



CITY OF MILWAUKIE

AGENDA

July 22, 2025

PLANNING COMMISSION

milwaukieoregon.gov

Hybrid Meeting Format: The Planning Commission will hold this meeting both in person at City Hall and through Zoom video. The public is invited to watch the meeting in person at City Hall, online through the City of Milwaukie YouTube page (https://www.youtube.com/channel/UCRFbfqe3OnDWLQKSB_m9cAw), or on Comcast Channel 30 within city limits.

If you wish to provide comments, the city encourages written comments via email at planning@milwaukieoregon.gov. Written comments should be submitted before the Planning Commission meeting begins to ensure that they can be provided to the Planning Commissioners ahead of time. To speak during the meeting, visit the meeting webpage (<https://www.milwaukieoregon.gov/bc-pc/planning-commission-139>) and follow the Zoom webinar login instructions.

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

- 1.1 Native Lands Acknowledgment

2.0 Planning Commission Minutes – Motion Needed

- 2.1 June 10, 2025
- 2.2 June 24, 2025

3.0 Information Items

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

5.0 Hearing Items

- 5.1 ZA-2025-003 – Affordable Housing Code Incentives
 - Summary: Type V; Code Text Amendment
 - Staff: Senior Planner Vera Kolias

6.0 Community Involvement Advisory Committee (CIAC)

7.0 Planning Department Other Business/Updates

8.0 Forecast for Future Meetings

- | | | |
|-----------------|------------------|------------------------|
| August 12, 2025 | | No items at this time. |
| August 16, 2025 | 1. Hearing Item: | MHLD Code Amendments |

Milwaukie Planning Commission Statement

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

1. **PROCEDURAL MATTERS.** If you wish to register to provide spoken comment at this meeting or for background information on agenda items please send an email to planning@milwaukieoregon.gov.
2. **PLANNING COMMISSION and CITY COUNCIL MINUTES.** City Council and Planning Commission minutes can be found on the City website at www.milwaukieoregon.gov/meetings.
3. **FORECAST FOR FUTURE MEETINGS.** These items are tentatively scheduled but may be rescheduled prior to the meeting date. Please contact staff with any questions you may have.
4. **TIME LIMIT POLICY.** The Commission intends to end each meeting by 10:00pm. The Planning Commission will pause discussion of agenda items at 9:45pm to discuss whether to continue an agenda item to a future date or finish the item.

Public Hearing Procedure

Those who wish to testify should attend the Zoom meeting posted on the city website, state their name and city of residence for the record, and remain available until the Chairperson has asked if there are any questions from the Commissioners. Speakers are asked to submit their contact information to staff via email so they may establish standing.

1. **STAFF REPORT.** Each hearing starts with a brief review of the staff report by staff. The report lists the criteria for the land use action being considered, as well as a recommended decision with reasons for that recommendation.
2. **CORRESPONDENCE.** Staff will report any verbal or written correspondence that has been received since the Commission was presented with its meeting packet.
3. **APPLICANT'S PRESENTATION.**
4. **PUBLIC TESTIMONY.** Comments or questions from interested persons and testimony from those in support or opposition of the application.
5. **QUESTIONS FROM COMMISSIONERS.** The commission will have the opportunity to ask for clarification from staff, the applicant, or those who have already testified.
6. **REBUTTAL TESTIMONY FROM APPLICANT.** After all public testimony, the commission will take rebuttal testimony from the applicant.
7. **CLOSING OF PUBLIC HEARING.** The Chairperson will close the public portion of the hearing. The Commission will then enter into deliberation. From this point in the hearing the Commission will not receive any additional testimony from the audience but may ask questions of anyone who has testified.
8. **COMMISSION DISCUSSION AND ACTION.** It is the Commission's intention to make a decision this evening on each issue on the agenda. Planning Commission decisions may be appealed to the City Council. If you wish to appeal a decision, please contact the Planning Department for information on the procedures and fees involved.
9. **MEETING CONTINUANCE.** Prior to the close of the first public hearing, any person may request an opportunity to present additional information at another time. If there is such a request, the Planning Commission will either continue the public hearing to a date certain or leave the record open for at least seven days for additional written evidence, argument, or testimony. The Planning Commission may ask the applicant to consider granting an extension of the 120-day time period for making a decision if a delay in making a decision could impact the ability of the City to take final action on the application, including resolution of all local appeals.

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502. To request Spanish language translation services email espanol@milwaukieoregon.gov at least 48 hours before the meeting. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the city's YouTube channel and Comcast Channel 30 in city limits.

Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA)

La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia auditiva y de movilidad, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a ocr@milwaukieoregon.gov o llame al 503-786-7502. Para solicitar servicios de traducción al español, envíe un correo electrónico a espanol@milwaukieoregon.gov al menos 48 horas antes de la reunión. El personal hará todo lo posible para responder de manera oportuna y atender las solicitudes. La mayoría de las reuniones del Consejo de la Ciudad se transmiten en vivo en el canal de YouTube de la ciudad y el Canal 30 de Comcast dentro de los límites de la ciudad.

Milwaukie Planning Commission:

Joseph Edge, Chair
Leesa Gratreak, Vice Chair
Juli Garvey
Nicolas Hess
Ryan Lowther
Max Penneck
Jacob Sherman

Planning Department Staff:

Laura Weigel, Planning Manager
Brett Kelter, Senior Planner
Vera Kolias, Senior Planner
Ryan Dyar, Associate Planner
Petra Johnson, Administrative Specialist II



CITY OF MILWAUKIE

PLANNING COMMISSION MINUTES

City Hall Council Chambers
10501 SE Main Street
www.milwaukieoregon.gov

June 10, 2025

Present: Leesa Gratreak, Vice Chair
Juli Garvey
Nicolas Hess
Ryan Lowther
Max Penneck
Jacob Sherman

Staff: Ryan Dyar, Associate Planner
Vera Kolas, Senior Planner
Laura Weigel, Planning Manager

Absent: Joseph Edge, Chair

(00:04:40)

1.0 Call to Order — Procedural Matters*

Vice Chair Gratreak called the meeting to order at 6:30 p.m., read the conduct of meeting format into the record, and Native Lands Acknowledgment.

Note: The information presented constitutes summarized minutes only. The meeting video is available by clicking the Video link at <http://www.milwaukieoregon.gov/meetings>.

(00:05:12)

2.0 Planning Commission Minutes

The April 22, & May 13, 2025, minutes were approved as presented

(00:05:48)

3.0 Information Items

Planning Manager, Laura Weigel highlighted some upcoming events, including the Juneteenth celebration, the farmers market, and the Transportation System Plan open house.

(00:06:40)

4.0 Audience Participation

No information was presented for this portion of the meeting.

(00:06:52)

5.0 Work Session Items

(00:06:56)

5.1 Affordable Housing Code Amendments

Senior Planner Vera Kalias presented an overview of a package of code amendments designed to incentivize affordable housing development.

