: 130 Unlikely: 145
	Landscape/Open Space	20,500 square feet (29.5%)
	Parking	75 surface parking spaces (probable and possible options) 75 spaces in parking structure (unlikely option)

\* No minimum density applies to residential development with commercial use

\*\* Allowed density for residential uses without a commercial use, with minimum dedication of Planned Development (PD) Open Space

\*\*\* Allowed density with additional 10% Planned Development Open Space

### Cornell Murray Site

The development concept for the Cornell/Murray site is based on an affordable housing development proposal previously submitted to Washington County. The proposal was for a 5-story mixed-use building. It included commercial space and structured parking on the ground floor and 48 units of regulated affordable housing in the upper four floors. The Cedar Hills - Cedar Mill Community Plan (CP) requires a master plan for the area prior to approval for new development, which was a significant barrier to development on the site.

**Table 6: Cornell-Murray Site Development Concept Summary**

District Criteria	Size	0.76 acres
	District	TO:RC
	Allowed Density (Min-Max)	FAR: No Min. to 0.5 (varies by location).*
	Allowed # Units this Site	Varies based on FAR and square footage per unit
	Minimum Lot Area	none
	Minimum Landscaping	15%
	Setbacks	F: 10' max S: 0' SS: 0' R: 0' Parking: 5'
	Off-street Parking	1 per studio or 1-bedroom 1.5 per 2-bedroom
Development Concept	Development Type	Mixed use – Multi-family above retail
	Structure Type	5-story wood over podium
	Concept Achieved Density	63 units/acre
	Concept Achieved # Units this Site	48
	Parking	57 structured parking spaces

\* Residential dwellings in the TO:RC district are only allowed in mixed-use buildings with non-residential uses. Minimum density for non-residential uses is calculated based on floor area ratio (FAR).

### Shaw Street Site

The development concept for the Shaw Street site is a collection of six garden-style walk-up apartment buildings ranging from two to three stories in height. Five of the six apartment buildings are two stories in height and include 8 units each. The sixth apartment building is three stories in height and includes 16 units. Parking is provided by a centrally located surface parking lot with access onto SW Blanton Street.

Should a density bonus be available, the Shaw Street site can nearly double in size without additional significant costs to the design, layout, or structure type. The concept structure types – 2-3 story walkup apartments – can easily be increased to 4-story walkup apartments and still maintain the overall site layout and structure design.

**Table 7: Shaw Street Site Development Concept Summary**

District Criteria	Size	2.2 acres
	District	R-24
	Allowed Density (Min-Max)	19-24 units/acre
	Allowed # Units this Site	42-53
	Minimum Lot Area	1,300 square feet
	Minimum Landscaping	25%
	Setbacks	F: 20' S: 5-20'* SS: 10' except as exceeded by S, above R: 20' Parking: 5'
Off-street Parking	1 per studio or 1-bedroom 1.5 per 2-bedroom	
Development Concept	Development Type	Multi-family
	Structure Type	2-3 story walkup
	Concept Achieved Density	24-44 units/acre
	Concept Achieved # Units this Site	52-96
	Landscape	33,000 square feet (34%)
	Parking	80 surface parking spaces

\* Range of side setbacks varies with the number of stories in a building.

### Springville Road

The development concept for the Springville Road site includes a series of townhomes/attached single-family units. Townhomes include a mix of 2- and 3-bedroom units. The large site size requires a combination of new public right-of-way and alley-access to maximize the residential use of the site and to also meet on-street parking requirements. Each unit includes a garage with access either to a public right-of-way in the front or alley access in the rear. Parking courts are also provided as part of the concept.

**Table 8: Springville Road Development Concept Summary**

District Criteria	Size	2.8 acres
	District	R-15 (for the purposes of this project)
	Allowed Density (Min-Max)	12-15 units/acre
	Allowed # Units this Site	34-42
	Minimum Lot Area	1,600 square feet
	Outdoor Yard Area	300 square feet per lot
	Architectural Design	Façade/Garage Standards
	Setbacks	F: 10' S: 5' SS: 8 R: 12' Porch: 6' Garage: 20' (or 4' from alley)
	Off-street Parking	2BD +1.5 = 1 2 provided, 1 garage + 1 driveway
	On-street Parking	1:2 off-street stalls
Parking Court	One allowed per side of block	
Development Concept	Development Type	Townhome/Attached Single-Family
	Structure Type	3-story wood
	Concept Achieved # Units this Site	36
	Concept Achieved Density	13 units/acre
	Parking	72 off-street spaces 46 on-street spaces

### Theoretical Site

The Theoretical site is based on compilation of previous development proposals that Washington County has recently reviewed. It has been modified to include a drainage hazard area. It also features a cottage cluster design, which is not permitted under current regulations for the R-6 District. The cottage cluster features eight detached dwellings located around two central common courtyards. A single surface parking area provides parking for the entire site.

