



Regular Session

RS

Milwaukie City Council

COUNCIL REGULAR SESSION

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

2296th Meeting**AGENDA**

AUGUST 6, 2019

Note: times are estimates and are provided to help those attending meetings know when an agenda item will be discussed. Times are subject to change based on Council discussion. **Page #**

1. CALL TO ORDER (6:00 p.m.)**A. Pledge of Allegiance****2. PROCLAMATIONS AND SPECIAL REPORTS****A. National Farmers' Market Week – Proclamation (6:01 p.m.) 2**

Presenter: Melanie Bennett, Celebrate Milwaukie, Inc. (CMI)

B. Clackamas County Courthouse Project – Report (6:10 p.m.)

Presenters: Kathie Steele, Clackamas County Circuit Court, and
Gary Barth, Barth Consultants

C. City Manager Updates – Report (6:40 p.m.)

Staff: Ann Ober, City Manager

3. CONSENT AGENDA (7:10 p.m.)

Consent items are routine matters that are not discussed during the meeting; they may be approved in one blanket motion and any Councilor may remove an item from the Consent Agenda for separate consideration.

A. Approval of Council Meeting Minutes of: 4

1. June 18, 2019, Work Session; and
2. June 18, 2019, Regular Session.

B. Appointments to the Budget Committee – Resolution 13**C. Acceptance of the Cottage Cluster Feasibility Study – Resolution 16****D. Approval of an Oregon Liquor Control Commission Application for 88**
Casa Bruno, 9304 SE Main Street, Suite B – Distillery**4. AUDIENCE PARTICIPATION (7:15 p.m.)**

To address Council, complete a comment card and submit it to staff. The Mayor will call for comments regarding City business. Per the Milwaukie Municipal Code (MMC) only issues that are “not on the agenda” may be raised; issues that await a Council decision and for which the record is closed may not be discussed; “all remarks shall be directed to the whole Council, and the presiding officer may limit comments or refuse recognition.” The presiding officer may limit the time permitted for comments and may request that a spokesperson be selected for a group of persons wishing to speak. **The public is also invited to make comments in writing and may submit comments before the meeting, by mail, e-mail, or in person to City staff.**

5. PUBLIC HEARING

Public Comment will be allowed on items under this part of the agenda following a brief staff report presenting the item and action requested. The presiding officer may limit testimony.

- A. Consideration of Planned Development Code Amendments 90**
(ZA-2019-001) – Ordinance (7:20 p.m.)
Staff: Vera Kolas, Associate Planner

6. OTHER BUSINESS

These items will be presented by staff or other individuals. A synopsis of each item together with a brief statement of the action requested shall be made by those appearing on behalf of an agenda item.

- A. Milwaukie Leadership Academy – Update (8:05 p.m.) 112**
Staff: Christina Fadenrecht, Administrative Specialist

7. INFORMATION (8:35 p.m.)

The Council and City Manager will provide reports on City events, projects, and programs.

8. ADJOURNMENT (8:40 p.m.)

Americans with Disabilities Act (ADA) Notice

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Executive Sessions

The City Council may meet in Executive Session pursuant to ORS 192.660(2); all discussions are confidential and may not be disclosed; news media representatives may attend but may not disclose any information discussed. Executive Sessions may not be held for the purpose of taking final actions or making final decisions and are closed to the public.

Meeting Information

Times listed for each Agenda Item are approximate; actual times for each item may vary. Council may not take formal action in Study or Work Sessions. Please silence mobile devices during the meeting.



RS Agenda Item

2

**Proclamations,
Commendations,
Special Reports,
& Awards**

PROCLAMATION

WHEREAS, farmers markets are an integral part of Oregon's food system and agricultural economy; and

WHEREAS, the 130-plus farmers markets in Oregon are important sales outlets for farmers and food business owners, generating revenue that supports the sustainability of family farms and the revitalization of rural communities; and

WHEREAS, farmers markets provide citizens of all income levels with access to healthful, locally produced foods through the Milwaukie Farmers Market and 70+ other Oregon markets that accept supplemental nutritional assistance program (SNAP) benefits and other critical food access programs; and

WHEREAS, the Milwaukie Farmers Market is celebrating 21 years as a cornerstone of our community, well-loved by customers, neighbors, and vendors alike; and

WHEREAS, the City Council recognizes the importance of expanding agricultural marketing opportunities that assist and encourage the next generation of farmers and ranchers; generate farm income to help stimulate business development and job creation; build community connections through rural and urban linkages; provide access to fresh healthy food for all of Oregon's citizens; and more.

NOW, THEREFORE, I, Mark Gamba, Mayor of the City of Milwaukie, Oregon, a municipal corporation in the County of Clackamas, in the State of Oregon, with the consent of the City Council do hereby proclaim the week of **August 4-10, 2019**, as **Milwaukie Farmers Market Week**, in conjunction with National Farmers Market Week, and do call upon all Milwaukians to celebrate farmers markets with appropriate observance and activities.

IN WITNESS, WHEREOF, and with the consent of the City Council of the City of Milwaukie, I have hereunto set my hand on this 6th day of August 2019.

Mark Gamba, Mayor

ATTEST:

Scott Stauffer, City Recorder



RS Agenda Item

3

Consent Agenda



COUNCIL WORK SESSION

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

MINUTES

JUNE 18, 2019

Mayor Mark Gamba called the Council meeting to order at 4:02 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey Wilda Parks, Kathy Hyzy

Staff: Assistant City Engineer Jennifer Garbely	City Manager Ann Ober
Assistant City Manager Kelly Brooks	City Recorder Scott Stauffer
City Attorney Justin Gericke	Interim Community Development Director Leila Aman

1. Milwaukie Leadership Academy – Discussion

Ms. Ober introduced Milwaukie Leadership Academy volunteer Stephan Lashbrook. She explained the project and noted that Administrative Specialist Christina Fadenrecht had done her master's thesis project on engagement and had helped format the project.

Mr. Lashbrook explained his background in city government and described the format of the academy. **Ms. Ober** noted that each city facility would host an academy meeting.

Councilor Parks remarked on her experience developing leadership programs. She and **Council President Falconer** offered to help with the academy.

Ms. Ober explained the application process and hoped that a diverse group of people would apply. She explained how the academy would be funded and the group noted that high school and college students were welcome to apply.

Councilor Hyzy wondered if the 6 p.m. to 8 p.m. weeknight time commitment would be a barrier for people. The group discussed the meeting time, the name of the academy, and whether Clackamas Community College (CCC) and Milwaukie High School (MHS) could provide credit for students that participate. **Ms. Ober** clarified that the academy would start in October and four seats would be reserved for students.

2. Extending the North Clackamas Enterprise Zone – Discussion

Ms. Aman introduced Cindy Moore and Jon Legarza with the Clackamas County Business and Economic Development Department. She asked for council feedback on whether to support the re-designation of the North Urban Clackamas County Enterprise Zone (NUCCEZ). She explained this was for a re-designation of the zone which would expire at the end of June. She noted that the program had been in place since 1997 and that Council had approved an expansion of the zone in 2016. She clarified that there was no proposal to change the zone boundaries. She suggested this was a time for Council to discuss the program with the county and ask questions.

Ms. Moore distributed NUCCEZ flyers. She explained that the NUCCEZ was part of a state-wide abatement program that the county administered locally. She noted program highlights related to the city.

Council President Falconer and **Councilor Batey** asked for examples of Milwaukie businesses who had benefited from the program. **Ms. Moore** provided examples, noting job increases, investments, and the amount of taxes that had been abated.

Ms. Moore explained that due to demographic changes the county needed to readjust the zone boundaries. She reported that the City of Happy Valley would be removed, and other areas could be added to the zone. She discussed the outreach process that would take place and the deadline for re-designation of the zone.

Council President Falconer asked about the zone changes and the requirements for being included in the zone. **Ms. Moore** explained that the analysis was based on community census tracks. **Council President Falconer** and **Ms. Moore** noted that the purpose of the zone was to increase employment in areas that have depressed wages.

Councilor Parks asked if there were any downsides to not accepting an enterprise zone. **Ms. Aman** said downsides included forgoing tax revenue, which impacts taxing districts such as cities. She explained that staff saw the zone as an incentive to bring more jobs into the community and to raise incomes.

Councilor Parks and **Ms. Moore** noted that Dave's Killer Bread had participated in the program and were now paying higher wages to their employees. **Ms. Moore** remarked on other benefits of participating in an enterprise zone.

Council President Falconer noted that critics of enterprise zones had suggested that benefits had not gone to the people who needed help. She expressed interest in having an honest conversation about who benefits from the zone.

Mayor Gamba asked if businesses would make the same investments regardless of whether they participated in the program. **Ms. Moore** was not sure and did want to speak on behalf of the business. **Councilor Batey** asked how often businesses came into cities because of this or similar programs. **Ms. Ober** remarked that it was hard to know which programs specifically encourage businesses. She said she was agnostic about the program and noted the city had participated in the zone for some time. She commented that there were other incentive programs and observed that businesses were taking advantage of the enterprise zone.

Council President Falconer asked if Council could change or influence the zone boundaries. **Ms. Aman** replied that Council had expanded the boundaries in 2016 to include downtown and central Milwaukie. She noted that if the program was re-authorized the city could work with the county to adjust the boundaries. **Ms. Moore** suggested that now was the time to adjust the current boundaries.

Council President Falconer suggested places like downtown Milwaukie could be removed from the zone, since there were other investments happening. The group discussed the enterprise zone boundaries and noted that NUCCEZ program was a three- to five-year program. **Ms. Ober** suggested that the program benefited the city's businesses without the city having to be too involved. **Ms. Moore** noted that the statewide enterprise zone program was scheduled to sunset in 2025 if the state legislature did not re-authorize it.

Mayor Gamba asked about the 10% employee growth rate for new and relocated businesses. **Ms. Moore** explained that there was a 30-mile radius around the zone that determined the required employee growth percentages and targets.

The group discussed next steps to consider supporting the re-designation of the NUCCEZ. **Ms. Ober** suggested the next Council discussion on July 16 could include map amendments and the first meeting in August could include a resolution to re-authorize the zone. The group agreed with the timeline proposed by Ms. Ober.

3. Council Input on Legislative and Regional Issues – Discussion

Ms. Brooks provided an overview of legislative items, including bills related to middle housing, diesel, oil trails, cap and trade, and more.

Mayor Gamba discussed House Bill 534 (HB 534) related to single-family housing in urban growth boundaries of cities with populations larger than 25,000. The group discussed the bill, who was opposed, and recent changes made. **Mayor Gamba** and **Councilor Batey** discussed whether the Council should take a position. **Mayor Gamba** reported that staff had recommended that the city oppose the bill and remarked that the bill did not currently impact the city but could in the future.

Council President Falconer explained why she did not think Council needed to take a position on HB 534. The group discussed the bill and if the city should comment on it.

Ms. Ober noted that city staff had not been tracking the bill and that the mayor could comment on it himself. **Councilor Batey**, **Councilor Parks**, and **Councilor Hyzy** commented that they did not have enough information on the bill to make a statement.

Ms. Brooks asked for feedback on a draft letter of support for including the Monroe Street Neighborhood Greenway project on a Metro Regional Flexible Funds Allocation (RFFA) application.

Ms. Brooks and the group discussed updates to Metro's transportation funding bond measure, known as T2020. **Ms. Brooks** explained that T2020 local investment teams had started to meet and that Metro was meeting with local jurisdictions to refine projects for review. She noted potential projects in Milwaukie that could be included in the T2020 measure. The group discussed the Springwater Corridor, McLoughlin Boulevard, the Oak Grove/Lake Oswego bicycle/pedestrian bridge, and other projects.

Councilor Batey asked about the Linwood Avenue traffic diverter. **Ms. Brooks** reported on the comments the city had received about the diverter and noted that at the end of the summer the city would report on Linwood Avenue traffic volume data.

4. Adjourn

Mayor Gamba adjourned the Work Session at 5:33 p.m.

Respectfully submitted,

Amy Aschenbrenner, Administrative Specialist II

COUNCIL REGULAR SESSION

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

2294th Meeting

MINUTES

JUNE 18, 2019

Mayor Mark Gamba called the Council meeting to order at 6:04 p.m.

Present: Council President Angel Falconer; Councilors Lisa Batey, Wilda Parks, Kathy Hyzy

Staff: Assistant City Engineer Jennifer Garbely
Associate Planner Vera Kolias
City Attorney Justin Gericke
City Manager Ann Ober

City Recorder Scott Stauffer
Finance Director Bonnie Dennis
Interim Community Development Director Leila Aman
Planning Director Denny Egner

1. CALL TO ORDER

Pledge of Allegiance.

2. PROCLAMATIONS, COMMENDATION, SPECIAL REPORTS AND AWARDS**A. Second Home Program – Report**

Adam Jenkins, Regional Coordinator with Ecumenical Ministries of Oregon, provided an overview of the Second Home Program that works to stabilize housing for unaccompanied homeless high school students. He noted that students could be referred to the program by contacting him at ajenkins@emoregon.org or 503-261-4583. He and **Council President Falconer** remarked on the number of students and host families involved in the program. The group discussed the need for resources and public conversations about youth homelessness. They noted the local goal to find 20-30 host families in the next school year.

3. CONSENT AGENDA

Mayor Gamba noted items 3. B. and C. would be removed for separate conversations.

It was moved by Councilor Parks and seconded by Council President Falconer to approve Consent Agenda Item A.

A. City Council Meeting Minutes:**1. May 14, 2019 Study Session.**

~~B. Approval of the Guaranteed Maximum Price (GMP) for the South Downtown (SoDo) Plaza Project – Resolution~~ (removed for separate discussion)

~~C. Authorization of a Continuing Control Agreement with TriMet – Resolution~~ (removed for separate discussion)

Motion passed with the following vote: Councilors Parks, Hyzy, Falconer, and Batey, and Mayor Gamba voting “aye.” [5:0]

3. B. Approval of a GMP for the SoDo Plaza Project – Resolution (removed from the Consent Agenda). The group agreed to place the item at the end of the agenda.

3. C. Authorization of a Continuing Control Agreement with TriMet – Resolution (removed from the Consent Agenda)

Mayor Gamba asked if the proposed agreement was new. **Mr. Gericke** reported that a non-substantive typographical error in the agreement had been found and corrected.

It was moved by Council President Falconer and seconded by Councilor Parks to approve the Resolution authorizing the City Manager to execute a Continuing Control Agreement with the Tri-County Metropolitan Transportation District of Oregon (TriMet). Motion passed with the following vote: Councilors Parks, Hyzy, Falconer, and Batey, and Mayor Gamba voting “aye.” [5:0]

Resolution 46-2019:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTINUING CONTROL AGREEMENT WITH THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET).

4. AUDIENCE PARTICIPATION

Mayor Gamba reviewed the public comment procedures. **Ms. Ober** reported that there was no follow-up report from the June 4 audience participation.

Chris Ortolano, Milwaukie resident, remarked on the importance of, and lack of consideration for, last-mile transportation planning for projects currently underway in the central Milwaukie area. He asked for Council guidance on creating a task force to look at the issue. **Council President Falconer** noted that the topic would be part of the Transportation System Plan (TSP) update which was scheduled to begin after the Comprehensive Plan review project was finished. She added that the Public Safety Advisory Committee (PSAC) had looked at last-mile transit issues while developing the Safe Access for Everyone (SAFE) program. The group remarked on PSAC’s current and planned involvement in last-mile transportation issues.

5. PUBLIC HEARING

A. None Scheduled.

6. OTHER BUSINESS

A. Planned Development Code Amendments – Discussion

Ms. Kolias explained that the Hillside Manor and Park redevelopment project triggered the need to review the planned development part of the Milwaukie Municipal Code (MMC). She reported that gaps had been identified in the MMC that could be barriers to larger phased developments. She discussed the life-cycle of large development projects and suggested the code changes would clarify the process.

Mr. Egner remarked on the existing planned development code language. He noted that the proposed changes would separate out the zoning process for large development but would not change density requirements. **Mayor Gamba** and **Mr. Egner** commented on the rezoning that would need to be done for the Hillside project.

Mr. Egner explained that the proposed code changes would allow large developments to proceed through a phased timeline without having to repeat steps. He noted that planned developments may be revisited during the Comprehensive Plan review project.

Ms. Kolias and **Mr. Egner** noted that the proposed code changes were still being modified and commented on by staff and the Hillside project architects. They noted that the Planning Commission had not yet held a hearing on the changes.

Councilor Batey asked if the MMC changes could apply for larger cottage cluster sites. **Mr. Egner** confirmed that the code changes could be used for larger cottage cluster developments. He remarked on other processes in the MMC that cottage cluster projects could use. **Councilor Batey, Mr. Egner, and Council President Falconer** discussed factors that influence cottage cluster development size, location, and code process. **Council President Falconer** suggested that the two-acre minimum lot size for planned development zones be removed from the proposed code language. **Councilor Batey** proposed that the language suggest the lot size be “suitable and of sufficient size.” The group agreed to remove the minimum lot size language.

Council President Falconer and Mr. Egner discussed the proposal to change the intent of the planned development zone designation to serve not just the zone residents but the surrounding area as well. They noted the importance of providing commercial and non-residential services to the zone and neighborhood. The group remarked on a minor change to the proposed code language and agreed that the intent should be to not limit uses in a planned development zone.

Councilor Batey commented on a former councilors’ preference for not using the word “shall” in the MMC and the importance of holding informed conversations about drafting legislative language. **Ms. Ober** reported the city had a writing style guide that did not address legislative or legal writing as staff would defer to the city attorney for guidance. **Mr. Egner and Ms. Kolias** remarked on their intention to not include “shall” in the code language. **Mr. Gericke** expressed hesitation in editing legal language of an inter-agency document. **Council President Falconer** agreed that it made sense to not edit inter-agency language and suggested the city should also work to make the MMC as readable as possible. The group discussed the need to study current best practices in code writing.

Councilor Hyzy asked if the proposed wording of MMC section 19.311.15B would provide a loophole for height changes. **Ms. Kolias and Mr. Egner** remarked on the intent of the modified language and the staff interest in not rewriting all related sections of the MMC right now. They noted that existing major and minor modification processes for development projects would remain in place with or without the proposed language changes. **Councilor Hyzy** noted community concern about building height and suggested the city would not want to allow tall buildings without some review process.

Ms. Kolias and Mr. Egner noted next steps in vetting the proposed code changes.

B. Council Compensation – Discussion

Ms. Ober and Linn Davis, Program Manager with Healthy Democracy, a non-profit non-partisan group working with the city to facilitate a community discussion about Council compensation, reported that the project had been awarded grant funding. They reviewed the jury panelist selection process and explained that the goal was to select a jury that demographically reflected Milwaukie’s population. The group discussed how panel invitations would be sent to randomly selected residential addresses.

Mr. Davis discussed the panelist selection event, noting it would be broadcast and that Council would not be allowed to attend in-person. He explained that panel discussions would not be aired live, but informational presentations to the panel would be recorded. He noted the dates the panel would convene and discussed the project partnership with Portland State University’s National Policy Consensus Center (NPCC). **Ms. Ober**

reviewed the historical documents and issue areas that would be covered by the NPCC and expert presenters to inform the panelists about how the city operates.

