

**Planning Commission Meeting  
Online via Zoom  
Gresham City Hall  
December 14, 2020 – 6:30 p.m.**

## **I. Call to Order**

A regular session of the Gresham Planning Commission was called to order by Chair Drechsler on the 14<sup>th</sup> of December 2020, at 6:31 PM online via Zoom. The meeting was digitally recorded and minutes prepared by Jennifer McGinnis.

**COMMISSIONERS PRESENT:** Paul Drechsler, Chair  
Richard Anderson, Vice-Chair  
Mike Bennett  
Jef Kaiser  
Sue Ruonala  
Laura Pramuk  
Phil Wich

**COMMISSIONERS ABSENT:** None

**STAFF PRESENT:** Katherine Kelly, Planning & Implementation Manager  
David Berniker, Urban Design & Planning Director  
Jim Wheeler, Urban Design Manager  
Amanda Lunsford, Administrative Analyst  
Kevin McConnell, Senior City Attorney  
Mary Phillips, Senior Comprehensive Planner  
Tina Osterink, Natural Resource Planner  
Sarale Hickson, Assistant Development Planner

**COUNCIL LIAISONS PRESENT:** Councilor Hinton

**COUNCIL LIAISONS ABSENT:** Councilor Widmark

## **II. Middle Housing Project**

Mary Phillips introduced Marcy McInelly from Urbsworks. Ms. McInelly explained that she and Brandy Steffen will be working with City staff to update the Comprehensive Plan and Development Code to comply with the provisions of House Bill 2001 (HB 2001) for middle housing in a way that is responsive to Gresham's housing needs.

Ms. McInelly described the importance of the bill in addressing the ongoing housing crisis that has been caused by many reasons, including demographic shifts, an aging population with needs for different kinds of housing, and a lack of housing construction over the past ten years. She said that this bill is a statewide approach to allow more housing type choices and to spur the development of more housing in cities overall.

Brandy Steffen provided an overview of the outreach methods to be used, which will include:

- Flyer in English and Spanish to be posted around Gresham
- Online survey available through January 1 with basic questions to assess people's opinions and knowledge about middle housing. 51 responses have been received so far.
- Online open house on 12/16 which will be recorded and posted on the website
- Advertising in City newsletters to different community groups and interested parties

Ms. McNelly said that there are two types of cities that must comply with HB 2001: medium cities between 10,000 and 25,000 in population and large cities. Large cities, including Gresham, have until June 30, 2022 to comply. She described the two parts of compliance: 1) duplexes must be allowed on any larger parcel where detached single-family dwellings are allowed, and 2) other types of middle housing such as triplexes, quadplexes, townhouses and cottage clusters must be allowed in areas that permit single-family detached dwellings, but cities may implement some of their own standards on these types.

She then explained the four pathways cities can take to comply:

- 1) Adopt the minimum compliance standards
- 2) Adopt the model code developed by DLCDC
- 3) Adopt City-specific standards on lot size and density, which requires meeting certain performance metrics
- 4) Adopt alternative design standards, which includes demonstrating that the alternative standards do not cause more unreasonable cost or delay compared with the minimum compliance pathway

Ms. McNelly recommended taking the minimum compliance pathway for these reasons:

- Adopting the model code precludes a Gresham-specific solution,
- Adopting alternative lot size and density standards would require detailed spatial analyses of lots on a city-wide basis to meet performance metrics and to demonstrate to DLCDC that middle housing has been equitably distributed across the city, which is very resource intensive and time consuming, and
- Adopting the alternative design standards would require economic analyses to demonstrate how the standards do not cause undue burden on middle housing types.

Ms. McNelly then went over the code audit report. She said that it is based on the draft rules and that changes will be incorporated to reflect the final rules that were adopted on December 10. The code audit report includes an overview of the state policy framework, a brief description of middle housing, where the requirements apply, how to meet the applicability requirements, and how the city can regulate middle housing in terms of siting and design.

She said that there are 15 land use districts that currently allow single-family housing that must comply with HB 2001. There are 3 categories of shifts: significant, moderate, and minor. Significant shift zones include areas that are intended for single-family detached dwellings that currently do not allow any middle housing, such as Low Density Residential (LDR)-5, LDR-7, and LDR-GB. Moderate shift zones include areas where some middle housing types are currently allowed but the allowed types will be expanded. Minor shift zones include areas that already allow most middle housing types except cottage clusters. In developed areas of master planned communities, such as Pleasant Valley and Springwater, cities may not restrict middle housing types any differently. In undeveloped areas of these communities, the city must permit duplexes, but all other middle housing types may be limited provided there is an overall net density of eight dwelling units per acre. All changes will be accompanied by corresponding updates to standards and review processes. She said that a general rule about HB 2001 is that restrictions

on middle housing cannot be greater than those on single-family housing. For instance, if in the same land use district, setbacks and maximum height generally cannot be greater for middle housing than single-family dwellings because middle housing is intended to generally be the same shape and size as a single-family home. In addition, cities cannot require greater parking requirements for middle housing than single-family dwellings. There are limitations on the amount of parking that can be required for middle housing types (generally one space per unit) and the City can allow on-street parking to count toward minimums. Design standards are not required, but if implemented, must be as defined in, or less restrictive, than those in the model code, or also applied to single-family detached.

Ms. McInelly then opened the discussion up and said that they will get into the code concepts and provide more specific approaches to the amendments at the next meeting on February 8.

Commissioner Wich asked if they will be able to limit building in areas with high-value natural resources. Ms. Phillips responded that limitations can be applied in areas protected under State Goal Five to prevent impacts from middle housing exceeding those of single-family housing.

