FOREST GROVE OREGON

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CITY RECORDER USE ONLY:	
AGENDA ITEM #:	
FINAL ACTION:	

PLANNING COMMISSION MEMO

TO: *Planning Commission*

FROM: *Community Development Director*

MEETING DATE: *April 4, 2022*

PROJECT TEAM: *Daniel Riordan, Senior Planner; Bryan Pohl, Community Development Director*

SUBJECT TITLE: *Planning Commission Deliberations on Development Code Amendments to Implement Oregon House Bill 2001 (Middle Housing) and Senate Bill 458 (Middle Housing Land Divisions)*

ISSUE STATEMENT: The Planning Commission held a public hearing on March 22, 2022, on proposed amendments to the Forest Grove Development Code needed to comply with Oregon Housing Bill 2001 (Middle Housing) and Senate Bill 458 (Middle Housing Land Divisions). On March 22nd the Planning Commission approved a motion to continue deliberations to April 4, 2022. Staff is requesting the Planning Commission approve a motion on April 4th recommending specific amendments to the Forest Grove Development Code needed to implement HB 2001 and SB 458.

BACKGROUND: The Governor signed into law Oregon House Bill 2001 (2019), also known as the Oregon middle housing law. The Governor also signed into law Senate Bill 458 (2021), also known as the middle housing land division law. Both laws apply to Forest Grove and as such Forest Grove must adopt amendments to the Forest Grove Development Code needed for compliance.

On March 22nd, staff presented an overview of both bills and proposed amendments to the Forest Grove Development Code. During the presentation, staff highlighted areas where flexibility is possible under HB 2001. Staff recommends the Planning Commission focus deliberations on the following areas where flexibility is allowed:

- Whether to consolidate the R-5, R-7, and R-10 zoning districts into one low density residential zoning district. The Development Code includes seven residential zoning districts. Each district has development standards for lot size and density. Traditionally the highest density areas are near the Pacific Avenue transit corridor and near downtown Forest Grove. As one moves away from the City's core area densities become lower.

  Cities subject to HB 2001 must allow a variety of housing types within low density residential zones. Housing types that must be allowed include triplexes and quadplexes which are currently classified by the Development Code as multiple family housing. This diminishes the need to classify zoning districts based on density. Folding the R-5, R-7 and R-5 zoning districts into one district recognizes the blurring of density in low density residential districts due to HB 2001 and will streamline the Development Code and development review process.

It should be noted that consolidating zoning districts is not required by HB 2001 or the corresponding Oregon Administrative Rules. Consolidation simply recognizes the change to regulating residential development as a result of HB 2001.

- Minimum lot sizes and dimensions. Cities subject to HB 2001 must establish a minimum lot size for single-unit residential development. This lot size affects the allowed minimum lot sizes for the middle housing types allowed by HB 2001. Currently, the Development Code has a minimum lot size requirement and average lot size requirement for subdivisions within each residential zoning district. The minimum lot size is 70% of the average lot size requirement. In the R-7 zoning district, the average lot size must be 7,000 square feet. This minimum lot size would likely preclude attached homes contrary to the intent of HB 2001. This also applies to the R-10 zoning district where the average lot size in a subdivision must be 10,000 square feet and the minimum lot size is 7,000 square feet.

  Forest Grove may continue to require a minimum average lot size for lots in subdivision. If an average lot size is required the City must still establish an absolute minimum size to compliance with HB 2001. The Development Code currently requires an average lot size of 5,000 square feet in the R-5 zone, 7,000 square feet in the R-7 zone and 10,000 square feet in the R-10 zone.

  Most attached housing types being built in Forest Grove are located in the Residential Multifamily Low (RML) and Residential Multifamily High (RMH) zoning districts. A recent example is the Sunset Crossing project at Sunset Drive and near 26th Avenue. This development includes duplexes on lots that range in size from about 2,600 square feet to 6,000 square feet. The current proposal is to set the minimum lot size in the low-density residential zone to 3,500 square feet which is consistent with the current minimum lot size in the City's R-5 zoning district. Under the current proposal development with lots smaller than 3,500 square feet would require planned development approval. The City could establish a minimum lot size smaller than 3,500 square feet for single unit detached homes, if desired.

- Whether or not to allow detached duplexes as an allowed housing type. Currently, the Development Code requires that duplexes be attached. This is the traditional duplex form. The Oregon Administrative Rules implementing HB 2001 allow for a detached duplex configuration. This would allow for building two homes on a lot without the need for superficial connections needed to meet the attached requirement that is currently in the Development Code. The Coopers Corner development on 19th Avenue near Poplar Street is an example of a duplex project where units are only marginally attached.

- Whether or not to allow large courtyard housing units. The Oregon Administrative Rules implementing HB 2001 sets a maximum unit size for cottages within cottage clusters. Under HB 2001, the maximum *building footprint* allowed is 900 square feet. A city may exempt up to 200 square feet in the dwelling unit footprint for an attached garage or carport. The Oregon model code regulates the maximum average floor area for a cottage cluster to 1,400 per dwelling unit including the floor area within accessory structures.

Forest Grove could allow for larger building footprints but must classify this type of housing as something other than a cottage. Allowing larger units would accommodate projects such as the Green Grove co-housing project without the need to go through the planned development approval and condominium approval process. This would streamline the approval process and reduce potential delay and cost. Allowing this type of development is not a requirement of HB 2001 but would expand housing choices.