Councilor Parks asked what the result of the panel discussions would be. **Ms. Ober** suggested Council would be presented with feedback from the jurors and possibly recommendations to consider. **Mr. Davis** asked Council to take the jury's recommendations seriously and respond thoughtfully. He suggested that whatever action was taken after the jury presentation would be up to Council. He and **Ms. Ober** noted they would confirm the availability of the jury session videos after the event.

It was Council consensus to accept the Council compensation workplan as presented. **Ms. Ober** confirmed that Healthy Democracy would proceed with the project using grant funds. She noted that the city would have to pay back Healthy Democracy for project costs if the project did not proceed to completion and the grant funds were withdrawn.

C. City Hall Update – Discussion

Ms. Aman provided an update on the possible purchase of a building on Main Street to serve as city hall. She noted previous Council discussions and reported that staff recommended not conducting a community survey about the building acquisition as previously suggested. She discussed purchasing the building with existing revenue sources and selling city property. She remarked that the purchase was a rare opportunity that would benefit the community by consolidating public facing services and bringing staff together in one location. She summarized staff's recommendation to use internal funding sources to purchase the building and to not seek a voter-approved bond measure. She acknowledged the historical significance of the current city hall and the need to undertake a community engagement effort to determine that building's future use. She asked for Council approval of staff's recommendation.

Ms. Ober remarked on the cost savings of purchasing a building instead of building a new one and the long-standing need for a new city hall. The group commented on when Council would be able to tour the new building.

Council President Falconer asked about long-term maintenance cost savings of acquiring the new building compared to maintaining the current city hall. **Ms. Ober** commented on estimated cost savings identified by facility assessment studies and on the city's ability to purchase the building with internal funding sources.

Councilor Batey and **Ms. Ober** noted that the city had no outstanding debt related to city-owned properties. **Ms. Ober** added that part of the funding strategy included selling properties to return them to the tax rolls to help offset the purchase of a building that currently generated tax revenue.

Councilor Batey expressed support for proceeding with the building purchase and asked that a historic assessment of the Milwaukie Historical Society building and Bertman house be conducted. **Ms. Ober** reported on the evaluation and use changes of the Bertman and historical society buildings that would allow for the sale of some of the property. **Ms. Aman** reported that per state historic resource inventories the historical society building was not a historic asset and the Bertman house was. The group remarked on why the historical society building was not listed as historically significant.

Councilors Parks and Hyzy and **Mayor Gamba** expressed support for purchasing the building. The group remarked on the loss of close access to some city services for residents who live east of Hwy 224 that would occur if staff were consolidated in a

building on Main Street. They noted the possibility of opening a satellite library branch at the city's Johnson Creek Building and of providing a space for police and code enforcement services on Main Street.

Council President Falconer discussed the importance of preserving the current city hall building and finding a private partner to help maintain the historic façade. **Ms. Ober** remarked on the importance of the current city hall to the community and suggested staff would present a strategy to develop a plan as the purchase progressed.

Councilor Batey and **Ms. Ober** commented on the estimated timeline of when the building purchase could be finalized and when the city could occupy the new building.

It was Council consensus to proceed with the investigation and negotiation to purchase a building for use as a city hall as recommended by staff. **Ms. Ober** reported that staff would present the building purchase at neighborhood meetings and asked that public comments be sent to staff. **Council President Falconer** asked that all neighborhood district associations (NDAs) have a chance to comment on the purchase.

It was noted that there were no Council objections to staff proceeding as recommended to investigate and negotiate the purchase of a building using internal funding sources.

Councilor Hyzy thanked staff for their work to investigate the opportunity and **Ms. Ober** thanked the city's financial advisor for helping work through financial questions.

3. B. Approval of the GMP for the SoDo Plaza Project – Resolution (removed from the Consent Agenda for separate discussion)

Ms. Garbely discussed design elements of the plaza surface. She and **Councilor Batey** remarked on how the roadway rocks would hold up over time. **Ms. Ober** and **Ms. Garbely** noted differences between the rocks and other road surfaces.

Ms. Garbely discussed the rock mosaics and bollards that would be installed in the plaza. She and **Councilor Batey** remarked on where the bollards would be located.

Ms. Garbely reviewed the colors selected for the rock mosaic. **Councilor Batey** asked if the rock colors would fade over time. **Ms. Garbely** noted that the rocks were meant to be used on roadways. **Mayor Gamba** and **Councilor Hyzy** commented on the increased use of recycled glass in public infrastructure projects.

Ms. Garbely explained how the plaza would be maintained. The group remarked on the use of street sweepers for routine maintenance and pressure washers before events.

Ms. Garbely provided an overview of the project's community engagement efforts and asked if Council had any questions. **Councilor Parks**, **Council President Falconer**, and **Mayor Gamba** expressed support for the project. The group noted that salmon are not orange but would be colored that way in the plaza for artistic effect.

It was moved by Councilor Batey and seconded by Councilor Hyzy to approve the resolution, acting as the Local Contract Review Board, approving the guaranteed maximum price through the construction manager/general contractor process with Granite for the South Downtown Plaza. Motion passed with the following vote: Councilors Parks, Hyzy, Falconer, and Batey, and Mayor Gamba voting "aye." [5:0]

Resolution 47-2019:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, ACTING AS THE LOCAL CONTRACT REVIEW BOARD, APPROVING THE GUARANTEED MAXIMUM PRICE (GMP) THROUGH THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR PROCESS WITH GRANITE FOR THE SOUTH DOWNTOWN PLAZA.

7. INFORMATION

Mayor Gamba announced upcoming events, including a housing event at the Wichita Center, the annual Ledding Library book sale, Independence Day facility closures, July First Friday activities, a home energy score open house, and the 9K for K9 walk.

Council President Falconer and **Councilor Batey** reported that the Thompson Farms produce stand on 32nd Avenue was open for the season.

Councilor Batey remarked on the Milwaukie Historical Society's sold out historic homes tour. She noted the city's push to inform the public about increased fines and enforcement measures related to the use of illegal fireworks. She reported that the North Clackamas Urban Watershed Council (NCUWC) was looking for new board members from Milwaukie and encouraged anyone interested to contact her. The group remarked on NCUWC's work to clean up regional creeks and rivers.

8. ADJOURNMENT

It was moved by Council President Falconer and seconded by Councilor Parks to adjourn the Regular Session. Motion passed with the following vote: Councilors Parks, Hyzy, Falconer, and Batey, and Mayor Gamba voting "aye." [5:0]

Mayor Gamba moved to adjourn the regular session at 8:11 p.m.

Respectfully submitted,

Scott Stauffer, City Recorder

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: July 24, 2019

Reviewed: Bonnie Dennis, Finance Director

From: Scott Stauffer, City Recorder

Subject: **Appointments to the Budget Committee**

ACTION REQUESTED

Consider approving a resolution making appointments to the city's Budget Committee as outlined in the Milwaukie Municipal Code (MMC).

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

Over the last several months, two Budget Committee positions were vacated. A committee member resigned in March, and on July 1 another position became vacant when the committee member's term expired. To fill these vacancies, the city launched a recruitment effort and four qualified individuals submitted applications. In July, an interview panel comprised of the Mayor, another Council member, the committee staff liaison, the committee chair, and the city manager, met and conducted interviews. The interview panel has nominated the individuals named below for appointment to the committee.

ANALYSIS

Authority to fill city board, commission, and committee (BCC) vacancies is granted to the Mayor and Council by Section 26 of the City Charter. To fill vacant positions, members of Council along with appropriate staff liaisons and BCC chairs conduct interviews from applications received by the city. The interview panel makes appointment recommendations to Council, which considers and approves recommendations through the regular session consent agenda. Appointed individuals serve for a term length determined by the MMC. Upon the completion of a term, if the individual is still eligible to serve, they may be reappointed by Council to serve another term.

BCC appointments are made when a term has expired or when a position has been vacated. Generally, position terms expire in March or June, but appointments are also made as needed to fill vacancies.

Leslie Schockner has been nominated to fill committee position 3, with a term ending June 30, 2022. Ms. Schockner is a retired project manager and analyst for several local government agencies in Oregon and Texas. She previously served on the Budget Committee from 2004-2011.

Caili Nance has been nominated to fill committee position 4, with a term ending June 30, 2023. Ms. Nance is an accountant for the Craft Brew Alliance and has lived in Milwaukie for two years.

BUDGET AND WORKLOAD IMPACTS

There are no fiscal or workload impacts associated with the recommended actions.

COORDINATION, CONCURRENCE, OR DISSENT

Staff received confirmation from the interview panel that the individuals listed below have been nominated to serve on this committee.

STAFF RECOMMENDATION

Staff recommends making the following appointments:

Budget Committee: 4-year terms, limit of 2 consecutive terms.

Position	Name	Term Start Date	Term End Date
3	Leslie Schockner	8/6/2019	6/30/2022
4	Caili Nance	8/6/2019	6/30/2023

ALTERNATIVES

Council could decline to make the recommended appointments, which would result in vacancies on the noted committees.

ATTACHMENTS

1. Resolution

COUNCIL RESOLUTION No.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
MAKING APPOINTMENTS TO THE BUDGET COMMITTEE.**

WHEREAS, Milwaukie Charter Section 26 authorizes the Mayor, with the consent of the Council, to make appointments to boards, committees, and commissions (BCCs); and

WHEREAS, vacancies exist on the Budget Committee; and

WHEREAS, an interview panel comprised of the Mayor, a member of Council, the committee staff liaison and chair, and the City Manager have recommended that the following individuals be appointed to the Budget Committee:

Budget Committee:

Position	Name	Term Start Date	Term End Date
3	Leslie Schockner	8/6/2019	6/30/2022
4	Caili Nance	8/6/2019	6/30/2023

Now, Therefore, be it Resolved by the City Council of the City of Milwaukie, Oregon, that the individuals named in this resolution are hereby appointed to the identified committee of the City of Milwaukie for the term dates noted.

Introduced and adopted by the City Council on **August 6, 2019**.

This resolution is effective immediately.

ATTEST:

Mark F. Gamba, Mayor

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: July 1, 2019

Reviewed: Leila Aman, Community Development Director; Dennis Egner, Planning Director

From: Erin Maxey, Housing and Economic Development Coordinator

Subject: **Acceptance of Cottage Cluster Feasibility Study Code Audit Project**

ACTION REQUESTED

Approve resolution to accept the cottage cluster feasibility analysis and direct staff to move forward with incorporating ideas and recommendations from the study into the Comprehensive Plan update and proposed code amendments.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

January 17, 2017: Council adopted [Resolution No. 15-2017](#) authorizing the city manager to enter into a contract with Metro for an Equitable Housing Planning and Development (EHPD) grant for \$65,000 to undertake a cottage cluster feasibility analysis.

May 2, 2017: Council adopted [Resolution No. 50-2017](#) authorizing the city manager to sign an intergovernmental agreement with Metro to accept EHPD grant funds for the cottage cluster feasibility analysis.

March 22, 2018: The city signed a personal service agreement (PSA) with Cascadia Partners to implement the scope of work of the feasibility analysis over an 18-month period ending June 30, 2019.

July 17, 2018: Council adopted the Milwaukie Housing Affordability Strategy (MHAS) which included six short term action items to be completed at the end of the cottage cluster and feasibility analysis and ADU code audit project.

April 3, 2019: Cascadia Partners and staff held a Missing Middle Open House to gather and incorporate community feedback.

April 16, 2019 & May 21, 2019: Cascadia Partners presented to Council the status of the cottage cluster feasibility study and ADU code audit and received feedback.

June 25, 2019: A joint Council and Planning Commission session was held, and Cascadia Partners presented draft code amendments and received feedback.

ANALYSIS

Prior to implementation of the feasibility analysis, Milwaukie's cottage cluster code generated zero development applications or actual cottage clusters. The feasibility analysis was conducted to determine industry best practices and community specific solutions that would allow infill

development of homes affordable to people with a range of incomes. The analysis is founded in solid data, stakeholder engagement and feedback, and best practices. The community, through stakeholder advisory groups, and the Planning Commission and Council, through periodic updates and work sessions, participated throughout the study, offering feedback and recommendations that were incorporated into the final report and code recommendations.

In particular, the stakeholder advisory group, a 15-member team consisting of property owners, neighborhood association representatives, and industry experts, met three times to provide feedback and recommendations. In addition, this team was empowered to share project materials and information with others in their networks. Project staff also hosted a Missing Middle Open House where community members were engaged and provided feedback on height, density, location, parking, fees, and other key concepts that were incorporated into the final project recommendations.

The following is a summary of the key elements of the Milwaukie Cottage Cluster Code Audit Final Report (attachment 2):

- Regulate form rather than density.
- No restrictions on site or lot size.
- Restrictions on the individual footprint and overall floor areas of the home in addition to a restriction on average floor area in a cluster development to ensure affordable outcomes and creating diversity in housing sizes.
- Flexible design requirements for bicycle and pedestrian pathway connections through the site.
- Reduced off-street parking requirements in areas well-served by transit.
- Bicycle parking requirements sufficient to provide for the use of the bicycle as a reasonable everyday transportation solution.
- Minimum requirements for vegetation on the site between the street and the front of homes, and a maximum amount of allowed impervious area to encourage trees and plantings.
- Allowance for a common building or other indoor community space
- Design guidelines specifying orientation and design elements facing common green and public streets.

Based on recommendations presented in the final report and direction from Council, next steps include refining the draft code language and conducting public hearings on code amendments. Staff will be finalizing draft code language this fall and will initiate the hearing process following adoption of the Comprehensive Plan.

BUDGET IMPACTS

The acceptance of the study does not have immediate impacts on the budget and staff does not know of any additional costs other than staff time to implement code changes.

WORKLOAD IMPACTS

Community development staff will incorporate the study findings into the Comprehensive Plan update and code updates.

COORDINATION, CONCURRENCE, OR DISSENT

The community development director concurs with this staff report.

STAFF RECOMMENDATION

Staff recommends that Council approve the resolution to accept the cottage cluster feasibility analysis and direct staff to move forward with incorporating ideas and recommendations from the study into the Comprehensive Plan and proposed code amendments.

ALTERNATIVES

Not approve the resolution to accept the cottage cluster feasibility analysis.

ATTACHMENTS

1. Resolution
2. Milwaukie Cottage Cluster Analysis Final Report

COUNCIL RESOLUTION No.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON,
ACCEPTING THE COTTAGE CLUSTER FEASIBILITY ANALYSIS**

WHEREAS, the City of Milwaukie completed a Housing Needs Analysis (HNA) in 2016 as part of its Comprehensive Plan update process; and

WHEREAS, the HNA showed a need for additional “missing middle” housing types which include cottage clusters, duplexes, triplexes, and townhouses; and

WHEREAS, Metro Council awarded the City an Equitable Housing Planning and Development Grant to complete a cottage cluster feasibility analysis and code audit; and

WHEREAS, Cascadia Partners was hired to complete the feasibility analysis, and to engage with stakeholders and community members throughout the process, and present recommendations for a revised cottage cluster code; and

WHEREAS, Cascadia Partners has presented their findings to City Council, the Planning Commission and staff;

Now, Therefore, be it Resolved that the City Council accepts the Cottage Cluster feasibility analysis and directs staff to incorporate ideas and recommendations learned into the Comprehensive Plan and future code updates.

Introduced and adopted by the City Council on **August 6, 2019**.

This resolution is effective on **immediately**.

Mark F. Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney



MILWAUKIE COTTAGE CLUSTER ANALYSIS FINAL REPORT

JUNE 2019



Orange Splot
RS20

ACG

ACKNOWLEDGEMENTS

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01

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

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.

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.

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



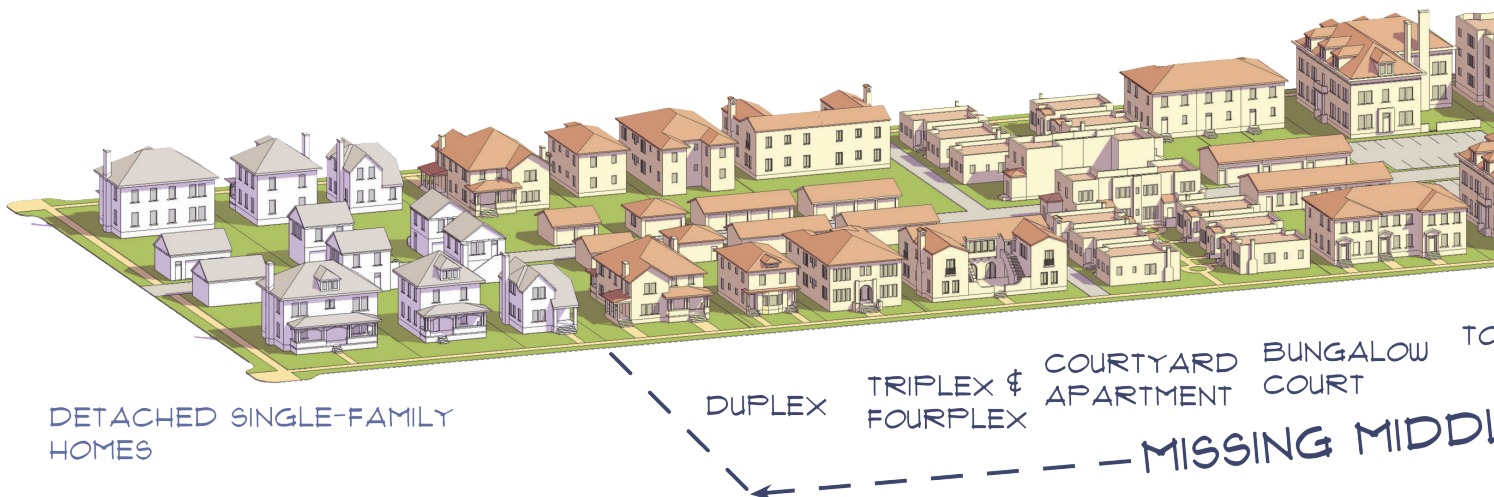
02

INTRODUCTION

The cottage cluster feasibility study is one part of the City of Milwaukee'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.

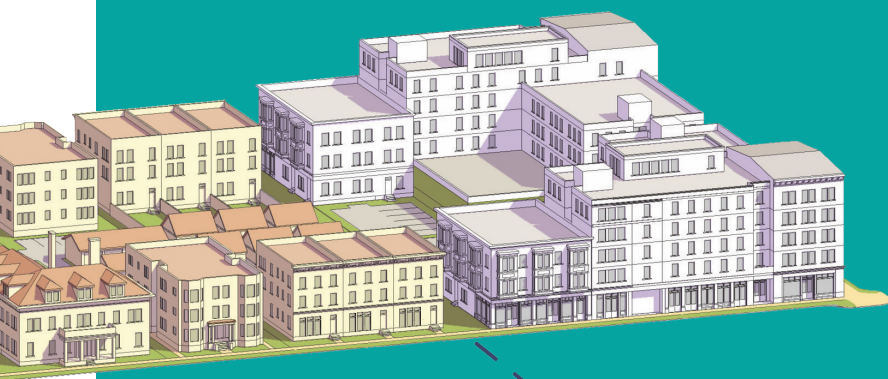
Cottage cluster and shared court housing product types are referred to in this report collectively as cluster housing. Cluster housing is itself one flavor of missing middle housing.





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.



TOWNHOUSE MULTIPLEX LIVE/WORK MID-RISE
 MISSING MIDDLE HOUSING

Illustration © 2015 Opticos Design, Inc.