**Table 9: Theoretical Site Development Concept Summary**

District Criteria	Size	1.3 acres
	District	R-6
	Allowed Density (Min-Max)	5-6 units/acre
	Allowed # Units this Site	7-8
	Minimum Lot Area	4,500 square feet average 4,000 square feet minimum
	Setbacks	F: 15' S: 5' SS: 10' R: 15' Porch: 12' Garage: 20' (or 4' from alley)
	Off-street Parking	1-1.5 parking spaces per unit
	On-street Parking	1-2 per unit depending on amount of off-street parking*
Development Concept	Development Type	Cottage Cluster
	Structure Type	2-story wood
	Units	8
	Density	6 units/acre
	Parking	22 surface parking spaces

\* Creates barrier for cluster housing on individual lots since some lots may not have street frontage/access

## 6. POTENTIAL BARRIERS

The primary purpose of this project is to clearly identify regulatory and code requirements that have the potential to negatively impact development feasibility and/or increase development costs for projects that include residential uses, with a focus on encouraging equitable housing development in Washington County. Previous planning efforts, including Aloha Tomorrow and other projects, have recommended reducing regulatory and code barriers that impact housing development – but these recommendations have been fairly general. This effort has provided the additional detail needed to develop specific recommendations for CDC amendments.

Development codes are one of the key ways a jurisdiction regulates development, and they are intended to implement the policies in the Comprehensive Plan and specific Community Plans. Washington County's CDC is comprised of standards that regulate specific aspects of development and the development process in unincorporated Washington County.

The CDC regulates the permitted uses in each land use district and prescribes the form and function of those uses. Among other things, it determines how tall a building can be, how far it must be set back from the public right-of-way, the amount of required parking, and the level of necessary landscaping. Most new residential development is required to bring a site into compliance with current County development and infrastructure standards. This means that in order to receive final development approval, developers must submit proposals that meet current standards for parking, landscaping, setbacks, and yard areas, and may be required to provide half-street improvements along road frontage of the site. Half-street improvements typically include engineered road surface, curbs, drainage, and sidewalks, and may include bike lanes, street lighting, lane striping, traffic control improvements and other infrastructure. The cost of these improvements may make development challenging or potentially infeasible.

### Specific Land Use Designation Standards

**Density.** Residential density regulations (dwelling units/acre and lot size) are one of the largest factors in determining development feasibility. Standards that limit the number of dwellings and set large minimum lot sizes can exclude housing options that may be more affordable (i.e. smaller dwellings and smaller lots). However, in most of the theoretical development scenarios tested in this project parking, setbacks and yard requirements, Planned Development open space requirements, and/or market conditions were more significant development limitations than density limits.

**Off-street Parking.** Meeting the requirement for off-street parking can be a barrier to new housing when lot sizes are small or constrained and/or for higher residential densities. Off-street parking standards can require that a significant portion of buildable area be dedicated to vehicle parking, reducing the amount of land that can be dedicated to housing. Parking had the biggest impact on the smaller Alexander and Cornell-Murray sites and on the Theoretical Site, and limited impact on the other sites. Changes to the County's parking standards in 2017 have addressed parking issues to a significant degree, particularly for regulated affordable housing and development that occurs close to transit service.

**On-street Parking.** On-street parking is required for some single-family detached and single-family attached housing and can be a barrier to development when lot sizes are small and/or where existing on-street frontage is limited. In addition, CDC section 413 calls for a minimum 12-foot-wide driveway width per dwelling, or a minimum 30-foot-wide driveway when shared by two dwellings. Each is 10 feet

wider at its access point to the street, which further reduces the area that can be dedicated to on-street parking. Alley loaded development can help address this issue, but requires developers to use land for alleys, rather than additional housing units. These requirements, when taken in tandem can be an issue when developing narrow lots with limited space for both driveways and on-street parking between them.

**Landscape Requirements.** Minimum landscape regulations limit the portion of a site that can be dedicated to housing. This can potentially be a barrier to new housing on smaller sites or at higher residential densities. This is most significant for higher density developments such as the Alexander and Cornell/Murray sites but even in those instances, other barriers such as off-street parking and mixed-use requirements pose a more significant barrier to new residential development. To some extent, these impacts can be balanced by providing landscaping within setback areas. Potential changes in landscaping requirements also will require considering tradeoffs in community standards and values associated with providing green space/recreation versus providing more affordable housing opportunities.

**Yard (Setback) & Height Requirements.** Setbacks/Height regulations limit space that can be dedicated to housing. This can potentially be a barrier to housing on smaller sites or at higher residential densities if large setbacks from adjacent properties are required. Setback requirements are a more significant limitation than height requirements for the development concepts tested during this project. Height limits were not a limiting factor for any of the developments tested in this exercise. Density, parking, and/or landscaping requirements for tested development proposals resulted in designs that were below the allowed height maximums. However, height requirements may become a limiting factor in the future if taller buildings with higher construction costs become financially feasible in higher density zones.

**Public Facility Improvements.** These requirements primarily add costs associated with required transportation facility improvements, such as the half-street road improvements mentioned previously. Although public facility improvements can result in a significant cost and create barriers to housing development, these improvements are typically necessary to meet a variety of development and community needs. Street improvements, including bike lanes, sidewalks, and improved drainage facilities are necessary and desirable to many community members, especially lower-income households who may be less able to afford private vehicles. Reducing the quality or quantity of public infrastructure and services to make housing more affordable would be counter-productive and likely to create a different set of equity issues for County residents. Identifying and dedicating funding to pay a portion of public facility improvement costs on behalf of eligible affordable housing developments is likely a more viable option than reducing improvement requirements.

