



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: September 8, 2022		Subject: Frog Pond East and South Master Plan	
		Staff Member: Daniel Pauly, Planning Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: On August 10 Planning Commission held a work session and provided feedback that is integrated into the staff report and attachments.	
Staff Recommendation: Provide input regarding future policies for Frog Pond East and South.			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: Expand home ownership	<input checked="" type="checkbox"/> Adopted Master Plan(s): Frog Pond Area Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Provide feedback on residential policies for Frog Pond East and South. Specifically, provide additional guidance on housing variety policy and input on the design of parks and open spaces, pedestrian facilities, and bicycle facilities.

EXECUTIVE SUMMARY:

Following designation of the subject land as an urban reserve in 2010, the City adopted the Frog Pond Area Plan in 2015 to set the stage for additional planning and eventual development to meet identified housing needs. Besides the urban reserve area, the Frog Pond Area Plan also established a vision for growth for undeveloped land already within the City's Urban Growth Boundary (UGB) now known as Frog Pond West. In 2017, a Master Plan and implementing zoning code was adopted for Frog Pond West. The Master Plan provided the necessary regulatory framework for the residential neighborhood currently under development north of Boeckman Road and west of Stafford Road.

In 2018, Metro expanded the UGB to include the urban reserve land known as Frog Pond East and South. As part of the Metro Ordinance adopting the UGB expansion, Metro required Wilsonville to complete master planning to make the area development ready, from a regulatory standpoint, by December 2022. Similar to past master planning efforts, such as Villebois and Frog Pond West, this master planning effort will identify the types and locations of the homes, other land uses, parks, open spaces, streets, trails and neighborhood amenities to be built over the next 10-20 years. To support implementation of the plan, the process will also identify water, sewer, stormwater, and transportation infrastructure needs and funding sources.

This will be the City Council's seventh work session on the Frog Pond East and South Master Plan. The previous work sessions and their content were as follows:

Work Session 1-October 2021: Focus on overall project scope and the outreach plan.

Work Session 2-January 2022: Initial feedback on the needs and opportunities for affordable housing and housing variety.

Work Session 3-March 2022: Continuation of the topic of housing needs for more detailed feedback and direction, introduction of the neighborhood commercial evaluation.

Work Session 4-May 2022: Further discussion of the neighborhood commercial center and discussion of the design concepts for development of land use and urban design alternatives.

Work Session 5-June 2022: Provided direction on draft land use alternatives, including mapping the locations of different housing types and forms (grouped into Type 1, Type 2, and Type 3).

Work Session 6-July 2022: Reviewed the draft preferred land use alternative and gave direction on land use policies around housing variety.

During the last work session, Council expressed support for the housing variety policy approach recommended by the project team and the Planning Commission. That approach had two components:

- Component 1: Require a minimum amount of certain target housing types.
- Component 2: Cap the amount of any single housing type that can be within a given area.

This *Work Session 7* will build on the residential variety policy discussion from the last work session. Planning Commission had an extensive discussion during their August work session on different options for what that policy could look like. Council's briefer work session will focus the discussion on how the residential variety policy can support Council's goal of supporting first-time home ownership in Frog Pond East and South.

The project team seeks direction on whether the current policy direction on housing variety hits the mark for Council in regards to zoning that can encourage first-time home ownership. As noted previously in work sessions, zoning to encourage and allow is just one component of the effort to provide affordable ownership opportunities. Other programs and partnerships are needed to meet many of the City's housing goals.

Work Session 7 will also introduce the public realm component of the master plan (parks, streets, greenspaces) and seek Council feedback.

Housing Variety Policy

In May, the City Council discussed design concepts that would guide decisions around land use and housing. A few of the design concepts are relevant and can serve as a guide to this housing variety policy discussion.

- **Housing Variety Throughout:** This concept focuses on mixing and integrating different housing types throughout each sub-district and block rather than having separate areas for separate housing types.
- **Affordable Housing Integration:** Integrate affordable housing "targets", both subsidized housing as well as market-rate housing that is more economically attainable, described in the Affordable Housing Analysis. This includes affordable ownership opportunities, a goal of the City Council.
- **The Use of Sub-districts:** This concept focuses on sub-districts as geographies in which to form neighborhoods within neighborhoods. Each sub-district will have a green focal point and a variety of housing. The housing variety requirements are most likely to be applied at a sub-district level.

As described in the previous work session, the *preferred land use alternative* mapping of Type 1, Type 2, and Type 3 housing provides some housing variety (at a large or "zoomed-out" scale) across the master plan area. The *housing variety policy* provides a more granular (or "zoomed-in") scale of housing variety within each sub-district and housing type (Type 1, Type 2, Type 3).

To refine the two components of the preferred housing variety policy approach, a few key questions are being considered by the project team and Planning Commission. The team seeks Council's input as well, especially in regards to affordable home ownership.

1. What should be the target housing types (policy component 1)?

2. How much of the target housing types should be required (minimum percent)?
3. What should the cap be for development of any single unit type (policy component 2)?