The amendments, consolidated into a new code section (MMC 19.511), aim to increase opportunities for the construction of affordable housing through streamlined processes, a list of available variances including for setbacks, lot coverage, and density, and additional incentives for qualifying projects. Developments with higher affordability targets would qualify for increased incentives. The proposal builds on the City's Housing Production Strategy, adopted in 2023, and reflects input from developers and City Council, gathered during three prior work sessions.

Commissioners expressed general support but emphasized maintaining design quality to avoid stigma and ensuring downtown commercial spaces remain viable, especially on Main Street. They also discussed extending height bonuses to General Mixed-Use zones and questioned the 99-year affordability requirement for rentals, suggesting alignment with typical funding cycles.

Staff committed to refining the package and exploring creative solutions, including incentives for affordable commercial rent. A public hearing on the finalized amendments is scheduled for July 22, 2025.

(00:54:05)

5.2 Transportation System Plan Update

Associate Planner, Ryan Dyar, Planning Manager, Laura Weigel and **Kittleson consultant, Matt Hughart** presented updates to the Transportation System Plan (TSP). The discussion covered methodologies, project priorities, public engagement, and steps toward finalizing the TSP by early next year.

Pedestrian projects were discussed with a focus on identifying areas lacking sidewalks or with substandard pedestrian infrastructure. These projects aim to enhance pedestrian safety and comfort, especially near schools, parks, transit stops, and other key destinations. Commissioners discussed specific projects, including gaps near Regents and Brookside Drive, and the need for improved pedestrian connections to North Clackamas Park.

Bicycle projects included improvements to both on-street bike lanes and shared-use paths, with an emphasis on increasing safety and usability. Notable discussions included alignment issues with Railroad Avenue and the need for improved bike crossings at key intersections.

Transit projects reflected planned expansions by TriMet and Metro. While the City has limited control over transit operations, coordination efforts are ongoing.. There was

support for focusing on increasing transit frequency over adding new routes, and suggestions to evaluate better placement of bus stops.

Roadway and intersection projects were reviewed, aiming to enhance connectivity, including proposed extensions of local streets to address superblock conditions. Specific projects, such as improving the connection between Linwood and Stanley, were highlighted for their potential to improve multimodal access.

There is a heavy public engagement push planned for June and July, including a community open house and focus groups with underrepresented community members. TSP advisory committee members will present maps and project lists to neighborhood groups in both months. Prioritization of projects will follow, with a draft plan expected to be presented to the Commission in the fall. Adoption of the final plan is targeted for the end of the year or early January.

(02:23:00)

6.0 Community Involvement Advisory Committee (CIAC)

No information was presented for this portion of the meeting.

(02:23:23)

7.0 Planning Department/Planning Commission Other Business/Updates

Sherman invited commissioners, staff, and the public to attend the last Ardenwald bike bus of the school year.

(02:24:41)

8.0 Forecast for Future Meetings

June 24, 2025, Hearing Item: CSU-2025-002

July 8, 2025, No items at this time

Meeting adjourned at approximately 9:00 p.m.

Respectfully submitted,

Petra Johnson, Administrative Specialist II



CITY OF MILWAUKIE

PLANNING COMMISSION MINUTES

City Hall Council Chambers
10501 SE Main Street
www.milwaukieoregon.gov

June 24, 2025

Present: Leesa Gratreak, Vice Chair
Juli Garvey
Nicolas Hess
Ryan Lowther
Max Penneck
Jacob Sherman

Staff: Justin Gericke, City Attorney
Brett Kelter, Senior Planner
Vera Kolias, Senior Planner

Absent: Joseph Edge, Chair

(00:12:11)

1.0 Call to Order — Procedural Matters*

Acting Chair Gratreak called the meeting to order at 6:30 p.m., read the conduct of meeting format into the record, and Native Lands Acknowledgment.

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

(00:13:32)

2.0 Planning Commission Minutes

No information was presented for this portion of the meeting.

(00:13:38)

3.0 Information Items

No information was presented for this portion of the meeting.

(00:13:48)

4.0 Audience Participation

No information was presented for this portion of the meeting.

(00:14:13)

5.0 Hearing Items

(00:14:14)

5.1 Community Service Use – 8835 SE 42nd Ave (file #CSU-2025-002)

Senior Planner, Brett Kelter, announced the applicable sections of the Milwaukie Municipal Code (MMC): MMC 19.301, MMC 19.700, MMC 19.904, MMC 19.1006. **Kelter** presented the staff report via a power point presentation. Both are included in the meeting packet.

Kelter detailed the property's historic designation and the proposed operations, including regular meditation sessions and occasional retreats. Staff concluded that the application met all required criteria and recommended approval without conditions, citing minimal impact on the surrounding neighborhood. Applicants **Andrew Mason** and **Jane Lawson** provided an overview of their plans for the property, describing the small and relational nature of their meditation practice. **Lawson** explained that the group's activities would primarily involve regular meditation sessions and periodic retreats, with attendance projected to grow to a maximum of 30 participants. **Mason** emphasized their commitment to sustainability, including the use of carpools and bicycles to minimize parking issues. They also expressed a desire to integrate respectfully into the neighborhood and shared their vision of renovating the barn to serve as the primary activity space in the future.

Public testimony: Milwaukie resident, **Alexandra Howard**, raised concerns about the potential for increased traffic and parking congestion. **Howard** pointed out that 41st Avenue lacks sidewalks and other infrastructure to safely accommodate higher traffic levels, especially given the proximity to a school. Milwaukie resident, **James McGaha**, echoed these concerns and questioned how the City would enforce the projected attendance limits and parking arrangements. Both neighbors emphasized the need for clear guidelines and accountability to prevent disruptions to the community.

The Commission, staff, and the applicants engaged in a thorough discussion addressing these issues. Commissioners sought clarification from **Kelter** on several points, including the absence of minimum parking requirements under current state and local regulations. The applicability of short-term rental regulations to the group's overnight retreats was considered; **Kelter** explained that the proposed use functioned more like a church campus, where overnight stays are incidental to primary activities. **Mason** and **Lawson** assured the Commission that they were open to conditions that would set thresholds for attendance and number of annual retreat days. It was recommended that periodic reviews be conducted to address any future concerns or changes in use. The meeting concluded with acknowledgments of the applicants' transparency and the community's active participation in the hearing.

Sherman motioned to approve the application with conditions to limit attendance and annual retreat days as proposed; **Penneck** seconded the motion, which passed 6-0 by role call vote.

(01:59:02)

6.0 Community Involvement Advisory Committee (CIAC)

No information was presented for this portion of the meeting.

(01:58:17)

7.0 Planning Department/Planning Commission Other Business/Updates

Sherman invited commissioners to attend a municipal fundamentals training happening in Salem. **Kolias** let the public know about the upcoming open house on July 1, for the 41st & Olsen cottage cluster project.

(02:00:56)

8.0 Forecast for Future Meetings

July 8, 2025,	Canceled
July 22, 2025,	ZA-2025-002 Affordable Housing Incentives
August 12, 2025,	No items at this time

Meeting adjourned at approximately 8:30 p.m.

