

Scappoose Housing Needs Analysis

Work Session #3: Agenda

Scappoose City Hall, Council Chambers

May 24, 2017, 5:30 – 7:30 pm

1. Introductions (5 minutes)
2. Review key points from prior meeting (10 minutes)
3. Discussion Parkland Acquisition and code options (30 minutes)
 - Questions for discussion
 - Should the City develop a parkland acquisition ordinance?
 - If so, what standards are important to include in the code? We will have specific follow-up questions based on the memorandum about parkland acquisition.
4. Discussion Cottage Housing and code options (20 minutes)
 - Questions for discussion
 - Does cottage housing look like a type of housing the City should allow?
 - If so, what standards are important to include in the code? We will have specific follow-up questions based on the memorandum about cottage housing.
5. Discussion High Density Housing code options (15 minutes)
6. Other code amendments (25 minutes)
7. Public comment (10 minutes)
8. Next steps (5 minutes)

DATE: May 16, 2018
TO: Scappoose Planning Commission and City Council
CC: Laurie Oliver, Planning Director
FROM: Bob Parker, Beth Goodman and Andrea Pastor
SUBJECT: Review of Parkland Dedication Ordinances

The City of Scappoose contracted ECONorthwest to develop a housing needs analysis (HNA). The HNA will determine whether the City has enough land to accommodate 20-years of population and housing growth. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the Housing policies.

As part of the study, the City is exploring policy options to meet identified community development objectives. One of those objectives is developing and maintaining a quality parks, recreation, and open space system that meets the desires and needs of current and future residents. The City is currently updating its 1997 *Parks and Recreation Facilities Capital Master Plan*—in part, to address the development of parks and recreation facilities during a period of expected rapid population growth. As residential development occurs and vacant land is converted to urban uses, the City park system is not keeping pace. The Draft 2016-17 *Scappoose Parks, Trails and Open Space Plan* summarizes the core objectives as follows:

“The City of Scappoose strives to provide a complete system of public parks, trails, and open space that meets our community's needs now and in the future. As we expand our roads, utilities, and services for our growing town, we also need to upgrade our green infrastructure of parks, trails, and open space. ”

Local governments may prepare and adopt local park master plans pursuant to OAR 660-034-0040. The 2017 plan update provides an opportunity for the City to reassess park system objectives and to update strategic priorities. From the land acquisition perspective, the key questions for Scappoose are:

- What land do we want to acquire?
- When do we want/need the land?
- Is there a City infrastructure to pursue parkland acquisitions?
- What do the residents want?

The City needs to consider these questions in the larger context of its parks program and the financial obligations they create. Like most other Oregon cities, Scappoose faces financial challenges related to the development, operation and maintenance of park and recreation facilities.

The current parks planning process makes it clear that the community would like to see more park development, and that the community feels underserved by the parks Scappoose currently offers. This was supported by the 2017 Annual Town Meeting data when “only 28% of the attendees said Scappoose’s Park System met their needs. Of that same group 92% said they were willing to help pay for the development of the parks” (Draft 2016-17 *Scappoose Parks, Trails and Open Space Plan*).

Moreover, the perception that Scappoose lacks sufficient parkland is supported by data collected for the plan update. Scappoose falls far short of the recommended level of service standards the National Parks and Recreation Association (NRPA) and Oregon Parks and Recreation Department (OPRD) of 6.25 - 12.5 acres per 1,000 residents. Scappoose also falls short on criteria such as residents within a half mile radius, and households within a five-minute walking distance. In summary, the City has identified significant parkland acquisition needs and needs to explore creative mechanisms to acquire more land.

Core objectives of parkland dedication ordinances

The overarching goal of parkland dedication ordinances is to add land to the park system as development occurs. Parkland dedication ordinances are one of several tools cities can use to acquire parkland. Broadly, these tools include fee-simple purchase, bargain sale purchase, required dedication, and donations. Acquisitions can be funded through general fund revenues, SDCs, grants, donations, or other sources.

Dedication ordinances can also be a tool that supports a broader set of community objectives, including:

- Ensuring the system addresses the park and recreation needs of all city residents
- Acquiring enough parkland to achieve the City’s level of service (LOS) standard (if one exists)
- Ensuring that all neighborhoods or sub areas of the community are equitably served by all park types
- Providing linkages between parks and neighborhoods
- Maintaining and developing open space consistent with recreation, natural resource, and natural hazard objectives

Other objectives are possible; if Scappoose pursues a parkland dedication ordinance, it should draft the objectives to align with stated objectives in the adopted Park Master Plan.

Issues to consider in drafting a parkland dedication ordinance¹

The ordinance language should reflect the City's parkland standard and must demonstrate the nexus, or connection, between new development and dedication of parkland and the system development charge. The nexus is park demand created by new population which is estimated by the number of dwelling units. In summary, the City will need to adopt a level of service standard if it chooses to adopt a dedication ordinance.

How does the City determine whether to accept a specific site?

The dedication ordinance sets forth specific site criteria. As a part of local land use review, the staff report on the development application will evaluate the dedication criteria and provide a fact base for a Planning Commission decision.

It is important to consider what kind of land the developer wishes to dedicate for parks in the context of city standards and needs. Areas that have constraints, such as floodplain, wetlands, or steep slopes may limit the land use and its benefit to the public as a park. In that context, the Park Master Plan needs to clearly define the city's objectives; if the need is for developed parks, then the Master Plan should reflect that. Moreover, the criteria in the dedication ordinance should be limiting enough to ensure that dedicated lands are suitable for park development.