**Flood Plain, Drainage Hazard Areas, and Significant Natural Resource Areas.** These conditions and requirements are highly site-specific and variable. They are not applicable to most of the examples studied here and have relatively little impact on the Theoretical Site example. However, these requirements can have more significant impacts on development cost, capacity, and/or development, and permit review time for some projects. These challenges would likely be more significant for projects in higher density designations.

**Neighborhood Circulation Standards.** Neighborhood circulation standards can require developers to provide additional road and/or pedestrian connections that may limit the proportion of a site that can be dedicated to housing. While these standards can result in significant development cost, they also

address important community needs. Similar to public facility improvements, identifying a funding source that could pay a portion of these costs for eligible affordable housing developments is a more viable option than waiving circulation standards.

**Building Façade (Garage Width) Requirements.** Building façade standards apply to single family attached and detached dwellings near transit routes in the R-9 through R-25+ districts. They allow a limited range of attached garage widths in relation to building facade, and garage setbacks increase with garage width. Homes with the widest allowable garages are also subject to window placement criteria and can only be “interspersed” among other homes with narrower garages. These requirements can create both financial and spatial barriers to new housing on smaller sites, or at higher residential densities, by complicating home and overall development design, and impacting lot area that is usable for living space on the ground floor of a dwelling. While these standards can add cost to a project’s design and serve as a barrier in that way, the project team notes that the standards are less rigorous than those applied by most other jurisdictions in the region and most developers have created their own development standards and templates to address them. In addition, the intent of the standards is to achieve a pedestrian-friendly environment within areas convenient to transit. The County may wish to allow housing developers additional alternatives by which to meet this intent, thus adding flexibility that could translate to both cost savings and accommodation of needed housing in more varied sizes and price ranges.

**Planned Development Regulations.** Planned Development (PD) regulations allow for modification of standards in exchange for recreational open space and on-site amenities. PD open space and on-site amenities reduce the proportion of a site that can be dedicated to housing. Reserving the required 20 to 30 percent of the site for open space reduces the amount of land that can be used to build new housing. PD open space can also be satisfied by providing indoor recreation facilities, balconies, or similar site amenities, which can add a minimal or substantial cost depending on the size of the facility. The CDC doesn’t allow use of unbuildable lands such as floodplains to meet minimum PD open space requirements for residential developments.

**Transit-Oriented Review Process and Standards.** These requirements and review processes can act as a barrier to development in the TO Districts. The Transit-Oriented Review Committee, which plays an advisory coordination role. While the committee can be helpful in coordinating review and finding ways for development to meet the standards, the fact that a committee is needed for this purpose points toward a potential need to simplify these requirements so that they do not act as a barrier to cost-effective development. Regulations for TO Districts provide principles, standards, and guidelines for building and site design elements that are intended to increase pedestrian connectivity. TO standards are unlikely to be a major barrier in most cases but may be problematic for unusual parcels in some instances, given their complexity and the challenge in applying them to constrained or unusual parcels.

**Mixed-Use Standards.** Requirements to provide non-residential (i.e. retail) uses on the ground floor of residential developments can add significant costs to construction and reduce the financial viability of a residential project. These uses are required in the TO districts and are a condition for achieving higher densities in the CBD. Mixed-use standards can be particularly challenging for regulated affordable housing development, as they trigger a requirement for higher construction wages that can add significant cost. In addition, these requirements result in the need for a property owner to manage commercial tenants and uses over time, which adds to the operational costs of these developments.

Often these costs must be factored into the initial development cost and can make a project less financially feasible, particularly for non-profit affordable housing developers.

Table 10, below, provides a summary of which potential barriers affect the individual study sites and development concepts. The low-medium-high ratings in Table 10 are qualitative and relative, as determined by the project team. The level of impact is relative to other potential barriers for the site and also in comparison to the impact of the same potential barrier for other study sites and development concepts.

**Table 10: Relative Level of Impact for Identified Potential Barriers**

CDC REQUIREMENT	ALEXANDER STREET	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL SITE
Density	○	○	●	◐	◐
Off-street Parking	●	●	◐	●	●
On-street Parking	n/a	n/a	n/a	●	◐
Landscaping Standards	◐	●	○	○	○
Yard (Setbacks)	◐	●	◐	◐	○
Public Facility Improvements	Varies	Varies	Varies	Varies	Varies
Flood Plain, DHA, & SNRA <sup>6</sup>	n/a	n/a	n/a	n/a	◐
Neighborhood Circulation	○	○	◐	●	**
Building Façade	n/a	n/a	n/a	◐	n/a
Planned Development	Varies	n/a	Varies	Varies	Varies
TO Review & Standards	n/a	◐	n/a	n/a	n/a
Mixed-Use Standards	●	●	n/a	n/a	n/a

○ = low impact/not a barrier for this development; ◐ = medium impact/limited barrier for this development;

● = high impact/significant barrier for this development

<sup>6</sup> Note: the sites analysed for this project did not include Drainage Hazard Areas, Flood Plains, or Significant Natural Resource areas. This table should not be interpreted to suggest that these requirements do not create development challenges on some sites.

