



PLANNING COMMISSION

WEDNESDAY, MAY 8, 2024

ADMINISTRATIVE MATTERS

1. Consideration of the April 10, 2024 PC Meeting Minutes



WILSONVILLE
OREGON

PLANNING COMMISSION MEETING MINUTES

April 10, 2024 at 6:00 PM

City Hall Council Chambers & Remote Video Conferencing

Draft PC Minutes are to be reviewed and approved at the May 8, 2024 PC Meeting.

CALL TO ORDER - ROLL CALL

A regular meeting of the Wilsonville Planning Commission was held at City Hall beginning at 6:00 p.m. on Wednesday, April 10, 2024. Chair Andrew Karr called the meeting to order at 6:00 p.m., followed by roll call. Those present:

Planning Commission: Andrew Karr, Ron Heberlein, Nicole Hendrix, Matt Constantine, Sam Scull, and Yana Semenova. Jennifer Willard was absent.

City Staff: Miranda Bateschell, Amanda Guile-Hinman, Daniel Pauly, and Mandi Simmons.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN INPUT

This is an opportunity for visitors to address the Planning Commission on items not on the agenda. There was none.

ADMINISTRATIVE MATTERS

1. Consideration of the March 13, 2024 Planning Commission Minutes

The March 13, 2024 Planning Commission Minutes were accepted as presented.

WORK SESSION

2. Frog Pond East and South Implementation-Development Code (Pauly)

Daniel Pauly, Planning Manager, noted tonight's work session would review follow-up information from previous Planning Commission discussions about Variety Standards, including target unit types, and refinements to the Development Standards, including siting and design standards.

- He presented the Staff report via PowerPoint, highlighting comparisons between the Villebois and Frog Pond developments and emphasizing their differing approaches given the changes in State law. He explained the calculations for minimum and maximum unit numbers, noting these were theoretical rather than realistic expectations, and stressed the need for flexibility in response to market demands. Comparisons of housing mixes were made between Frog Pond, Villebois, and

other urban growth boundary (UGB) areas, with recommendations for mobile-ready units based on the American Community Survey. He reviewed price differences between 1,200 sq ft and 1,500 sq ft thresholds for defining small units, with Staff continuing to recommend the 1,500 sq ft threshold.

- He outlined refinements to the Development Code based on feedback from various stakeholders, noting the refinements would add language regarding the existence of a minimum lot size, provide flexibility for maximum height, and simplify setback standards. The refinements also opted for lot coverage over floor area ratio, establishing 80% as the maximum lot coverage.

Staff addressed questions from the Commission as follows:

- Five percent for the maximum number of detached homes referred to the maximum overall number of developable units across the entire Frog Pond East and South Master Plan. (Slide 5) The 48.7 percent, or 792 units, in the Frog Pond and Villebois comparison referred to the maximum number of detached single-family homes allowed under the expected build out of 1,625 units. (Slide 7)
 - The calculations were based on the maximum area of 60 percent that any one-unit type was allowed to occupy. The math came from taking 60 percent of the overall net area and applying an assumed density of 11 units per acre for fairly dense, detached homes.
 - One question that came up at previous Planning Commission meetings was understanding what the maximums were because traditionally, minimums and maximums existed in an area. In an effort to be flexible to all housing types, the market, and middle housing, Staff was less inclined to put a maximum density in Frog Pond. However, constraints would inherently create maximums, so what would that look like? What number of units could be expected? Staff calculated the maximum number for each housing types as follows:
 - The highest density housing type, multi-family residential, was picked to occupy 60 percent of the land. The next densest housing type, townhouses, was picked to occupy 35 percent of the remaining land, and then finally small, single-family detached homes were selected to occupy the remaining five percent. Small, single-family units were selected over standard sized single-family units to provide maximum density.
 - Maximum density calculations provided an understanding of the upward bounds when considering site planning constraints as well. Roads, open spaces, and design standards for each unit type were considered, using the same design standards as when the most reasonable scenario had been calculated.
 - The 48.7 percent of smaller, single-family detached homes was calculated using tried up market estimates in terms of what was seen in other planning areas like Villebois, what developers were saying, and what was being seen in different site plans. It was more accurate to the market but also looked at ensuring middle housing and some of the smaller units were built, integrating those desired variety types to more closely align with the market.
- The pricing for affordable housing was being updated by the consultant, but the Master Plan's Affordable Housing Analysis defined the dollar amount for affordable housing.
 - The costs of townhomes at 1,200 sq ft or 1,500 sq ft would probably hit that 120 percent type of market rate for more attainable housing, which was talked about at the Master Plan level. Zoning alone would not get truly affordable units built, so a two-prong approach was developed, with the Zoning code having target units and by removing any barriers to other

affordable housing types through land acquisition or other programs that the City, County, or other agencies created in the future.