Dedication ordinances typically require parkland dedication as a condition of approval for a tentative plat of a subdivision or partition, design review for a multi-family development or manufactured home park, or the replat or amendment of any site plan for multi-family development where dedication has not occurred or where density will increase.

Prior to parkland dedication, the City requires an environmental assessment of the proposed lands. The City also assesses the following factors when deciding whether to accept land or fees in lieu:

- The dedication must provide X acres per 1000 persons or equivalent fees-in-lieu of the dedication;
- The topography, geology, access to, parcel size, and location of land in the development available for dedication;
- Potential adverse/beneficial effects on environmentally sensitive areas;
- Compatibility with the Parks Master Plan and other applicable standards in effect at the time of dedication;
- Vehicular and pedestrian access to the site;
- Availability of previously acquired property; and

¹ Note: parts of this section reference the City of Canby Parkland Acquisition Strategy developed by the University of Oregon Community Planning Workshop.

- The average value per acre of comparable land over the past three years in order to determine if the land value will exceed the equivalent SDC amount and the size of the potential park.

These factors will be evaluated at the time of the preliminary plat or PUD application to determine the feasibility of the dedication.

What happens if the City does not find all or some of the site acceptable?

If the land is not suitable, the City would require the developer to pay a fee-in-lieu-of dedication. In some cases where part of the land to be dedicated is not suitable for parks, the City will receive a combination of land and fees. The total SDC and/or fee will not exceed the value of the land based on the average market value of comparable land over a 3-year period as recorded by the County Assessor.

Fees gathered in lieu of dedication will be used to acquire parkland through outright purchase or for other capital expenditures as allowed by the ordinance. This allows the City flexibility in determining what parcels of land are the most beneficial for the overall park system and best meet the objectives articulated in the Park Master Plan. Fees in lieu of dedication may make more sense for smaller subdivisions because as land divisions occur in smaller numbers, the overall burden on the park system is offset by fees paid for park acquisition and development.

In addition to the above methodology, park SDCs should be assessed for a combination of improvement and reimbursement fees consistent with the City's adopted SDC methodology. ECONorthwest did not review the Park SDC as part of this review; the City should work with its SDC consultant to ensure that the SDC addresses both the acquisition needs as well as improvement and reimbursement fees.

Fees in-lieu of dedications are a common way for communities to acquire park and open space and have stood up to court challenge. The courts generally accept fees in-lieu-of dedications if the fees are deemed not to put an undue burden on the developer.² Fees are paid in two primary situations: (1) where the dedicated piece of land does not meet the City's list of criteria for dedication; and (2) where the development does not include an identified park site in the Park Master Plan or other applicable policies.

The criteria list is an essential piece of the Plan because, when adopted into the ordinance, the list provides the basis for the City to decide whether to accept a dedication or require fees be paid in-lieu-of dedication.

Fees in-lieu-of dedications are established based on the locale's assessed values or market land values. For example, in their parkland dedication ordinance, the City of Canby based their fees in-lieu-of dedications on an average market value over the past three years.

Because these fees will be used to purchase land outright, they must be comparable to the value of the dedication itself so that one option is not more onerous than the other for the developer.

² Frielich, Robert H. and Michael M. Shultz. (1995). *Model Subdivision Regulations*. 2nd Ed. Chicago: American Planning Association.

Another important reason for fees to be comparable to the value of the dedication itself is so the end result is the same: either the City gets the land for a park or it gets enough money to buy the land for a park.

Land acquisition through donation or purchase

Not all parkland will be acquired through dedications. Thus, the City needs a framework for evaluating and prioritizing lands that are acquired through donation, purchase, or other methods.

Exhibit 1 presents a sample scoring matrix use to determine land suitable for parks, recreation, or open space. The matrix rates the site for its environmental attributes and its compatibility with the applicable goals. Parcels that receive a yes to “meets criteria” on three or more of the criteria should be further considered for acquisition.

Criteria 5 and 6 should be used, in addition to criteria 1-4, to evaluate open space acquisitions.

Exhibit 1. Example parkland acquisition scoring matrix

| Step | Criteria | Meets Criteria (Y/N) | Comments |
|------|---|----------------------|----------|
| 1 | Within an area identified as strategic or a priority? (List appropriate reference) | | |
| 2 | Is the topography, geology, access to, parcel size, and location of land in the development good for parks? List characteristics | | |
| 3 | Is the action compatible with the Parks Master Plan, Public Facilities element of the Comprehensive Plan, and the City of Canby Parks Acquisition Plan in effect at the time of dedication? | | |
| 4 | The site is accessible by multiple transportation modes or can be accessed by multiple transportation modes | | |
| 5 | Are there potential adverse/beneficial effects on environmentally sensitive areas? (List threats, if any) | | |
| 6 | Does it protect natural and historical features, scenic vistas, watersheds, timber and wildlife for parks? (Describe) | | |

Source: Canby Parks Acquisition Plan

Common elements of parkland dedication ordinances

The cities of Canby and Sandy have both adopted parkland dedication ordinances. ECONorthwest reviewed those ordinances and conducted interviews with city staff to understand how the ordinances are structured and the local experience with the ordinances. This section outlines typical elements of the two cities' parkland dedication ordinances. ECONorthwest also provided copies of the ordinances to Scappoose Planning Department staff.

Criteria. Both the City of Canby and Sandy list similar criteria for determining whether a given parcel will be accepted for parkland dedication. The following requirements are common to both codes:

- **Parks**
 - The topography, geology, access to, parcel size, and location of land in the development is good for parks;
 - The consideration of any potential adverse/beneficial effects on environmentally sensitive areas;
 - Compatibility with the Parks Master Plan, Public Facilities element of the Comprehensive Plan, and any other relevant plans in effect at the time of dedication;
- **Open Space**
 - Site accessibility by multiple transportation modes;
 - The protection or inclusion of natural and historical features, scenic vistas, watersheds, timber and wildlife for parks.