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

CURRENT CODE HAS CHALLENGES

1. LOCATION
Cottage Clusters are not currently allowed in Single Family Residential (SFR) zones.

WOULD YOU SUPPORT?
● I'm supportive. ● I have concerns.

A. Allow Cottage Cluster with detached buildings in all SFR

B. Allow attached buildings within 1/4 mile of Frequent Transit

2. FEES/COSTS
Existing SDCs for a \$200,000 smaller home is \$9,781 or 5% of the total cost.

WOULD YOU SUPPORT?
● I'm supportive. ● I have concerns.

Reduce/waive SDCs for smaller homes to incentivize more affordable housing options

Big House Price: ADU Price:

RS31

“

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

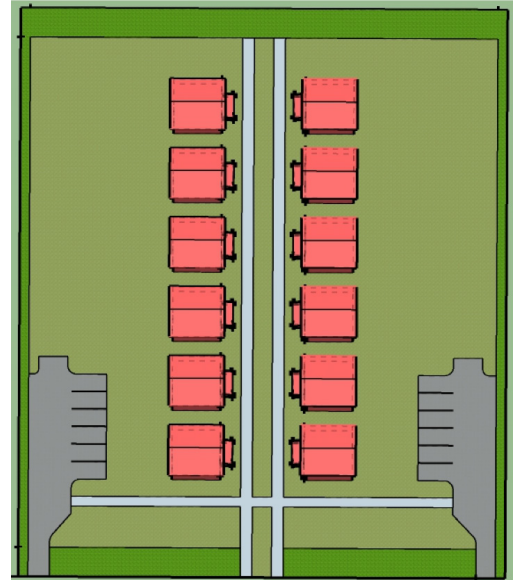
Site Size	Tiny	Small	Medium	Large
Zoning	6-7,000 sq ft	~12,000 sq ft	~25-26,000 sq ft	~73,000 sq ft
R3	n/a	2.81%	1.06%	-5.27%
R2.5	n/a	2.22%	6.59%	0.11%
R2	n/a	-0.51%	6.66%	2.05%
R1	-15.91%	9.63%	9.63%	0.04%
R1-B	-9.23%	9.59%	9.63%	0.04%
GMU	-31.26%	1.34%	10.96%	-0.04%

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.

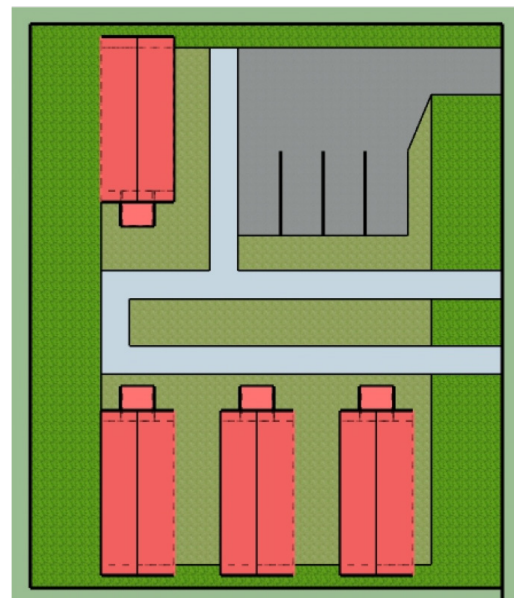
At the other end of the size spectrum, smaller sites come with a lower acquisition cost, meaning that a lower total number of units must be built before the site cost is paid back. However, the number of units required to achieve a feasible development is not legal on these sites.



LESSON 2

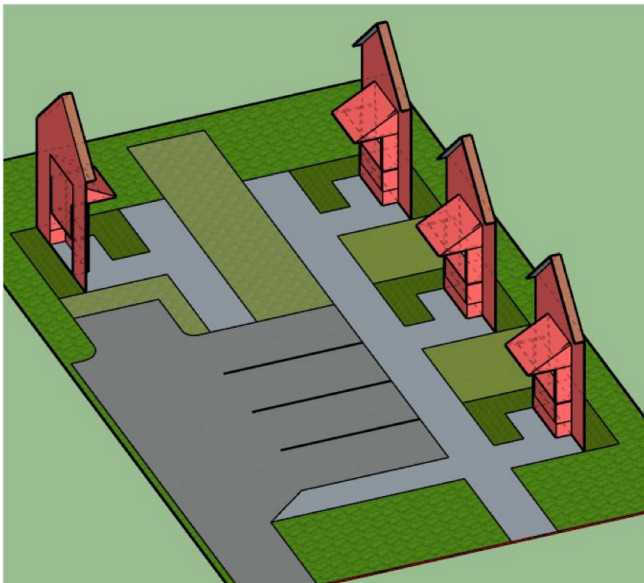
Small sites are limited by density limits.

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

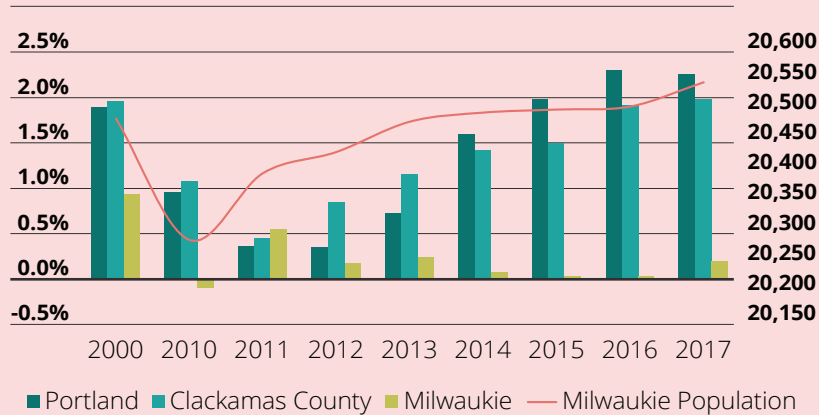
AMI is adjusted based on household size. The concept of workforce housing is sometimes defined as housing that is affordable to households making 80% to 120% AMI. Affordable housing is defined as housing affordable to households making less than 80% AMI.

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*).

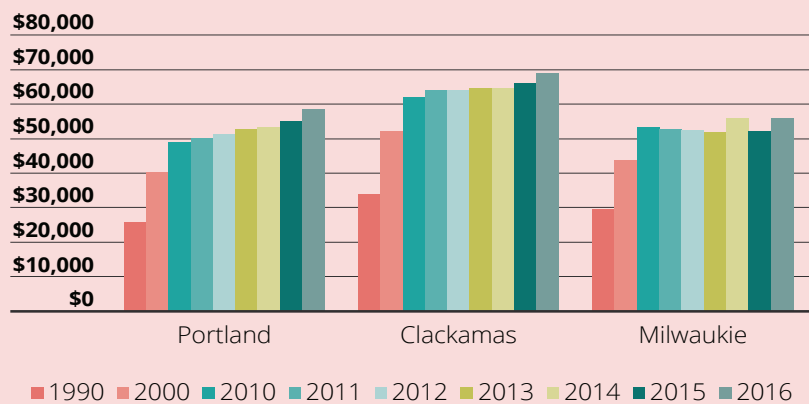
** While 115% AMI is the cut-off for the multi-family tax exemption, 120% AMI is sometimes used as the upper limit for the definition of workforce housing. HUD only publishes figures up to 115%, however.*

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

INCOME LEVEL	1-PERSON HOUSEHOLD		2-PERSON HOUSEHOLD		4-PERSON HOUSEHOLD	
	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 (Extremely Low-income)	\$15,700	\$393	\$17,950	\$449	\$24,600	\$615

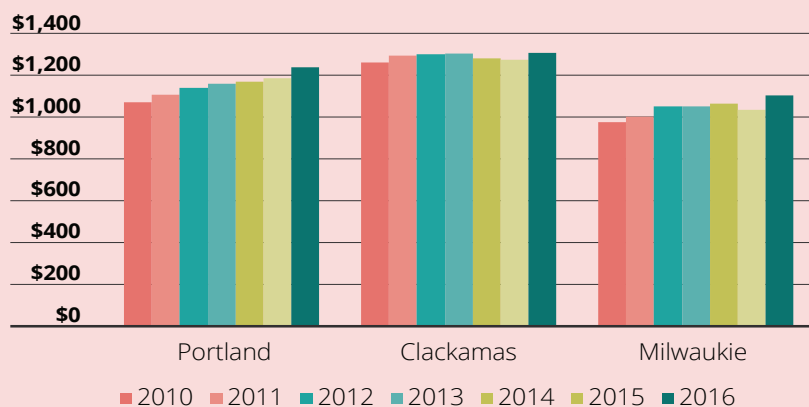
FIGURE 1. POPULATION GROWTH RATE, 2000-2017

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.

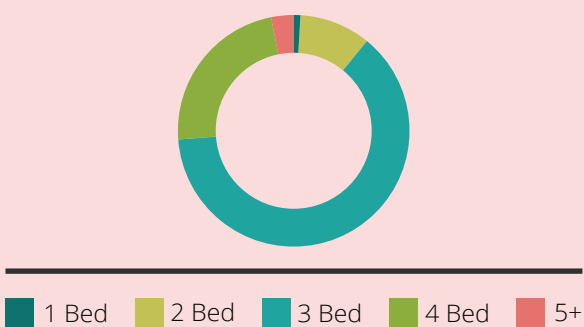
On the other hand, Portland and Clackamas County have consistently seen small but positive gains in median household income since 2010.

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.

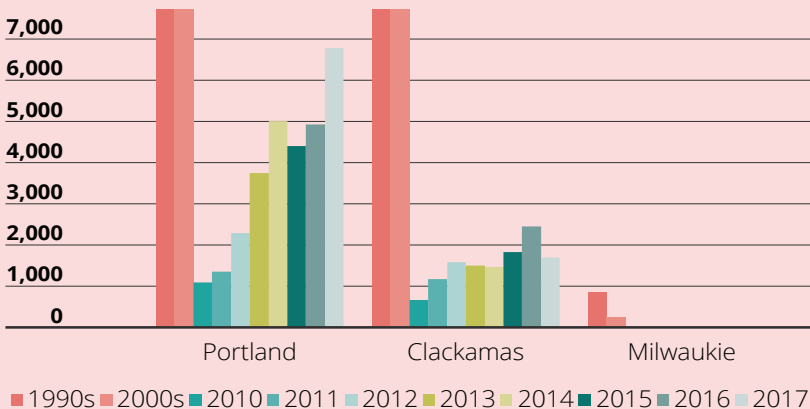
Generally, since 2000, the increase in the median cost of housing for owners and renters has outpaced the increase in median household income by roughly 0.5% to 1% per year.

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



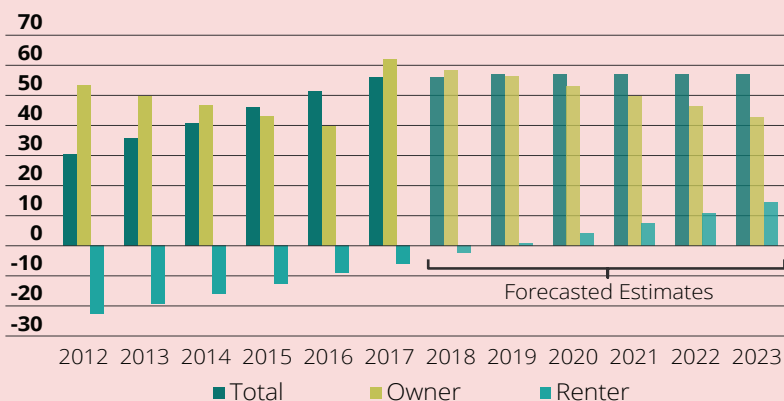
The vast majority of the homes sold are between 1,100 and 2,300 square feet, with three or four bedrooms, and sit on lots of about 0.17 acres in size; 90 to 95% of this housing stock was built before the year 2000.

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  MORE 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)
	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

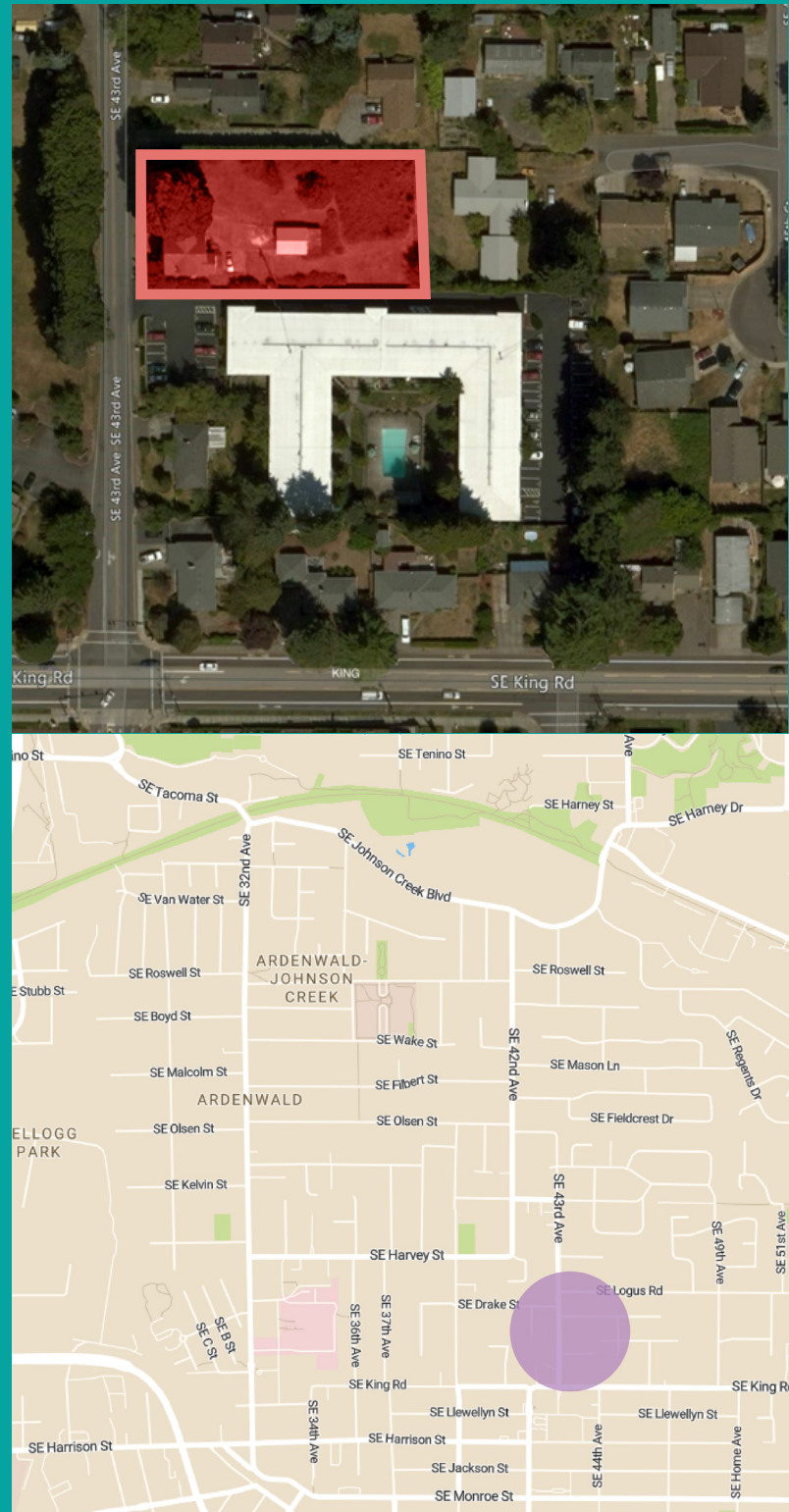
Concept 1: FULL LOT REDESIGN

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.

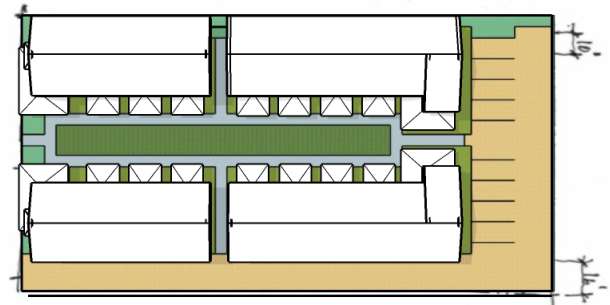
At nearly 26,700 sq ft, this site is largely flat. It features an large deciduous tree in the front yard, and a number of small fruit trees on the property. An existing house anchors the other half of the street frontage next to the large tree.

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.



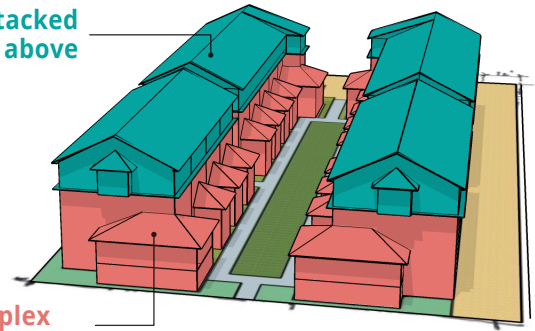
Max Build Scenario

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*



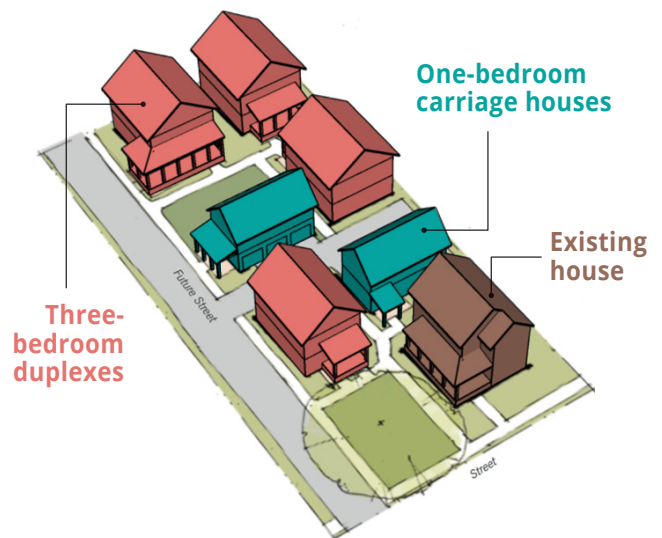
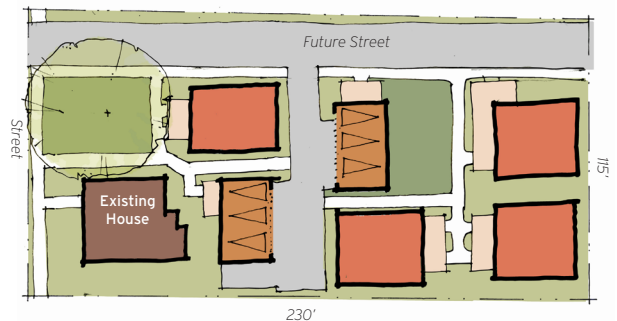
Stacked flats above