- Maximum heights were unique to different zoning districts and stated in terms of height and number of stories.
 - Mobility-ready units could be either single story units or located in five-story, mixed used buildings because of elevator service. Most would be either in a ground floor apartment, an accessory dwelling unit (ADU) attached to a ground floor of a townhouse, or a single level, stand-alone cottage or ADU. A percentage of mobility-ready units would be allowed to have an upstairs as long as all mobility requirements were met on the first level.
- In most of the City's planned development zones, the standard setbacks were 5 ft for single-level homes and 7 ft for two-story homes. Between 75 and 80 percent of new subdivisions in recent years had requested waivers for 5 ft setbacks, and outside of Villebois, the majority of other subdivisions had 5 ft setbacks. To keep consistency with the rest of the community, setbacks in Frog Pond would also be 5 ft where it worked. For narrower building types, 3.5 ft setbacks were standard from a development standpoint because additional fire walls or fire eaves were not required, as the wall and eaves would be far enough away to accommodate Fire Code implications. The 3 to 3.5 ft setback was also reasonable to allow someone to walk through.

The Planning Commission responded to questions posed by Staff (Slide 17) as follows with additional comments and questions addressed by Staff as noted:

Question #1: Feedback on refined development standards?

- The Commissioners expressed unanimous support for the proposed refinements, appreciating the good work and direction the development standards were taking. Mr. Pauly said he did not expect any major changes in the future, although minor tweaks could be made.

Question #2: How does additional information on the variety standards impact your input?

--Increased confidence or additional modifications?

- Having the comparison analysis, not only to Villebois but other communities outside of Wilsonville, was appreciated and built confidence about there being some continuity in the variety standards.
- The comparisons were really helpful, and provided more clarity, increasing confidence and showing the Planning Commission was in the zone.
- Commissioner Heberlein confirmed the standards currently defined a small unit as 1,500 sq ft and stated he leaned toward defining a small unit at 1,200 sq ft but recognized the cost delta between the two was not huge. The additional information was a good truth test to see what was feasible and that the project was heading in the right direction, except for mobility-ready units.
- Mr. Pauly explained if the housing analysis showed additional need, for example, the Code could be tweaked to bump one of the factors, even prior to construction, as it would be a couple years before any rooftops were seen in this area.
- Housing demands would change over time and the cost of affordable housing would play pretty strongly into the variety standards over time.
- Commissioner Semenova believed the additional information showed Wilsonville was definitely in line with what other communities were doing in similar areas, which increased confidence in the variety of housing being requested. However, it was still not affordable at the current prices and

she was not sure if decreasing the square footage or what the answer was, but wanted to keep the affordability issue at the forefront.

