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Subject: ZDO-277 Land Use Housing Strategies Phase I Continued Public Hearing
Date: Tuesday, November 2, 2021 6:33:00 PM

Chair Smith and Clackamas County Commissioners,

On behalf of Home Builders Association of Metropolitan Portland (HBA) and Portland Metro Association of Realtors® (PMAR), please find below points regarding continued subject continued public hearing.

HBA and PMAR acknowledge the trade-off discussion regarding housing and parking. We understand there are concerns that parking for businesses remain available both on mixed-use sites as well as in areas where additional multi-family housing will be able to be built. We also understand there are concerns that there will be enough parking for everyone – businesses, current and future residents-- should more additional units be built than are currently allowed.

First, the County's current ZDO requires generous parking provision in conjunction with the development of retail and commercial establishments. Nothing in the ZDO will change the amount of commercial parking required should a mixed-use building or site with mixed uses be proposed for development.

The residential parking requirements are proposed to decrease, and this is supported both by studies and the fact that with fewer parking requirements, more housing can be built. Even with these reductions to required parking, actual development will take multiple years, if not decades, to actually occur. In other words, these changes incentivize more mixed-use and multi-family development, but it will not happen right away. HBA and PMAR support staff's and the Planning Commission's recommendation for required parking reductions and increased density allowances.

Second, with regard to the concern that residential vehicles could park in spaces built for businesses, the ZDO does not control this. However, we recognize the potential conflict and encourage the Board to explore, separate from the ZDO, mitigation strategies that other jurisdictions have successfully implemented. These could include, but are not limited to: metered parking, permitted parking, off-site parking, and parking enforcers. As indicated by staff, a parking management plan could be considered for prioritization in the County's upcoming or future Long Range Work Plan.

Finally, please do not allow parking reduction to be carried out on a case by case basis without a clear and objective pathway to yes. Discretionary design review adds time, which equates to holding costs for the developer and will ultimately be passed on to the business and residential tenants/patrons to account for the additional costs. In the spirit of needed housing, HBA and PMAR encourage the Board to adopt a clear and objective set of code references for required parking reductions. If a discretionary path is still desired, let it be in addition to the clear and objective path. With multiple ways to manage parking, we encourage the Board to focus on the goal of housing and economic development within these discreet and ripe areas that will become home to new

enterprise and household formation.

The County has the opportunity to encourage additional housing to help close the gap in the current housing deficit and accommodate current and future residents. These potential additional housing opportunities are in specific commercial areas along travel corridors, which if developed with any commercial uses will also be provided substantial parking to accommodate the business patrons. With a view toward future housing, business and comprehensive parking management, the County will continue to attract all household and business types to live, work and play.

Please consider adopting the remaining two strategies as proposed by staff and recommended by the Planning Commission.

Sincerely,

Roseann Johnson, HBA and Michele Gila, PMAR®

Roseann Johnson

Assistant Director of Government Affairs

Home Builders Association of Metro Portland

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October 5, 2021

Chair Smith
Clackamas County Planning Commission
2051 Kaen Rd.
Oregon City, OR 97045

Subject: ZDO-277 Phase I Land Use Housing Strategies – October 6th Public Hearing

Dear Chair Smith and Commissioners:

The Home Builders Association of Metropolitan Portland (“HBA”) represents over 850 companies and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We work to promote housing affordability and are dedicated to maximizing housing choice for all who reside in the region.

Portland Metropolitan Association of Realtors® (“PMAR”) has more than 8,800 members who are committed to protecting and promoting equitable homeownership, establishing and maintaining high professional standards of practice and creating unity in the real estate profession.

Together, our associations are inextricably linked in property acquisition, financing and construction of housing – including multi-dwelling and mixed-use development – contributing to a healthy supply of both rental and homeownership opportunities.

In June, our associations strongly supported the Board of Commissioners continuing its technical work on the Clackamas County (“the County”) Phase I Land Use Housing Strategies Project (“Project”), rooted in the County’s 2019 Regional Housing Needs Analysis (“HNA”) and HBA-supported 2018-2019 Housing Affordability and Homelessness Task Force policy recommendations. During the August Planning Commission (PC) hearing, we provided public comment on the Project proposal (“Proposal”).