18 duplex town homes



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*



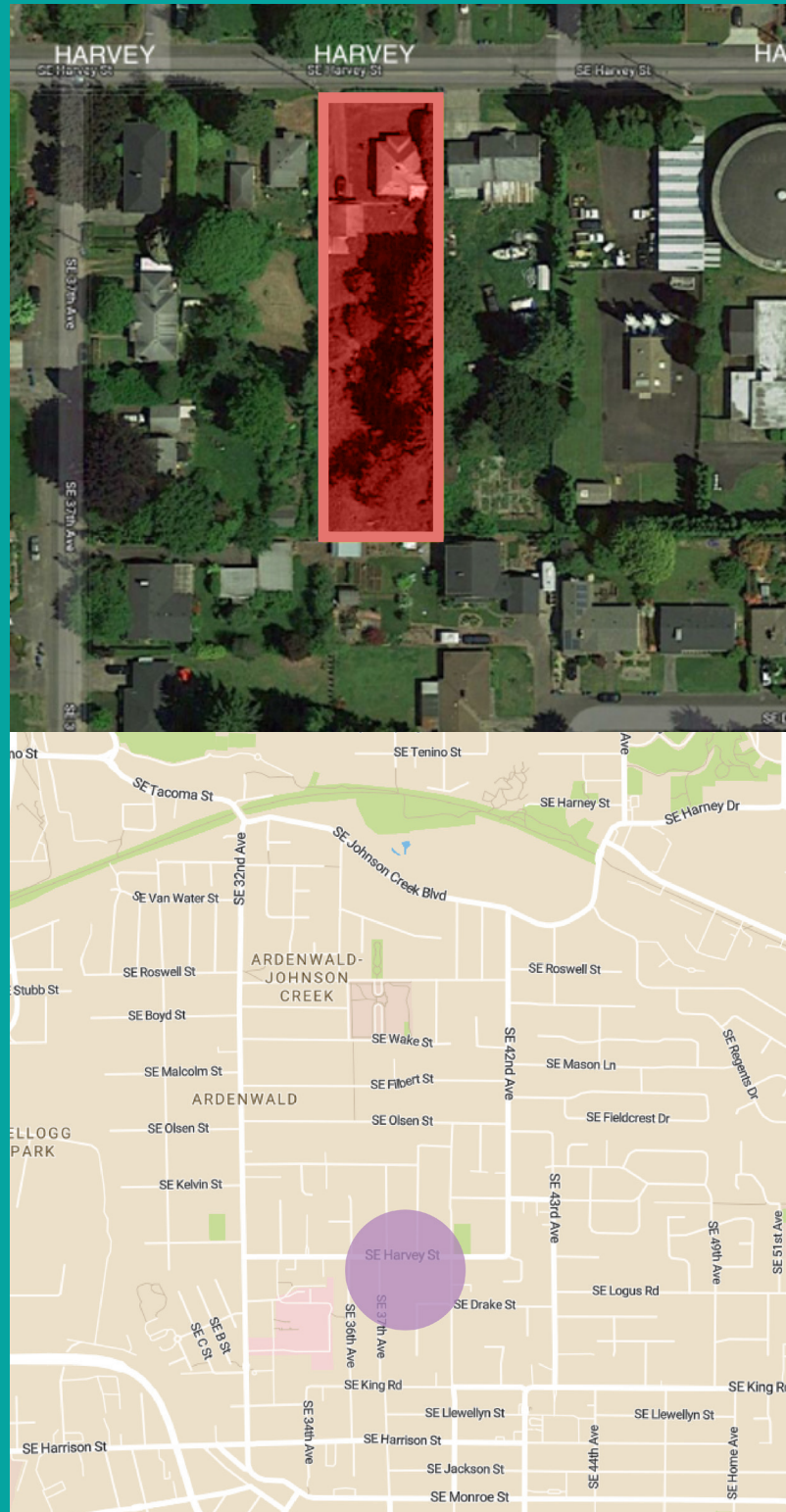
* It is assumed that the transit-adjacent location, plentiful bicycle parking, and the changing nature of the transportation economy (including on-demand services such as Lyft and Uber) would provide for mobility for site residents and visitors in the future.

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.

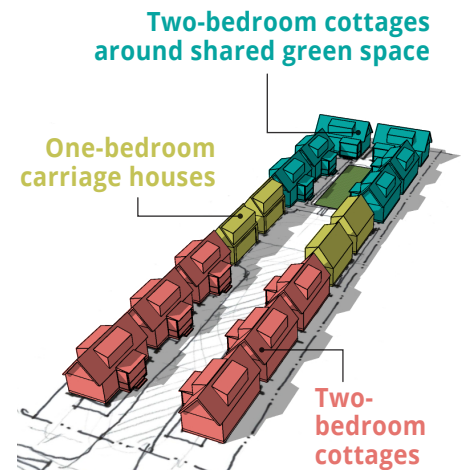
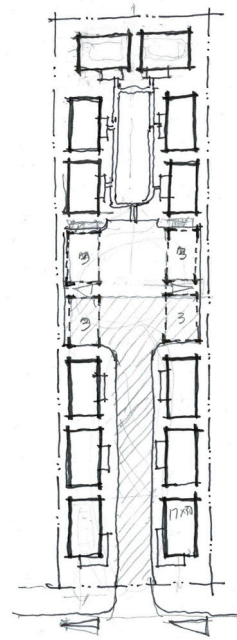
The existing zoning is R7, making this site suitable for testing the application of a cluster housing code on a long, skinny site in a residential neighborhood context.



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.

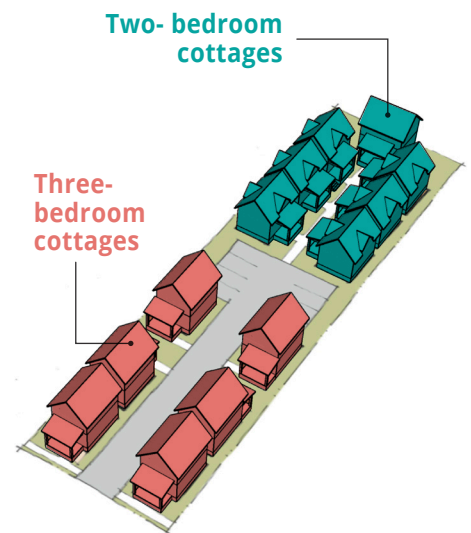
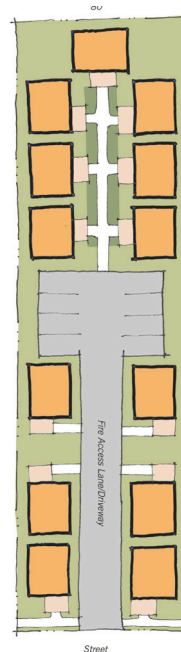
Max Build Scenario

UNITS	16 total homes
UNIT TYPE/ AFFORD- ABILITY	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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*



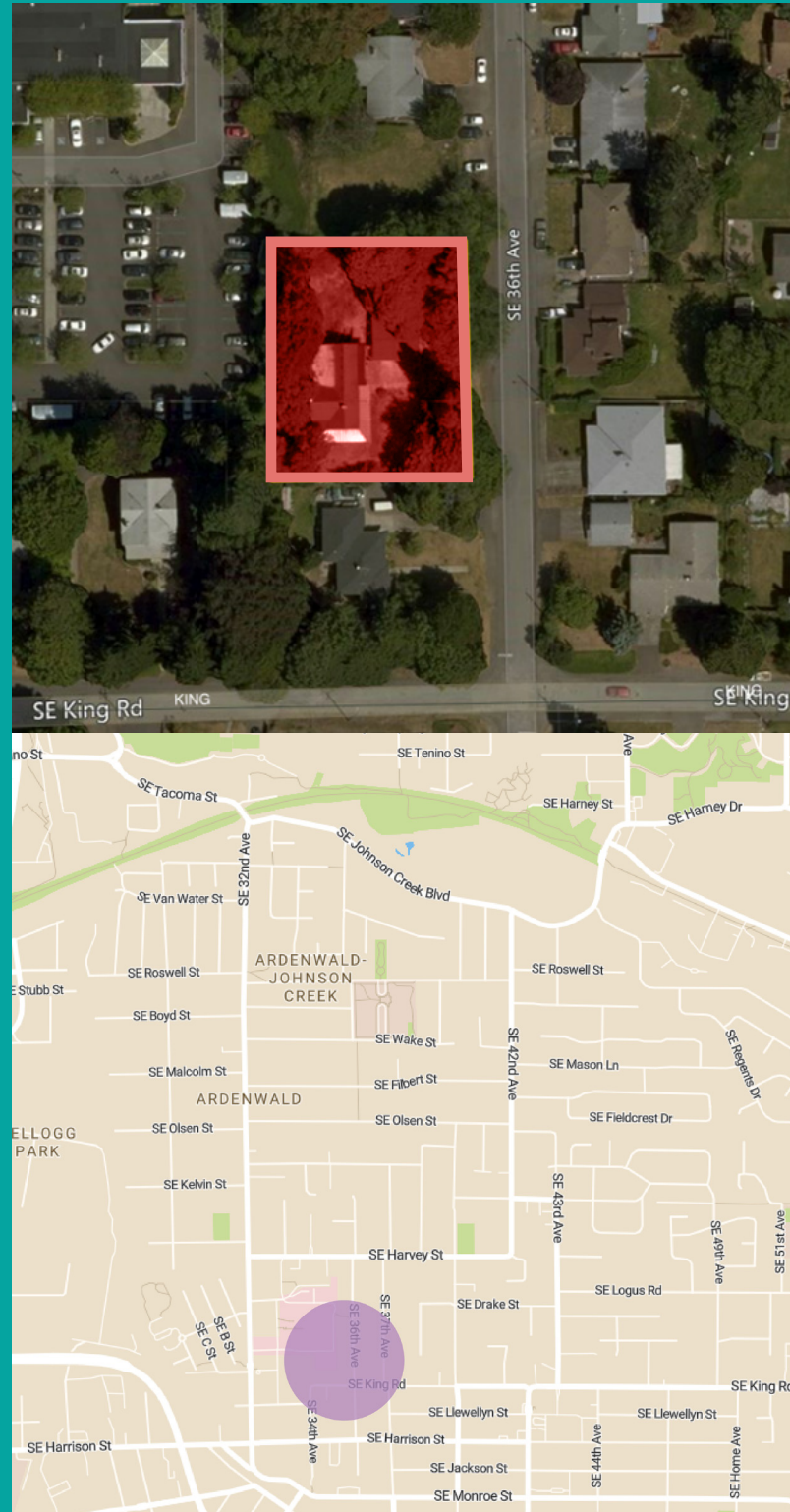
* This concept was developed when the proposed parking ratio for this site was 0.5 spaces per home. The parking ratio for housing clusters in R7 base zones not within walking distance of high-quality transit has since been raised to one space per home, meaning that this site design would need to see 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

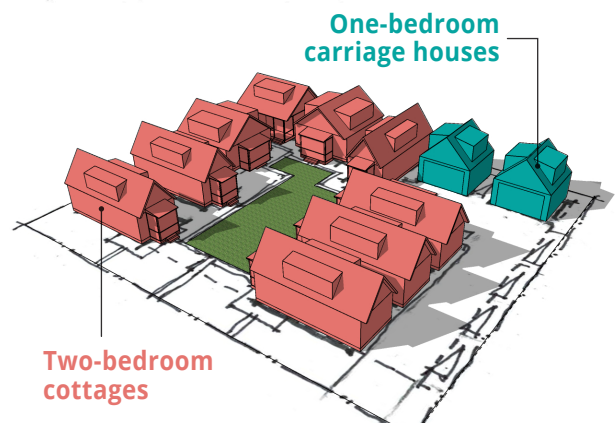
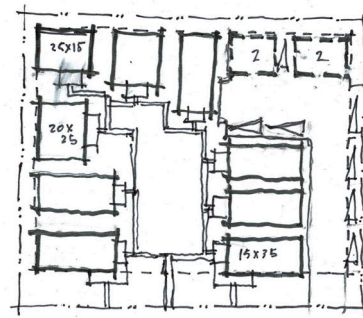
The site is nearly square, at 125 x 150ft, providing 24,000 sf of area to design within. The back of the lot drops off to the adjacent Providence Milwaukie Hospital's parking lot. Taller houses up against this lot line would benefit from a view looking towards Portland's West Hills.

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



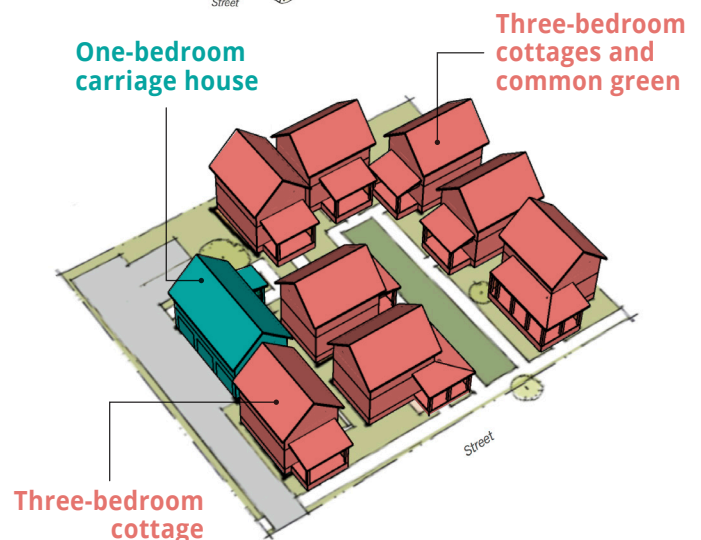
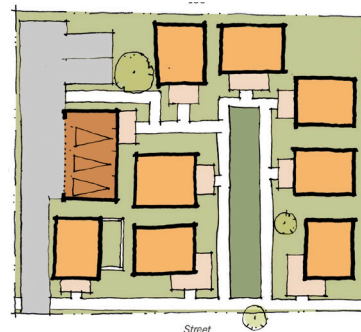
Max Build Scenario

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



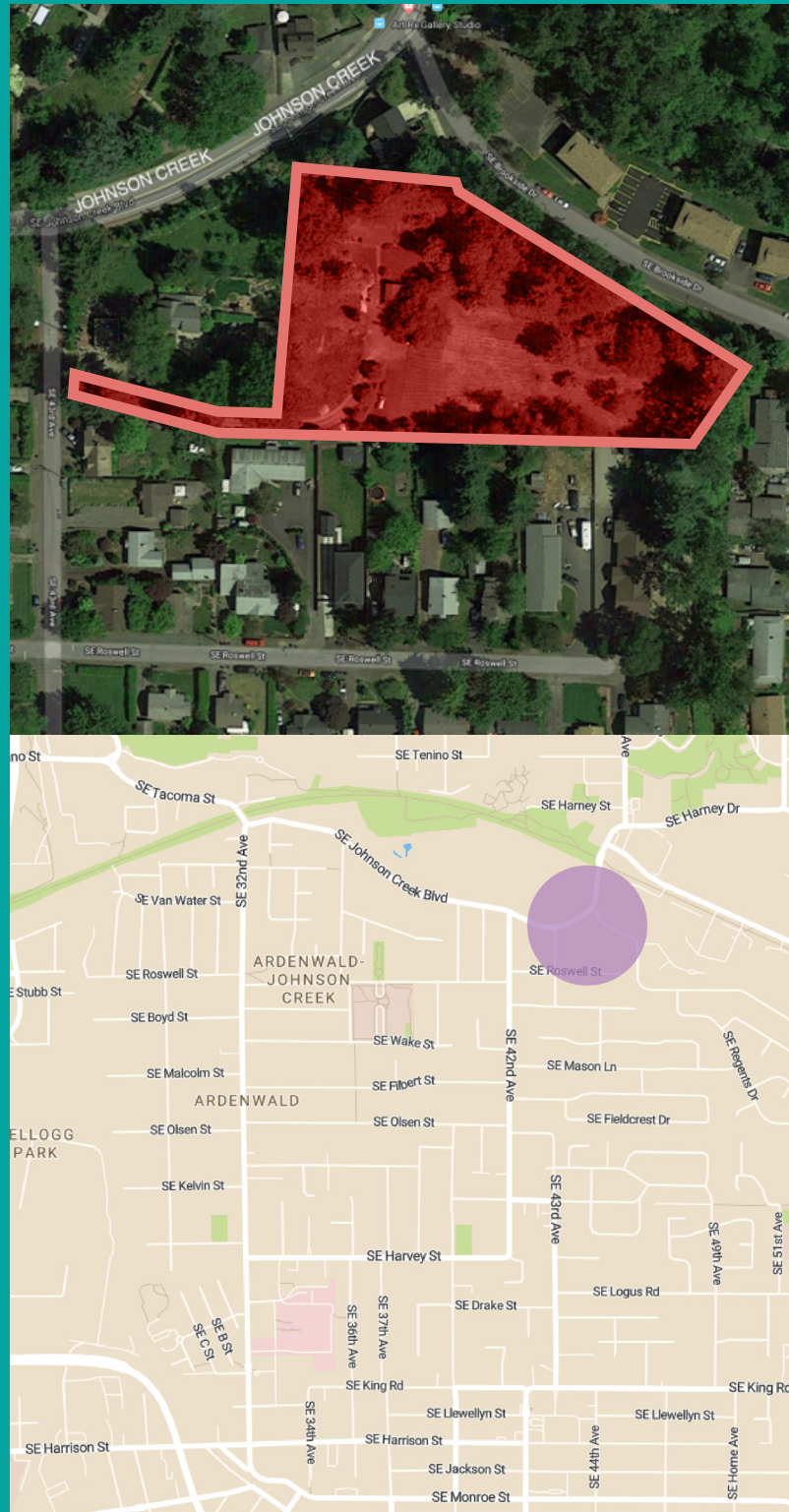
Concept 4: OPEN SPACE REDESIGN

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.