- Chair Karr agreed 1,200 sq ft made more sense with regard to affordability because the number that popped into his head was right around \$400,000. If the Planning Commission was concerned about affordability, it needed to make sure the development plans fit that definition of affordability. It was interesting to see that what would be built was probably more around 40 percent of the maximum.
- Ms. Bateschell provided data from the October 2021 Affordable Housing Memo for Frog Pond East and South, reminding the Planning team was working on the Housing Our Future Project, which would provide an updated Housing Needs and Capacity Analysis with better, more accurate data. Her key comments were as follows:
- Exhibit 3 looked at housing affordability as a percentage of median family income by housing type. Looking at the 80 to 120 percent of the family area median income (AMI) range, two and three-bedroom condos or townhomes, neither of which were based on square footage, and three-bedroom, small lot, single-family detached homes were shown to be achievable within that affordability definition.
 - Four-bedroom, small lot and large lot, single-family detached were all above the 120 percent AMI for the family. Obviously, someone in the 60 to 80 percent AMI income range would be looking at just a condo as affordable.
 - The price for a two or three-bedroom condo was around \$300,000 to \$350,000. Two-bedroom townhomes averaged \$365,000 and three-bedroom townhomes averaged \$425,000. The small lots ranged from \$400,000 to \$550,000, making some of them unaffordable with the four bedrooms being \$500,000 to \$650,000. She was not sure how those prices would compare to today's market, which would be updated in the analysis, but it seemed some costs were low and some were consistent with Mr. Pauly's findings.
 - In theory, the analysis showed \$400,000 to \$550,000 was affordable for families in the 80 to 120 percent family AMI range, but that would not necessarily meet the needs for families in the 60 to 80 percent range. But as Mr. Pauly mentioned, the memo pointed to being able to build those townhomes started to introduce products to a segment of the community that would not otherwise be able to afford the detached units.
- Mr. Pauly noted that only five percent of the units were required to be at the smallest square footage, not 20 percent. The requirement would typically be met by smaller townhouses, a number of apartments, cottages, and ADUs.
- Commissioner Heberlein explained his reason for 1,200 sq ft ~~unit~~ versus 1,500 sq ft for the smallest units allowed was to get a product as close to affordable as possible. While the difference between 1,200 sq ft and 1,500 sq ft was not great, having a hard requirement for smaller units would at least drive some of the product to be available, giving some people an opportunity to get something closer to affordable than not.
- Data was available on the distribution of home sized in Villebois; however, the numbers were not consistently tracked over time. Staff wanted to analyze the data but could not guarantee the data available was reliable. Generally, Villebois was 20 percent apartments, but the average apartment size was unknown. Most of the town houses were probably between 1,200 sq ft and 1,500 sq ft.
 - Functionally, with 1,500 sq ft as the smallest units, townhouses would meet a good portion of the requirements, whereas at 1,200 sq ft, ADUs, apartments, and cottages would meet that five

percent requirement. A detached house or townhouse could be built that small, but it would not be typical.

- Based on the amount of multi-family units and the fact that quite a few one- and two-bedroom condos were available in the Village Center, Villebois was well above the five percent. The data missing was how many of the townhouses met that 1,200 sq ft threshold.
- Townhouses would be built one way or another, providing needed flexibility. The standard townhouse was 1,400 sq ft, so if the Commission set the required minimum at a lower square footage, a developer would have to build at least five percent of a nonstandard townhouse in order to meet that minimum. Several places in the Master Plan encouraged ADUs and that type of unit, which needed to be considered as well.

Question #3: 7.5%, 10% or something else for percent of mobility-ready units?

- Mr. Pauly explained Villebois was probably higher than 16% of mobility-ready units because at least a dozen single-family homes were single-level, detached homes plus some master-on-main units were not accounted for. It was important to remember that multi-family units are not required in Frog Pond, and the direction throughout the master planning was to not put any standards in place that would really require or drive multi-family. Increasing the minimum to 15% could drive more multi-family units as that was the easiest way to meet that mobility-friendly unit requirement, so there was a balance to mobility-ready. In Frog Pond, 5% to 10% multi-family was more likely than the 20% in Villebois, so the percentage would be cut in half to about 7.5%.
 - The number of mobility-friendly units was driven by the multi-family requirements, which was not necessarily going to happen in Frog Pond. The percentage needed to be set where it would achieve what was desired without interfering with or pushing one of the other standards too much.
 - Land cost was also a factor when balancing the mobility-ready requirement. Unless mobility-ready units were within multi-family development more land was required per unit, which increased the unit cost. There was a chance that the 7.5% or 10% could be exceeded; however, 15 percent would likely have unintended consequences; 12.5% might work.
- If mobility-ready units were important to the Commission, it should look at a higher number. If they were less important than some other variable, the requirement should be lower.
- Commissioner Heberlein suggested considering whether a higher number made sense, and if not, he was okay with 10%.
- Mr. Pauly explained how increasing the mobility-ready unit percentage drove the development of multi-family homes. By nature, in a three or four-story apartment building, ground floor units would be flat and mobility-ready units. A developer would look at the unit types already in his portfolio that made sense and that could be built without redesign.
 - Stand-alone units, like cottages or single-level homes, that met all the mobile-ready unit requirements consumed more land relative to the home's square footage, increasing costs and leading to less profit margin, making them riskier for banks and developers to build. Townhouses tended to be built vertically because of land, making it difficult to make those units mobile-ready. ADUs and even the ground floor of a townhouse could meet mobility-ready standards, but the market default for mobile-ready units tended to be ground floor or elevator-served apartment units.