Respectfully submitted,

Petra Johnson, Administrative Specialist II



CITY OF MILWAUKIE

To: Planning Commission

Through: Laura Weigel, Planning Manager

From: Vera Kolias, Senior Planner

Date: July 15, 2025, for July 22, 2025, Public hearing

Subject: Primary File #ZA-2025-003 – Affordable Housing Incentives code amendments

ACTION REQUESTED

Open the public hearing for land use file #ZA-2025-003. Discuss the proposed amendments to the Milwaukie Municipal Code (MMC) Title 19 (Zoning), take public testimony, and provide direction to staff regarding any desired revisions to the proposed amendments.

The requested action this evening is that the Planning Commission recommend City Council approval of file #ZA-2025-003 and adoption of the proposed ordinance and recommended Findings in Support of Approval found in Attachment 1.

BACKGROUND INFORMATION

The city's [Housing Production Strategy \(HPS\)](#) identifies a variety of action steps to increase housing development in Milwaukie, including evaluating incentives for affordable housing development.

The proposed code amendments include a new code section that would aggregate all code-based affordable housing incentives, to centralize information for prospective applicants. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards (see Attachment 1 for the draft language). The goal is to remove barriers to residential development that includes income-restricted units.

For detailed background on the proposed amendments, please review the three City Council work sessions held earlier this year and the Planning Commission work session held in June:

[June 10, 2025:](#) The Planning Commission held a work session to discuss the final draft proposed code language for affordable housing incentives.

[January 7, 2025:](#) Council held a work session to discuss a draft package of code amendments for affordable housing incentives.

[March 18, 2025](#): Council held a second work session to discuss a revised draft package of code amendments for affordable housing incentives.

[May 6, 2025](#): Council held a third work session to discuss final revisions to the package of draft code amendment for affordable housing incentives in advance of moving forward to the public hearing process.

ANALYSIS

During the June 10 work session, the Planning Commission raised questions about certain language within the proposed code. Staff analysis of those items is discussed below.

Residential on first floor in the DMU

In the Downtown Mixed Use Zone (DMU), residential units on the ground floor are not permitted on Main Street south of Scott Steet. The proposed incentive would allow residential units on the ground floor on Main Street in qualifying affordable housing developments.

Planning Commission feedback was mixed. Some commissioners expressed concern about losing valuable commercial storefront space in the core of downtown. Live/work units on the ground floor were discussed as a potential compromise. However, staff has found that live/work units do not active the ground floor in the same way as a commercial use. They are also difficult to regulate and monitor to ensure they are used as intended - occupied by home-based businesses. An example of live/work units in the downtown are on Harrison St across from historic city hal.

Staff does not recommend the revision to the proposed code to include live/work units. Staff recommends the Planning Commission make a recommendation to either allow ground floor residential units on Main Street or maintain the current prohibition.

Design standards

The proposed code includes adjustments to certain design standards in an effort to reduce construction costs. The Planning Commission expressed concern about the possible consequences of these adjustments. The following discusses each of the identified design standards in the proposed code amendment:

- A full adjustment to façade articulation standards
 - Middle housing – street-facing facades must contain at least one of the following:
 - A porch at least 5 ft deep.
 - A balcony that is at least 2 ft deep and is accessible from an interior room.
 - A bay window that extends at least 2 ft wide.
 - A section of the façade that is recessed by at least 2 ft deep and 6 ft long.
 - A gabled dormer.
 - Multi-unit residential – street-facing facades must be divided into wall planes and must be [articulated](#) by doing at least one of the following:
 - Incorporate porches or decks
 - Recess the building a minimum of 2 ft deep x 6 ft long

- Extend an architectural bay at least 2 ft from the façade
 - Buildings must also have a distinct base and top through the use of change in materials or color, or fenestration.
- Mixed-use residential – in the DMU, the downtown design standards identify specific [wall structure and building façade detail](#) requirements. The design standards include requirements for vertical articulation (base, middle, and top) and horizontal articulation (projecting elements, change in wall plane). Refer to Figures 1 and 2. If the standards cannot be met, then the applicant can elect to comply with the design guidelines in a Type III review.



Figure 1. Downtown Design Standards - Vertical Articulation Features

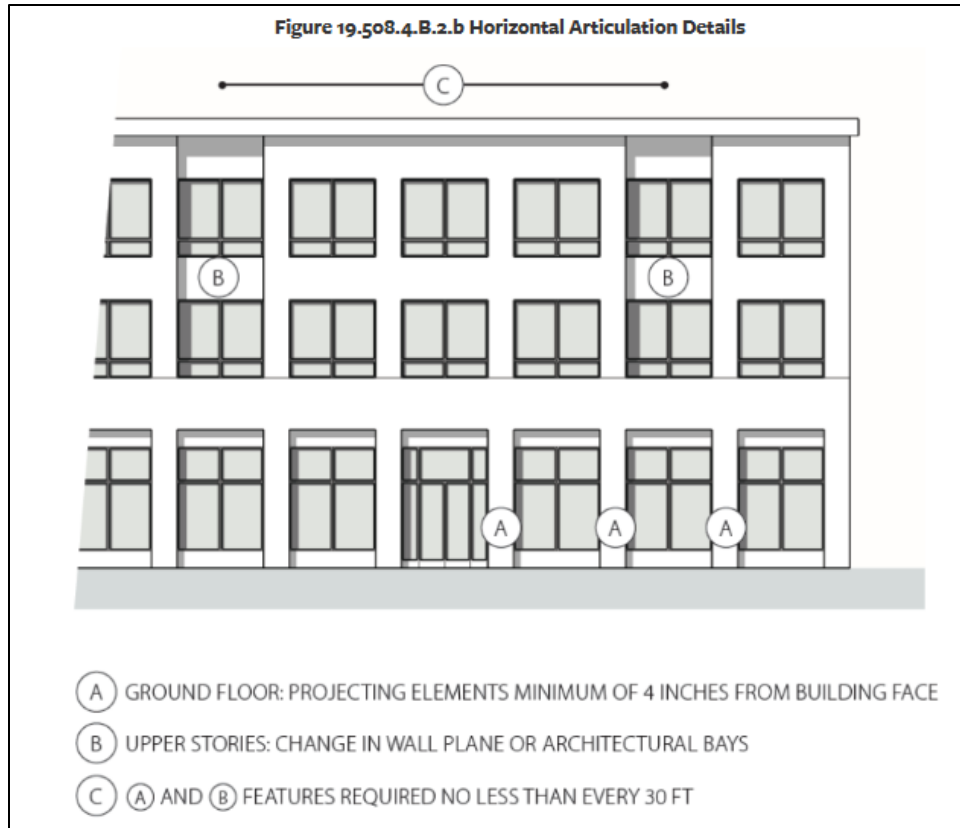


Figure 2. Downtown Design Standards - Horizontal Articulation Details

Articulation standards can increase construction costs, making it more challenging to make a project pencil out – particularly an affordable housing development. However, good design is important and staff understands the commissioners’ reluctance to allow a full adjustment within the code amendments. The challenge with this element is that there is no reasonable way to reduce the requirement. The very nature of the requirement means that certain elements must be provided, but you can’t reduce the requirement – it is either required or it isn’t. Staff asks that the Commission discuss this amendment and provide a recommendation to City Council to either support allowing a full adjustment to articulation standards for qualifying developments, or retain the existing requirement without adjustment.