## Procedural Barriers

Procedural barriers that could impact development in unincorporated Washington County, regardless of the specific land use district and Community Plan requirements, have historically included:

- Land use and development review process.
- Coordination with County departments and other service providers.
- Schedule and approval timelines.
- Level of discretion associated with specific types of review processes.<sup>7</sup>

The land use development application process is subject to state timeline requirements. A notice of decision for complete development applications is generally required in 120 days for developments within the Urban Growth Boundary. However, coordinating with other departments and service providers can be somewhat unpredictable, and the process of moving through required reviews and revisions after initial development approval can be challenging. In addition, the process of reviewing an application for completeness is not included in the 120-day timeline and delays associated with this component of the process can act as barriers for complex projects where the completeness process can be extensive. At the same time, these procedures are necessary to make sure development complies with building and development codes designed to maintain safety and livability. The County's development review process seeks to balance multiple and sometimes conflicting factors to ensure that development is safe and suitable.

## 7. PRO FORMA ANALYSIS

Pro forma models of the development concepts were prepared for each study site. The models assessed development feasibility and affordability levels and allow for the adjustment of various factors to test the impact on project feasibility. The pro forma models estimated achievable market rents for each development concept based on market analysis of newer comparable properties in the area and average rent statistics. Assumptions of the type, number, and size of units were based on the development concepts.

### Estimated Rent Level and Affordability

Estimated rents for these development concepts would be considered affordable for households with incomes ranging from 81% of Area Median Income (AMI) (about \$60,000 for a household of 4) to 114% AMI (about \$85,000), based on the Oregon Housing and Community Services (OHCS) standards.<sup>8</sup> In general, the highest density site (Alexander Street), would be the most affordable, while the lower density sites (Springville and Theoretical), would be less affordable because they offer larger units at higher rents.

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<sup>7</sup> Procedure type determines level of discretion. Type II procedures apply standards that are generally clear and objective. Type III procedures require more discretion.

<sup>8</sup> <http://www.oregon.gov/ohcs/Pages/research-income-rent-limits-lihtc-2017.aspx>

**Table 11: Average Affordability Level (Area Median Income (AMI) Level)**

	ALEXANDER STREET	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL
Average Affordability Level (AMI)	81%	90%	91%	114%	106%

Four of the five development concepts would likely be feasible as market-rate housing under current market conditions. The Alexander Street and Shaw Street sites are the most feasible, providing the greatest profit opportunity. The Springville Road and Theoretical sites, while still financially feasible, appear to provide less opportunity for profit, and are less likely.<sup>9</sup> The Cornell/Murray site is not estimated to be feasible as market-rate rental housing under current market conditions because the podium building design increases costs significantly.

#### Incremental Value of Density

The analysis estimated the impact of incrementally increasing the allowed and achievable density on the study sites. The incremental value of density increases is one of the main mechanisms by which CDC regulations can improve financial feasibility (i.e. by increasing the allowed density or adding a density bonus). To analyze this, incremental improvements were modeled as additional density was allowed, up to a 100 percent density bonus. The associated reduction in rent levels (i.e. improved affordability level) were then estimated to illustrate how density increases can improve affordability by lowering rents. Table 12 shows the estimates of the hypothetical improvement to affordability represented by incremental additions of increased density.

**Table 12: Hypothetical Affordability Improvements from Value of Incremental Density Bonus**

	ALEXANDER STREET	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL
+20% Bonus	79%	87%	88%	110%	101%
+40% Bonus	76%	85%	85%	106%	96%
+60% Bonus	74%	82%	82%	103%	91%
+80% Bonus	72%	80%	79%	99%	87%
+100% Bonus	70%	77%	76%	96%	83%
<i>Maximum increase in affordability</i>	<i>11%</i>	<i>13%</i>	<i>15%</i>	<i>18%</i>	<i>23%</i>

<sup>9</sup> The theoretical site is financially feasible but is not able to be permitted under current CDC standards.

Other major cost factors identified in the pro forma analysis that affect the cost of new residential construction that may be impacted through CDC changes include parking requirements, mixed-use requirements, and land discounting. Land discounting cannot be addressed through development code amendments but could be addressed through other County affordable housing initiatives.

### Impact of Parking Ratios

Parking is a major cost factor of any development. Local parking requirements and the necessary site area needed to accommodate parking spaces are often key factors in determining development type and the amount of the building site available for buildings. Parking impacts affordability in two ways. First, the more space that is dedicated to parking on the site, the less space is available to build on, limiting the number of units that can be developed and reducing the feasibility of the project. Second, the cost of parking construction and maintenance (particularly for structured parking) can be very significant, and generally cannot be recovered in suburban areas where most parking is free.