- Many factors were involved. Great profit margins were achievable on larger, single-level homes with premium finishes because of market demand, so building more affordable homes was more difficult.
- Commissioner Hendrix said she needed more information, clarity, and discussion on the potential impacts. For example, the ACS data point was 5.8% so more information was needed to decide between 7.5% and 10%.
 - Mr. Pauly explained no census or other reliable data existed showing how many people in the community actually needed or were willing to move into mobile-ready units. However, more data showing how it related to other requirements and the different unit types the requirement would drive could be obtained.
- Commissioner Scull agreed more data was needed, such as comparable data about what other communities were doing. He asked what truly defined a mobile-ready unit other than a single story.
 - Mr. Pauly clarified other communities were not building mobile-ready units to this extent and no data or comparisons to other jurisdictions was available. The assumptions from Villebois provided one data point. A mobile-ready unit was defined as being able to access all the necessities within the unit without the use of stairs. The Development Code did not require specific features like wider hallways or grab bars, which regarded the Building Code. Mobility-ready units could be adapted to fit individual needs, such as the ability to lower counters, widen a hall or bathroom door. The Development Code removed design elements such as stairs that would prevent adapting the unit for limited mobility.
- Mr. Pauly explained that while allowed, the City was not requiring multi-family. From the outset of the Master Plan, City Council provided direction to not inadvertently require more multi-family units because large, commercially managed apartment complexes were not desired. The market for small, six-or-seven-unit complexes with local management was limited, and most multi-family units were built as commercial-level development by investors similar to those buying a shopping center.
- Ms. Bateschell added one reason for the planning direction for Frog Pond was in response to the City's 2014 Housing Needs Analysis (HNA), which considered the city's existing housing supply and anticipated growth and housing demand.
 - The Frog Pond area was brought into the UGB through the Metro process to provide additional housing, primarily in the form of single-family and middle housing types. Villebois also provided for all the different middle housing types, though the term middle housing was not used at the time.
 - In 2014, 57% of the City's housing supply was multi-family residential and only 43% was single-family, which included townhomes and duplexes. The housing supply had since shifted because of new development, including Frog Pond West, and was now composed of 50% multi-family residential, 10% middle housing, and close to 40% single-family detached homes. The remaining 1% to 1.5% was ADUs, mobile homes, and other unit types.
 - One reason for not requiring more multi-family development in Frog Pond East and South was due to the anticipation of and planning for substantial multi-family in Town Center, which would have multi-family units above commercial spaces on the main street and allow multi-family units in other areas that could provide more of the two- or three-story walk-up unit types.