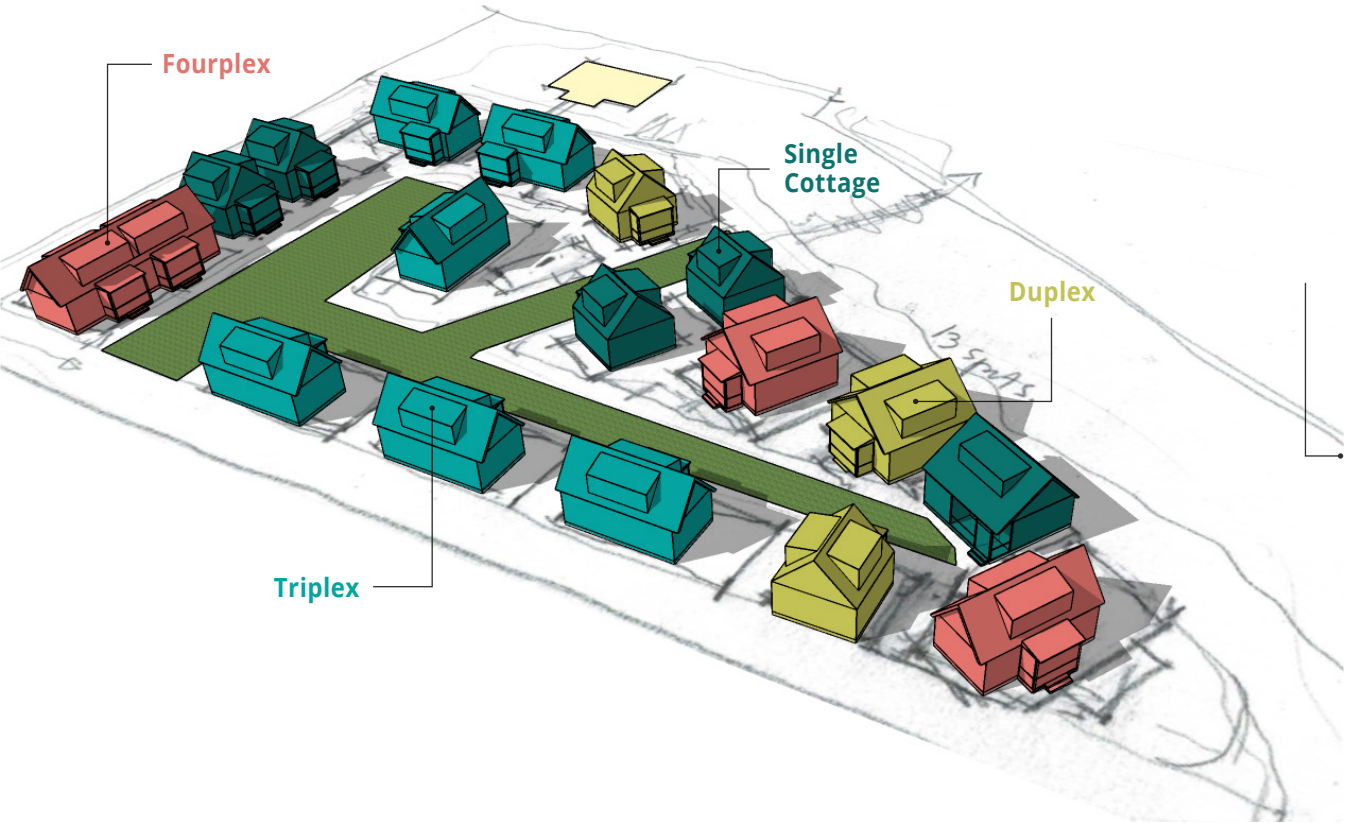
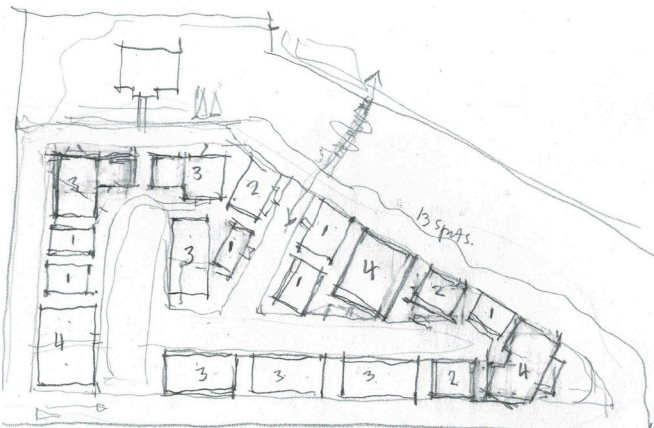
The bulk of the site is relatively flat, except for along the eastern edge of the property where it slopes steeply down through a forested slope to SW Brookside Drive. It features a small number of larger, older fruit trees left over from its agricultural past.

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.



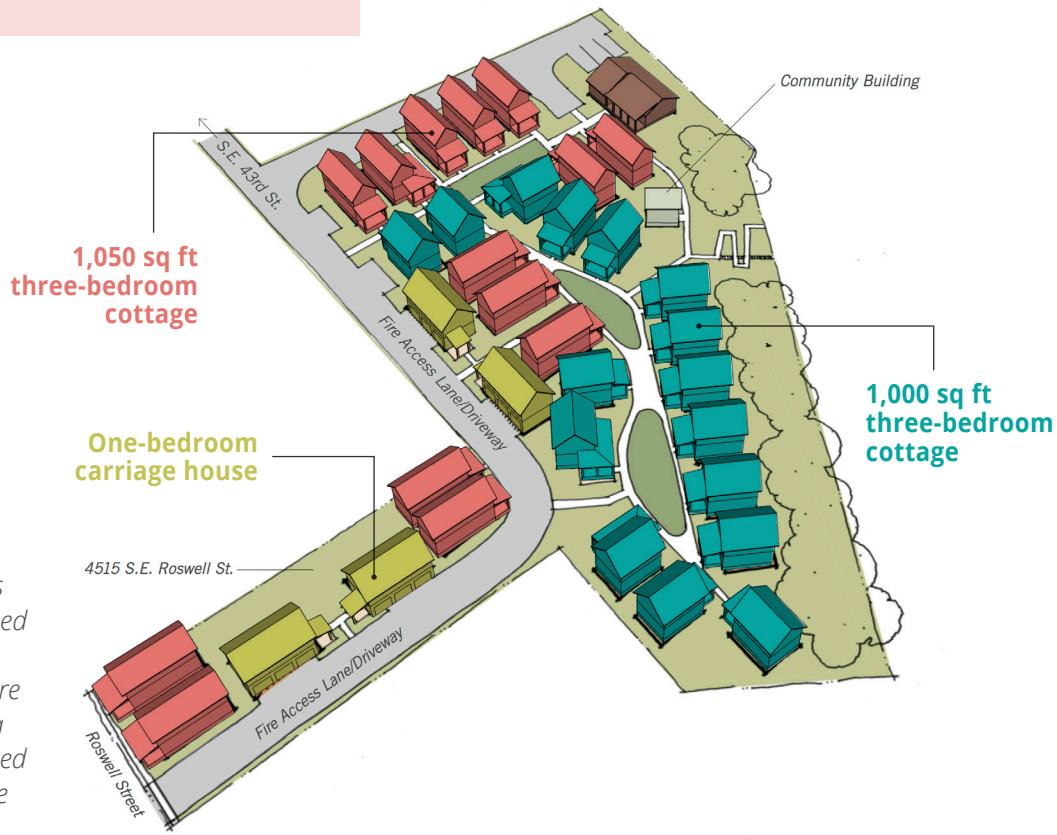
Homes on the site are clustered around a three-pronged common green. A loop road surrounds the housing cluster with most parking provided on-street on this road. A trail with a ramp and staircase would thread down the forested slope to provide access to Johnson Creek Blvd via Brookside Drive.

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

Milwaukee'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

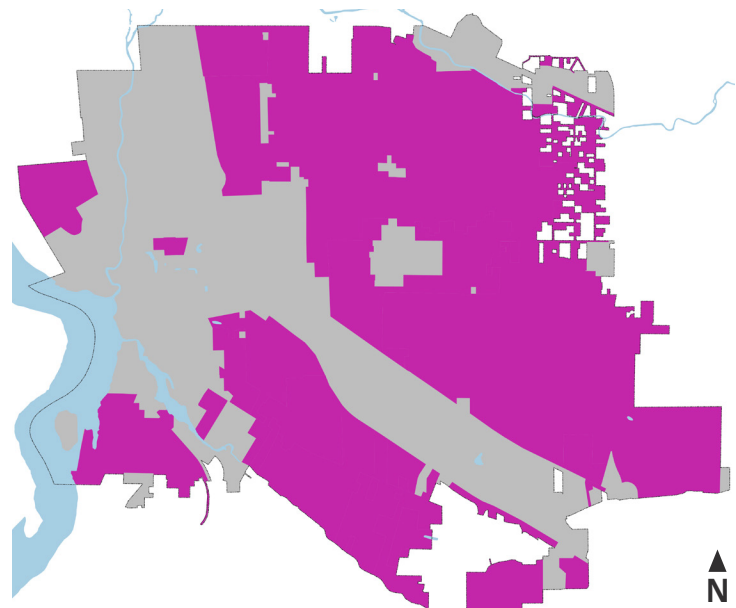
Cluster housing is also allowed within commercial, mixed use and multifamily zones where cluster housing is listed as an allowed use (R-1, R-1B, R-2, R-2.5, R-3, GMU). Conditional Use review is required for Limited Commercial zones (C-L) and Neighborhood Mixed Use zones (NMU).

Transit-connected locations

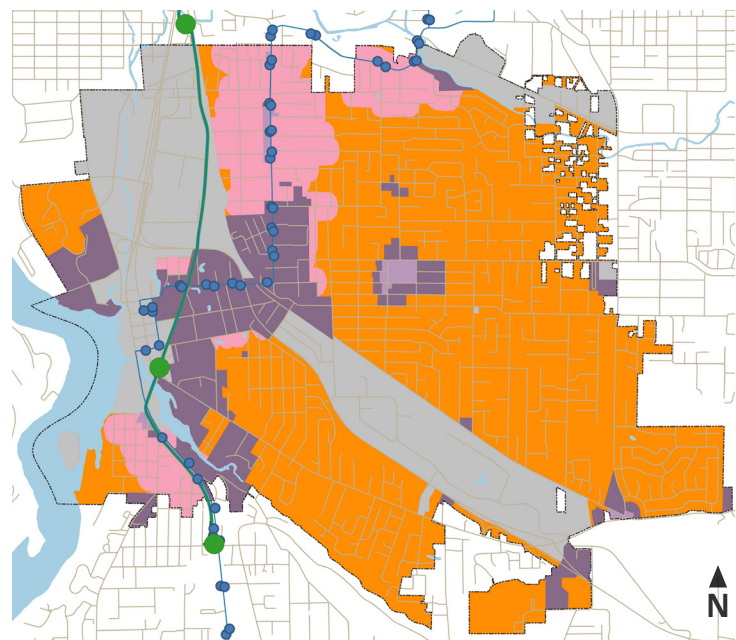
The third location where cluster housing is allowed are transit-connected locations within the base zones R5, R7, and R10. A lot is considered to be in a “transit-connected location” if the applicant can show that it is (or will be by the time construction is complete) directly connected by a complete 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

Commercial/
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); maximum footprint per building containing one to four homes in a low-density neighborhood is 1,650 sq ft
- **Total floor area of each home:** Maximum 1,600 sq ft
- **Average floor area of all homes:** Maximum 1,000 sq ft (existing homes excluded)

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 houses containing 1-4 homes	Detached and Attached	Detached and Attached
HOME SIZE			
Max building footprint per home	1,000 sf	1,200 sf	1,200 sf
Max total footprint per building	1,650 sf	no requirement	no requirement
Max floor area per ho me	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 eaves of structures (minimum)	6 ft	6 ft	6 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 houses containing 1 to 4 homes in R5, R7, or R10 base zones** in non-transit-connected locations
- **Allow detached and 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 eaves:**
 - » 6 ft separation required between the eaves of each independent structure, unless the structure is attached directly to another structure (e.g., townhomes), in which case no separation is required
- **Maximum front stair encroachment into common green space:**
 - » 20% of the width of the green
- **Maximum eave overhang onto common green space:**
 - » 24 inches, 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

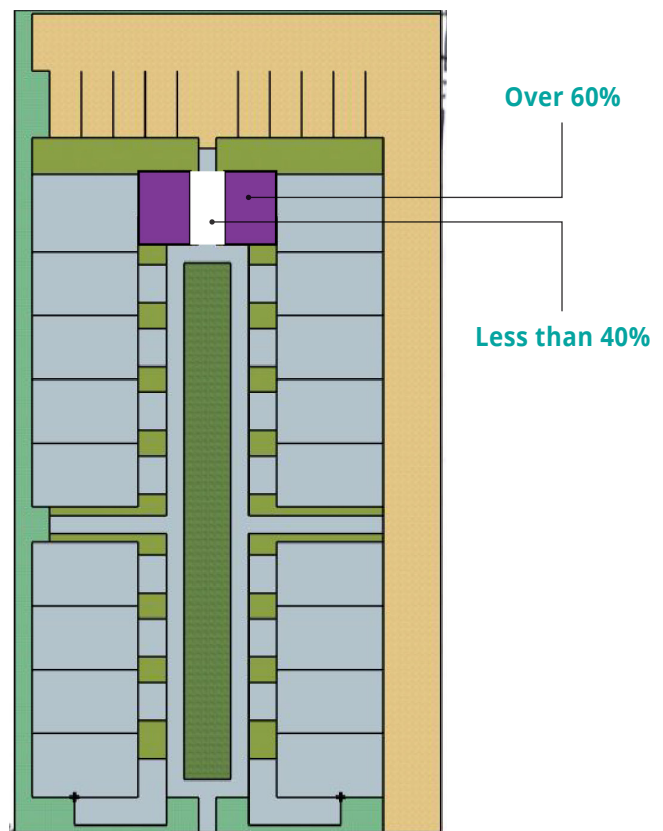


CLUSTER HOUSING DESIGN STANDARDS

- **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 Milwaukee 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



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



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

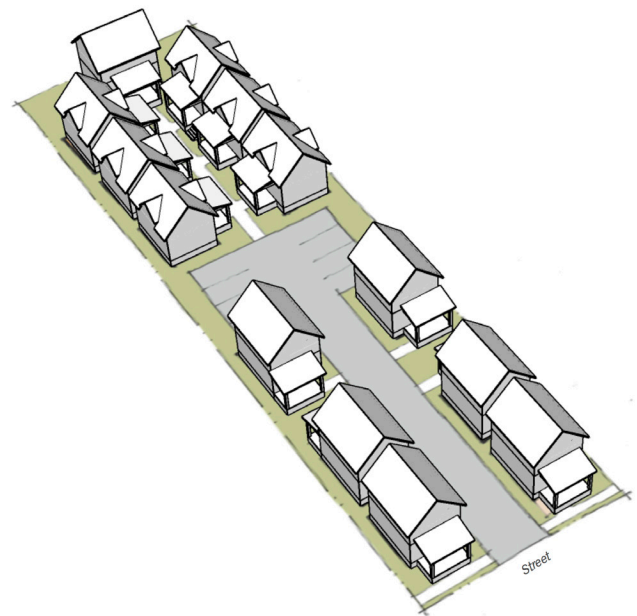
Follow-up peer review with CNU-Cascadia and Eli Spevak of Orange Splot included the following themes, comments, and suggestions:

- 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



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

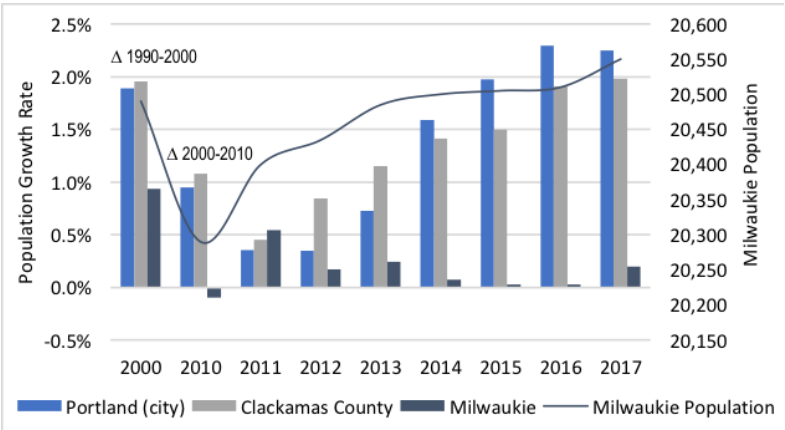
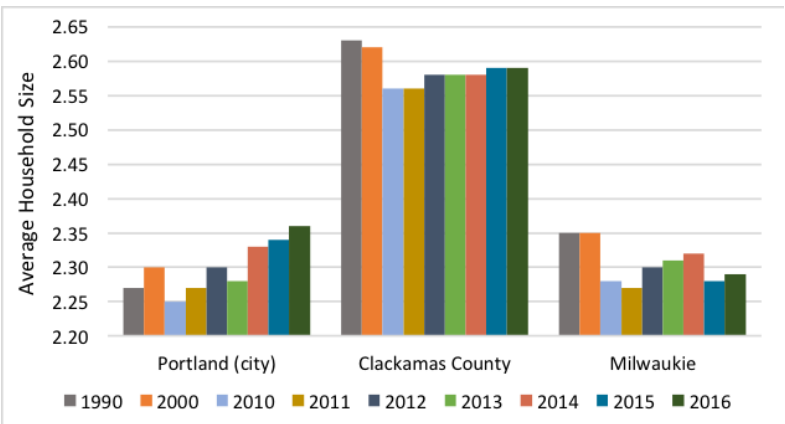


FIGURE 8. AVERAGE HOUSEHOLD SIZE COMPARISON, 1990-2016



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

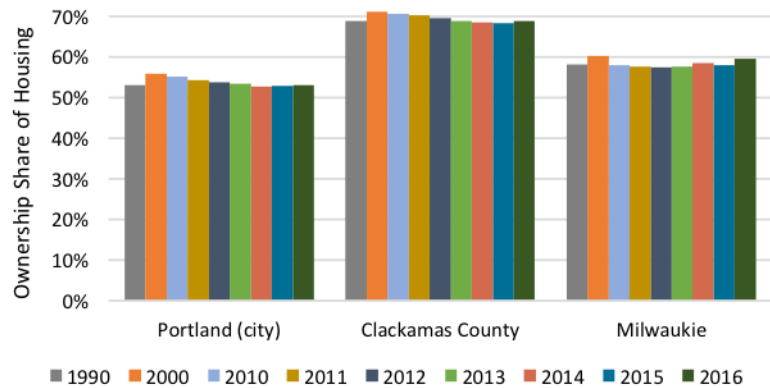


FIGURE 10. RESIDENTIAL BUILDING PERMITS ISSUED BETWEEN 1990-2017

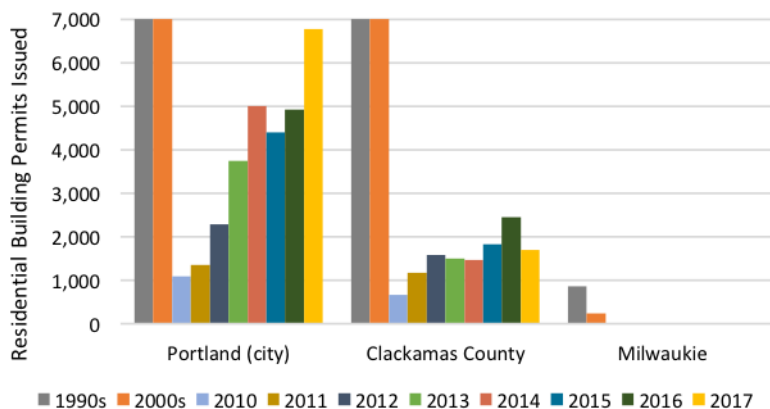
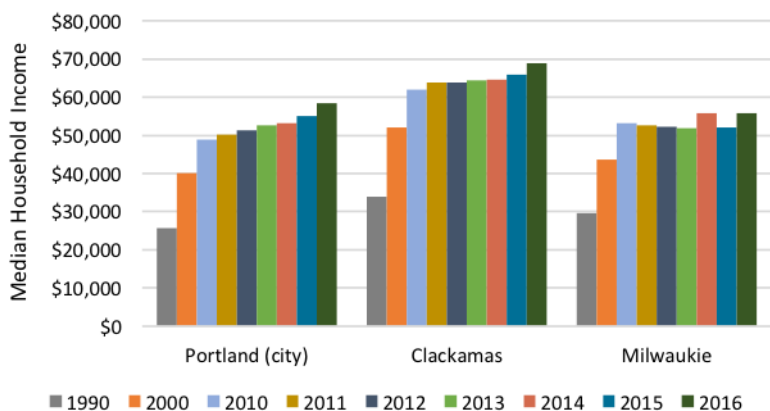


FIGURE 11. MEDIAN HOUSEHOLD INCOME, 1990-2016



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

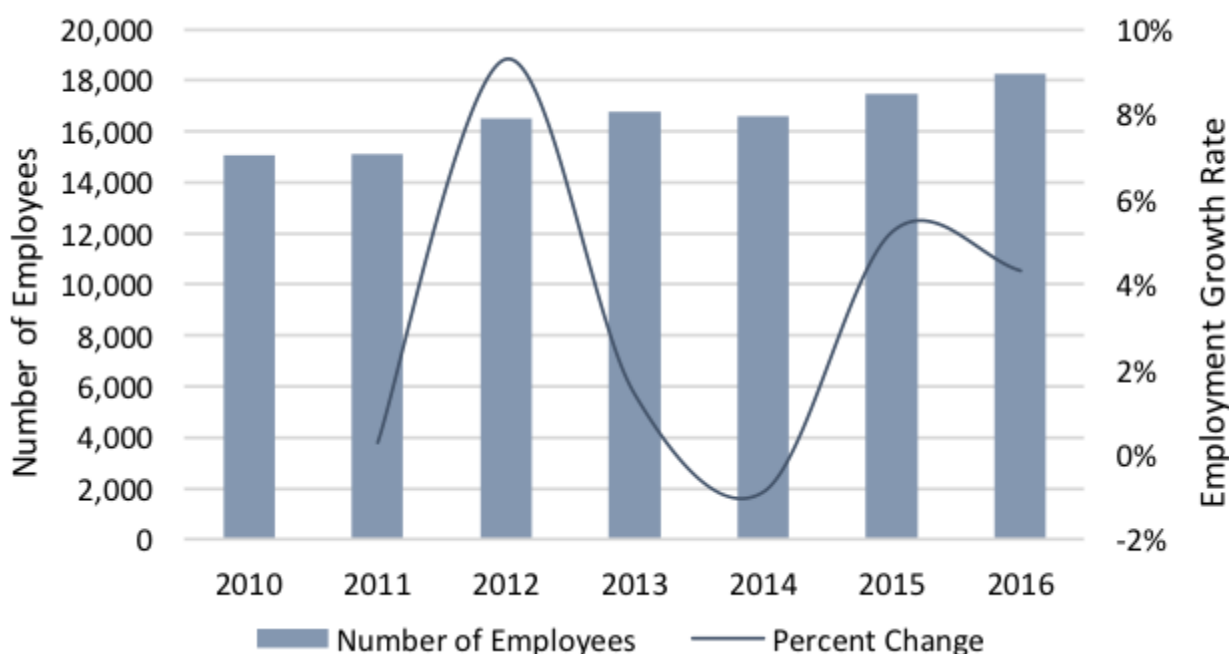
been small but consistently positive gains in median household income since 2010.