We thank the PC for unanimously supporting our request for a mixed use flexible siting amendment, which would allow the proposed 20% housing bonus to apply to any site developed with a mix of uses. The amendment specifically allows non-residential uses on a mixed-use site to be located in a separate structure from residential, and/or on any floor of a mixed-use building. We urge the Board to approve the Proposal’s siting flexibility amendment, which allows properties – particularly those with unique shapes, topography, or surrounding views-- to be developed to their best use.

In order to meet the mixed-use intent, we also support staff’s most recent proposed amendment to ZDO Section 1012, which establishes a baseline non-residential mixed-use requirement. This amendment would require at least 20% of a site’s building area to be developed with a commercial, retail, or other publicly-facing use, in order for a project to qualify for the 20% housing density bonus for mixed-use development.

The combination of mixed-use siting flexibility, mixed-use and affordable housing density bonuses, and reductions to required parking, allows the County to incentivize mixed-income development. The current Proposal contains a 50% density bonus for both for-sale and rental units held affordable to households at or below 80% Median Family Income (MFI), for at least 30 years. Additionally, the proposal's mixed-use siting flexibility allows private investment to locate throughout a site, offering public-facing amenities in more strategic locations than simply the bottom floor of a multi-family building. By designing intentional spaces of interaction throughout the development, opportunities for cross-household social ties and capital increases.

According to its HNA, the County faces a nearly 5,000 housing unit deficit in its urban unincorporated areas. Of the 8,175 dwelling units projected over the next two decades, the County expects 40% will need to multifamily, including mixed use residential units. However, because most high density multifamily land is built out with only about 9 remaining unconstrained commercial / mixed use vacant acres, the County lacks the appropriately zoned land with which to meet its expected multifamily housing need.

To help address the housing deficit in these areas, our associations continue to wholeheartedly support the Proposal to increase allowed density to 60 dwelling units / acre in the four applicable commercial zoning districts, provide the 20% density bonus for flexibly-sited mixed use developments, and reduce parking requirements by .25 spaces per bedroom unit category. By encouraging more combined urban housing and commercial activity in the C-3, RT, OC and CC commercial zones – where mixed use is already allowed – the County can help close the gap on its high density residential needs while maintaining a thriving commercial and retail sector.

Sincerely,


Roseann Johnson, HBA Assistant Director of
Government Affairs


Michele Gila, PMAR® Director of Realtor®
Advocacy

Cc: Sonya Fischer, Commissioner
Paul Savas, Commissioner
Martha Schrader, Commissioner
Mark Shull, Commissioner



August 10, 2021

Chair Stevens
Clackamas County Planning Commission
2051 Kaen Rd.
Oregon City, OR 97045

Subject: ZDO-277 Phase I Land Use Housing Strategies – August 23 Public Hearing

Dear Chair Stevens and Commissioners:

The Home Builders Association of Metropolitan Portland (“HBA”) represents over 850 companies and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We work to promote housing affordability and are dedicated to maximizing housing choice for all who reside in the region.

Portland Metro Association of Realtors® (“PMAR”) has more than 8,300 members who are committed to protecting and promoting equitable homeownership, establishing and maintaining high professional standards of practice and creating unity in the real estate profession.

Together, our associations are inextricably linked in property acquisition, financing and construction of housing – including mixed use development – and contributing to a healthy supply of both rental and homeownership opportunities. In June, our associations strongly supported the Board of Commissioners in continuing the technical work on the Clackamas County (“the County”) Phase I Land Use Housing Strategies Project (“Project”), rooted in the County’s 2019 Regional Housing Needs Analysis (“HNA”) and HBA-supported 2018-2019 Housing Affordability and Homelessness Task Force policy recommendations.