- The street-facing or common courtyard-facing facades for middle housing, including cottages and townhouses, are required to include a minimum of 5 design elements from a list of 17 elements. The proposed code would reduce that requirement to 3 elements. The elements are:
 - a. Covered porch at least 5 ft deep, as measured horizontally from the face of the main building façade to the edge of the deck, and at least 5 ft wide.
 - b. Recessed entry area at least 2 ft deep, as measured horizontally from the face of the main building façade, and at least 5 ft wide.
 - c. Offset on the building face of at least 16 in from one exterior wall surface to the other.
 - d. Dormer that is at least 4 ft wide and integrated into the roof form.

- e. Roof eaves with a minimum projection of 12 in from the intersection of the roof and the exterior walls.
- f. Roof line offsets of at least 2 ft from the top surface of one roof to the top surface of the other.
- g. Clay tile, slate, or wood shingle roofs.
- h. Horizontal lap siding between 3 to 7 in wide (the visible portion once installed). The siding material may be wood, fiber-cement, or vinyl.
- i. Brick, cedar shingles, stucco, or other similar decorative materials covering at least 40% of the street-facing façade.
- j. Gable roof, hip roof, or gambrel roof design.
- k. Window trim around all windows at least 3 in wide and 5/8 in deep.
- l. Window recesses, in all windows, of at least 3 in as measured horizontally from the face of the building façade.
- m. Balcony that is at least 3 ft deep, 5 ft wide, and accessible from an interior room.
- n. One roof pitch of at least 500 sq ft in area that is sloped to face the southern sky and has its eave line oriented within 30 degrees of the true north/south axis.
- o. Bay window at least 2 ft deep and 5 ft wide.
- p. Attached garage width, as measured between the inside of the garage door frame, of 35% or less of the length of the street-facing façade.
- q. The following design element counts as 2 elements. Dwelling must be built to meet universal access as follows:
 - (1) Dwelling must have a bedroom on the ground floor.
 - (2) A ramp complying with R311.8 Oregon Residential Specialty Code (ORSC) must be provided to the main entrance of the dwelling.
 - (3) Doors must have a minimum clear width of 32 in.
 - (4) Horizontal and vertical grab bars must be provided in one bathroom on the main floor at the toilet, bath and shower. (See ANSI A117-1 Section 609 for size and location requirements.)

Staff maintain that a reduction in the number of required design elements from five to three would help to reduce the cost of construction while still maintaining a requirement for a basic standard of design.

- At least 15% of the street-facing or common courtyard-facing facades for middle housing, including cottages and townhouses, are required to be windows or entrance doors. The proposed code amendment would reduce that 12%.

Prior to the 2022 code amendments implementing the middle housing requirements in, the city's code included the 12% standard. The proposed reduction for affordable housing provides another opportunity for a small reduction to help offset the cost of construction.

Continued affordability

- The land use permit application for the residential project must include the procedures proposed by the developer to maintain the continued affordability of the income-restricted units.
 - Ownership developments: Developments must maintain the availability of income-restricted units for a minimum of sixty (60) years, and must enter into a development agreement, or show adequate legal proof of restriction/affordability covenant, with the city to ensure retention; or
 - Rental developments: Developments must maintain the availability of income-restricted units for a minimum of ninety-nine (99) years, and must enter into a development agreement, or show adequate legal proof of restriction/affordability covenant, with the city to ensure retention.

The Commission discussed the requirement for 99 years for rental developments, because there could be a scenario where a development did not receive funding requiring 99 years of income restriction. The City Council specifically established the two different timeframes during their work session process to incentivize ownership opportunities. The Planning Commission may make a different recommendation to Council during the hearing process.

CONCLUSIONS

Staff recommendation to the Planning Commission

Staff recommends that the Planning Commission vote that they recommend Council approve the code amendment package.

CODE AUTHORITY AND DECISION-MAKING PROCESS

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

- MMC Section 19.902 Amendments to Maps and Ordinances
- MMC Section 19.1008 Type V Review

This application is subject to Type V review, which requires the Planning Commission to hold an initial evidentiary hearing to and then forward a recommendation to the City Council for a final decision. Type V applications are legislative in nature and involve the creation, revision, or large-scale implementation of public policy.

The Commission has 4 decision-making options as follows:

- A. Recommend that Council approve the proposed amendments as per to the recommended Findings in Support of Approval.

- B. Recommend that Council approve the proposed amendments with revisions, including modifications to the recommended Findings in Support of Approval. Such modifications need to be read into the record.
- C. Recommend that Council deny the proposed amendments.
- D. Continue the hearing.

There is no deadline for a final decision on Type V applications, as they are legislative in nature.

COMMENTS

Notice was provided as described in MMC 19.1008, with a 30-day notice and code commentary made available online on June 18, 2025. The required 35-day notice to Metro and the Department of Land and Conservation Development was posted on June 17, 2025. Notice was also posted at City Hall, Public Safety Building, Johnson Creek Blvd offices, and the Ledding Library.

ATTACHMENTS

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

	PC Packet	Public Copies	EPacket
1. Ordinance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
a. Recommended Findings in Support of Approval	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Recommended Findings in Support of Approval (Statewide)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
c. Recommended Findings in Support of Approval (Metro)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
d. Draft code amendment language (underline/strikeout)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
e. Draft code amendment language (clean)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Key:

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

E-Packet = packet materials posted online at <https://www.milwaukieoregon.gov/bc-pc/planning-commission-139>, available 7 days prior to the meeting.



COUNCIL ORDINANCE No.

AN ORDINANCE OF THE CITY OF MILWAUKIE, OREGON, AMENDING THE MILWAUKIE MUNICIPAL CODE (MMC) TITLE 19 ZONING ORDINANCE FOR THE PURPOSE OF PROVIDING CODE-BASED INCENTIVES FOR THE DEVELOPMENT OF AFFORDABLE HOUSING (PRIMARY FILE #ZA-2025-003).

WHEREAS, it is the intent of the City of Milwaukie to promote and support affordable residential development to meet housing production goals; and

WHEREAS, the proposed code amendments provide an opportunity to reduce construction costs and encourage the development of income-restricted housing; and

WHEREAS, legal and public notices have been provided as required by law, and multiple opportunities for public review and input has been provided; and

WHEREAS, on July 22, 2025, the Milwaukie Planning Commission conducted a public hearing as required by MMC 19.1008.5 and adopted a motion in support of the amendments; 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 (MMC) is amended as described in Exhibit B (underline/strikeout version), and Exhibit C (clean version).

Section 3. Effective Date. The amendments shall become effective immediately on 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 _____.