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. EMPLOYMENT BETWEEN 2010-2016



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

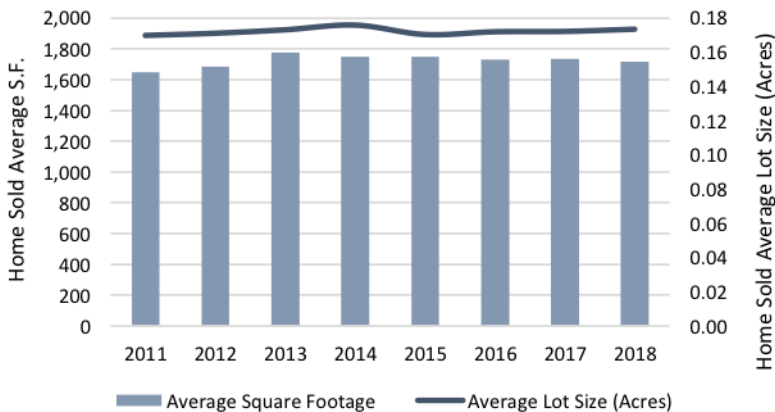


FIGURE 14. HOME SALES BY AVERAGE NUMBER OF BEDROOMS, 2011-2018

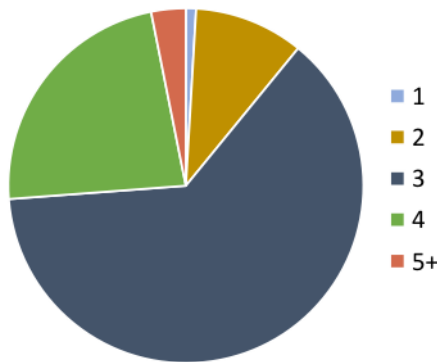


FIGURE 15. HOME SALES BY YEAR BUILT VS AGE OF HOUSING STOCK, 2011-2018

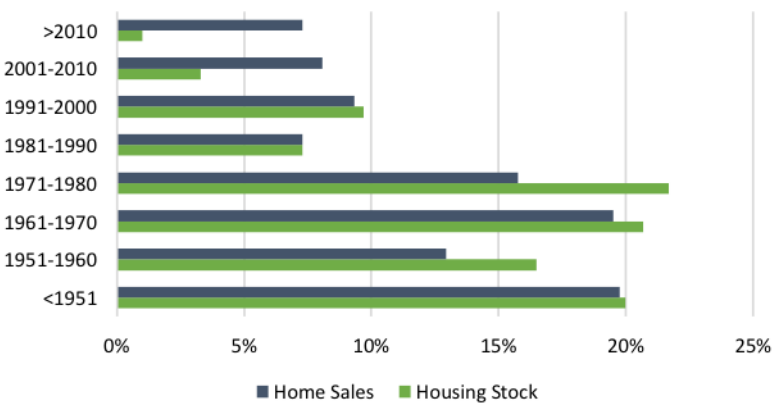
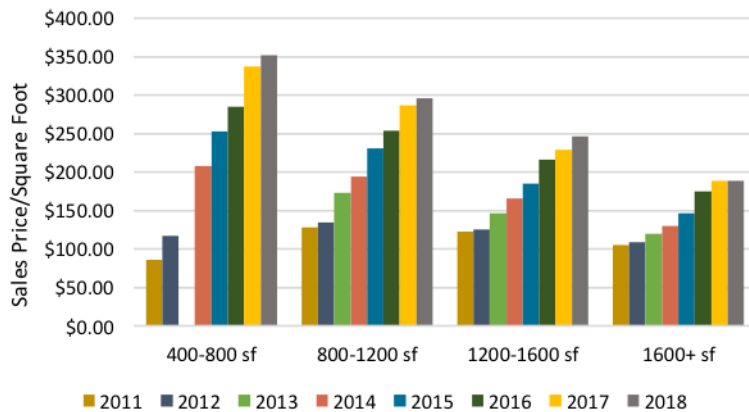
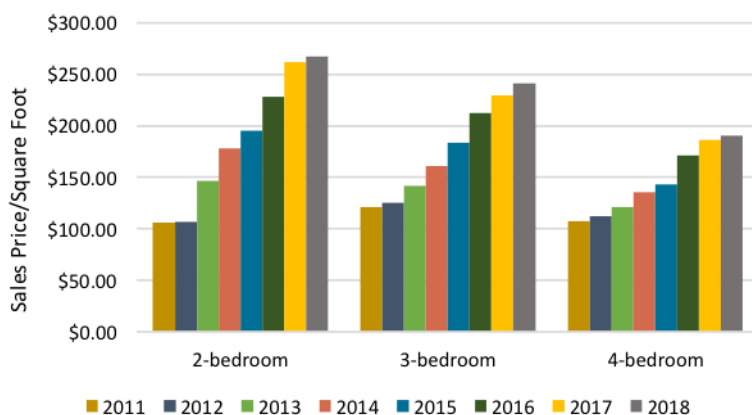
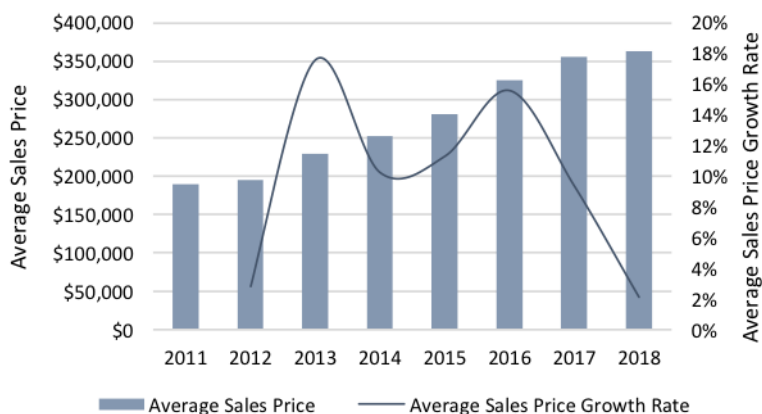


FIGURE 16. SALES PRICE/SQUARE FOOT BY NUMBER OF BEDROOMS IN MILWAUKIE, 2011-2018

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.

FIGURE 17. SALES PRICE/SQUARE FOOT BY UNIT SIZE IN MILWAUKIE, 2011-2018**FIGURE 18. AVERAGE SALES PRICE IN MILWAUKIE, 2011-2018**

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

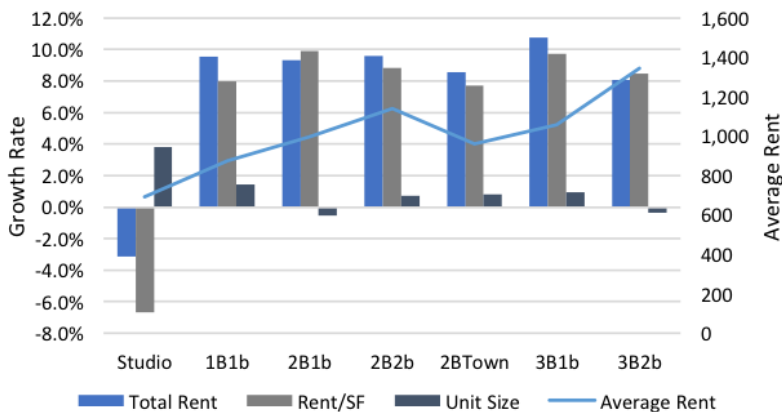


FIGURE 20. ESTIMATED PRICING FOR RENTAL HOUSING, 2018-2023

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

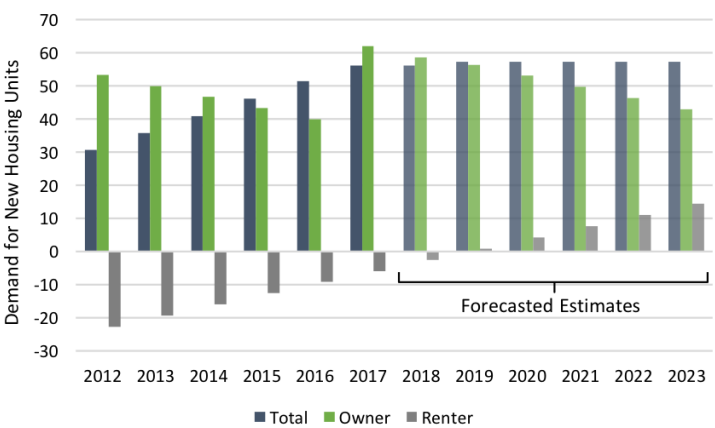


FIGURE 22. ESTIMATED PRICING FOR OWNERSHIP HOUSING, SCENARIO A, MILWAUKIE, 2018-2023

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



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 Milwaukee 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.



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. encourage a design that balances a reduction in private outdoor space with shared outdoor common area, and
3. promote 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 building footprint of a house containing two to four homes is limited to 1,650 sq ft in low-density neighborhoods. 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.

TABLE 7. CLUSTER HOUSING DEVELOPMENT STANDARDS

Standards	Low-density neighborhoods	Transit-connected locations	Commercial and multifamily zones
HOME TYPES			
Buiding types allowed	Detached houses containing 1-4 homes	Detached and Attached	Detached and Attached
HOME SIZE			
Max building footprint per home	1,000 sf	1,200 sf	1,200 sf
Max total footprint per building	1,650 sf	no requirement	no requirement
Max floor area per ho me	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 eaves of structures (minimum)	6 ft	6 ft	6 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		

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.

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 allows detached houses containing one to four 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 the eaves of structures is proposed to be 6 ft, unless the structures are directly attached (e.g., townhomes), in which case no separation is required.

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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Orange Splot



CITY OF MILWAUKIE
RS87

8/6/19



To: Mayor Gamba and Milwaukie City Council

Through: Ann Ober, City Manager

From: Luke Strait, Chief of Police

A handwritten signature in black ink, appearing to read "Luke Strait".

Date: July 29, 2019

Subject: OLCC Application – Casa Bruno LLC – 9304 SE Main St. Ste. B, Milwaukie, OR 97222

Action Requested:

It is respectfully requested the Council approve the OLCC Application from Casa Bruno LLC located at 9304 SE Main St. Ste. B, Milwaukie, OR 97222

Background:

We have conducted a background investigation and find no reason to deny the request for liquor license.



RS Agenda Item

5

Public Hearing

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: July 29, 2019

Reviewed: Leila Aman, Community Development Director, and
Denny Egner, Planning Director

From: Vera Kolias, Associate Planner

Subject: Planned Development Code Amendments

ACTION REQUESTED

Open the public hearing for application ZA-2019-001. Discuss the proposed amendments, take public testimony, and provide direction to staff regarding any desired revisions to the proposed amendments. Approve application ZA-2019-001 and adopt the recommended Findings of Approval found in Attachment 2. This action would allow for the adoption of amendments to the Milwaukie Zoning Ordinance.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[June 18, 2019:](#) Council held a work session to discuss the proposed amendments.

[July 9, 2019:](#) Planning Commission held a public hearing to review the proposed amendments and voted to recommend adoption.

BACKGROUND INFORMATION

The proposed amendments relate to Milwaukie Municipal Code (MMC) Chapter 19.311 Planned Development Zone (PD). Discussions and meetings about the proposed Hillside Master Plan project, which will be reviewed as a PD zone, has revealed gaps in the code that are a barrier to larger, phased developments. The proposed amendments are intended to be surgical in nature, addressing specific issues related to process and future phasing. They are not intended to change the fundamental goals of a PD, which is to provide greater flexibility, variety, and a mix of housing types and land uses. A larger package of code amendments related to housing and development review procedures is being developed and will come before the Planning Commission and Council for review following adoption of the Comprehensive Plan policies later this year.

The proposed revisions are not intended to change the existing code language as it relates to specific design elements, such as energy efficiency, landscaping, or other standards. The PD process is a discretionary review process that allows customized design standards specific to each project. Any specific design elements would be identified during the PD review process. The proposed code amendments clarify the review and approval process and allow for phasing

of a development, if required. The existing code language does not allow for a phased project to be developed over time, which is not unusual for larger projects.

At the Council work session on June 18, Council recommended removing the language requiring a minimum lot size for a planned development. Staff has made that revision.

The Planning Commission reviewed the proposed amendments on July 9 and made the following recommendations:

- Reduce the total project development timeframe from ten years to seven years. The Planning Commission had concerns about freezing code requirements for such a long period of time at the expense of potential code changes, such as a reduction in off-street parking requirements or a tree canopy requirement. The code language contains a provision for an applicant to seek extensions if necessary.
- Replace the word “subdivision” with “land division” to account for any proposal that includes the creation of lots, rather than specify a particular form of land division.

Please refer to Attachment 1 for the draft language.

BUDGET AND IMPACTS

None.

WORKLOAD IMPACTS

None.

COORDINATION, CONCURRENCE, OR DISSENT

The community development director has reviewed the draft code language.

STAFF RECOMMENDATION

Staff recommends approval of application ZA-2019-001 and adopt the recommended Findings of Approval found in Attachment 2.

ATTACHMENTS

1. Ordinance
2. Recommended Findings in Support of Approval
3. Proposed code amendment language (underline/strikeout)
4. Proposed code amendment language (clean)



COUNCIL ORDINANCE No.

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING TITLE 19 ZONING TO MAKE MINOR CHANGES TO SELECT SECTIONS FOR THE PURPOSE OF CLARIFICATION AND IMPROVED EFFECTIVENESS (FILE #ZA-2019-001).

WHEREAS, the proposed amendments to Title 19 make changes and clarifications that will more effectively communicate and implement existing policy related to the Planned Development Zone; and

WHEREAS, legal and public notices have been provided as required by law; and

WHEREAS, on July 9, 2019, the Milwaukie Planning Commission conducted a public hearing as required by Milwaukie Municipal Code (MMC) 19.1008.5 and adopted a motion in support of the amendment; and

WHEREAS, the Milwaukie City Council finds that the proposed amendments are in the public interest of the City of Milwaukie.

Now, Therefore, the City of Milwaukie does ordain as follows:

Section 1. Findings Findings of fact in support of the amendments are adopted by the City Council and are attached as Exhibit A.

Section 2. Amendments The Milwaukie Municipal Code is amended as described in Exhibit B (Title 19 Zoning underline/strikeout version) and Exhibit C (Title 19 Zoning clean version).

Section 3. Effective Date The amendments shall become effective 15 days from the date of adoption.

Read the first time on _____, and moved to second reading by _____ vote of the City Council.

Read the second time and adopted by the City Council on _____.

Signed by the Mayor on _____.

Mark Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott Stauffer, City Recorder

Justin D. Gericke, City Attorney

Recommended Findings in Support of Approval
File #ZA-2019-001, Planned Development Code Amendments

Sections of the Milwaukie Municipal Code not addressed in these findings are found to be inapplicable to the decision on this application.

1. The applicant, the City of Milwaukie, proposes to amend regulations that are contained in Title 19 Zoning Ordinance of the Milwaukie Municipal Code (MMC). The land use application file number is ZA-2019-001.
2. The purpose of the proposed code amendments is to amend code language related to the planned development zone. The proposed amendments are not intended to be a change of the intent of current policies. The amendments affect the following title of the municipal code:

Zoning Ordinance: MMC 19.311 – Planned Development Zone (PD)

3. The proposal is subject to the criteria and procedures outlined in the following sections of the Milwaukie Municipal Code (MMC):
 - MMC Section 19.902 Amendments to Maps and Ordinances
 - MMC Chapter 19.1000 Review Procedures
4. Sections of the MMC or MCP not addressed in these findings are found to be not applicable to the decision on this land use application.
5. The application has been processed and public notice provided in accordance with MMC Section 19.1008 Type V Review. Public hearings were held on July 9, 2019 and August 6, 2019 as required by law.
6. MMC Chapter 19.1000 establishes the initiation and review requirements for land use applications. The City Council finds that these requirements have been met as follows:
 - a. MMC Subsection 19.1001.6 requires that Type V applications be initiated by the Milwaukie City Council, Planning Commission, Planning Director, or any individual.

The amendments were initiated by the Planning Director on April 17, 2019.
 - b. MMC Section 19.1008 establishes requirements for Type V review. The procedures for Type V review have been met as follows:
 - (1) Subsection 19.1008.3.A.1 requires opportunity for public comment.

Opportunity for public comment and review has been provided. The current version of the draft amendments has been posted on the City's web site since June 7, 2019. On June 18, 2019, staff e-mailed NDA leaders with information about the Planning Commission hearing and a link to the draft proposed amendments.
 - (2) Subsection 19.1008.3.A.2 requires notice of public hearing on a Type V review to be posted on the City website and at City facilities that are open to the public at least 30 days prior to the hearing.

A notice of the Planning Commission's July 9, 2019 hearing was posted as required on June 7, 2019. A notice of the City Council's August 6, 2019 hearing was posted as required on July 3, 2019.

