

**PLANNING COMMISSION
WEDNESDAY, MAY 12, 2021
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*PC Minutes reviewed
and approved at the
June 9, 2021 Planning
Commission Meeting*

Minutes

I. CALL TO ORDER - ROLL CALL

Chair Kamran Mesbah called the meeting to order at 6:00 p.m. Those present:

Planning Commission: Kamran Mesbah, Jennifer Willard, Ron Heberlein, Jerry Greenfield, Aaron Woods, and Olive Gallagher. Breanne Tusinski was absent.

City Staff: Miranda Bateschell, Ryan Adams, Daniel Pauly, and Tami Bergeron

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN'S INPUT - This is an opportunity for visitors to address the Planning Commission on items not on the agenda. There was none.

Chair Mesbah acknowledged that the Planning Commissioners had received written comment via email regarding Middle Housing and confirmed that testimony would be addressed during the work session.

ADMINISTRATIVE MATTERS

A. Consideration of the April 14, 2021 Planning Commission minutes
The April 14, 2021 Planning Commission minutes were accepted as presented.

II. WORK SESSION

A. Middle Housing (Pauly)

Miranda Bateschell, Planning Director, noted the Commission had seen multiple presentations of the Middle Housing project over the last calendar year. She reminded that the project stemmed from statewide legislative changes regarding middle housing and residential zoning all across the state, and those state rules mandated that the City make Code amendments. The Equitable Housing Strategic Plan was also adopted in the same timeframe as the legislative changes, and that Plan provided guidance for the City in pursuing strategies and policies at the city level that help to further equitable housing. She encouraged the consideration of those elements when thinking about Staff's different recommendations on Middle Housing. Tonight's presentation would crystallize and solidify the proposed Code changes The project team had been working hard to bring the changes tonight and next month in an effort to present a package to the Commission for adoption in late summer or early fall in order to move forward with some of the City's other housing policy efforts. She commended Mr. Pauly for his work in organizing the different topics and categories in so much content.

Daniel Pauly, Planning Manager, agreed the project was coming together. He introduced the project team, expressing his appreciated for the team's hard work, support, knowledge, and experience in helping the project to move along successfully. He noted a lot would be covered in the presentation, including an overview and general concepts, but not a line-by-line review of the changes as done in the past. He recommended focusing on items that would benefit from the discussion of the group. Smaller edits and comments from the

Commissioners could be added directly to the PDF or a Word version of the file for review, response, and incorporated by the project team.

Mr. Pauly began the presentation on Middle Housing in Wilsonville via PowerPoint, noting the topics for discussion would focus mostly on reviewing Category 1 and Category 2 Draft Code and Plan updates; sharing results from the online survey conducted in April to get the Commission's feedback on how to incorporate the survey takeaways into the body of work; and revisiting the question of an appropriate middle housing percentage requirement for Frog Pond West. He reminded that middle housing was two to four units on a single lot, generally, or units on their own lot but attached. Both HB 2001 compliance and the Equity Housing Strategic Plan were being considered in how to make the standards usable and related to reality on the ground in how the standards would work for developers and residents over time. He reviewed the desired project outcomes, the four categories of Code and Plan Updates, and briefly discussed what would be covered in future work sessions. While another neighborhood meeting would be heard in Old Town, the project team believed that work was coming together consistent with discussions with the Commission so far. The focus was to figure out what was happening in Frog Pond West, which was substantial because it was undeveloped land with the greatest potential for middle housing within the City's jurisdiction.

- He acknowledged some comments had come through from the Commission, which he appreciated, and he asked the Commissioners to send any fine-grained comments or suggested edits via e-mail.

Kate Rogers, Angelo Planning Group, continued the PowerPoint presentation, reviewing the Drivers of the Category 1 and 2 Updates, which were either directly or indirectly required for compliance with HB2001, as well as the resulting draft amendments to the Development Code, Comprehensive Plan, master plans, and the Old Town Neighborhood Plan, with additional comments from Mr. Pauly.