Lisa M. Batey, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott S. Stauffer, City Recorder

Justin D. Gericke, City Attorney

Findings in Support of Approval
File #ZA-2025-003
Affordable Housing Incentives Code Amendments

Sections of the Milwaukie Municipal Code (MMC) 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 make code amendments to MMC Title 19 related to code-based incentives for affordable housing developments. The land use application file number is ZA-2025-003.
2. The proposed code amendments would aggregate all code-based affordable housing incentives, to centralize information for prospective applicants. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards (see Attachment 1 for the draft language). The goal is to remove barriers to residential development that includes income-restricted units. The city's Housing Production Strategy (HPS) includes a strategy to evaluate incentives for affordable housing development. The proposed amendments address this strategy.
3. Amendments are proposed in the municipal code, as follows:
 - Chapter 19.500 – SUPPLEMENTARY DEVELOPMENT REGULATIONS
 - Section 19.511 Affordable Housing Incentives (NEW)
 - Chapter 19.900 – LAND USE APPLICATIONS
 - Section 19.911 Variances
4. The proposal is subject to the following provisions of the Milwaukie Municipal Code (MMC):
 - MMC Section 19.902 Amendments to Maps and Ordinances
 - MMC Chapter 19.1000 Review Procedures
5. Sections of the MMC not addressed in these findings are found to be not applicable to the decision on this land use application.
6. 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 22, 2025 and August 19, 2025 as required by law.
7. 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 Manager, or any individual.

The amendments were formally initiated by the Planning Manager on January 2, 2025.

- 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 as follows:

The City Council held work sessions on January 7, March 18, and May 6, 2025. The Planning Commission held a work session on June 10, 2025. The current version of the draft amendments has been posted on the application webpage since June 17, 2025.

- (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 22, 2025 hearing was posted as required on June 17, 2025. A notice of the City Council's August 19, 2025 hearing was posted as required on July 17, 2025.

- (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 proposed amendments will apply to all zones that permit residential development. Therefore, notices were not sent.

- (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 17, 2025.

- (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 17, 2025.

- (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 will apply to properties in zones that permit residential development and do not affect the already permitted uses on those properties.

- (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 22, 2025 and passed a motion recommending that the City Council approve the proposed amendments. The City Council held a duly advertised public hearing on August 19, 2025 and approved the amendments.

8. 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 22, 2025 and passed a motion recommending that the City Council approve the proposed amendments. The City Council held a duly advertised public hearing on August 19, 2025 and approved the amendments. 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 coordinate and are consistent with other provisions of the Milwaukie Municipal Code.

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

The goals and policies of the Comprehensive Plan support the amendments to permit incentives for the development of income-restricted housing.

- (c) Section 7 – Housing:

Provide safe, affordable, stable housing for Milwaukie residents of every socioeconomic status and physical ability within dwellings and neighborhoods that are entirely equitable, delightfully livable, and completely sustainable.

- (a) Goal 7.1 – Equity:

Enable and encourage housing options that meet the needs of all residents, with a specific focus on uplifting historically disenfranchised communities and eliminating disparities for populations with special needs or lower incomes.

- (i) Policy 7.1.3

Promote zoning and code requirements that remove or prevent potential barriers to home ownership and rental opportunities for people of all ages and abilities, including historically marginalized or vulnerable populations such as people of color, aging populations, and people with low incomes.

The proposed amendments provide numerous code-based incentives for the development of income-restricted housing at a variety of levels. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The code language includes expedited review processes both for land use review and development permit review.

(b) Goal 7.2 – Affordability:

Provide opportunities to develop housing that is affordable at a range of income levels.

(i) Policy 7.2.1

Continue to research, leverage and implement housing affordability strategies that meet the needs of Milwaukie households and can adapt to changing market conditions.

The proposed amendments provide numerous code-based incentives for the development of income-restricted housing at a variety of levels. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The identified adjustments include specific standards in an effort to reduce construction costs. The proposed amendments also include additional bonuses for developments that are 100% affordable at 80% or below AMI. The code language includes expedited review processes both for land use review and development permit review.

(ii) Policy 7.2.3

Pursue programs and incentives that reduce the impacts that development/design standards and fees have on housing affordability, including modifications to parking requirements, system development charges, and frontage improvements.

The proposed amendments provide numerous code-based incentives for the development of income-restricted housing at a variety of levels. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards. The proposed amendments also allow for height bonuses in addition to existing height bonuses to allow for more density of residential development in mixed use zones. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The code language includes expedited review processes both for land use review and development permit review.

- (d) 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 Metro Urban Growth Management Functional Plan includes a number of titles that address various aspects of the region's goals and policies for urban development.

(a) Title 1 Housing Capacity

The proposed amendments continue to provide opportunities for high density housing development in the city's high density residential zones.

(b) Title 7 Housing Choice

The proposed amendments will continue to provide the opportunity for much-needed high density housing in the city's high density zones. The amendments also reduce barriers to the development of multi-unit housing, residential care facilities, and single room occupancy housing within these zones. The proposed amendments will support Metro's policies for expanding housing choice with a needed housing type in Milwaukee.

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. The proposed code amendments are in compliance with Metro's Functional Growth Management Plan.

- (e) 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.

In June of 2023 City Council adopted the state required Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS) which were subsequently acknowledged by the Department of Land Conservation and Development (DLCD).

The HPS includes ten actions aimed at encouraging more affordable and diverse housing types, fostering partnerships with housing providers and developers, and increasing housing stability for Milwaukie residents. Strategy E identified in the HPS is to "evaluate incentives for affordable housing development." This code package fulfills the state requirement to implement actions in the HPS.

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

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

The City Council finds that the Federal Fair Housing Amendments Act of 1988 is relevant to the proposed amendments. The proposed amendments provide a clear and objective review process for middle housing development in the residential zones.

Statewide Findings for Milwaukie Plan and Code Amendments – Affordable Housing Code Incentives

This memo summarizes the consistency of the proposed code amendments with the following statewide goals, as well as key Oregon Revised Statutes (ORSs) and Oregon Administrative Rules (OARs):

- Goal 1: Citizen Involvement
- Goal 10: Housing

Other Statewide Planning Goals are not directly applicable to the proposed code amendments. Goals related to agriculture and forestry do not apply to land intended for future urbanization within the urban growth boundary. Additionally, the proposed amendments do not involve land or resources designated as part of Oregon's coastal zone.

Consistency with the applicable goals is a requirement for any amendment to a City's land use ordinances.

Based on the findings described below, the proposed code amendments comply with the applicable Statewide Goals and associated ORS and OAR provisions.

Goal 1: Citizen Involvement

Finding: Goal 1 requires the City to employ an appropriately-scaled involvement program to ensure the opportunity for meaningful public involvement throughout the land use planning process. Goal 1 requires the City to incorporate six key components in its public involvement program:

- Citizen Involvement: An officially-recognized committee for public involvement broadly representative of geographic areas and interests related to land use and land-use decisions to provide for widespread public involvement;
- Communication: Mechanisms for effective two-way communication between the public and elected/appointed officials;
- Influence: Opportunities for the public to be involved in all phases of the planning and decision-making process including developing, evaluating, and amending plans;
- Technical Information: Access to technical information used in the decision-making process, provided in an accessible and understandable format;
- Feedback Mechanisms: Programs to ensure that members of the public receive responses from policy-makers and that a written record for land-use decisions is created and made accessible; and,
- Financial Support: Adequate resources allocated for the public involvement program as an integral component of the planning budget.