Excessive off-street parking regulations are typically considered a major barrier to new development, particularly at higher residential densities. However, Washington County amended its off-street parking requirements in 2017 to reduce required off-street parking overall, and include new mechanisms for developers to request reduced parking ratios for developments that are:

- Located near transit
- Include bike parking
- Regulated affordable housing units serving households at 80% MFI and below

These amendments are expected to have a generally positive impact on housing affordability, particularly for regulated affordable development projects. Future assessment will be needed to determine if this is demonstrated to be the case and if further changes are warranted. However, at this time, additional changes to off-street parking requirements are not recommended as part of this effort.

### Impact of Mixed-Use Requirements

When ground-floor non-residential uses (such as retail or commercial) are required for residential development, this can add significant development costs. This can be a barrier for any residential development but poses a particular challenge for regulated affordable housing developers. Under current state rules, the inclusion of a commercial component requires developers to pay prevailing wage at higher commercial rates, rather than the lower residential prevailing wages that would be required for a similar project that does not include commercial square footage. Triggering commercial prevailing wage can increase construction costs by 15% or more, making locations in mixed-use zones unattractive or even impossible to develop as regulated affordable housing. Modeling a 15% increase in project hard costs would render all the development concepts tested in this project infeasible. As noted previously, these requirements also impact long-term operational costs for property owners and managers.

### Impact of Land Discounting/Donation

One of the largest impacts that public agencies can have on project costs is through allowing development on land owned, or sold by, public agencies. If agencies can donate unused land for development or sell that land to developers at a discounted rate, this can significantly reduce development costs. Land discounting/donation, while not a regulatory tool, has the potential to have a

greater impact of project feasibility, and hypothetical improvement in affordability, than regulatory changes that simply increase the achievable density.

In the case of the five development concepts, land donation in each scenario would have strong positive impact on the feasibility as shown in Table 13, surpassing the impact of a 100% increase in density (as shown in Table 12). The reduction of land costs has the greatest positive impact on lower density sites, as the incremental cost of land per unit is greater in these smaller projects. Discounted land costs can result in reductions to development costs sufficient to allow significantly reduced rent.

**Table 13: Hypothetical Affordability Improvements from Value of Land Donation**

	ALEXANDER STREET	CORNELL/MURRAY	SHAW STREET	SPRINGVILLE	THEORETICAL
Baseline (Market)	81%	90%	91%	114%	106%
With Land Donation	72%	80%	75%	95%	74%
<i>Total Reduction</i>	<i>9%</i>	<i>10%</i>	<i>15%</i>	<i>19%</i>	<i>32%</i>

## 8. COMMUNITY DEVELOPMENT CODE AMENDMENT RECOMMENDATIONS

This project recommends CDC amendments to address many identified development barriers. While CDC amendments alone are unlikely to fully address housing affordability challenges, amending to the CDC is one of the most immediate and cost-effective approaches the County can undertake to facilitate more equitable housing. Every little bit helps when it comes to reducing barriers and costs associated with affordable housing and housing costs generally.

Recommended CDC amendments are intended to reduce or eliminate most of the identified regulatory barriers and incentivize equitable housing production. Ultimately proposed code amendments, including recommended language, will be further refined in preparation for review and adoption during the 2018 and 2019 Ordinance Seasons. County staff is continuing to explore ways to facilitate affordable housing and additional recommendations/future ordinances will likely come forward as a result of that work. Refinement of the recommendations must be balanced against existing County policies, relevant Community Plans, and the intended purpose of the Districts that would be affected.

Potential barriers and solutions that have been identified to be addressed through code amendment recommendations are associated with the topics listed below:

- Residential density bonuses
- Yard (setback) requirements
- Planned Development (PD) open space requirements
- On-street parking and driveway widths<sup>10</sup>
- Requirements for private streets
- Ground-floor commercial use requirements

<sup>10</sup> Off-street parking regulations were updated in 2017 to simplify the standards and provide additional flexibility. The overall effect of the updated regulations

- Housing type flexibility
- Flexible zoning for affordable housing

## Residential Density Bonuses

*Recommendation: Allow for residential density bonuses in exchange for development of regulated or otherwise guaranteed affordable housing, particularly in lower and medium density residential districts.*

This report recommends amending multiple residential land use districts, including residential Transit Oriented districts, to include an optional residential density bonus for regulated affordable housing units. Density bonuses encourage housing development and can incentivize affordable housing units by increasing the number of allowed housing units in projects that include a minimum number (or percentage) of affordable housing units. This can allow the developer the ability to construct more housing units than would otherwise be allowed in the development. The specific mechanism for a regulated affordable dwelling bonus needs additional refinement to reflect the County's current policies and market conditions. The County could consider an incentive-based approach that offers a density bonus of one market-rate dwelling for each affordable dwelling (potentially up to a certain cap), or a percentage bonus (e.g. 10% more housing units), with all bonus units to be provided as regulated affordable housing.

Residential density bonus regulations could be tailored to require that the developer provide an affordable housing development plan and to enter into a development agreement with Washington County that commits to the specified number of affordable units. Alternatively, or in addition, the County could require a private deed restriction to ensure that proposed regulated housing remains affordable for a specified period of time. The County would need to consider existing regulations and compliance mechanisms, and determine if it has capacity to take on additional monitoring for regulated affordable housing subject to deed restrictions. However, allowing affordable housing through development agreements and/or deed restrictions could increase the supply of affordable housing that is not subsidized with state or federal funds.