Mr. Pauly continued the PowerPoint presentation, highlighting the results of the online survey conducted in April 2021, as well as the project team's main takeaways and the direction the team believed should be taken based on the results. He noted the survey was primarily visual preference in nature and focused on the outstanding questions related to siting and design standards, as well as connected parking, which followed up more broadly on a Council goal. (Slides 18-24)

Key discussion points and input from the Commission with regard to the survey were as follows with additional comments from the project team as noted:

- Mr. Pauly clarified the reduction of the 25 percent open space requirement in residential areas would only be about the area of two or three parking spaces in order to have shared neighborhood parking for guests.
- Commissioner Woods commented that parking was important, and people wanted to make sure they had space. Usually couples, such as a husband and a wife, each had their own vehicle. The survey feedback was very good, and some of the responses were long, which indicated the respondents' felt very strongly about what they were saying. He appreciated the clarification on the open space trade-off, adding that a good overview and summary of the survey had been presented.
- Mr. Pauly confirmed that the visual preference survey had been conducted with an introduction about the trade-offs and other issues to avoid bias. The project team was aware that some respondents were outliers, and the analysis took that into consideration. The survey options were otherwise similar except for the things the project team was trying to narrow in on. The survey was broken down into sections with a header that explained what concepts the respondents were being asked to look at to narrow their focus on certain aspects of the pictures, such as the driveway or how the different units related or looked like next to each other, rather than whether they liked the picture in general.
- Mr. Pauly clarified the survey portrayed the open space reduction to allow the shared parking as a small amount. Though an exact number was not provided, it was not like half of the open space was being traded off.

- He clarified the survey language was not as specific on the lot size reduction. Staff assumed a 4,000 sq ft lot would not be reduced that much; perhaps that did not translate through to the public as much. He stated the "small" or "a small amount" language was not used in the lot size question.

Mr. Pauly continued the PowerPoint presentation regarding the middle housing percentage requirement concept in Frog Pond West and determining the appropriate percentage to require that would still relate to the look, feel, and function of the Frog Pond Master Plan. The two requirement options presented for the Commission's feedback were a 10 percent requirement, which would introduce variety without changing the look and feel of the neighborhood, or a 15 percent requirement, which would translate into the percentage of middle housing being spread more evenly across the entire Master Plan. (Slide 26)

- He confirmed that if the 15 percent requirement was the average increase applied throughout the neighborhood, because some of Frog Pond West was already built, applying that average to what remained would be 65 to 85 units.
 - Applying the increase of roughly 138 units to the undeveloped area, which was about half of Frog Pond West, would be about a 50 percent increase in units. The idea was to average that increase across the entirety of the Master Plan area, which would be about a 25 percent increase in density spread across the whole Master Plan, so then each subdistrict would need to be bumped up evenly by that 25 percent. The 15 percent density bonus equaled about a 25 percent increase in density.
- He added the range represented some assumptions about the number of duplexes and triplexes or two- or three-unit developments. One assumption was that the amount of lots was a constant across the requirement options, so the lot could be a duplex, triplex, or single-family home. Implementing a required amount of middle housing with more triplexes left more lots leftover for single-family homes. The difference between 65 units and 85 units was additional single-family units that were enabled by putting more units on fewer lots to meet the middle housing requirement, whereas the lower number assumed that the requirement was met with two-unit middle housing development with a triplex here and there to make up for an odd number.
 - Adding middle housing reduced the number of lots available for single-family homes. To maximize units, the developer would end up adding more than the minimum. For example, with ten lots, the Code currently allowed a maximum of ten single-family homes. If six middle housing units were required as a bonus, building the middle housing units on two lots would leave more single-family lots available than if the six middle housing units were put across three lots.
 - He noted the math was more complicated than his examples, but he would not spend too much time explaining the math tonight; however, he was happy to answer clarification questions.
- He confirmed the three options to choose from were to stick with the current Code allowance, to require 10 percent middle housing, or to require 15 percent middle housing.