- Commissioner Semenova appreciated that the City was not trying to solve all the housing needs within this area. She believed multi-family was the answer to affordability issues faced by the City's population, and having more mobility-ready units was probably the better answer for solving some of those crises.
- Mr. Pauly confirmed the need to require a percentage of mobility-ready units in this development came from the Master Plan, which did not have a specific percentage. Defining a specific percentage was necessary to write a clear and objective standard to implement.
- Assuming 1,625 units overall, the difference in the number of mobility-ready units would be 120 units at 7.5%, 160 units at 10% was 160 units, and 200 units at 12.5%.
- Mr. Pauly explained that as reflected in the conversation tonight, discussion during the master planning process recognized the need along with the city's aging population, so a mobility-ready unit requirement was established. Anyone could have temporary or permanent limited mobility at any point in life. In general, the housing stock did not accommodate mobility issues well because various factors such as land costs pushing vertical builds. Additionally, the community and decision-makers had communicated that as the population was aging and households were getting smaller, the market was not producing enough small, single-level units to meet demand.
 - While people decide to adapt to stairs and purchase less expensive units for a variety of reasons, the City wanted to make sure that for those prioritizing mobility that more affordable, single-level living was an available option in the community. Rental units, which were sometime subsidized, were much more affordable than larger, single-level, zero-entry, detached homes.
- Ms. Bateschell stated she was unable to find any statistics about the percentage of people with mobility issues in the census data for the City of Wilsonville. However, the Center for Disease Control (CDC) showed that 12 percent of adults in Oregon had a mobility disability.
 - Mr. Pauly added that rural areas, minority populations, and low-income populations tend to have a higher percentage of mobility disabilities.
- First floor apartments were not rented only to those with mobility issues.
- The Staff report stated that increasing the requirement to 10% could create a higher likelihood that a unit would be available to residents with mobility issues. While Staff believed 10% was more likely to achieve having mobility-ready units available, Mr. Pauly noted he was not hearing strong voices for 7.5%, so the question was really whether the requirement should be 10% or something higher.
 - While a decision would have to be made one way or the other soon, it did not have to be made tonight and the matter could be brought back for further discussion.
- Chair Karr noted that even without further information, he was leaning toward a 10% requirement.
- Information about the housing distribution percentage for the entire city was requested, not just for this small section of Wilsonville or Villebois, but for future developments as well.
 - Mr. Pauly replied information about all future development was unknown, but most units in Town Center would tend to be mobility-ready because the buildings would be tall enough to have elevator service. Getting accurate data could be difficult because that statistic had not been tracked historically.

The Commissioners were asked to email Staff over the next week requesting the type of information that would help them make a decision about the required percentage for mobility-ready units or at least to provide an opinion toward the final recommendation. Staff would do their best to track down any information available and provide it at the Planning Commission's May work session.

Chair Karr called for public comment.

Mimi Doukas, AKS Engineering on behalf of West Hills Development, reminded West Hills was involved with the Azar property at the northeast corner of Stafford and Advanced; one of the larger parcels within the planning area that spanned Sub-districts 4, 5, and 6. West Hills' project was unique in its size as other parts of the planning area were very parcelized, so very different parameters needed to be balanced for West Hills' site versus other sites in the planning area.

- West Hills had submitted a letter to Staff, outlining its concerns related to being located in Sub-district 4, which included the mixed-use Main Street district and complicated the plan in force for Sub-district 4. West Hills was asking for special consideration on some Variety Standards related to middle housing and housing types. The mixed-use district bifurcates the Azar property and out parcels, a wetland and a roundabout were involved—all of which made meeting all the Variety Standards very difficult. These arguments were outlined in the letter, and she hoped changes would be included in the next draft of the Development Code.
 - One idea discussed was the potential for live-work units to qualify as a distinct housing type, allowing for a third housing type.
 - Middle housing was very difficult with the multi-family component. Some multi-family would be replaced with townhomes, but West Hills would also like the option to include garden-style apartments as shown in previous sketches.
- Regarding mobility-ready units, she noted a lot of parameters were placed on development within the planning district and meeting them all was very hard. West Hills could meet a lot of the parameters for small, single-level living mobility-ready units, noting ADUs would check a lot, but not all, of those boxes.
 - West Hills' master plan included plenty of mobility-units given the elevator served multi-family, which was difficult to do, and for which West Hills deserved some credit.
 - Where West Hills was having trouble meeting mobility standards, Staff proposed some flexibility when adjacent to another subdistrict with mobility-ready units. West Hills had a lot of mobility-ready units in Sub-district 4 and could get credit for some of those in Sub-district 5, but not in Sub-district 6, which was separated by another sub-district.
 - West Hills could make the 7.5% work, but 10% was a struggle. She suggested increasing the flexibility at the master plan level and allow more blending of mobility standards across the master plan area.
- A balance point existed between accommodating a market, encouraging a market, and bucking a market, and she believed the mobility standards actually started to buck against the market, creating more mobility units than was actually needed for the planning area based on statistics provided by Staff and mobility units also being accommodated in other parts of the city.
 - Mr. Pauly did a great job of discussing the down sides of some of the mobility units in that when trying to get as much density and affordability as possible within this planning area, the mobility units were not cost-efficient and would not help with affordability. A single-family detached home meeting all of the standards would be more like a ranch home on a big lot. Unlike Frog Pond West, the lots in Frog Pond East and South were not big lots, so it was hard to balance small lots, mobility, variety, and middle housing parameters.