Washington County standards limiting residential densities were a significant development barrier on the Shaw Street study site (R-24 District), and a relatively minor development barrier on the Springville and Theoretical study sites (R-15 and R-6 Districts respectively). In the case of the Shaw Street site, the development concept includes the maximum allowed units on the site, however an additional 44 units could potentially be constructed by increasing the size buildings from 2-3 story structures to 4-story structures. In the cases of the Springville and Theoretical sites, a density increase would potentially make single-family attached and cluster housing structure types a more viable design alternative compared to typical single-family dwellings, thus, allowing for newer residential dwellings while still being compatible with the scale and character of existing Districts.

The following districts would potentially gain the greatest benefit from including a residential density bonus:

- R-5 District (Residential 5 Units per Acre)
- R-6 District (Residential 6 Units per Acre)
- R-9 District (Residential 9 Units per Acre)
- R-15 District (Residential 15 Units per Acre)
- R-24 District (Residential 24 Units per Acre)
- TO:R9-12 (Transit Oriented Residential District, 9-12 Units per Acre)
- TO:R12-18 (Transit Oriented Residential District, 12-18 Units per Acre)
- TO:R18-24 (Transit Oriented Residential District, 18-24 Units per Acre)

This report does not recommend a residential density bonus for the County's highest density districts - R-25+, CBD, TO:R40-80, TO:R80-120, and the commercial oriented TO Districts. Both R-25+ and CBD currently allow up to 100 dwelling units per acre when specific standards are met, and CBD allows up to 100' maximum building heights. In addition, the concept studies for the Alexander St. (CBD) and Cornell/Murray (TO:RC District) study sites were not limited by residential density restrictions in comparison to the other study sites.

## Yard (Setbacks) Requirements

*Recommendation 1: Consider reducing setbacks in selected zones for multi-family dwelling types to allow for higher lot coverage and densities; consider modest reductions in landscaping requirements in the same areas to achieve the intended ability to increase densities;*

*Recommendation 2: Consider what can be allowed within a required setback and yard area as part of ordinance development.*

This report recommends amendments to setback requirements for multi-family attached dwellings in the following District:<sup>11</sup>

- R-24 District (Residential 24 Units per Acre)
- R-25+ District (Residential 25 Units or More per Acre)
- CBD (Community Business District)

**Front Yard Setbacks.** Multi-family developments in these districts currently have a minimum front yard setback of 20 feet. Generally, the recommended amendments would be to require a minimum front yard setback of no more than 10 feet for multi-family dwellings that don't exceed 35 feet in height. Alternatively, the County may wish to encourage larger multi-family dwellings in the R-25+ and CBD districts by removing or raising the 35-foot height restriction or reducing the front yard setback to zero.

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<sup>11</sup> The Alexander Street site, located in the CBD, was a focus of Washington County's Aloha Tomorrow project. Aloha Tomorrow recommends creation of a Town Center Core District that would allow zero setback requirements.

Rear Yard Setbacks. The minimum rear yard setback requirement is 20 feet for R-24 and R-25+ districts and varies in the CBD. The recommendation would be to reduce the rear yard setback in the R-24 and R-25+ districts to no more than eight feet and leave CBD unchanged. Alternatively, the County may apply the variable rear yard setback standards from CBD to the R-24 and R-25+ districts.

Side Yard Setbacks. The minimum side yard requirement varies for R-24, R-25+, and CBD. In R-24 and R-25+, the side yard requirement varies from 5 to 20 feet, based on the number of stories.<sup>12</sup> In CBD, the side yard requirement varies based on abutting land use districts and whether the lot is on the corner of a block. The recommendation would be to maintain the variable side yard setback requirement in the R-24 and R-25+ districts but reduce it to a range of 5-10 feet for multi-family buildings that are one to three stories in height.

Setback Allowances. Most residential districts include additional setback standards for specific structures such as porches and garages. The setback standards can be more or less than front/rear/side yard setback requirements depending on the structure type. These standards are intended to encourage housing designs that are considered compatible with character of the district. The County may want to evaluate if the current setback standards for other structures are still consistent with a district's intent. Similarly, the County may also consider adding additional setback standards for other structure types which meet the intended character of the district.

In addition, this report recommends reducing the minimum required landscaping for multi-family developments from the current 25 percent to no more than 15 percent in R-15, R-24, and R-25+. The reduction in the minimum landscape requirement would support reductions in setback requirements. Typical minimum landscape requirement varies by jurisdiction and land use type, however comparable higher density residential districts in other jurisdictions range from no minimum landscape requirement to a minimum of 15 percent landscaping.

## Planned Development (PD) Open Space

*Recommendation 1: For regulated affordable housing, regardless of district, consider reducing minimum percentage of site that must be dedicated as common open space for Planned Developments.*

*Recommendation 2: Allow drainage hazard areas/flood plains and other protected non-buildable areas to count towards PD open space requirements for all Planned Developments.*

*Recommendation 3: Reduce or remove additional PD open space requirements for residential Planned Developments in CBD.*

This report recommends reducing the minimum percentage of a site that must be dedicated as PD open space for residential planned developments that include a minimum percentage of regulated affordable housing units. The minimum amount of regulated affordable housing units that would be appropriate to

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<sup>12</sup> There is also a minimum 10-foot street side yard requirement for these District that applies unless the building is over 3 stories.

qualify for a PD open space reduction would need additional refinement to reflect the County's current policies and market conditions.