Joe Dills, Angelo Planning Group, added the fundamental policy question was, "Should there be a middle housing requirement in the remaining lands of Frog Pond West?" If the Code was left as is, only four additional units would be required, and with the allowance, it was unknown if any middle housing would be built at all. Conversations with the development community and patterns seen had given reason to doubt that much middle housing would be built, which prompted the question about having a requirement.

The other driver was the City's Equitable Housing Strategic Plan and whether the requirement should be applied in some measure for the remaining lands of Frog Pond West. If the Commission believed that land supply should be used for some middle housing, then Staff had put together relatively modest metrics to go along with the percentages in the original Frog Pond West concept.

Commissioner Heberlein stated his preference was 15 percent, which he believed was a reasonable increase, not too large, but still large enough to be impactful to the City and its attempt in equitable housing.

Commissioner Gallagher stated her preference was 10 percent, adding that less was more.

Commissioner Woods stated he liked the 10 percent option as well, adding that 35 to 55 additional units was a good sweet spot.

Commissioner Greenfield noted he was still concerned about keeping faith with the original bargain made during the master planning of Frog Pond West. He believed 10 percent came closest to keeping that bargain.

Chair Mesbah asked Commissioner Greenfield if this was an opportunity to revisit the Frog Pond West bargain because the State was asking the City to update the Code, or was this an opportunity that needed to be captured with the Equitable Housing Strategic Plan because the land had not been developed yet.

Commissioner Greenfield said he believed the 10 percent option provided good faith both toward the community that accepted the compromise before and was also in keeping with the intentions of the State. The option would reach out in both directions at once, without giving everything to either side.

- He agreed doing nothing, which would not add any middle housing, was not in keeping with the spirit of the State regulations.

Commissioner Willard stated she valued the planning process and believed too much deviation from the strong planning work that was already done for Frog Pond West would erode trust in the planning process. She preferred to honor the planning and do what was required by the State, adding if more was done, she would err on the side of 10 percent or less, because she did not want to erode confidence in the planning process and reduce participation in future master planning processes.

Commissioner Greenfield added that voices regarding the Equitable Housing Strategy were not strongly considered in the original master planning of the Frog Pond area, and they needed to be honored. The 10 percent requirement was the best chance of balancing the interests to which the Commission needed to be responsive.

Commissioner Willard agreed with Commissioner Greenfield's perspective, noting he had been deeply involved in the Frog Pond West planning process.

Commissioner Heberlein added he had also been involved. His struggle all along had been the grand compromise to push all density out of Frog Pond West because of strong community pushback. His fundamental question was whether all of the community was heard from or just the vocal part of the community, which was why he was erring on allowing a bit more. He would support splitting the difference with a 12.5 percent requirement, noting the City had one opportunity to add middle housing to Frog Pond West.

- He understood wanting to minimize the impact to the existing neighborhood so as not to erode trust in the planning process, but it all depends upon priorities. The City needed to decide whether to prioritize equitable housing and the opportunity to potentially have more affordable housing or a diverse housing mix, or to maintain what was already agreed upon. The City needed to decide what was most important.

Commissioner Willard noted the subject middle housing requirement regarded Frog Pond West, Frog Pond East and South as well as other future master planned communities would still be considered. She did not understand why this would be the last opportunity for middle housing.

Commissioner Heberlein responded Frog Pond East and South already had much more density baked in than Frog Pond West, which had very little density. The Commission had an opportunity to make a change on a very large parcel of property in the city. He agreed there would be additional urban growth boundary increases, but Frog Pond West would not be addressed again. The likelihood of Frog Pond West being redeveloped in the next 50 years was also unlikely.