Acreage. Development codes in Canby and Sandy stipulate the amount of open space and parkland to be dedicated by a developer based on the number of new residents that may reside in the new subdivision. Each city uses a formula that includes a fraction of an acre of parkland per person, however each city sets different standard for the amount of parkland per person. Sandy's Parks Master Plan sets a standard of 4.3 acres of parkland per 1,000 residents. Canby's standard is more than twice that at 10 acres of parkland per 1,000 residents. Each city also sets different requirements on the upper limits for how big a share of the original plot the dedication can be.

The formulas for determining required parkland dedication are similar in each code, however, as seen below, Canby uses the maximum units allowed by the plat or the site plan in the formula, whereas Sandy uses the number of proposed units for each specific development.

- **Sandy:** *Required parkland dedication (acres) = (proposed units) x (persons/unit) x 0.0043 (per person park land dedication factor)*
- **Canby:** *Required parkland dedication (acres) = (maximum units) x (persons/unit) x 0.01 (acreage to be dedicated)*

Another difference in the method of computation between the two cities is the number of people assumed to live in each single-family residence. Canby uses 2.7 as the number of people for the purposes of parkland calculation, whereas Sandy uses 3 people per single-family residence.

Experience of cities with parkland dedication ordinances

As it considers whether a parkland dedication ordinance is an appropriate strategy for achieving park system objectives, Scappoose should consider the experience of other communities. This section summarizes interviews with Sandy and Canby planning staff.

Sandy

The City of Sandy has had a parkland dedication and fee-in-lieu ordinance since 2004. When a developer applies to subdivide an existing parcel the Community Services Director determines whether the City is interested in parkland in the area around the new subdivision. Typically, the answer is no, and thus the fee-in-lieu of dedication is assessed. Currently the fee-in-lieu is \$241,000 per acre—this rises to \$261,000 if the developer opts to pay the fee over time in 2 payments as allowed by the ordinance.

The City no longer gives developers the option of dedicating parkland instead of paying the fee unless the land under consideration is near or includes land that has been planned to become part of the planned trails system. In that event, the real market value of the dedicated land is assessed, and that amount is subtracted from the amount owed in other development fees. The funds from the fees-in-lieu can only be used to purchase new parkland, and may not be used to pay for capital park projects. Additionally, Sandy charges a park SDC, which is assessed at the time the building permit applications are submitted. The SDC funds are used to pay for capital improvements to parks. The current park SDC is about \$4,800 per unit.

The fee-in-lieu amount has not been adjusted since before the recession, and planning staff recognized that the revitalized real estate market should prompt a revisiting of this fixed fee amount. City staff expressed reservations regarding the current system because developers often believe they are being assessed the park SDC twice. This misunderstanding leads to negative interactions between the development community and the City. Furthermore, while ensuring the City meets its LOS standard, this system still does not generate sufficient SDC funds to keep up with the City's desired park development. The City has a fair amount of currently undeveloped parkland, and the desire to develop and expand trails eats into funds for more traditional park amenities such as playgrounds and sports facilities.

Canby

The City of Canby added its parkland dedication ordinance to offer developers the option to donate land to offset the cost of their Parks SDC. As in Sandy, the decision whether to accept a parkland dedication or the cash in-lieu is solely at the City's discretion and is based on the criteria established by their Park and Open Space Acquisition Plan. Currently, the SDC fee is

\$5,318 per unit built. Canby does not have an additional fee-in-lieu; the value of dedicated parkland is credited to the developer against any Park SDCs owed. City planners believe they erred in crafting the ordinance by including a fixed cost for the land they would accept as a dedication. As adopted, the exchange value of that land is no longer in line with market prices for land in Canby. City staff recommended that any set prices written into the development code should be based on a market value sample of at least three distinct sites around the jurisdiction to recognize the differences in land prices.

One problem staff identified with the current system is that the SDCs cannot be used for parks maintenance. Park upkeep and staffing can only be paid for by the City general fund, which has not been able to fully fund park services. Therefore, the City has a considerable amount of undeveloped parkland that has been set aside for future development, assuming funding can be arranged for park maintenance. The City is currently introducing a proposal that would institute park maintenance fees. Canby city planners also noted that their park standards only take into account developed parkland, and the City does not have a separate standard for desired open space. They recommended that any new ordinances take each into consideration and regulate them separately.

Overall, Canby staff reported that the parkland dedication ordinance has worked very well. It has allowed the City to accept land with marginal development potential, but which is important ecologically. It has also given the City the flexibility in assessing a fee-in-lieu that has allowed the City to secure ample parkland for its residents.

Conclusions

Parkland dedication ordinances are a viable alternative for meeting park LOS goals. In most cases, they are separate from park SDCs, which generate funds for capital improvements in parks. The ordinances require dedication of parkland only if it meets the city's criteria. Development that does not include suitable land, or is not in locations where parkland is needed pay fees in lieu of dedication. Those fees go into a dedicated parkland acquisition fund.

Common criticisms of parkland dedication ordinances are that they “double charge.” This is not technically the case, but it is easy to see why developers would feel like they are being assessed twice because they are: once for parkland acquisitions and separately for park improvements. We did not find any cities that were able to successfully combine dedication ordinances with improvement SDCs.