This report also recommends removing or reducing the amount of additional PD open space that is required for residential-only development in CBD that is seeking to develop at a density between 40 to 100 units per acre. Currently, residential-only development seeking to develop above 40 units per acre must provide an additional 10 percent of the site as open space— for a total of 30 percent of the site to meet the PD open space requirement. Removing the additional open space requirement would mean that residential-only development in CBD, regardless of density, would have the same open space requirements as mixed-use developments.

Additionally, this report recommends that at least a portion of drainage hazard areas/flood plains and otherwise-protected resource/non-buildable area be eligible to count towards residential PD open space requirements. CDC Sections 421 and 422 allow several types of outdoor recreational uses on lands identified as flood plains/DHAs and significant natural resource areas. While such areas may not be appropriate for active recreation, they may be excellent candidates for passive or visual enjoyment as scenic and wildlife habitat resources. Allowing these areas to count towards residential PD open space requirements will ensure that PD sites offer recreational space as intended, while potentially conserving enough buildable area onsite to boost development feasibility and affordability.

## On-street Parking and Driveway Widths

*Recommendation 1: Reduce or remove on-street parking requirements.*

*Recommendation 2: Reduce the minimum width standards for individual and combined residential driveways.*

The County requires on-street parking for single-family attached or single-family detached dwellings in urban residential districts that meet certain criteria, in addition to minimum off-street parking requirements. This report recommends eliminating on-street parking requirements if possible. If it is not feasible to eliminate on-street parking requirements, the recommendation is to reduce the number of on-street spaces required and reduce the number of circumstances in which developers are required to provide on-street parking. Table 14 summarizes current on-street parking standards and Table 15 provides an example on reducing the requirements. Reducing the required number of on-street parking spaces can be accomplished by requiring one on-street parking space for each dwelling that includes one off-street parking space and require one on-street parking space for every two dwellings that include two or more off-street parking spaces. In addition, the recommendation would be to allow available on-street parking to substitute for some required off-street parking.

**Table 14: On-street Parking Requirements for Urban Residential Districts**

OFF-STREET PARKING SPACES	ON-STREET PARKING SPACES	COMBINED PARKING SPACES
1	2 per lot	3 per lot
2	1 per lot	3 per lot
3 or more	1 for every 2 lots (.5 per lot)	3.5 or more per lot

**Table 15: Example of Reductions to On-street Parking Requirements for Urban Residential Districts**

OFF-STREET PARKING SPACES	ON-STREET PARKING SPACES	COMBINED PARKING SPACES
1	1 per lot	2 per lot
2 or more	1 for every 2 lots (.5 per lot)	2.5 per lot

This report also recommends reducing the minimum driveway widths required by CDC Section 413, which are currently 12 feet for a single driveway and 30 feet for a double. The recommendation is to require minimum driveway widths more consistent with existing CDC provisions of Section 409 (Private Streets). These require only 10 to 15 feet for private roads serving up to two units (depending on length), including those that serve as driveways for single and double flag lots. If minimum individual driveway widths are narrowed, for example to 10 feet, a related standard of Section 413 that identifies a 12-foot-wide driveway as one off-street parking space would need to be changed to match. Since Section 413 currently identifies a 20-foot-wide driveway as two off-street spaces, a reduction of the minimum 30-foot width for double driveways to 20 feet may be appropriate. Recommended dimensions for reduced driveway widths should be evaluated further in the next steps.

### Private Street Improvements

*Recommendation: Provide greater flexibility for sidewalk requirements when private streets are proposed.*

This report recommends allowing the omission of a sidewalk on one side of a private street serving nine or more units, where no dwellings or pedestrian-related uses can be accommodated or allowed on the opposite side of the street. For example, where sidewalks are normally required on both sides, this amendment would allow sidewalks on one side of the street in cases where there can be no dwellings or pedestrian-related uses on the other side.

### Ground-floor Commercial Use Requirements

*Recommendation: For regulated affordable housing, consider amending standards that require ground-floor non-residential (i.e. retail) uses in the TO:RC district and allow regulated affordable housing developments to achieve the maximum density level in the CBD without providing ground floor commercial uses.*

*Recommendation: The County may also choose to evaluate existing CBD or TO:RC districts to determine if the areas may be more appropriately designated as a high density residential district such as the R-25+, TO:R40-80, or TO:R80-120.*

This report recommends that, for regulated affordable housing, the County consider revising the ground-floor non-residential use requirements for housing developments in the TO:RC district, and potentially other districts that similarly require no-residential uses on the ground floor. The County may

consider allowing a shared or common use facility or space to meet the ground-floor non-residential use requirements (e.g., a lobby, dining room, gym, or other interior or outdoor activity space) for regulated affordable developments. This could allow active ground-floor uses that meet the intent of the Transit-Oriented districts and may allow those spaces to be converted to commercial use in the future, if market factors make this a feasible option.