Chair Mesbah noted he was not part of the Frog Pond planning process, but he was learning from those who were and what he understood was at the time the grand bargain was made, there was not enough dialogue

and education across the community, so that the community and the city as a whole could understand the concept they were buying into. His professional bias was that most land owners and developers believed the land was theirs to develop, and while that was true, the City and community as a whole, the taxpayers and everybody else who supported the inclusion of that land in the city made the development possible. The decision needed to not only benefit those who developed and owned the land, but the community as a whole, and sometimes during confrontational grand bargains, there was not enough time to ask those who might not be paying attention if they knew what they were underwriting in that part of the city, indirectly or directly. He noted his experience and history had taught him that the outcome might be very different if the time was taken to have that conversation. The opportunity for middle housing would not be completely gone. The community had spoken on how important equitable housing was for the community as a whole, even though that was not part of the original conversation, because nobody asked those questions or listened to those comments when the grand bargain occurred. That voice was quiet at the time, but now that voice had been heard, and there was still an opportunity to at least acknowledge the voice had been heard.

Commissioner Gallagher added that some good PR and marketing might be needed to reach people who may think the motivation for the changes was based on profit, rather than the change in zoning requirements the City was trying to fulfill in an honorable way. This was a good time to clarify the motivations for change and the decisions about which the City was struggling. People who were upset, angry, and resentful could benefit from tactful education on the genuine, ethical position the City was trying to fulfill in terms of equality, diversity, and the State law to help them understand the struggle of looking to the future in the best way for the community. She noted she was not hearing that message when out and about in the community.

Commissioner Woods agreed with the comments about marketing and visibility, adding he had not seen a lot of explanation either as to why the changes were being made, but rather had heard comments "not in my back yard." He assumed some of the residents supported the equitable housing direction, but he believed having some clarification in a number of different ways might be beneficial in helping the residents, particularly of Frog Pond West, understand what the City was trying to do and the reasoning behind it.

Chair Mesbah agreed-

Commissioner Willard noted the Commissioners had made some compelling arguments, and she was seeing things differently; she appreciated the dialogue.

Chair Mesbah stated he would choose the 10 percent option for some of the reasons already mentioned, though he was uncertain whether his reasoning would be convincing to others as an ethical dilemma he was trying to resolve. He believed the 15 percent option, which would essentially increase density by 25 percent, was moving in the direction of potentially changing the texture of the community. He noted the letter discussed affordability, but the units in Frog Pond West were not affordable. The units being discussed would house professional, young residents who did not need the maintenance of a detached house. And, they were not apartments, so some of the points in the letter did not resonate at all with what was being done.

Mr. Pauly noted the discussion and feedback was excellent, articulate, and showed a great understanding of everything at play. He appreciated the Commission's thoughtfulness and believed the discussion provided the direction Staff sought, as well as a good foundation for why the Commission was recommending that direction.

III. INFORMATIONAL

A. City Council Action Minutes (April 5 & 19, 2021) (No staff presentation)

There were no comments.

B. 2021 PC Work Program (No staff presentation)

Miranda Bateschell, Planning Director, apologized that the wrong work program was in the packet. She clarified the next meeting would still include middle housing, but not Frog Pond, the Town Center Streetscape Plan, the

Annual Housing Report, and perhaps, the Equitable Housing Action 1A, the transit-oriented development site at the Transit Center, although that might be seen in July. The action item involved doing a development opportunity study to look at the feasibility items from market, affordable housing, and financing standpoints, as well as land use compatibility. The presentation would cover the purpose of the study and policy direction would be sought regarding that project.

- She explained that the I-5 Bike Pedestrian Bridge and attached Gateway Plaza would be return before the Commission in September at 60 percent design. The last time the project was before the Commission, it was at 30 percent design.
- She clarified the intent was to bring the Town Center Streetscape Plan before the Commission in August and then to City Council in September. She noted Mr. Pauly would be bringing Middle Housing to the Commission for adoption in September and then to City Council in October.

IV. ADJOURNMENT

Chair Mesbah adjourned the regular meeting of the Wilsonville Planning Commission at 7:35 p.m.

Respectfully submitted,



By Paula Pinyerd of ABC Transcription Services, LLC. for
Tami Bergeron, Administrative Assistant-Planning