If Scappoose is interested in pursuing a parkland dedication ordinance, it has a unique opportunity since it is currently in the process of updating the Park Master Plan. The plan needs to clearly establish a Level Of Service standard and identify specific priorities for parkland needs. That then provides a foundation for developing an ordinance that will target acquisitions in desired locations as well as generate a dedicated funding stream for parkland acquisition.

DATE: May 17, 2018
TO: Scappoose Planning Commission and City Council
CC: Laurie Oliver, Planning Director
FROM: Bob Parker, Beth Goodman and Andrea Pastor
SUBJECT: Review of Cottage Housing Ordinances

The City of Scappoose contracted ECONorthwest to develop a housing needs analysis (HNA). The HNA will determine whether the City has enough land to accommodate 20-years of population and housing growth. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the Housing policies.

As part of the study, the City is exploring policy options to meet identified housing needs. City objectives include exploring strategies to provide more affordable housing and encourage a broader range of housing types. This memorandum evaluates cottage housing ordinances. Cottage housing is typified by small single-family dwellings clustered around a common open space. Cities adopt cottage housing ordinances as strategies to promote infill development, as well as small, single-family ownership units.

What is Cottage Housing?

Cottage housing is typically defined as a grouping of small (typically less than 1,000 square feet), single family dwelling units clustered around and oriented toward a common area of open space.¹ Cottage housing is a variation on cluster development, a concept explored in detail by William H. Whyte in his book "Cluster Development." According to Whyte, cluster development is a type of low impact development that groups housing closer together with the goal of preserving the rest of the land for open-space, recreation or agriculture. Cottage housing, however, can achieve a broader set of objectives. In its model Cottage Housing Development ordinance, the Lehigh Valley Planning Commission lists a number of attributes and objectives of cottage housing:

- Moderately priced housing;
- Urban infill—making use of smaller parcels;
- "Downsized" housing for empty-nest families looking for smaller units;
- Upscale housing, where floor space is traded for higher quality amenities;

¹ Municipal Research and Services Center (MRSC) Cottage Housing Overview (<http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects-Plan-Elements/Cottage-Housing.aspx>)

Model Ordinance: Cottage Housing Development, Lehigh Valley Planning Commission
(<http://www.lvpc.org/pdf/cottageHousingDev.pdf>)

- Energy efficiency.

In short, “Cottage housing is an innovative style of development based on the idea of better, not bigger.”

Cottage clusters have re-emerged in popularity due to their appeal to a range of households, such as empty-nesters who are prioritizing community over large homes. Some literature suggests that cottage housing can achieve social benefits, though there is no guarantee that a tight-knit community will develop, the likelihood is increased by the sharing of open space and auxiliary facilities.

Exhibit 1 contrasts cottage housing with conventional housing. Cottage housing often occurs as infill development, but some cottage housing is developed as part of a broader site master plan. This housing type offers an opportunity for people who are looking for a smaller footprint home to experience the privacy and some of the benefits of single-family housing, along with greater affordability and shared common area maintenance costs. Zoning codes often limit cottage sizes to no more than 1,000 square feet. Densities are often somewhat higher than in standard single-family home neighborhoods, however, the arrangement of the developments are often designed to minimize negative impacts on adjacent residential areas.

Exhibit 1. Comparison of Conventional and Cottage Housing

| Characteristic | "Conventional" Housing | Cottage Housing |
|---------------------|--|--|
| Density | Less than eight units per acre. | Double underlying zoned density. |
| Unit orientation | Facing out on a public access street or cul-de-sac. | Facing in on a common open space, in a cluster of 4-12 units. |
| Floor area | Typically, 2,500 sq. ft. and up. | No more than 1,200 sq. ft. |
| Common open space | Either provided on-site or a fee is paid to the municipality for improvements to parks off-site. | Per-unit common open space requirement. Cottages are required to be clustered around the open space. |
| Design restrictions | Few. | Design standards are needed to make cottages more acceptable to neighbors. |
| Ownership | Fee-simple. | Fee-simple or condominium association. |
| Parking | Garage facing the street; two spaces per unit. | Shared parking or individual garages permitted, but buffered from public view and accessed via alleys or private driveways. Parking requirements can be reduced for smaller cottages, to encourage singles and families without children to occupy them. |
| Zoning | Single Family. | Medium density single family to medium density multi-family. |
| Footprint | Maximum lot coverage. | 850 sq. ft. maximum footprint. |
| Second floor | Typically, up to 35 ft. overall height. | Cottages limited to two stories. Living space directly under the roof is not uncommon. Height restricted to 25 feet. |
| Porches | Not required. | Required. |

Source: Model Ordinance - Cottage Housing Development, Lehigh Valley Planning Commission, October 2015

Why adopt a Cottage Housing Code?

Development codes typically include a purpose statement for each zone that expresses the intent for the district. ECO reviewed the purpose statements for select ordinances from Oregon and Washington cities. The review showed that every city expresses a unique purpose for their cottage housing ordinance. While each ordinance is unique, commonalities exist around objectives such as efficient land use, providing housing options, and flexible development standards.

Cottage housing can allow cities to address the realities of a limited land supply, and a lack of affordable home ownership opportunities through an innovative infill design. Cottages also respond to changing household sizes and demographics, which have been shifting as some retirees opt to downsize, and young adults establish smaller households, yet still desire home-ownership.

When conceived of as infill projects, developments are often sited between higher density mixed-use areas and established lower density single-family home neighborhoods. In some cities, with large minimum lot size requirements, such as Spokane where the minimum lot size is half an acre, it can be challenging to find infill lots large enough to accommodate cluster development in existing urban neighborhoods. Cottages have therefore become more common in suburban and outlying areas where they can be master planned before any development exists.