- She believed 7.5% matched the market needs and provided the needed units in addition to the units across the entire city. She also encouraged allowing mobility credits across the master planned application area.
- It was great to see the Development Code Standards coming together and West Hills had made great progress working with Staff on its planning efforts. However, the stormwater plans were still a big unknown and could dramatically impact the number of dwelling units that could come from the planning area. Stormwater standards could significantly affect the number of total dwelling units within the planning area. As currently written, West Hills believed the Stormwater Code would decrease density by about 10 percent. Even with the same amount of land, land cost, and infrastructure, the number of units would go down, also decreasing affordability. West Hills would continue to work with Staff on the issue, but the Planning Commission needed to be aware that stormwater was an outstanding item that would affect the plan, and something the Development Code should address before adoption.
- Staff had noted other planning areas were not doing full mobility and that many were doing visitability as discussed previously.
- She highlighted ongoing discussions about housing variety standards with other planning areas, particularly Cooper Mountain in Beaverton.
- West Hills appreciated Staff's efforts on the side setbacks, which would improve the efficiency of the plan and create side yards that could be easily maintained, but still small enough to be efficient and have a good result.

Dan Grimberg, West Hills Development, believed Ms. Doukas expressed West Hills' thoughts clearly. He expected the discussion about 1,200 sq ft versus 1,500 sq ft was centered on the desire to create affordable housing products, and noted the lot, not the size of the home, was the key part of the cost. West Hills builds homes to the market for buyers wanting certain room sizes and competitively priced. Reducing a house to 1,200 sq ft with all the other costs being incurred in Frog Pond East and South would make these new homes the most expensive of their size anywhere in the market. Allowing builders to make the homes 300 sq ft larger and adding roughly \$20,000 in cost would make the home more desirable and marketable to fit the needs of a homebuyer. If affordability was the concern, other issues should be considered, such as reducing the millions of dollars in infrastructure costs that affect the cost of each home; the high SDC and permit costs; and the Stormwater Code which could impact density by as much as 10 percent, which affected home costs by millions of dollars. He understood the Commission's position about size impacting affordability, but better options existed to make the homes desirable and marketable.

INFORMATIONAL

3. City Council Action Minutes (March 4 & 18, 2024) (No staff presentation)

Miranda Bateschell, Planning Director, reported that City Council's discussion on Housing Our Future was similar to the Planning Commission's. Council was updated on the project and was still considering a liaison for the advisory committee. The Council had a number of questions about the overall scope and was interested in additional public outreach and engagement as part of the project. Limited grant funds from the Oregon Department of Land Conservation and Development (DLCD) were available, so at the May 20th work session Staff would provide a more holistic update on all of the work done on housing over the past couple years and what was planned overall through the project, not just through

the advisory committee. A lot of input from the community had been received, and concerns about survey fatigue existed, possibly leading to not getting great results from recent surveys. The project team would also discuss with Council how to expand the Housing Our Future project and what that would mean for the City budget, as the budget currently covered only Staff time and did not allocate funds to the project for other activities, including consulting activities.

Commissioner Hendrix said she was trying to find a balance between the public comments regarding current housing needs and the broader Housing our Future project, so it was helpful to hear updates on the project. Regarding the survey fatigue, perhaps citizens were not seeing action about affordable housing, which came back to the Planning Commission and its Code decisions.

Chair Karr inquired whether Representative Courtney Neron's presentation addressed any items that would specifically affect Wilsonville.

Amanda Guile-Hinman, City Attorney, explained Representative Neron's presentation updated about the work on the housing bills and several childcare bills she was co-sponsoring, and also previewed work that would be continued between legislative sessions as well as highlights of what to expect for the next legislative session. Cleanup of the latest housing bill was expected to be brought forward at the next session. Representative Neron included a PowerPoint slide that highlighted several House Bills and was attached to the Council Agenda Packet.

ADJOURN

Commissioner Heberlein moved to adjourn the regular meeting of the Wilsonville Planning Commission at 7:42 p.m. Chair Karr seconded the motion, which passed unanimously.

Respectfully submitted,

By Paula Pinyerd of ABC Transcription Services, LLC. for

Mandi Simmons, Planning Administrative Assistant