- (3) Subsection 19.1008.3.A.3 requires notice be sent to individual property owners if the proposal affects a discrete geographic area or specific properties in the City.

The Planning Director has determined that the proposal affects a large geographic area.

- (4) Subsection 19.1008.3.B requires notice of a Type V application be sent to the Department of Land Conservation and Development (DLCD) 35 days prior to the first evidentiary hearing.

Notice of the proposed amendments was sent to DLCD on June 5, 2019.

- (5) Subsection 19.1008.3.C requires notice of a Type V application be sent to Metro 35 days prior to the first evidentiary hearing.

Notice of the proposed amendments was sent to Metro on June 5, 2019.

- (6) Subsection 19.1008.3.D requires notice to property owners if, in the Planning Director's opinion, the proposed amendments would affect the permissible uses of land for those property owners.

The proposed amendments generally do not further restrict the use of property. In general, the proposed amendments add flexibility.

- (7) Subsection 19.1008.4 and 5 establish the review authority and process for review of a Type V application.

The Planning Commission held a duly advertised public hearing on July 9, 2019 and passed a motion recommending that the City Council approve the proposed amendments. The City Council held a duly advertised public hearing on August 6, 2019 and approved the amendments.

7. MMC 19.902 Amendments to Maps and Ordinances

- a. MMC 19.902.5 establishes requirements for amendments to the text of the zoning ordinance. The City Council finds that these requirements have been met as follows:

- (1) MMC Subsection 19.902.5.A requires that changes to the text of the land use regulations of the Milwaukie Municipal Code shall be evaluated through a Type V review per Section 19.1008.

The Planning Commission held a duly advertised public hearing on July 9, 2019. A public hearing before City Council is tentatively scheduled for August 6, 2019. Public notice was provided in accordance with MMC Subsection 19.1008.3.

- (2) MMC Subsection 19.902.5.B establishes the approval criteria for changes to land use regulations of the Milwaukie Municipal Code.

- (a) MMC Subsection 19.905.B.1 requires that the proposed amendment be consistent with other provisions of the Milwaukie Municipal Code.

The proposed amendments have been coordinated with and are consistent with other provisions of the Milwaukie Municipal Code. The amendments are not intended to affect policy.

- (b) MMC Subsection 19.902.5.B.2 requires that the proposed amendment be consistent with the goals and policies of the Comprehensive Plan.

Only the goals, objectives, and policies of Comprehensive Plan that are listed below are found to be relevant to the proposed text amendment.

The Goal statement of the Residential Land Use and Housing Element reads as follows:

To provide for the maintenance of existing housing, the rehabilitation of older housing and the development of sound, adequate new housing to meet the housing needs of local residents and the larger metropolitan housing market, while preserving and enhancing local neighborhood quality and identity.

Objective #3 – Residential Land Use: Design states:

To encourage a desirable living environment by allowing flexibility in design, minimizing the impact of new construction on existing development, and assuring that natural open spaces and developed recreational areas are provided whenever feasible.

Policy #2 within Objective #3 states:

In all Planned Unit Developments, a density bonus up to twenty percent (20%) over the allowable density may be granted in exchange for exceptional design quality or special project amenities.

Policy #3 within Objective #3 states:

All Planned Unit Developments will have area devoted to open space and/or outdoor recreational areas. At least half of the open space and/or recreational areas will be of the same general character as the area containing dwelling units. Open space and/or recreational areas do not include public or private streets.

The proposed amendments do not change the intent of Planned Development (PD) Zone language, which is to encourage greater flexibility of design, promote variety in the physical development pattern of the city, and to encourage a mix of housing types. The amendments are confined to revisions that clarify the process for

reviewing a PD application and provide the ability to phase large scale developments. None of the language related to project design or density is proposed to change.

- (c) MMC Subsection 19.902.5.B.3 requires that the proposed amendment be consistent with the Metro Urban Growth Management Functional Plan and relevant regional policies.

The proposed amendments were sent to Metro for comment. Metro did not identify any inconsistencies with the Metro Urban Growth Management Functional Plan or relevant regional policies.

- (d) MMC Subsection 19.902.5.B.4 requires that the proposed amendment be consistent with relevant state statutes and administrative rules, including the Statewide Planning Goals and Transportation Planning Rule.

The proposed amendments were sent to the Department of Land Conservation and Development (DLCD) for comment. DLCD did not identify any inconsistencies with relevant State statutes or administrative rules.

- (e) MMC Subsection 19.902.5.B.5 requires that the proposed amendment be consistent with relevant federal regulations.

Relevant federal regulations are those that address land use, the environment, or development in the context of local government planning. Typically, regulations such as those set forth under the following acts may be relevant to a local government land use process: the Americans with Disabilities Act, the Clean Air Act, the Clean Water Act, the Endangered Species Act, the Fair Housing Act, the National Environmental Policy Act, the Religious Land Use and Institutionalized Persons Act, and the Resource Conservation and Recovery Act. None of these acts include regulations that impact the subject proposal or that cannot be met through normal permitting procedures. Therefore, the proposal is found to be consistent with federal regulations that are relevant to local government planning.

Underline/Strikeout Amendments

Ordinance Exhibit B

Title 19 Zoning Ordinance

19.311 PLANNED DEVELOPMENT ZONE PD

In a Planned Development Zone the following regulations shall apply:

19.311.1 Purpose

The purpose of a PD Planned Development Zone is:

- A. To provide a more desirable environment than is possible through the strict application of Zoning Ordinance requirements;
- B. To encourage greater flexibility of design and the application of new techniques in land development;
- C. To provide a more efficient, aesthetic, and desirable use of public and private common open space;
- D. To promote variety in the physical development pattern of the City; and
- E. To encourage a mix of housing types and to allow a mix of residential and other land uses.
- F. To provide an alternative discretionary review process for projects requiring more flexibility than what would be provided through the standard clear and objective development review or land division process.

19.311.2 Use

A planned development approved by the City Council and based on a final development plan and program shall constitute the Planned Development Zone. The PD Zone is a superimposed zone applied in combination with regular existing zones. A PD Zone shall be comprised of such combinations of types of dwellings and other structures and uses as shall be authorized by the City Council, but the City Council shall authorize only those types of dwellings and other structures and uses as will:

- A. Conform to the City's Comprehensive Plan;
- B. Form a compatible and harmonious group;
- C. Be suited to the capacity of existing and proposed public utilities and facilities;
- D. Be cohesively designed and consistent with the protection of public health, safety, and welfare in general; and
- E. Afford reasonable protection to the permissible uses of properties surrounding the site. In addition to residences and their accessory uses, the City Council may authorize commercial and nonresidential uses which it finds to be:
 - 1. Designed to serve primarily the residents of the planned development or surrounding area, and
 - ~~2. Limited to those nonresidential uses which do not exist in the vicinity, and~~
 - 3. Fully compatible with, and incorporated into, the design of the planned development.

19.311.3 Development Standards

All standards and requirements of this chapter and other City ordinances shall apply in a PD Zone unless adjusted through the PD process. ~~the Planning Commission grants a variance from said PD Zone standards in its approval of the PD Zone or accompanying subdivision plat.~~ Approval of a PD Zone establishes a modified set of development standards specific to the development.

A. Minimum Size of a PD Zone

A PD Zone may be established only on land which is suitable for the proposed development and of sufficient size to be planned and developed in a manner consistent with the purposes of this zone. ~~A PD Zone shall not be established on less than 2 acres of contiguous land unless the Planning Commission finds that a smaller site is suitable because of unique character, topography, landscaping features, or constitutes an isolated problem area.~~

B. Special Improvements

In its approval of the final plan or ~~subdivision~~ land division plat within a PD Zone, the City may require the developer to provide special or oversize sewer lines, water lines, roads and streets, or other service facilities. Such approval shall not obligate the City to expend funds for additional construction equipment or for special road, sewer, lighting, water, fire, or police service.

C. Density Increase and Control

The City Council may permit residential densities which exceed those of the underlying zone, if it determines that the planned development is outstanding in planned land use and design and provides exceptional advantages in living conditions and amenities not found in similar developments constructed under regular zoning. In no case shall such density increase be more than 20% greater than the density range prescribed for the primary land use designation indicated in the Comprehensive Plan.

D. Peripheral Yards

Along the periphery of any PD Zone, additional yard depth, buffering, or screening may be required. Peripheral yards shall be at least as deep as that required by the front yard regulations of underlying zones. Open space may serve as peripheral yard and/or buffer strips to separate one planned area from another, if such dual use of the land is deemed to comply with this section.

E. Open Space

Open space means the land area to be set aside and used for scenic, landscaping, or open recreational purposes within the development. Open space may also include areas which, because of topographic or other conditions, are deemed by the City Council to be suitable for leaving in a natural condition. Open space shall be adequate for the recreational and leisure needs of the occupants of the development, and shall include the preservation of areas designated by the City for open space or scenic preservation in the Comprehensive Plan or other plans adopted by the City.

The development plan and program shall provide for the landscaping and/or preservation of the natural features of the land. To ensure that open space will be permanent, deeds or dedication of easements of development rights to the City may be required. Instruments and documents guaranteeing the maintenance of open space shall be approved as to form by the City Attorney. Failure to maintain open space or any other property in a manner

specified in the development plan and program shall empower the City to enter said property in order to bring it up to specified standards. In order to recover such maintenance costs, the City may, at its option, assess the real property and improvements within the planned development.

All planned unit developments will have at least one-third of the gross site area devoted to open space and/or outdoor recreational areas. At least half of the required open space and/or recreational areas will be of the same general character as the area containing dwelling units. Open space and/or recreational areas do not include public or private streets.

19.311.4 Subject to Design Review

Any development within a PD Zone shall be subject to the provisions of design review as outlined in a separate ordinance.

19.311.5 Preliminary Development Plan and Program

A. Applicant

For the purpose of this section, “owner” or “owner-applicant” means and includes any individual(s), partnership(s), corporation(s), public body(ies), legal entity(ies), or holder(s) of a written option to purchase said property. An owner of land located outside, but contiguous to, the City may submit a preliminary development plan for consideration by the City providing that an application for annexation to the City has been filed.

B. Preliminary Development Plan

A preliminary development plan and program shall be submitted by the applicant with the information on the forms and checklists as required ~~with information as required by resolution of the Planning Commission~~ and shall include a phasing plan if applicable. If the proposed project is to be constructed in phases, the project as a whole shall be portrayed in the application materials and shall require preliminary approval.

19.311.6 Planning Commission Review of Preliminary Development Plan and Program

A. Conditional approval by Planning Commission

Following the meeting, or any continuance thereof, the Planning Commission shall notify the applicant whether, in its opinion, the provisions of this chapter have been satisfied, or advise of any deficiencies.

B. Upon approval in principle of the preliminary development plan and program by the Planning Commission, with or without modifications, the owner-applicant shall, within ~~6~~ 18 months, file with the City a final development plan and program, including a phasing plan if applicable, and an application for a change of zone classification which shall serve as an application for a PD Zone change.

19.311.7 Final Development Plan and Program

The final development plan and program and applicable phasing plan shall contain information as required.

19.311.8 ~~Subdivision~~ Land Division Plat

A. ~~——If the planned development will involve the subdivision of land as defined in City land division regulations, the owner-applicant shall prepare and submit a preliminary subdivision plat~~

~~along with information required by said ordinance to be considered at the same time as the final development plan and program. then the review process shall be as follows:~~

- ~~A. The owner-applicant may prepare and submit a preliminary subdivision plat to be considered at the same time as the final development plan. The final subdivision plat shall be submitted within 1 year subsequent to approval of the preliminary plat.~~
- ~~B. For phased development, the owner-applicant may prepare and submit a preliminary subdivision plat for the initial phase only to be considered at the same time as the final development plan. The final subdivision plat for the initial phase shall be submitted within 1 year subsequent to approval of the preliminary plat. For subsequent phases, preliminary and final plat approval is required for each separate phase, in accordance with Subsection 19.311.17.~~
- ~~C. For land divisions, final plat approval for the last phase must be obtained within 7 years of the date of approval of the final development plan. For all other projects, in no case shall the total time period of construction of all phases exceed 7 years, as measured from the date of approval of the final development plan until the date that building permit(s) for the last phase is(are) obtained.~~
- ~~B. The final subdivision plat shall be submitted within 1 year subsequent to approval of the planned development zone by Council.~~

19.311.9 Approval Criteria ~~Application for Zone Change~~

~~Together with submittal of the final plan and development program, the owner-applicant shall submit an application for a zone change to apply the PD Zone to the subject property. The approval authority(ies) may approve, approve with conditions, or deny the PD Zone based on the following approval criteria:~~

- ~~A. Substantial consistency with the proposal approved with Subsection 19.311.6;~~
- ~~B. Compliance with Subsections 19.311.1, 19.311.2, and 19.311.3;~~
- ~~C. The proposed amendment is compatible with the surrounding area based on the following factors:
 - ~~1. Site location and character of the area.~~
 - ~~2. Predominant land use pattern and density of the area.~~
 - ~~3. Expected changes in the development pattern for the area.~~~~
- ~~D. The need is demonstrated for uses allowed by the proposed amendment.~~
- ~~E. The subject property and adjacent properties presently have adequate public transportation facilities, public utilities, and services to support the use(s) allowed by the proposed amendment, or such facilities, utilities, and services are proposed or required as a condition of approval for the proposed amendment.~~
- ~~F. The proposal is consistent with the functional classification, capacity, and level of service of the transportation system. A transportation impact study may be required subject to the provisions of Chapter 19.700.~~
- ~~G. Compliance with all applicable standards in Title 17 Land Division.~~
- ~~H. Compliance with all applicable development standards and requirements; and~~
- ~~I. The proposal demonstrates that it addresses a public purpose and provides public benefits and/or amenities beyond those permitted in the base zone.~~

19.311.10 Planning Commission Action on Final Development Plan and Program

- A. Upon receipt of the final development plan and program, phasing plan, zone change application, and preliminary subdivision plat, where applicable, notice shall be given and the Planning Commission shall hold a public hearing per Section 19.1007 ~~Type IV Review~~. If the final development plan and program is found to be consistent in compliance with previous approval and with the intent and requirements of this title, it shall recommend the same, together with appropriate documents and conditions, to the City Council for adoption.
- B. It shall at the same time recommend the change to PD Zone in accordance with the provisions of Section 19.902. The approved final development plan and program shall be the basis upon which the change in zone is made. It shall at the same time approve the preliminary subdivision plat in accordance with the Milwaukie land division regulations unless the proposal is a phased development in accordance with the provisions of Subsection 19.311.17.
- C. If the land upon which the change to PD Zone is sought is not within the boundaries of the City, the Planning Commission may approve the zone change and recommend it to the City Council to become effective when the land becomes annexed to the City; or continue the public hearing for the purpose of suitably amending the proposal; or disapprove the proposed developments and abandon hearings and proceedings thereon.

19.311.11 City Council Action on Final Development Plan and Program

- A. Upon receipt of Planning Commission recommendations as set forth above, the final development plan and program and applicable phasing plan and zone change application shall be considered by the City Council per Section 19.1007 ~~Type IV Review~~.
- B. Following the ~~consideration, review and finding of compliance with the approval criteria in Subsection 19.311.9,~~ the City Council may adopt an ordinance applying the PD Zone to the subject property and, in so doing, shall adopt the approved final development plan and program as the standards and requirements for said zone. The City Council, by said ordinance, shall also accept or reject all or part of the dedications of public facilities, land, and open space consistent with the approved phasing plan.
- C. If the proposed PD Zone is contiguous to, but not within, the City boundaries, the City Council shall delay final action until the land is officially annexed to the City.
- D. The City Council may also continue consideration and refer the matter back to the Planning Commission with recommendations for amendment thereof, or reject the proposals and abandon further hearings and proceedings thereon.

19.311.12 Filing of Approved Final Plan and Program

Following action to amend the Zoning Map Ordinance and prior to its effective date, the owner-applicant shall file with the City a conformed and approved final development plan and program, together with all pertinent documents approved as to form by the City Attorney.

19.311.13 Recording of Notice of Final Development Plan

Each owner of property so rezoned shall execute a notice prepared by the City which acknowledges that the final development plan and program approved by the City Council constitutes zoning for the property. Such notice shall contain a legal description of the property and reference to the certified copy of the final development plan and program filed in the office of the City Recorder. Said notices shall be recorded in the office of the County Recorder of Clackamas County.

19.311.14 Development Improvement Prohibited Pending Compliance

No excavation, grading, construction, improvement, or building shall begin, and no permits therefor shall be issued, within the PD Zone until all provisions of this article including execution and filing of required documents, all requirements of the City Land Division Ordinance and Building Code, and all requirements of the final development plan and program have been complied with, unless approved by the Planning Commission.

19.311.15 Variations from Final Development Plan and Program

- A. The City Manager or designee shall determine whether the modified proposal substantially conforms to the plans and/or other development documents upon which the original proposal was evaluated and approved. This determination is not a land use decision and is not subject to appeal.
- B. If the City Manager or designee determines that a modified proposal no longer substantially conforms to the original approval, the City Manager or designee shall determine whether the modification is major or minor in nature. This determination is not a land use decision and is not subject to appeal.
 - 1. Major modifications are modifications that alter a condition of approval, have different or more impacts than the original proposal, and/or require substantial changes to the findings from the original approval.
 - 2. Minor modifications are all modifications not otherwise identified as major modifications.
- C. Minor modifications shall be evaluated through either a Type I or Type II review per Section 19.1004 or 19.1005. The City Manager or designee shall determine the review type after considering the nature and scope of the modification. The City Manager or designee's determination shall favor the review type that provides the most appropriate public notice and opportunity for public comment. This determination is not a land use decision and is not subject to appeal. Major modifications shall be evaluated through a Type III review per Section 19.1006.
- ~~A. Proposed changes which do not meet these criteria shall be processed in the same manner as for a new planned development.~~
- ~~B. The development may vary from the approved final plan and program so long as it is consistent with any subsequent subdivision plat approved by the Planning Commission and does not alter total density, ratio of dwelling unit types, boundaries of the planned development, or location or area of public spaces.~~
- ~~C. Where changes in a subdivision plat are not required, an application for approval of variations to the recorded final plan and program may be submitted in writing. Such variations may be approved by the City staff provided they do not alter dwelling unit densities, alter dwelling unit type ratios, increase or change the type or location of commercial or residential structures, change the boundaries of the planned development, or change the location and area of public open spaces and recreational areas.~~

19.311.16 Expiration of Planned Development Zone

If, within ~~6~~12 months of its effective date, substantial construction or development in the PD Zone has not commenced~~occurred~~ in compliance with the approved final development plan and program and schedule for stage completion, the Planning Commission may initiate a review of the PD Zone and hold a public hearing to determine whether its continuation in whole or in part is in the public interest. Notification and hearing shall be in accordance with Section 19.1007

Type IV Review. If found not to be, the Planning Commission shall recommend to the City Council that the PD Zone be removed by appropriate amendment to the Zoning ~~Map-Ordinance~~ and property changed back to original zoning.

In the case of phased development, as governed by Subsection 19.311.17, this provision shall apply to the first phase of the development.