Nevertheless, cottage housing codes have been implemented by a variety of jurisdictions in Oregon and Washington because they encourage the development of housing that helps meet a variety of land use goals. Below are examples of purpose statements from a variety of cottage housing ordinances outlining the intention behind the regulations:

- **Efficient Use of Land**

- Oregon City: ‘To provide centrally located and functional common open space that fosters a sense of community and a sense of openness in cottage housing developments.’
- White Salmon: ‘Cottage housing may allow higher residential density than is normally allowed in the underlying zone district. This increased density is possible through the use of smaller than average home sizes, clustered parking, and the application of overall site design standards applied via approval of a binding site plan that governs the long term use of master planned lots and structures as ownership may shift over time.’

- **Variety of Home Ownership Models**

- Oregon City: ‘To provide a housing type that responds to changing household sizes and ages (e.g., retirees, small families, single person households).’
- Bend: ‘Provide a housing type that responds to differing household sizes and ages (e.g. retirees, small families, single-person households), and offers opportunities for affordability.’

- White Salmon: ‘A cottage housing development is provided for as an alternative type of detached housing comprised of small residences suited to accommodate a typical household of one or two individuals. Cottage housing is provided as part of the city's overall housing strategy which intends to encourage affordability, innovation and variety in housing design and site development while ensuring compatibility with existing neighborhoods, and to promote a variety of housing choices to meet the needs of a population diverse in age, income, household composition and individual needs.’
- **Flexible Scale of Development**
 - Spokane: ‘The intent of cottage housing is to support the diversity of housing, increases the variety of housing types for smaller households and provides the opportunity for small, detached single-family dwelling units within existing neighborhoods.’
 - Kirkland: ‘Providing for a variety of housing types also encourages innovation and diversity in housing design and site development, while ensuring compatibility with surrounding single family residential development.’”

Considerations for Cottage Housing codes

Developing a cottage housing ordinance for Scappoose will require addressing issues such as minimum requirements for lot size or dimension, open space designations, design standards, parking requirements, and other development standards. This section discusses some of the most salient considerations when drafting a cottage housing code.

Design and Aesthetic Standards. Cities often specify design standards in the development code to ease transitions between existing developments and to use space efficiently. Scaling the size of cottage clusters is important. A rule of thumb has emerged stipulating that no fewer than 4 and no more than 12 cottages should be allowed per cluster, in order to create a cohesive site design. Some codes further specify covered front porches and northwest architectural design and materials.

Parking Requirements. Many codes lower parking standards in order to increase density and create a more pedestrian-friendly atmosphere, especially in areas with transit access. Parking is often clustered in an adjoining alley, reducing the need for direct driveway access to each unit. This is often one of the more contentious issues for local residents opposing code adoption, therefore it is important that the public understands how the surrounding community will or will not be affected by lower parking requirements.

Higher Densities. As a general rule, cottage housing ordinances encourage higher density development (within the constraints presented by detached single-family dwellings). The Lehigh Valley Planning Commission’s model ordinance advocates densities be double the underlying zoned density (note that the model ordinance assumes an overlay). Increased density or density bonuses are critical to the successful implementation of cottage housing codes. Without a higher allowable density than is typically allowed in a zone, developers have

no incentive to build smaller homes. Greater density allowances allow developers to spread the cost of construction over a larger number of homes, increasing the likelihood of affordability.

Open Space. Most codes set out common open space requirements, and many also include minimum private open space requirements as well. Minimum horizontal dimensions are often included to ensure that the designated open space is truly usable.

Ownership. Some ordinances focus on traditional subdivisions with fee simple lots, while others allow condos or townhomes. Allowing the property to be divided into fee-simple lots or having multiple homes on a single lot that can be sold as condominiums can support a city's home ownership goals. In these cases the Home Owners' Association (HOA) owns the land and any common buildings, and individuals purchase the cottages. Several cities, such as Bend and Spokane, allow both types of ownership.

Affordability. Despite being smaller than typical single-family homes, cottages may not in fact be less expensive for developers to build on a per square foot basis.² Some developers use higher end finishes to make cottages a more attractive option, which increases construction costs. Density bonuses and common ownership of open space or individual ownership of smaller lots may increase the likelihood of affordability in markets with very high land values.

How Do Cities Encourage and Regulate Cottage Housing?

Limiting the burdens on the approval process is critical to encouraging private development interest. A recent report by Oregon DEQ³ has found that cottage cluster regulations in many jurisdictions had a low use rate despite the success of the cottage developments that did result. The report concluded that cities hoping to see wider adoption of cottage clusters should consider loosening regulations around minimum front porch sizes, requirements that homes face common open space, and parking location standards.

Development codes that encourage the development of cottage clusters also tend to share other features, such as:

- Allowing lot coverage to exceed the limit allowed for single unit dwellings.
- Not including expanded setback and building separation requirements.
- Flexibility in home design, such as allowing both attached and detached homes within the same cluster, as well as permitting a range of home sizes.

Additionally, most codes require some form of discretionary review, however, development codes could be written that allow cottage clusters by right in some zones.

² Puget Sound Regional Council <https://www.psrc.org/cottage-housing>

³ Cottage Housing Report DEQ

Metro has developed a model cottage housing code included as an example in Exhibit 2. Existing cottage housing codes from seven jurisdictions in Oregon and Washington are compared in Exhibit 3 on page 10.