Following is a summary of activities undertaken by the City to support the proposed code amendments related to consolidation of the high density residential zones.

Planning Commission and City Council Updates

City staff conducted four work sessions with the City’s Planning Commission and City Council to review the status of the work and solicit feedback on key issues.

The specific proposed code language was posted with a code commentary on the City’s website on June 17, 2025. Prior to the public hearings the Planning Commission had one work session about the proposed code amendment language on June 10, 2025. This meeting was open to the public and was recorded and available for public viewing after the meeting. Three work sessions with the City Council were held before the City Council hearing on the amendments. these meetings were also open to the public and were recorded and available for public viewing after the meetings.

Based on the findings above, the Zoning Code update is consistent with Oregon Statewide Planning Goal 1.

Goal 10: Housing

Goal 10: To provide for the housing needs of citizens of the state.

Finding: Goal 10 requires the City to maintain and plan for an adequate land supply to accommodate at least 20 years of future growth, providing flexibility in housing location, type, and density to ensure the availability and prices of housing units are commensurate with the needs and financial capabilities of Oregon households. Comprehensive plans are required to include an analysis of community housing needs by type and affordability, an assessment of housing development potential, and an inventory of residential land; contain policies for residential development and supportive services based on that analysis that increase the likelihood that needed housing types will be developed; and provide for an adequate supply of a variety of housing types consistent with identified policies and meeting minimum density and housing mix requirements (established by OAR 660, Division 007).

The **Milwaukie Housing Affordability Strategy (MHAS)** was adopted by the Milwaukie City Council in 2018 after the Council identified housing affordability as its number one priority for the 2017–2018 biennium. The MHAS is a blueprint for providing equitable affordable housing opportunities and is intended to help increase the amount of affordable housing in the City. It serves as an overarching framework, combining existing land uses, needs assessments, housing policy analysis, and an analysis of best practices from peer cities. The MHAS includes a total of 31 proposed actions or programs focused around the following three goals:

- Develop New Units
- Prevent Displacement and Keep Affordable Units Affordable
- Connect People to Existing Affordable Housing

The city's Housing Production Strategy (HPS) outlines the specific tools, actions, and policies that the city plans to take to address the housing needs identified in the [Housing](#) Capacity Analysis and the city's plan and timeline for adopting and implementing each strategy. The HPS specifically identifies incentives as a way to encourage the development of affordable, income-restricted housing. DLCD approved the city's HPS in November 2023. The proposed amendments directly implement strategies from the approved HPS.

The proposed amendments relate to implementation of portions of the Comprehensive Plan related to the development and support of affordable housing. Creating and supporting housing opportunities has been a key goal for Council and the community. The adopted Comprehensive Plan policies call for ways to encourage the development of affordable housing and the reduction of barriers within the development code.

The proposed amendments implement comprehensive plan policies related to housing affordability and equity by providing specific incentives related to residential development: adjustments to certain design and development standards to reduce the cost of construction, and including height bonuses to provide more residential density. A mix of housing types combined with the higher densities will support development of smaller units with lower land costs and increased opportunities for transit, all of which can facilitate more affordable housing.

The city's Community Development Department will continue to work on ways to assist in the development of housing, provide financial incentives for regulated affordable housing development, and provide incentives for the retention or conversion of existing affordable housing supply.

Based on the findings above, the Comprehensive Plan Amendment is consistent with Statewide Planning Goal 10.

Attachment 1.c

UGMFP Findings for Milwaukie Code Amendments for Affordable Housing Incentives

The Metro Urban Growth Management Functional Plan (UGMFP) provides tools to meet regional goals and objectives adopted by Metro Council, including the 2040 Growth Concept and the Regional Framework Plan. Under the Metro Charter, the City of Milwaukie's Comprehensive Plan and implementing ordinances are required to comply and be consistent with the UGMFP. The UGMFP consists of 14 code titles with policies and compliance procedures.

Metro requires "substantial compliance" with requirements in the UGMFP. Per the definition in Title 10, "substantial compliance" means that the City's zoning code conforms with the purposes of the performance standards in the functional plan "on the whole." Any failure to meet individual performance standard requirements is considered technical or minor in nature.

Based on the findings described below, the proposed code amendments related to Affordable Housing Code Incentives substantially comply with all applicable titles of the Urban Growth Management Functional Plan.

The Metro Urban Growth Management Functional Plan (UGMFP) provides tools to meet regional goals and objectives adopted by Metro Council, including the 2040 Growth Concept and the Regional Framework Plan. Under the Metro Charter, the City of Milwaukie's Comprehensive Plan and implementing ordinances are required to comply and be consistent with the UGMFP. The UGMFP consists of 11 code titles with policies and compliance procedures for the following topics:

- Title 1: Housing Capacity
- Title 7: Housing Choice
- Title 8: Compliance Procedures

Title 1: Housing Capacity

Finding: Title 1 of the UGMFP is intended to promote efficient land use within the Metro urban growth boundary (UGB) by increasing the capacity to accommodate housing. Metro's 2020 Compliance Report concluded that Milwaukie is in compliance for the City's Title 1 responsibilities.

The city's Housing Production Strategy (HPS) identifies a variety of action steps to increase housing development in Milwaukie, including evaluating incentives for affordable housing development.

Staff is proposing a new code section that would aggregate all code-based affordable housing incentives to centralize information for prospective applicants. The proposed code language includes eligibility requirements for qualifying developments and specific incentives, including variances to setbacks, lot coverage, and certain minimum design standards. The goal is to remove barriers to residential development that includes income-restricted units.

The proposed code includes a variety of incentives for qualifying developments that are middle housing, multi-unit, or mixed-use residential, organized as a package of variance requests to existing land use regulations and design and development standards for housing development. The proposal would limit variance applications to no more than 10 distinct variances to these standards. The proposed review process for these variances is an expedited Type II review already included in Milwaukie Municipal Code (MMC) 19.1005, that would reduce the timeframe for a decision from 120 days to 100 days. The amendments are intended to increase the supply of affordable housing, and provide equitable access and housing choice for all.

Based on the findings above, the proposed amendments are consistent with Title 1.

Title 7: Housing Choice

Finding:

Title 7 is designed to ensure the production of affordable housing within the UGB. Under Title 7, the City is required to ensure that its Comprehensive Plan and implementing ordinances include strategies to: ensure the production of a diverse range of housing types, maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout the City, and increase opportunities for households of all income levels to live in affordable housing (3.07.730). Metro's 2020 Compliance Report concluded that Milwaukie is in compliance for the City's Title 7 responsibilities.

The City's Housing Production Strategy (HPS), includes a strategy to evaluate incentives for affordable housing development. The proposed amendments address this strategy. The local code findings also illustrate how the proposed code amendments implement the policies in the new comprehensive plan that promote a diverse range of housing types, with a focus on housing affordability.

In addition to the recently adopted comprehensive plan which has multiple policies supporting housing affordability, equity and choices, the City has conducted several recent planning efforts aimed at addressing similar goals. The *Milwaukie Housing Affordability Strategy* and *Equitable Housing Policy & Implementation Plan* identify a variety of specific strategies to further these goals, many of which are already being implemented by the City and its local and regional partners. The proposed code amendments are the result of an

evaluation of the existing zoning ordinance to reduce barriers to and encourage the development of affordable housing.