According to its HNA, the County faces a nearly 5,000 housing unit deficit in its urban unincorporated areas, including a deficit of land to accommodate 2,237 dwelling units in the high density residential plan designation. The HNA also states the key challenge for these areas over the next 20 years is ‘providing opportunities for development of relatively affordable housing of all types, from lower cost single-family housing to market-rate multifamily housing’¹.

Of the 8,175 dwelling units projected over the next two decades, the County expects 40% will need to multifamily, including mixed use residential units. However, because most high density multifamily land is built out with only about 9 remaining unconstrained commercial / mixed use vacant acres, the County lacks the appropriately zoned land with which to meet its expected multifamily housing need.

While OAR 660-007 requires that Urban Unincorporated Clackamas County provide housing development opportunity at an overall average density of 8 dwelling units per net acre, the County’s

¹ ECONorthwest, Clackamas County Regional Housing Needs Analysis, September 2019. Prepared for Clackamas County.

actual land base is predominantly planned for low density, with an overall average density of 5.7 dwelling units per net acre. This means that the current distribution of County land by zone does not meet Oregon's average net density requirements, and the County needs more opportunities multifamily housing development in urban unincorporated areas.

To help address the housing deficit in these areas, our associations wholeheartedly support the current Project proposal to increase allowed density to 60 dwelling units / acre in the four applicable commercial zoning districts. Additionally, we are enthusiastic about the proposed additional density bonus that would allow for a 20% increase over this base density for housing developed in conjunction with commercial uses. By encouraging more combined urban housing and commercial activity in the C-3, RT, OC and CC commercial zones – where mixed use is already allowed – the County can help close the gap for high density residential needs while maintaining a thriving commercial and retail sector.

In order to enhance siting and design flexibility on a given site, **HBA and PMAR recommend additional code language specifying that the commercial uses in these zones are allowed to be sited in a separate structure from residential, and on any floor of a mixed-use building.** This commercial siting flexibility allows developers and Realtors® to plan for highest and best use according to site shape, topography, and existing surrounding neighborhood characteristics.

Adding commercial siting flexibility to the code can also help boost the proposal's mixed-income component, which allows for an additional 50% density bonus for both for-sale and rental units held affordable to households at or below 80% Median Family Income (MFI), for at least 30 years. However, due to construction defect law, for-sale condominiums and for-rent apartments are not typically constructed in the same building. Therefore, because households with 80% MFI are more likely to qualify for purchasing a market rate condominium compared to households at 60% MFI, setting a higher MFI threshold encourages vertical homeownership and rentals on the same site.

We also support the Project proposal to reduce parking requirements by .25 spaces per bedroom unit category. This nominal decrease in required parking directly allows for the production of more housing units, and acknowledges that tradeoffs must be continually examined in a society that requires and values both housing and vehicular parking. Given the important role predictability plays in the development of housing, **we recommend the addition of a 15% required parking reduction for units guaranteed affordable at 61% - 80% MFI.**

The County has the opportunity to promote new mixed use, mixed income projects by incentivizing higher residential densities in conjunction with important commercial activity. With the addition of commercial use siting flexibility and required parking reduction for units affordable at 61% - 80% MFI, the County can make great strides in achieving its urban unincorporated housing needs.

Sincerely,



Roseann Johnson, HBA Assistant Director of Government Affairs



Michele Gila, PMAR Director of Realtor® Advocacy

Cc: Sonya Fischer, Commissioner
Paul Savas, Commissioner

Martha Schrader, Commissioner
Mark Shull, Commissioner



June 7, 2021

Chair Smith
Clackamas County Board of Commissioners
2051 Kaen Rd.
Oregon City, OR 97045

Subject: Phase I Land Use Housing Strategies Project - June 15 Policy Session

Dear Chair Smith and Commissioners:

The Home Builders Association of Metropolitan Portland (“HBA”) represents over 850 companies and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We work to promote housing affordability and are dedicated to maximizing housing choice for all who reside in the region.

The Portland Metropolitan Association of Realtors® (“PMAR”) has more than 8,300 members who are committed to protecting and promoting equitable homeownership, establishing and maintaining high professional standards of practice and creating unity in the real estate profession.