Exhibit 2. Metro Model Cottage Housing Code

Model cottage housing code

| | |
|--|--|
| Zones | Vary by city; single family or moderate density multi-family |
| Lot cover | 40 to 60 percent |
| Density | .35 floor area ratio, twice the existing allowed density; 7-14 units per acre |
| Unit size | 1,000 square feet maximum |
| Number of units | 4 minimum /12 maximum |
| Height/ridge pitch | 18 to 25' with 6:12 minimum slope |
| Yards front/side/rear | 15'/5'/5' |
| Minimum open space-private/common | 300 square feet per unit, minimum dimension of 10'/400 square feet per unit, minimum dimension of 20' with cottage units facing at least two sides |
| Garage or parking standards | 1-1.5 spaces; bundled parking; screened from view. 20' setback |
| Usable porches | Usable covered porches, minimum 80 square feet with a minimum dimension of 5' |
| Privacy standards | Minimum 10' distance between structures |
| Separation of developments | Minimum 1,000 feet |
| Review procedure | Varies by city |
| Ownership | Fee-simple subdivided land ownership with shared common space; commonly owned parcel with each cottage sold as a condominium |
| Other provisions | Quality design and construction provisions. Maximum 3' fences within a development |

Source: Metro Community Investment Toolkit: Innovative design and development codes⁴

⁴ http://www.oregonmetro.gov/sites/default/files/wood_village_case_study.pdf

What have cities that adopted Cottage Housing ordinances experienced?

ECONorthwest contacted several cities in the Northwest that adopted cottage housing ordinances to assess their experiences with the implementation. This section summarizes the key findings and themes derived through a combination of interviews and analysis of ordinance provisions. The key questions we were hoping to answer were:

- Amount of housing production and demand seen since the cottage housing code was passed;
- Whether there have been any siting issues given minimum lot size requirements or underlying zoning;
- What the community reaction was to the code changes, and to any cottage housing projects that have been proposed or developed;
- Whether cottages will sit on their own lots or whether they are grouped on common lots;

For cities that have seen some cottage housing built with their newly adopted code provisions we inquired about the following:

- The average density of cottage housing that has been developed;
- If known, whether most cottages are owner-occupied or renter-occupied;
- Any lessons city staff learned in the process and what, if anything they would differently a second time.

Housing Production. Most cities we heard from have only had cottage housing codes for a few years, and have not seen many cottage housing development projects. Wood Village, OR passed their ordinance in 2009, but has not had any cottage developments at all, and only one inquiry so far.

Bend, OR has had two developments built since the code was adopted in May 2015, one with 20 cottages, and another in the Northwest Crossing Overlay zone that includes 30 cottages. The City of Spokane adopted a cottage housing standard in 2006 and has seen at least five developments in that time, with two more in the development approval process.

The City of White Salmon, WA has had a cottage housing code since 2012, and has had one cottage development be built as part of a PUD, and one 10-unit cottage infill project is currently pending review. Similarly, Kirkland introduced their cottage housing code in two demonstration projects that were quite successful, however since then there has only been one additional development permitted in the City. Kirkland planning staff expressed surprise that more cottage development has not occurred given the fact that the cottages currently being constructed are selling for \$950,000, which is considerably higher than the current median single-family home price in Kirkland (\$675,000 in early 2017). They commented that cottages are still a specialty product that most traditional developers are unfamiliar with.

Siting Issues. Bend has not encountered any siting issues with developments thus far. The Northwest Crossing overlay is specifically designed with cluster housing and a variety of other innovative home designs in mind, like live/work townhomes and makes provisions for alternative parking standards to alleviate the need for off-street parking generated by the increased density. The minimum lot requirements are specified per unit, not per cluster, and are very small at 2,000 per unit.

White Salmon's pending cottage infill development has unique siting issues given that it is on a hillside that provides 360 degree views of the landscape. In anticipation that the cottages will be used as vacation homes, the development will include 10 additional parking spaces above and beyond the 2-space requirement, and no on-street parking will be allowed.

In Kirkland, the development currently under construction is an infill project on a corner lot. City planners worked with the developer to find a solution to the fact that the 20' setback requirement on two sides of the property left the developer with a very limited lot for cottage development. The City ended up opting to relax the setback requirement on one side of the property. They recommend providing that sort of flexibility in the development code.

Community Reaction. Spokane had a very contentious experience with the first application for cottage housing development. This application underwent Type II review and was approved, but neighbors challenged the decision to the Hearings Examiner, then to the Superior Court, and finally the Court of Appeals. The original decision was upheld and set the precedent for future developments. Generally, Spokane city staff hears negative neighborhood feedback in higher income neighborhoods where residents are concerned that their property values will be negatively impacted by increased density and the possibility of multifamily housing.

White Salmon, Bend, Kirkland, and Wood Village did not encounter any community opposition to their cottage housing codes. White Salmon and Kirkland both credited this to introducing the cottages in limited demonstration situations first. Demonstration sites were designated as such through master planning of a Planned Unit Development or the application of a special district overlay zone.

Density. Bend's cottage code stipulates that density for cottage housing will not be higher than allowed in the zone, unless affordability thresholds are met, and earn a density bonus. The allowed density in the Northwest Crossing overlay area is 12 units per acre which is approximately the upper limit of density for detached single-family dwellings.

The average density in Spokane's cottage developments has also been 12 units per acre. They have a minimum lot size of half an acre, and have found that attempting to put 12 units on a half acre lot is quite difficult given the other existing setback and site requirements.

White Salmon's cottage infill project will be built at a density of 8 units per acre, which is lower than the maximum density allowed by the underlying zone of R3 multifamily.

Kirkland stipulates a maximum density of twice the underlying zone's density. On average this has worked out to about 12 units per acre.

Ownership. Spokane found that the majority of the cottages that have been developed have become rental properties, though the last two developments were split into individual lots and sold as condominiums. None of the other cities reported having any knowledge of the ownership status of existing cottage housing.