Based on the findings above, the proposed amendments are consistent with Title 7.

Title 8: Compliance Procedures

Finding: Title 8 establishes a process for ensuring compliance with requirements of the UGMFP. An amendment to the City comprehensive plan or land use regulations is deemed to comply with the UGMFP only if the City provided notice to Metro as required by section 3.07.820(a). The City of Milwaukie provided Metro a set of draft code amendments on June 17, 2025 which was more than 35 days prior to the first evidentiary hearing, which was held on July 22, 2025

Based on the findings above, the proposed amendments are consistent with Title 8.

CHAPTER 19.500 SUPPLEMENTARY DEVELOPMENT REGULATIONS**19.511 AFFORDABLE HOUSING INCENTIVES****A. Purpose.**

The purpose of this section is to offer incentives to developers for providing housing that is affordable to the types of households and qualifying residents identified in subsection B (Eligibility for Incentives), below. Affordable housing incentive requests of this chapter can be made concurrently as part of a land use permit application, as applicable.

B. Eligibility for Incentives.

To be eligible for an adjustment and other incentives provided by this section, a proposed residential project must meet the following requirements:

1. Development must be middle housing, mixed-use residential, or multi-unit residential;
2. Middle housing, multi-unit, and mixed-use residential development must be designed and constructed so that at least:
 - a. Fifty percent (50%) of the total number of proposed dwelling units are restricted to households earning 60% - 80% Area Median Income (AMI) or below; or
 - b. Forty percent (40%) of the total number of proposed dwelling units are restricted to households earning 40% - 60% AMI or below; or
 - c. Thirty percent (30%) of the total number of proposed dwelling units are restricted to households earning 30% - 40% AMI or below; or
 - d. Twenty percent (20%) of the total number of proposed dwelling units are restricted to households earning less than 30% AMI; and
 - e. Comply with all applicable provisions of this title.
3. Where the calculation of the number of affordable units does not result in a whole number, the result will be rounded up to the nearest whole number.
4. The income restricted units must be reasonably dispersed throughout the development, must contain on average the same number of bedrooms as the market rate units in the development, and must be compatible with the design of the market rate units in terms of size, appearance, materials, and finish quality.

C. Types of Variances and Incentives Allowed.

A residential project that satisfies all applicable provisions of this section is entitled to apply for the following incentives. A variance application may ask for no more than a total of 10 distinct variances between the development and design standards identified below. For the purposes of this section, multiple instances of the same variance type will be considered one distinct variance.

1. The following variances to development standards will be reviewed via an expedited Type II review process pursuant to Section 19.1005:
 - a) Minimum side yard setbacks: 40% reduction.
 - b) Minimum front, rear, street side yard setbacks: 25% reduction; 50% reduction for middle housing except cottage clusters.
 - c) Common area, minimum landscaping, or open space: reduction of up to 25%.
 - d) Minimum lot area: up to 25% reduction.
 - e) Minimum lot width or depth: up to 10% reduction.
 - f) Maximum lot coverage: up to 10 percentage points increase over the base maximum.
 - g) Bike parking: a reduction to the minimum number of long-term and short-term spaces (0.5 spaces/dwelling required for each) and location of spaces.
 - h) Maximum building height: for multi-unit and mixed-use residential developments, allowance of up to an additional 20 ft.
 - a) In the Downtown Mixed Use (DMU) and the General Mixed Use (GMU) zones, this bonus is in addition to allowable height bonuses for developments where 50% of the total number of proposed dwelling units are restricted to households earning no more than 60% AMI.
 - b) In the GMU zone, a qualifying development that elects to use the allowable height bonuses is not subject to the Type III review identified in Subsection 19.911.7.
 - i) Maximum density: none.
 - j) In the DMU: ground-floor residential units are allowed on all streets.
 - k) In the DMU: nonresidential active uses that support the residential use, such as lobbies, community rooms, exercise rooms, offices, day care, etc., are allowed on the ground floor.
 - l) Townhouse developments: the allowed number of consecutive townhouses that share a common wall is increased to six (6).
2. The following variances to design standards will be reviewed via an expedited Type II review process (Section 19.1005):
 - a) Façade articulation: full adjustment to the standard.
 - b) Inclusion of a minimum of three (3) detailed design features in Subsection 19.505.1.C.4., 19.505.4.D.4.d, and 19.505.5.C.4, rather than 5.
 - c) Total window area: reduction of up to 30%; minimum 12% required.
3. A development can use one of the following additional incentives:
 - a. For housing developments where 100% of the total number of proposed dwelling units are for low-income households as defined by the federal department of Housing and Urban Development (HUD) as 80% AMI or below, the incentives identified in this subsection are increased by an additional 10% (10 percentage points) over the stated amount. This increase does not apply to building height.
OR

- b. For housing developments where 100% of the total number of proposed dwelling units are homeownership units and are eligible for the incentives as defined in Subsection 19.511.B, the incentives identified in this subsection are increased by an additional 10 percentage points over the stated amounts. This increase does not apply to building height. Homeownership developments must use a community land trust model, shared equity, or similar model, that can ensure continued affordability and compliance monitoring.

4. Other Incentives.

- a. Qualifying multi-unit residential-only developments (not mixed-use developments) proposed in the DMU zone will be reviewed for compliance with Subsection 19.505.3 (Multi-Unit Housing).
- b. This section does not prohibit developers of qualifying affordable residential projects from requesting other regulatory incentives or concessions from the City.

D. Continued Affordability.

The land use permit application for the residential project must include the procedures proposed by the developer to maintain the continued affordability of the income-restricted units. Developments receiving a direct financial contribution, or other financial incentives from the City, or utilizing any of the incentives provided in this subsection, must maintain the availability of income-restricted homeownership units for a minimum of 60 years and of income-restricted rental units for a minimum of 99 years. Developers must enter into a development agreement or provide legal proof of restriction/affordability covenant with the City of Milwaukie to ensure retention. This should also include the monitoring and verification process that will be utilized throughout the duration of the affordability term to ensure the appropriate income levels are being certified for prospective renters or buyers.

E. Processing of Incentive Requests.

Proposed incentive requests must be included as part of the land use application or permitting materials required for the residential project by this title, including the application of all relevant criteria.

1. Approval Criteria. The approval of the incentives by the review body or City designee must also comply with the following approval criteria:

- a. The approval criteria for Type II variances identified in Subsection 19.911.4.A; and
- b. There are sufficient provisions to guarantee that the dwelling units will remain affordable in the future as required.
- c. Evidence has been provided to show compliance with Subsection 19.511.B.4.

F. Priority Processing of Affordable Housing Projects.

A residential project that satisfies all applicable provisions of this section will be given priority over other types of projects and permits by all City departments in the processing of land use permit and building permit applications, and in inspections of the project during the construction process.