Our associations strongly support continuing the technical work on the Clackamas County (“the County”) Phase I Land Use Housing Strategies Project (“Project”). The Project’s work is rooted in the County’s 2019 Regional Housing Needs Analysis (“HNA”) and 2018-2019 Housing Affordability and Homelessness Task Force policy recommendations. In December 2019, HBA and its Task Force colleagues presented pro-housing policy recommendations to the County Board and HBA has been engaged with the Project working group since its inception last year.

According to its HNA, the County faces a nearly 5,000 housing unit deficit in its urban unincorporated areas, including a deficit of land to accommodate 2,237 dwelling units in the high density residential plan designation. The HNA also states the key challenge for these areas over the next 20 years is ‘providing opportunities for development of relatively affordable housing of all types, from lower cost single-family housing to market-rate multifamily housing’¹. By encouraging more combined urban housing and commercial activity in commercial zones, the County can help close the gap for high density residential needs while maintaining a thriving commercial and retail sector.

Of the 8,175 dwelling units projected over the next two decades, the County expects 40% will need to be multifamily, including mixed use residential units. However, because most high density multifamily land is built out with only about nine unconstrained commercial or mixed use vacant acres remaining, the County lacks the appropriately zoned land with which to meet its expected multifamily housing need. While OAR 660-007 requires that Urban Unincorporated Clackamas County provide housing development opportunity at an overall average density of 8 dwelling units per net acre, the County’s actual land base is predominantly planned for low density, with an overall average density of

¹ ECONorthwest, Clackamas County Regional Housing Needs Analysis, September 2019. Prepared for Clackamas County.

5.7 dwelling units per net acre. This means that the current distribution of County land by zone does not meet Oregon's average net density requirements, and the County needs more opportunities for multifamily housing development in urban unincorporated areas.

One solution to meeting average net density requirements while preserving business opportunities is to incentivize more mixed use housing in the commercial zones. Because mixed use is already allowed in each of the commercial zones considered for increased density allowances (C-3, RT, OC, and CC), the land does not need to be re-zoned. Instead, the County can attract mixed use development by simply allowing more dwelling units in these zones. The developer is then able to project a higher volume of home sales and rents, causing projects to become financially feasible where otherwise the land would sit idle.

We support staff recommendations to increase the maximum density in the above-mentioned zones to 60 dwelling units per acre. Additionally, we support reducing parking requirements by .25 spaces per bedroom unit category. This nominal decrease in required parking directly allows for the production of more housing units, and acknowledges that tradeoffs must be continually examined in a society that requires and values both housing and vehicular parking.

Given the important role predictability plays in the development of housing, we also support the option for a fixed further parking reduction in exchange for guaranteed affordability, and recommend the addition of a 15% reduction for units affordable at 80% of the area's median family income (MFI).

Increasing the allowed affordability bonus from 8% to 50% is another important tool we support for encouraging affordable housing. In order to provide mixed-income housing opportunities, we recommend setting the affordability threshold at 80% MFI. Because households with 80% MFI are more likely to be able to afford a market rate condominium as compared to households at 60% MFI, setting a higher MFI threshold encourages a mix of both vertical homeownership and rental options in the same development project.

To facilitate affordability compliance, we recommend establishing a simple affordability verification mechanism through the Housing Authority, or other County housing-related department, allowing income-qualifying households to either purchase vertical housing units (condominiums), or rent at the affordability threshold.

The County has the opportunity to welcome new mixed use, mixed income projects by incentivizing higher residential densities in conjunction with important commercial activity. By continuing to work on parking requirements and meaningful affordable housing density bonuses, the County can make strides in achieving its urban unincorporated housing needs.

Sincerely,

Roseann Johnson
Assistant Director of Government Affairs

Michele Gila
Director of Realtor® Advocacy, PMAR

Cc: Sonya Fischer, Commissioner
Paul Savas, Commissioner

Martha Schrader, Commissioner
Mark Shull, Commissioner