Lessons Learned. Spokane mentioned that they diverged from the cottage codes they looked at as models in order to meet place-specific needs. For example, they required the inclusion of carports or garages because snow makes covered parking necessary. They also loosened aesthetic requirements on cottage styles, allowing for more modern and industrial looking designs. Spokane also noted that the demographics of cottage residents will be different than those in other housing developments, and will mainly consist of one or two adults, but no children.

After 10 years of experience with their cottage code, Kirkland has found that they have not encountered many problems, however they cautioned about making setback requirements too stringent. Staff also commented that using demonstration projects to introduce the concept of cottage housing did a lot to allay neighbors' fears.

Exhibit 3 compares the codes found in a number of cities across Oregon and Washington. Some, requirement vary only slightly across cities of different sizes, such as open space requirements and the number of units allowed per cluster, while others, like minimum lot size are quite different from city to city. Off-street parking standards do not vary much, all still requiring at least one space per unit, and most more than that.

Exhibit 3. Sample of Current Cottage Code Specifications by Jurisdiction

| City | Bend, OR | Cottage Grove, OR | Oregon City, OR | Wood Village, OR | White Salmon, WA | Spokane, WA | Kirkland, Wa |
|-------------------------------------|---|--|---|---|---|---|--|
| Allowed In Zones | RS, RM, RM-10, and special Northwest Crossing overlay district | Permitted- RC Conditional- R, R-1, R-2, R-3 | Any zones allowing multifamily housing | MR2, MR4 zones south of I-84 | R-2, R-3 | RA, RSF, RSF-C | Low-density zones: RSA 4, RSA 6, RS 7.2, RSX 7.2, RS 8.5, RSX 8.5, RS 12.5 and RSX 12.5 |
| Number of Units Allowed | 4 to 12 per cluster | 2 to 4 per lot | 4 to 12 per cluster | 4 to 12 | 4 to 12, depending on zone | Min 6 units per lot, Max 12 units per acre | 4 to 24 units |
| Minimum Lot Size | No minimum for cluster 2,000 sf/unit | | 10,000 sf | | 14,000 sf in R-3, 21,000 sf in R-2 | ½ acre | No minimum |
| Lot Coverage | No maximum, no minimum | | Max footprint 700 sq ft per unit | Max footprint 40% of lot total, Max impervious area 60% | Max impervious area 45% | Max building coverage 40% | Max impervious area 50% |
| Floor Area Per Unit | Max 1,100 sq ft, Max 1,200 sq ft w/ attached garage | Max 1,200 sq ft | Min/Max gross floor area 600/1,200 sq ft, | Max 1,200 sq ft | Min/ Max ground floor area 400/900 sq ft Min gross floor area 800 sf | More than 50% of units should be less than or equal to 650 sf Fewer than 50% of units should be larger than 1,000 sf | Max 1,500 sq ft. |
| Off-street Parking Standards | 1 bd- min 1 space, 2 bd- min 1.5 spaces, 3 bd- min 2 spaces | | Min- 1.5 spaces /unit | Min- 1 space/unit | Small- 1.5 spaces/ unit Large- 2 spaces/ unit | Min- 1 space/ unit | 700 sf -1 space/ unit, Units 700-1,000 sq ft: 1.5 spaces/ unit >1,000sf- 2 spaces/unit |
| Minimum Required Open Space | Common- min 400 sq ft/unit Private- min 400 sq ft/unit | | Common- min 400 sq ft/unit Private- min 200 sq ft/unit | Common- min 400 sq ft per unit | Common- min 400 sq ft/unit Private- min 300 sq ft/unit | Common- min 250 sf / unit Private- min 250 sf/ unit | Common- min 400 sf |
| Allowed Density | Shall not exceed max density of zoning district. Bonus allowed for affordable housing. No more than 1 unit per 2,000 sf | | 50-100% bonus depending on zone | | 1 cottage per 3,000-3,500 sq ft lot | 20% bonus over underlying zone | 2X max number of detached dwelling units allowed in zone |

Key Considerations for Scappoose

The case studies suggest that cottage housing ordinances create great promise but have resulted in limited success. Many reasons likely exist explaining the limited number of cottage housing development starting with the fact that most encourage infill and appropriate infill lots may be difficult to find.

Scappoose should clearly articulate desired objectives if it considers adopting a cottage housing ordinance. It should then analyze whether the ordinances would allow the city to meet its objectives. For example, if a core objective is infill and the city has few infill lots, then it might not be worth adopting an ordinance. If a core objective is to provide for greater housing options—both to developers and households—and to allow cottage housing in a lot of places, then it might be appropriate.

Additional considerations include the following:

Ease of Implementation. Encouraging interest from private developers is critical to the success of any cottage housing code. Scappoose should be careful to avoid creating an overly burdensome approval process. Gather feedback from prospective developers in the community regarding any proposed cottage housing code changes.

Make Standards Clear. Creating a special section for cottage housing within the city's zoning code will increase clarity for developers and residents curious to understand the changes to the development code. Including images in overview documents can help explain complicated concepts more readily.

Proactive Public Involvement. From the residents' point of view, increasing density and the novel form of cottage housing developments may raise sensitive issues for the community. Public education strategies that promote an understanding of the purpose, goals and impacts of these new developments should accompany any change in the development code. Involving the public in discussions from the start may help alleviate concerns.

Avoid Minimum Lot Size Standards. These requirements limit the likelihood of cottage housing development, as there are few large open lots to be developed as infill. Siting issues may arise if a cottage housing code includes large minimum lot standards. Though clusters can work in under-developed or awkwardly shaped pieces of property, those types of parcels are usually more prevalent in suburban and rural locations in than in already established neighborhoods.