CHAPTER 19.900 LAND USE APPLICATIONS**19.911 VARIANCES**

19.911.3 Review Process.

B. Type II Variances

Type II variances allow for limited variations to numerical standards. The following types of variance requests ~~shall~~ will be evaluated through a Type II review per Section 19.1005:

~~11. For any middle housing development, except townhouses and cottage clusters, that includes at least one dwelling unit that is affordable that meets the exemption standards as defined in Section 3.60.050, the minimum setbacks in Table 19.301.4 may be reduced to the following:~~

~~a. Front yard: 10 ft~~

~~b. Rear yard: 10 ft~~

~~c. Side yard: 5 ft~~

~~d. Street side yard: 10 ft~~

CHAPTER 19.500 SUPPLEMENTARY DEVELOPMENT REGULATIONS**19.511 AFFORDABLE HOUSING INCENTIVES****A. Purpose.**

The purpose of this section is to offer incentives to developers for providing housing that is affordable to the types of households and qualifying residents identified in subsection B (Eligibility for Incentives), below. Affordable housing incentive requests of this chapter can be made concurrently as part of a land use permit application, as applicable.

B. Eligibility for Incentives.

To be eligible for an adjustment and other incentives provided by this section, a proposed residential project must meet the following requirements:

1. Development must be middle housing, mixed-use residential, or multi-unit residential;
2. Middle housing, multi-unit, and mixed-use residential development must be designed and constructed so that at least:
 - a. Fifty percent (50%) of the total number of proposed dwelling units are restricted to households earning 60% - 80% Area Median Income (AMI) or below; or
 - b. Forty percent (40%) of the total number of proposed dwelling units are restricted to households earning 40% - 60% AMI or below; or
 - c. Thirty percent (30%) of the total number of proposed dwelling units are restricted to households earning 30% - 40% AMI or below; or
 - d. Twenty percent (20%) of the total number of proposed dwelling units are restricted to households earning less than 30% AMI; and
 - e. Comply with all applicable provisions of this title.
3. Where the calculation of the number of affordable units does not result in a whole number, the result will be rounded up to the nearest whole number.
4. The income restricted units must be reasonably dispersed throughout the development, must contain on average the same number of bedrooms as the market rate units in the development, and must be compatible with the design of the market rate units in terms of size, appearance, materials, and finish quality.

C. Types of Variances and Incentives Allowed.

A residential project that satisfies all applicable provisions of this section is entitled to apply for the following incentives. A variance application may ask for no more than a total of 10 distinct variances between the development and design standards identified below. For the purposes of this section, multiple instances of the same variance type will be considered one distinct variance.

1. The following variances to development standards will be reviewed via an expedited Type II review process pursuant to Section 19.1005:
 - a) Minimum side yard setbacks: 40% reduction.
 - b) Minimum front, rear, street side yard setbacks: 25% reduction; 50% reduction for middle housing except cottage clusters.
 - c) Common area, minimum landscaping, or open space: reduction of up to 25%.
 - d) Minimum lot area: up to 25% reduction.
 - e) Minimum lot width or depth: up to 10% reduction.
 - f) Maximum lot coverage: up to 10 percentage points increase over the base maximum.
 - g) Bike parking: a reduction to the minimum number of long-term and short-term spaces (0.5 spaces/dwelling required for each) and location of spaces.
 - h) Maximum building height: for multi-unit and mixed-use residential developments, allowance of up to an additional 20 ft.
 - a) In the Downtown Mixed Use (DMU) and the General Mixed Use (GMU) zones, this bonus is in addition to allowable height bonuses for developments where 50% of the total number of proposed dwelling units are restricted to households earning no more than 60% AMI.
 - b) In the GMU zone, a qualifying development that elects to use the allowable height bonuses is not subject to the Type III review identified in Subsection 19.911.7.
 - i) Maximum density: none.
 - j) In the DMU: ground-floor residential units are allowed on all streets.
 - k) In the DMU: nonresidential active uses that support the residential use, such as lobbies, community rooms, exercise rooms, offices, day care, etc., are allowed on the ground floor.
 - l) Townhouse developments: the allowed number of consecutive townhouses that share a common wall is increased to six (6).
2. The following variances to design standards will be reviewed via an expedited Type II review process (Section 19.1005):
 - a) Façade articulation: full adjustment to the standard.
 - b) Inclusion of a minimum of three (3) detailed design features in Subsection 19.505.1.C.4., 19.505.4.D.4.d, and 19.505.5.C.4, rather than 5.
 - c) Total window area: reduction of up to 30%; minimum 12% required.
3. A development can use one of the following additional incentives:
 - a. For housing developments where 100% of the total number of proposed dwelling units are for low-income households as defined by the federal department of Housing and Urban Development (HUD) as 80% AMI or below, the incentives identified in this subsection are increased by an additional 10% (10 percentage points) over the stated amount. This increase does not apply to building height.

OR

- b. For housing developments where 100% of the total number of proposed dwelling units are homeownership units and are eligible for the incentives as defined in Subsection 19.511.B, the incentives identified in this subsection are increased by an additional 10 percentage points over the stated amounts. This increase does not apply to building height. Homeownership developments must use a community land trust model, shared equity, or similar model, that can ensure continued affordability and compliance monitoring.

4. Other Incentives.

- a. Qualifying multi-unit residential-only developments (not mixed-use developments) proposed in the DMU zone will be reviewed for compliance with Subsection 19.505.3 (Multi-Unit Housing).
- b. This section does not prohibit developers of qualifying affordable residential projects from requesting other regulatory incentives or concessions from the City.

D. Continued Affordability.

The land use permit application for the residential project must include the procedures proposed by the developer to maintain the continued affordability of the income-restricted units.

Developments receiving a direct financial contribution, or other financial incentives from the City, or utilizing any of the incentives provided in this subsection, must maintain the availability of income-restricted homeownership units for a minimum of 60 years and of income-restricted rental units for a minimum of 99 years. Developers must enter into a development agreement or provide legal proof of restriction/affordability covenant with the City of Milwaukie to ensure retention. This should also include the monitoring and verification process that will be utilized throughout the duration of the affordability term to ensure the appropriate income levels are being certified for prospective renters or buyers.

E. Processing of Incentive Requests.

Proposed incentive requests must be included as part of the land use application or permitting materials required for the residential project by this title, including the application of all relevant criteria.

1. Approval Criteria. The approval of the incentives by the review body or City designee must also comply with the following approval criteria:

- a. The approval criteria for Type II variances identified in Subsection 19.911.4.A; and
- b. There are sufficient provisions to guarantee that the dwelling units will remain affordable in the future as required.
- c. Evidence has been provided to show compliance with Subsection 19.511.B.4.

F. Priority Processing of Affordable Housing Projects.

A residential project that satisfies all applicable provisions of this section will be given priority over other types of projects and permits by all City departments in the processing of land use permit and building permit applications, and in inspections of the project during the construction process.

CHAPTER 19.900 LAND USE APPLICATIONS**19.911 VARIANCES**

19.911.3 Review Process.

B. Type II Variances

Type II variances allow for limited variations to numerical standards. The following types of variance requests will be evaluated through a Type II review per Section 19.1005:

[remove item 11]