In addition, this report recommends that regulated affordable housing developments in CBD not be subject to a density threshold whether or not they include a ground-floor commercial use. The County should also consider previously-discussed revisions to PD open space requirements to encourage housing development in CBD.

The County should also revisit areas designated TO:RC and CBD to determine if some of these areas may be more appropriately re-designated high density residential as a way to reduce barriers to equitable or affordable housing, or to provide increased opportunities to provide this type of housing.

## Housing Type Flexibility

*Recommendation: Analyze current CDC requirements and allowances for Accessory Dwelling Units (ADUs); consider amendments to remove barriers to ADUs and potentially allow up to two ADUs per lot.*

*Recommendation: Develop standards, similar to those the CDC already applies in North Bethany, to allow for cluster housing in other urban unincorporated Washington County residential areas.*

Washington County should examine existing CDC regulations and identify code changes that could encourage the development of ADUs.<sup>13</sup> Similarly, the County should consider amending existing regulations for cluster housing in the North Bethany Districts and expand the applicability of cluster housing regulations to other residential districts as well.

Proposed changes should be sensitive to and weighed against potential community impacts. ADUs and cluster housing have the capacity to easily expand the availability of housing in areas zoned largely for single-family housing – potentially doubling the existing residential capacity – while still maintaining the character of low-density residential districts. These units can provide more housing choice, smaller and potentially more affordable units, and additional income to assist with the affordability of the primary dwelling.

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<sup>13</sup> This project did not specifically perform code analysis to identify barriers to ADU development because they are commonly constructed as part of infill development and are not typically constructed with new residential development.

## “Flexible Zoning” for Affordable Housing Development

### Recommendations:

- *Consider developing a simplified and more comprehensive approval path, offering flexibility of standards for regulated affordable housing.*
- *Update and perhaps consolidate some existing CDC provisions intended to offer flexibility, to increase their usefulness and relevance today.*

In some locations, existing CDC standards and requirements may make development infeasible on lots with challenging site characteristics. Examples of site characteristics that make new development challenging include, but aren't limited to, oddly shaped lots, partially undevelopable lots, and existing road configurations that limit lot size and configuration. Value potential can be added to these areas, while still achieving the County's equitable housing goals, by allowing regulated affordable housing to be developed.

In addition to a “clear and objective standards” path, the County should consider developing an alternative development path that allows additional flexibility for developments on these problematic parcels. The alternative development path could be similar to a simplified Planned Development review procedure that offers a more comprehensive “flexible zoning” approach that is specifically targeted for regulated affordable housing on complicated parcels. Provisions from CDC North Bethany PD standards provide a useful starting point, as do related provisions from the City of Portland.

## Regular Strategic Updates

Recommendation: *The County should revisit and consider the need for additional updates to the CDC at regular or semi-regular intervals to ensure regulatory and code requirements are not unnecessarily negatively impacting development feasibility and/or increasing development costs.*

To better understand whether the County's regulations are calibrated for infill and redevelopment in desired locations, the County should continually monitor and evaluate the CDC to ensure regulations are calibrated to promote equitable and affordable housing. The assessment can be similar in scope to this project and consider the CDC generally, or the assessment can be more strategic in nature and focus on one identified barrier similar to the recent updates to parking regulations. During the assessment, the County should work with various stakeholders involved in development who use the regulations on a regular basis. This could include internal departments such as planning, public works, parks and recreation, building, engineering, economic development, and the planning commission and elected body. The process could also include developers, neighborhood organizations, and business owners depending on the scope of the assessment.

## 9. POLICY AND PROGRAM SUPPORT RECOMMENDATIONS

The recommended code amendments in this memorandum are just one of a comprehensive set of tools needed to meet the growing demand for affordable housing. Washington County must consider actions in addition to amendments to the CDC that remove regulatory barriers. While the County has taken many steps to support housing development in recent years, including dedication of publicly-owned land for affordable housing projects, additional support will help increase the supply of equitable and affordable housing for all County residents.

The County should consider shifts in policy to support equitable and affordable housing, offering development incentives such as dedicated funding for affordable housing development, reductions or exemptions to fees and charges for affordable housing development, and other policy and programmatic initiatives that result in the development of affordable housing. In addition, equitable housing strategies must address the need for access to affordable transportation options, to public and personal social services, and to shopping and employment centers.

Policy and programmatic strategies to reduce barriers to housing development that the County may wish to explore further include, but are not limited to the following:

- Refine existing policy foundation to be more supportive of equitable and affordable housing.
- Find opportunities to streamline or shorten permitting processes and timelines.
- Support regulated affordable housing through:
  - Continued donations and discounting of public land for regulated affordable housing.
  - Enabling additional property tax exemptions or abatements for regulated affordable housing.
  - Sharing the cost of required public improvements.
  - Reducing or waiving System Development Charges (SDCs) and/or other development fees and charges.
- Establish a development tax (e.g. a Construction Excise Tax) and/or other value capture incentives to encourage regulated affordable housing.