- Whether to delete the dwelling diversity standard. The Development Code includes a requirement for promoting diversity in façade design. The Code states:

  "Front elevations shall not be replicated on adjacent lots nor directly across the street within a 24-month period, or replicated within a subdivision over a 12-month period more than the larger number of a) five times or b) 10% of the total subdivision lots. Replication includes mirrored images (where the main features, such as windows, door location, garage location, roof peak, etc. are reversed and minor trim and paint changes".

  While the intent of the dwelling diversity standard seems good the standard is not entirely clear and objective and appears somewhat arbitrary. Often, disagreements arise between staff and developers as to what constitutes replication and minor trim and paint changes. This results in delay in issuing building permits.

- Building setbacks: HB 2001 provides flexibility in establishing local requirements for minimum building setbacks from property lines. Building setbacks could be based on the Oregon Model Code, made consistent with the requirements for single-unit attached homes or be something in between.

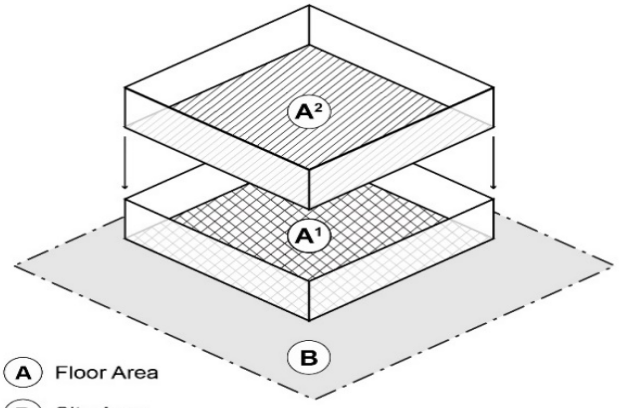
- Development intensity:

Development Intensity Options:

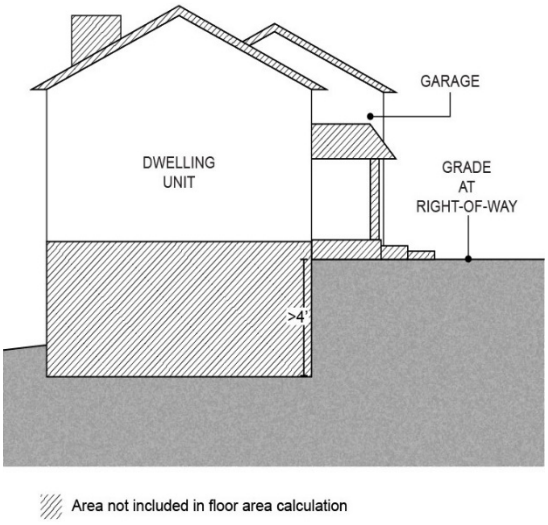
1. Maximum density. The City's current approach to regulating development intensity is based in establishing target and maximum densities for each residential zoning district. In practice, maximum density limits the type of housing in residential zoning districts and results in single unit homes being the only allowed housing type. This is largely the reason why the Oregon Administrative Rules implementing HB 2001 prohibit applying maximum density to middle housing types other than townhomes. If a maximum density is established by the City, the City must allow four times the maximum density allowed for detached single-unit homes in the same zone or 25 dwelling units per acre, whichever is less.

2. Floor Area Ratio: The Oregon Model Code introduces the concept of floor area ratio (FAR) for residential development. This is a significant change in approach to regulating residential development intensity since historically, FAR has been used mostly for commercial or mixed-use developments. FAR is somewhat complicated and requires looking at the floor plan for each building permit for an individual lot and making detailed calculations to ensure compliance. Often a developer does not know what house plan may be built on an individual lot at time of initial land use approval.

The method for calculating the FAR is shown below:



As shown below, the FAR calculation only includes the space within the dwelling and space within a garage. Typically, areas below grade and areas under covered patios and porches are not included in the floor area.



If the City establishes a minimum floor area ratio it must be high enough so as not to preclude construction of middle housing types in residential zones. A maximum floor area ratio of 1.1 would accommodate single unit detached and middle housing types.

3. Building setbacks and building height. Perhaps the most straight forward and least complicated approach for regulating development intensity is to allow home construction on a

lot so long as minimum building setbacks and maximum heigh restrictions are met. Some cities are taking the approach.

- Attached townhome restrictions. Currently, the Development Code limits the number of homes that can be attached in townhouse configuration. This current limit is six.

  The Oregon Model Code requires at least four attached units in a townhouse configuration. Forest Grove could limit the number of attached homes to four, or allow more than six, if desired.

- On-street parking credit. The Oregon Administrative Rules allow for counting adjacent on-street parking spaces as meeting the off-street parking requirement. The Development Code also allow for such a credit. To ensure that some off-street parking is provided the proposed Development Code amendment would allow for a 50% on-street parking credit.

- Design standards. A city may impose design standards on middle housing types, other than what is in the state model code. The caveat is the standard must not increase cost and must also apply to single unit homes. In addition, the standard must be clear and objective. The proposed Development Code amendments do not include design standards above and beyond what's in the state's model code.

- Minimum number of units in a cottage cluster. The Oregon Administrative Rules provide flexibility to cities to establish the minimum number of units required in a cottage cluster. If a city chooses to require a minimum number of units in a cottage cluster it must be either three, four or five units. A city may allow more than five units in a cottage cluster if desired.