19.311.17 Phased Development

- A. The Planning Commission may approve a time schedule for developing a site in phases as follows:
 - 1. For land divisions, final plat approval for the last phase must be obtained within 7 years of the date of approval of the final development plan.
 - 2. For all other projects, in no case shall the total time period of construction of all phases exceed 7 years, as measured from the date of approval of the final development plan until the date that building permit(s) for the last phase is(are) obtained.
- B. The criteria for approving a phased detail development plan proposal are that:
 - 1. The public infrastructure shall be constructed in conjunction with or prior to each phase; and
 - 2. The development and occupancy of any phase shall be dependent on the use of public facilities constructed to the applicable City or special district standards.
- C. If the planned development will involve the division of land as defined in City land division regulations, the owner-applicant may prepare and submit a preliminary plat with each separate phase. The final plat shall be submitted within 1 year subsequent to approval of the preliminary plat.
- D. Extensions to the approved time schedule are permitted subject to Subsection 19.908.

Clean Amendments

Title 19 Zoning Ordinance

19.311 PLANNED DEVELOPMENT ZONE PD

In a Planned Development Zone the following regulations shall apply:

19.311.1 Purpose

The purpose of a PD Planned Development Zone is:

- A. To provide a more desirable environment than is possible through the strict application of Zoning Ordinance requirements;
- B. To encourage greater flexibility of design and the application of new techniques in land development;
- C. To provide a more efficient, aesthetic, and desirable use of public and private common open space;
- D. To promote variety in the physical development pattern of the City; and
- E. To encourage a mix of housing types and to allow a mix of residential and other land uses.
- F. To provide an alternative discretionary review process for projects requiring more flexibility than what would be provided through the standard clear and objective development review or land division process.

19.311.2 Use

A planned development approved by the City Council and based on a final development plan and program shall constitute the Planned Development Zone. The PD Zone is a superimposed zone applied in combination with regular existing zones. A PD Zone shall be comprised of such combinations of types of dwellings and other structures and uses as shall be authorized by the City Council, but the City Council shall authorize only those types of dwellings and other structures and uses as will:

- A. Conform to the City's Comprehensive Plan;
- B. Form a compatible and harmonious group;
- C. Be suited to the capacity of existing and proposed public utilities and facilities;
- D. Be cohesively designed and consistent with the protection of public health, safety, and welfare in general; and
- E. Afford reasonable protection to the permissible uses of properties surrounding the site. In addition to residences and their accessory uses, the City Council may authorize commercial and nonresidential uses which it finds to be:
 - 1. Designed to serve primarily the residents of the planned development or surrounding area, and
 - 2. Fully compatible with, and incorporated into, the design of the planned development.

19.311.3 Development Standards

All standards and requirements of this chapter and other City ordinances shall apply in a PD Zone unless adjusted through the PD process. Approval of a PD Zone establishes a modified set of development standards specific to the development.

A. Minimum Size of a PD Zone

A PD Zone may be established only on land which is suitable for the proposed development and of sufficient size to be planned and developed in a manner consistent with the purposes of this zone.

B. Special Improvements

In its approval of the final plan or land division plat within a PD Zone, the City may require the developer to provide special or oversize sewer lines, water lines, roads and streets, or other service facilities. Such approval shall not obligate the City to expend funds for additional construction equipment or for special road, sewer, lighting, water, fire, or police service.

C. Density Increase and Control

The City Council may permit residential densities which exceed those of the underlying zone, if it determines that the planned development is outstanding in planned land use and design and provides exceptional advantages in living conditions and amenities not found in similar developments constructed under regular zoning. In no case shall such density increase be more than 20% greater than the density range prescribed for the primary land use designation indicated in the Comprehensive Plan.

D. Peripheral Yards

Along the periphery of any PD Zone, additional yard depth, buffering, or screening may be required. Peripheral yards shall be at least as deep as that required by the front yard regulations of underlying zones. Open space may serve as peripheral yard and/or buffer strips to separate one planned area from another, if such dual use of the land is deemed to comply with this section.

E. Open Space

Open space means the land area to be set aside and used for scenic, landscaping, or open recreational purposes within the development. Open space may also include areas which, because of topographic or other conditions, are deemed by the City Council to be suitable for leaving in a natural condition. Open space shall be adequate for the recreational and leisure needs of the occupants of the development, and shall include the preservation of areas designated by the City for open space or scenic preservation in the Comprehensive Plan or other plans adopted by the City.

The development plan and program shall provide for the landscaping and/or preservation of the natural features of the land. To ensure that open space will be permanent, deeds or dedication of easements of development rights to the City may be required. Instruments and documents guaranteeing the maintenance of open space shall be approved as to form by the City Attorney. Failure to maintain open space or any other property in a manner specified in the development plan and program shall empower the City to enter said property in order to bring it up to specified standards. In order to recover such maintenance costs, the City may, at its option, assess the real property and improvements within the planned development.

All planned unit developments will have at least one-third of the gross site area devoted to open space and/or outdoor recreational areas. At least half of the required open space and/or recreational areas will be of the same general character as the area containing dwelling units. Open space and/or recreational areas do not include public or private streets.

19.311.4 Subject to Design Review

Any development within a PD Zone shall be subject to the provisions of design review as outlined in a separate ordinance.

19.311.5 Preliminary Development Plan and Program

A. Applicant

For the purpose of this section, “owner” or “owner-applicant” means and includes any individual(s), partnership(s), corporation(s), public body(ies), legal entity(ies), or holder(s) of a written option to purchase said property. An owner of land located outside, but contiguous to, the City may submit a preliminary development plan for consideration by the City providing that an application for annexation to the City has been filed.

B. Preliminary Development Plan

A preliminary development plan and program shall be submitted by the applicant with the information on the forms and checklists as required and shall include a phasing plan if applicable. If the proposed project is to be constructed in phases, the project as a whole shall be portrayed in the application materials and shall require preliminary approval.

19.311.6 Planning Commission Review of Preliminary Development Plan and Program

A. Conditional approval by Planning Commission

Following the meeting, or any continuance thereof, the Planning Commission shall notify the applicant whether, in its opinion, the provisions of this chapter have been satisfied, or advise of any deficiencies.

B. Upon approval in principle of the preliminary development plan and program by the Planning Commission, with or without modifications, the owner-applicant shall, within 18 months, file with the City a final development plan and program, including a phasing plan if applicable, which shall serve as an application for a PD Zone change.

19.311.7 Final Development Plan and Program

The final development plan and program and applicable phasing plan shall contain information as required.

19.311.8 Land Division

If the planned development will involve the division of land as defined in City land division regulations, then the review process shall be as follows:

- A.** The owner-applicant may prepare and submit a preliminary plat to be considered at the same time as the final development plan. The final plat shall be submitted within 1 year subsequent to approval of the preliminary plat.
- B.** For phased development, the owner-applicant may prepare and submit a preliminary plat for the initial phase only to be considered at the same time as the final development plan.

The final plat for the initial phase shall be submitted within 1 year subsequent to approval of the preliminary plat. For subsequent phases, preliminary and final plat approval is required for each separate phase, in accordance with Subsection 19.311.17.

- C. For land divisions, final plat approval for the last phase must be obtained within 7 years of the date of approval of the final development plan. For all other projects, in no case shall the total time period of construction of all phases exceed 7 years, as measured from the date of approval of the final development plan until the date that building permit(s) for the last phase is(are) obtained.

19.311.9 Approval Criteria

The approval authority(ies) may approve, approve with conditions, or deny the PD Zone based on the following approval criteria:

- A. Substantial consistency with the proposal approved with Subsection 19.311.6;
- B. Compliance with Subsections 19.311.1, 19.311.2, and 19.311.3;
- C. The proposed amendment is compatible with the surrounding area based on the following factors:
 - 1. Site location and character of the area.
 - 2. Predominant land use pattern and density of the area.
 - 3. Expected changes in the development pattern for the area.
- D. The need is demonstrated for uses allowed by the proposed amendment.
- E. The subject property and adjacent properties presently have adequate public transportation facilities, public utilities, and services to support the use(s) allowed by the proposed amendment, or such facilities, utilities, and services are proposed or required as a condition of approval for the proposed amendment.
- F. The proposal is consistent with the functional classification, capacity, and level of service of the transportation system. A transportation impact study may be required subject to the provisions of Chapter 19.700.
- G. Compliance with all applicable standards in Title 17 Land Division.
- H. Compliance with all applicable development standards and requirements; and
- I. The proposal demonstrates that it addresses a public purpose and provides public benefits and/or amenities beyond those permitted in the base zone.

19.311.10 Planning Commission Action on Final Development Plan and Program

- A. Upon receipt of the final development plan and program, phasing plan, and preliminary plat, where applicable, notice shall be given and the Planning Commission shall hold a public hearing per Section 19.1007. If the final development plan and program is found to be consistent with previous approval and with the intent and requirements of this title, it shall recommend the same, together with appropriate documents and conditions, to the City Council for adoption.
- B. It shall at the same time recommend the change to PD Zone in accordance with the provisions of Section 19.902. The approved final development plan and program shall be the basis upon which the change in zone is made. It shall at the same time approve the preliminary plat in accordance with the Milwaukie land division regulations unless the

proposal is a phased development in accordance with the provisions of Subsection 19.311.17.

- C. If the land upon which the change to PD Zone is sought is not within the boundaries of the City, the Planning Commission may approve the zone change and recommend it to the City Council to become effective when the land becomes annexed to the City; or continue the public hearing for the purpose of suitably amending the proposal; or disapprove the proposed developments and abandon hearings and proceedings thereon.

19.311.11 City Council Action on Final Development Plan and Program

- A. Upon receipt of Planning Commission recommendations as set forth above, the final development plan and program and applicable phasing plan shall be considered by the City Council per Section 19.1007.
- B. Following the review and finding of compliance with the approval criteria in Subsection 19.311.9, the City Council may adopt an ordinance applying the PD Zone to the subject property and, in so doing, shall adopt the approved final development plan and program as the standards and requirements for said zone. The City Council, by said ordinance, shall also accept or reject all or part of the dedications of public facilities, land, and open space consistent with the approved phasing plan.
- C. If the proposed PD Zone is contiguous to, but not within, the City boundaries, the City Council shall delay final action until the land is officially annexed to the City.
- D. The City Council may also continue consideration and refer the matter back to the Planning Commission with recommendations for amendment thereof, or reject the proposals and abandon further hearings and proceedings thereon.

19.311.12 Filing of Approved Final Plan and Program

Following action to amend the Zoning Map and prior to its effective date, the owner-applicant shall file with the City a conformed and approved final development plan and program, together with all pertinent documents approved as to form by the City Attorney.

19.311.13 Recording of Notice of Final Development Plan

Each owner of property so rezoned shall execute a notice prepared by the City which acknowledges that the final development plan and program approved by the City Council constitutes zoning for the property. Such notice shall contain a legal description of the property and reference to the certified copy of the final development plan and program filed in the office of the City Recorder. Said notices shall be recorded in the office of the County Recorder of Clackamas County.

19.311.14 Development Improvement Prohibited Pending Compliance

No excavation, grading, construction, improvement, or building shall begin, and no permits therefor shall be issued, within the PD Zone until all provisions of this article including execution and filing of required documents, all requirements of the City Land Division Ordinance and Building Code, and all requirements of the final development plan and program have been complied with, unless approved by the Planning Commission.

19.311.15 Variations from Final Development Plan and Program

- A. The City Manager or designee shall determine whether the modified proposal substantially conforms to the plans and/or other development documents upon which the original proposal was evaluated and approved. This determination is not a land use decision and is not subject to appeal.

- B. If the City Manager or designee determines that a modified proposal no longer substantially conforms to the original approval, the City Manager or designee shall determine whether the modification is major or minor in nature. This determination is not a land use decision and is not subject to appeal.
 - 1. Major modifications are modifications that alter a condition of approval, have different or more impacts than the original proposal, and/or require substantial changes to the findings from the original approval.
 - 2. Minor modifications are all modifications not otherwise identified as major modifications.
- C. Minor modifications shall be evaluated through either a Type I or Type II review per Section 19.1004 or 19.1005. The City Manager or designee shall determine the review type after considering the nature and scope of the modification. The City Manager or designee's determination shall favor the review type that provides the most appropriate public notice and opportunity for public comment. This determination is not a land use decision and is not subject to appeal. Major modifications shall be evaluated through a Type III review per Section 19.1006.

19.311.16 Expiration of Planned Development Zone

If, within 12 months of its effective date, substantial construction or development in the PD Zone has not commenced in compliance with the approved final development plan and program and schedule for stage completion, the Planning Commission may initiate a review of the PD Zone and hold a public hearing to determine whether its continuation in whole or in part is in the public interest. Notification and hearing shall be in accordance with Section 19.1007 Type IV Review. If found not to be, the Planning Commission shall recommend to the City Council that the PD Zone be removed by appropriate amendment to the Zoning Map and property changed back to original zoning.

In the case of phased development, as governed by Subsection 19.311.17, this provision shall apply to the first phase of the development.

19.311.17 Phased Development

- A. The Planning Commission may approve a time schedule for developing a site in phases as follows:
 - 1. For land divisions, final plat approval for the last phase must be obtained within 7 years of the date of approval of the final development plan.
 - 2. For all other projects, in no case shall the total time period of construction of all phases exceed 7 years, as measured from the date of approval of the final development plan until the date that building permit(s) for the last phase is(are) obtained.
- B. The criteria for approving a phased detail development plan proposal are that:
 - 1. The public infrastructure shall be constructed in conjunction with or prior to each phase; and
 - 2. The development and occupancy of any phase shall be dependent on the use of public facilities constructed to the applicable City or special district standards.
- C. If the planned development will involve the division of land as defined in City land division regulations, the owner-applicant may prepare and submit a preliminary plat with each separate phase. The final plat shall be submitted within 1 year subsequent to approval of the preliminary plat.

D. Extensions to the approved time schedule are permitted subject to Subsection 19.908.



RS Agenda Item

6

Other Business

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Aug. 1, 2019

Reviewed: Kelly Brooks, Assistant City Manager

From: Christina Fadenrecht, Administrative Specialist, II – Office of the City Manager

Subject: **Milwaukie Leadership Academy Update**

ACTION REQUESTED

Receive an update on the 2019 - 2020 Milwaukie Leadership Academy (MLA) program. The purpose of the Leadership Academy is to engage new community members wanting to become involved with and help shape the city's future. Solicit feedback from Council on proposed session curriculum.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[June 4, 2019:](#) Kelly Brooks, assistant city manager, discussed the draft report outlining goals, strategies and tactics in support of Council's 2019 – 2020 Community Engagement Goal. Within the report, a near-term 2019 strategy for engagement standardization was to develop and implement a community leadership program.

[June 18, 2019:](#) Ann Ober, city manager, and Stephan Lashbrook, community member, provided an update on the MLA planning and listened to Council feedback on the program and plans for outreach. Council discussed its willingness to be involved in the MLA sessions and discussed outreach to students and other hard-to-reach community groups to help attract a diverse and dynamic cohort.

DISCUSSION AND BACKGROUND

The MLA is open to anyone age 16 and older with an interest in Milwaukie and involvement with the city boards, committees, or commissions. Applications to the MLA are due by September 2, 2019, and there is no charge to participants. Mr. Lashbrook will emcee the initial set of classes; Christina Fadenrecht, administrative specialist, will provide staff support and internal leadership; Ms. Ober will fill in for Mr. Lashbrook and Ms. Fadenrecht as necessary. While Ms. Ober and Ms. Fadenrecht are current city staff, Mr. Lashbrook has offered to volunteer for this role.

The sessions will be held on the first Thursday of each month from October through May (January's session will fall on the second Thursday) from 6 – 8 pm and will be led by city staff and Mr. Lashbrook. Dinner will be offered to participants before each interactive session and they will have a chance to learn about the different city functions, relationships, leaders, and services. Participants are encouraged to attend all or most sessions.

Applications are available in Spanish and English on the city website at www.milwaukieoregon.gov/leadershipacademy and will be distributed at local high schools, the Ledding Library, and City Hall. Information on the MLA was published in the July and August Milwaukie Pilot and the city's social media pages. Ms. Fadenrecht has contacted the Wichita Center, Northwest Family Services, and Clackamas Community College Harmony Campus to share this opportunity with a broader base of community members.

The class size will be limited to 30 participants and individuals who sign-up will be accepted on a first-come, first-served basis, with the exception of students. Four spots will be reserved for students with an extended deadline until September 13, 2019. To date, we have received ten applications. The final 2019 – 2020 academy participants will be notified by September 16 and the complete roster and schedule will be published on the city website.

The 2019 - 2020 session schedule for the MLA is as follows:

2019 - 2020 Milwaukie Leadership Academy	
October 3, 2019	Session 1 – City Overview and Governance
November 7, 2019	Session 2 – Finance, Events and Communication
December 5, 2019	Session 3 – Public Safety
January 9, 2020	Session 4 – Parks, Projects and Policies
February 6, 2020	Session 5 – Library and State of the City
March 5, 2020	Session 6 – Community Planning and Development
April 2, 2020	Session 7 – Public Works and Climate Action
May 5, 2020	Wrap-Up and Reception

A detailed draft session schedule is attached (Attachment 1) to include descriptions of each session along with proposed locations.

BUDGET IMPACTS

For this first year, the city manager's office will be using existing resources. In future years, the program will require a minor office budget increase to cover the cost of food and language services.

WORKLOAD IMPACTS

This program is being developed under Council's 2019 -2020 community engagement goal, which includes an increase in staff support by department directors and office of city manager staff for programming eight two-hour sessions October 2019 through May 2020. Mr. Lashbrook has also volunteered his time to make the MLA's first year possible.

COORDINATION, CONCURRENCE, OR DISSENT

This program has been discussed with city departments who have agreed to prepare for and commit to presenting at one of the two-hour sessions during the academy.

ATTACHMENTS

1. Detailed Draft Milwaukie Leadership Academy Session Schedule

2019 - 2020 Milwaukie Leadership Academy Session Schedule

October 3 - Session #1 (*City Hall*)

- City Overview and Governance
 - Welcome, History of City, Current Goals, Roles of Elected Officials and City Manager

November 7 - Session #2 (*City Hall*)

- Finance, Community Events and Communication
 - Budget in Brief Overview, Discuss City Events and Programs and Branding and Boards, Commissions and Committees (BCC) Involvement Opportunities

December 5 - Session #3 (*Public Safety Building*)

- Public Safety Tour & Emergency Management
 - Tour Public Safety Building, Fire Bay and Vehicles, Discuss Emergency Management Plan and Operation Center

January 9 - Session #4 (*Harmony Campus room or Milwaukie Center*)

- North Clackamas Parks and Recreation District, Engineering, Legislative Update
 - NCPRD Facility/Program Partnership and Plans, Engineering Projects and SAFE, Legislative Updates

February 6 - Session #5 (*Library*)

- Library and State of City (*tbd*)
 - New Library Tour, Circulation Process, Programming and Libraries in Clackamas County (LINCC) Offerings, Attend State of City

March 5 - Session #6 (*Harmony Campus or Milwaukie Center*)

- Community Development
 - Projects, Affordable Housing & Economic Development, Planning (Vision, Comprehensive Plan and Annexation)

April 2 - Session #7 (*Johnson Creek Building/Public Works Yard*)

- Public Works
 - Public Works Tour, Vehicle Demonstrations, Urban Forest and Climate Action Discussions

May 5 - Final Session #8 (*City Hall*)

- Wrap-Up and Recognition
 - Closing Remarks, Debrief, Present Certificates, Share BCC openings and Reception