The requirement for certain target housing types (Policy Component 1) is one tool for achieving some affordable housing integration. The project team recommends a criterion that the housing variety policy focus on targeting housing types that provide more affordable ownership opportunities. Requiring housing types that are likely to provide affordable ownership opportunities in all sub-districts of the master plan area, would be a meaningful step in reaching Council's goal of expanding home ownership for lower-income and first-time homebuyers. Based on the Affordable Housing Analysis (Attachment 1), market rate development can support the construction of specific unit types at price points that would likely meet market-rate needs for households with incomes of 80%-120% Median Family Income (MFI)¹. The unit types determined by the analysis include townhouses and condos, and while there is limited data on existing sales of cottages and plexes, they are expected to hit similar price points. While lower in price point than larger or detached products, new development on the edge will typically sell at the top of the price range for that unit type. An example code standard may be: 40% of units in each sub-district shall be either attached middle housing or small cottage units.

Setting a maximum amount of any single type of housing unit (Policy Component 2) helps achieve the desired design concept of providing housing variety throughout the master plan area. Requiring variety also caps the amount of more expensive housing types and thus, provides more opportunity for less expensive units to be produced; that also helps support Council's goal of affordable home ownership. The project team aims to establish a maximum percentage for any single type of housing unit that is low enough to prevent development of a dominant housing type in the master plan area, and each of its sub-districts, while also providing enough flexibility for the market to produce needed housing. An example code standard may be: No more than 50% of land within a sub-district may be designated for development of a single unit type.

The project team has worked with the Planning Commission to develop criteria to evaluate different policy options. The team would appreciate Council's guidance as well, especially in regards to criteria to encourage affordable home ownership. Based on direction from the Commission and Council, the project team will perform additional analysis and bring forward a specific housing variety policy recommendation, for Council's consideration in an upcoming work session. The policy recommendation will include numerical options for the housing variety standards and how they perform relative to the identified criteria.

¹ The stated requirements could also enable affordability below 80%, especially condos, but that other tools and financial subsidy are also needed in order to construct housing available to households with lower incomes. However, as stated, new construction in new urban areas tends to be at the high end of comparative sales of similar unit types.

Public Realm Design

The second part of the work session is to discuss and get the City Council's feedback on design of elements of the public realm (parks, streets, greenspaces, etc.). Attachment 2 includes a variety of draft public realm documents for the City Council's review listed below.

- Significant Tree Inventory Map
- Street Demonstration Plan (two options)
- Bicycle Circulation Concept
- Advance Road Cross-Section Concept
- Park and Open Space Framework

The project team recommends the City Council carefully review Attachment 1 and offer feedback. The City Council is also invited to share their responses to questions outlined in the Public Spaces survey (Attachment 3). The survey was live through August. In addition to the standard online presence, the survey was available at a number of public events: Popsicles in the Park on August 9, joint events with the school district on August 17 and 23, and the Community Block Party on August 25. Staff will be prepared to share the preliminary results of the outreach at the work session, however the data is not available at publication of this staff report.

Attachment 2 also shows the preferred land use alternative, based on prior input from the Council, that the public was asked to respond to. In this alternative the neighborhood park and a portion of the Type 1 housing is re-oriented and located adjacent to the BPA Easement in Frog Pond East based on comments from the last City Council work session. This re-orientation was shared with the Planning Commission in their August work session, which they unanimously supported.

Discussion Questions:

1. How should the City determine target housing variety requirements?
2. What are the Council's thoughts on meeting market-rate ownership needs for households making 80%-120% MFI as one of the key criteria for determining variety requirements?
3. What other criteria would the Council suggest for determining housing variety requirements?
4. What comments does the Council have about the public realm components (Attachment 2)?

EXPECTED RESULTS:

Feedback and direction from the City Council on: developing key residential policies for housing variety in Frog Pond East and South and public realm planning.

TIMELINE:

This is the seventh in a series of work sessions for the City Council. The next work session is planned for October. The Master Plan is scheduled to be completed by December 2022, with some implementation elements extending into early 2023.

CURRENT YEAR BUDGET IMPACTS:

The project is funded by a combination of a \$350,000 Metro grant, an \$81,000 Oregon Department of Land Conservation and Development grant, and matching City funds in the form of staff time. \$311,000 is budgeted in FY 22/23 to complete the project.

COMMUNITY INVOLVEMENT PROCESS:

The project has a community engagement plan which lays out a robust public engagement program that will include meaningful and impactful involvement of people who identify with historically marginalized communities.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Furthering of the City's Equitable Housing Strategic Plan and Council's goal of affordable home ownership, while creating Wilsonville next great neighborhoods.

ALTERNATIVES:

The City Council and City Council can continue to direct changes to the draft plan elements. In addition, the City Council and City Council continues to have a number of options for policy related to housing variety.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Affordable Housing Analysis (dated January 31, 2022)
2. Public Realm Planning packet showing preferred option along BPA Corridor (dated July 27, 2022)
3. Public Spaces survey (dated July 29, 2022)