Consider a Trial in a Limited Geography. Some communities, such as White Salmon and Kirkland, WA have had positive experiences by rolling out proposed cottage housing changes to their development code that apply only to a restricted geography as part of a planned unit development, and with the intention of revisiting the code to assess its effectiveness at reaching the stated purpose and goals.

DATE: May 11, 2017
TO: Scappoose Planning Commission and City Council
CC: Laurie Oliver
FROM: Beth Goodman
SUBJECT: PROPOSED REVISIONS TO SCAPPOOSE COMPREHENSIVE PLAN POLICIES

The City of Scappoose contracted ECONorthwest to develop a housing needs analysis (HNA). The HNA will determine whether the City has enough land to accommodate 20-years of population and housing growth. The HNA will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the Housing policies.

This memorandum presents suggested changes to Scappoose's existing Comprehensive Plan Housing goals and policies based on discussions with the City Council and Planning Commission at the work session on April 24, 2017. **We request that the City Council and Planning Commissioners provide comment on the suggested changes by sending an email to Laurie Oliver by June 14, 2017.** We will incorporate the suggested changes into a revised draft of the goals and policies for discussion at the July 2017 worksession.

Goal for Housing

It is the goal of the City of Scappoose to:

- ~~1) Provide opportunities for needed housing types including: attached and detached single-family housing, and multifamily housing for both owner and renter occupancy, government assisted housing, and manufactured dwelling parks.~~
- ~~1) Increase the quantity and quality of housing for all citizens.~~
- 2) Locate housing so that it is fully integrated with land use, transportation and public facilities.
- 3) ~~Concentrate~~ Locate high-density multi-family dwellings in ~~a few~~ areas of the City with access to key transportation corridors and commercial centers and other services. ~~and distribute low density multi-family dwellings throughout the City.~~
- 4) Protect residential areas from conflicting land uses, unnecessary through traffic, or ~~other undesirable influences~~ incompatible uses.
- ~~5) Support development of low-income and workforce-affordable housing through development of land use policies that allow and encourage affordable housing production and working with agencies and developers of affordable housing.~~

Policies for Housing

It is the policy of the City of Scappoose to:

- 1) Maintain adequate zoning, subdivision, and building codes to help achieve the City's housing goals and meet the housing needs identified in the Housing Needs Analysis.
- 2) Ensure that newly developed housing adjacent to or within Sensitive Lands receive the appropriate development permit. ~~Limit housing in hazardous areas as well as in significant fish and wildlife areas.~~
- ~~3) Encourage high density multi-family dwellings in a few areas of the City and distribute low density multi-family dwellings throughout the City.~~
- ~~34)~~ Work with all interested agencies and organizations to facilitate housing conservation and construction, and to improve sub-standard dwellings; moreover, to encourage and cooperate with all efforts to provide adequate housing for those with special needs.
- 4) Provide opportunity for development of housing affordable to low- and moderate-income households, including government-assisted housing.
- 5) Permit multi-family dwellings which conform to the following general conditions and criteria:
 - A. Multi-family housing should be compatible with surrounding uses and should be scaled to be compatible with adjacent areas zoned for single-family housing. ~~They should not be so large or close to single-family dwellings as to block their sunlight or to unduly interfere with an established, well-maintained single-family neighborhood.~~
 - B. ~~They~~ Multi-family development should include ~~ample~~ open space or recreational facilities for their residents as well as ~~ample~~ off-street parking and adequate access.
 - ~~C. They should not adversely affect the design capacities of the sewer, water, drainage or street systems as determined by the City Engineer.~~
 - ~~CD.~~ Multi-family development ~~They~~ should be encouraged in areas close to commercial centers and corridors.
- 6) Permit ~~Manufactured Homes only in~~ Manufactured Home parks and subdivisions within the City limits; they shall be developed so that they conform to the following general conditions: (Ord 635, 1995)
 - A. ~~They~~ Manufactured Home parks should be compatible with surrounding uses and should be permitted in areas zoned for a residential density of 6 to 12 dwelling units per acre ~~should not unduly interfere with an established well-maintained single-family neighborhood.~~
 - B. They should include ~~ample~~ open space or recreational facilities for their residents as well as ~~ample~~ off-street parking and adequate access.

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- 7) Identify and plan for the infrastructure investments necessary to support development of housing as part of the capital improvement planning process.
- ~~C. They should not adversely affect the design capacities of the sewer, water, drainage or street systems as determined by the City Engineer.~~
- ~~87)~~ Ensure that subdivisions provide all necessary ~~full array of~~ public services ~~at the expense of paid for by~~ the developer.
- 98) Re-evaluate City ordinances and, where possible, streamline administration and requirements ~~in order~~ to reduce development costs.
- 109) Encourage energy efficient housing patterns in residential developments through efficient use of land and encouraging multi-family development in appropriate areas.
- ~~10) Ensure that the urban growth boundary is not so small as to put an artificial limit on housing opportunities and thus drive up the cost of housing.~~
- ~~11) Strive to provide services sufficient to meet the demand for housing so that the City will not have to impose building moratoriums which drive up the cost of housing.~~
- ~~(Ord 637, 1996 deleted #12)~~
- 113) Monitor residential land development to ensure that there is enough residential land to accommodate the long-term forecast for population growth~~Will review this housing policies during its next Plan review to determine changes needed to meet the needs of Scappoose's low income residents.~~
- 124) ~~Pursuant to state law, p~~Permit siting of manufactured homes on all land zoned for single family residential uses. (Ord 618, 1994)