Commissioner Wich also expressed concerns with reductions in requirements for street parking. Ms. Phillips explained that this is a State requirement and the reasoning behind it is that parking incurs a cost burden on the construction of residential units of all types. Based on various analyses, the State found that left to the market, it is likely that more parking than the minimum requirement will still be provided.

Commissioner Pramuk said that she is concerned about conversions of larger dwelling units into apartments in potentially historic areas and parking issues due to higher density. She suggested providing parking lots in densely populated areas. In addition, she said she received the newsletter with the middle housing piece and that it only talked about the benefits of the legislation without touching on the potential downsides. She said that more information should be provided to the public so that they can fully consider and provide feedback on potential issues. Ms. McInelly responded that they are just starting the code audit but will be going much deeper into the issues that have been brought up. She said that some of the issues, such as building maintenance, will need to be handled through code enforcement, but there are many design and zoning requirements that can be built in. She also added that changes in development due to HB 2001 are going to occur very slowly.

Commissioner Bennett asked for more information on why the State adopted this legislation and said that he shares many concerns that have been expressed so far. He also asked if anyone has done an analysis on the cost to the City of providing additional fire, police, sewer, and other City resources to serve a higher density population. He also made the point that increased density doesn't necessarily lead to more affordable housing and they will need to think about that when developing the code and design standards. Ms. Phillips responded that the State adopted this legislation not only to address affordability but also to address availability of different housing types to meet the needs of a greater number of households. Ms. McInelly concurred and talked about the benefits of additional options for residents to remain in their neighborhood and/or gain rental income.

Commissioner Ruonala said that while middle housing has been presented as being mostly infill development, much of it will actually occur in the parts of the City with large areas of vacant land and few amenities. She said that developers could build in these areas independent of available infrastructure, which will cost the City and be suboptimal for the residents of these neighborhoods. Ms. McInelly said that in some instances, added density actually makes commercial development possible.

Commissioner Anderson expressed concern for parking issues as residents still own vehicles that need to be parked somewhere even if they use transit and relying on code enforcement for liability issues. He said that Gresham followed Metro requirements to add density before and it did not work out well as other jurisdictions did not follow Metro requirements, there were no consequences for non-compliant jurisdictions, but Gresham was not allowed to revert to its prior density. Commissioner Anderson continued that he foresees the same pattern recurring with many portions of HB 2001 and to mitigate adverse impact on Gresham recommends that if we adopt these amendments we do so in the form of springing amendments to Gresham's code that would not be effective until 85% of jurisdictions have adopted HB 2001.

Commissioner Kaiser clarified that the middle housing rules are to allow middle housing types, but not to require them and that it is up to the housing market to take advantage of the option. He expressed concern about taking the minimum compliance strategy because he wants to ensure enough protections are built in against the issues that have been discussed. Ms. McInelly said that there is no alternative path within HB 2001 that allows a city to avoid these issues and related efforts will need to be undertaken in order to address them. However, she said that they can go down the path of adopting alternative design standards. For example, they could require owners or developers of every middle housing development to prove that the housing will be kept affordable into perpetuity, sign a maintenance contract, etc. She said that there are several ways developers can be required to agree in advance that they will not create problems. However, taking that path would require the city to meet time-consuming performance standards and prove to the state that housing is being actively distributed.

Commissioner Kaiser said that it seems like if they choose the minimal path and forego alternative standards, protections need to be built in on a separate track through design codes. Ms. McInelly responded that there may be higher-level solutions that cities can choose to undertake. For example, she explained that due to concerns about parking, some cities are going through the process of analyzing exactly how much parking is utilized at different times in different areas to truly understand the issue. They can then address it proactively, such as by allowing shared parking. In addition, some cities are partnering with land trust organizations to ensure affordability is maintained. Commissioner Kaiser asked if these cities are accomplishing this through an ancillary code effort instead of building it into the middle housing rules. Ms. McInelly responded that they are addressing them in coordination. Ms. Phillips added that they can address some of the concerns in the design standards by regulating where construction may happen on the site. Additionally, there is some control over things like landscaping that can help mitigate potential impacts.

Commissioner Kaiser asked how gated communities will be affected. Ms. Phillips responded that if they are in city limits, the underlying zone districts will have the same updated requirements as anywhere else in the city.

Commissioner Kaiser said that given the City's limited budget and resources, he is concerned about how effective Gresham can be in enforcing codes that are already in place. He wants to be strategic in addressing the issues rather than do the minimum and address the issues later as they come up. Commissioner Pramuk added that she is concerned about protecting vulnerable areas because Gresham struggles to keep up with code enforcement related to maintaining older apartment buildings.

Public Comment: Carol Rulla said that she has been hearing similar concerns from the neighborhood associations. She said that in the 90s, codes were implemented that allowed a higher density with a variety of housing types and developers built to the highest density allowed. She asked if something can

be done to ensure equitable distribution of middle housing because it is likely that more middle housing will be built on the outer edges of the City.

She asked that the Commission consider:

- Stepback (height) requirements for middle housing when being constructed near an older single-story home.
- Lot coverage standards
- Larger setbacks for middle housing types, similar to flag lots
- Standards for long driveways on deep infill lots
- Leaving room for future streets
- Fire standards for multiple units at the back of deep lots when future streets are not built yet, including possibly restricting this type of development to the front of the lot until the fire department has access to the back of the lot.
- Preserving space for yards and trees
- Implications of requiring units to be attached or detached

Ms. Rulla asked for clarity on whether stronger standards could be imposed on middle housing and if units could be required to be attached or detached.

Ms. McInnelly said that the key to making this work is clear and objective standards that are applied equitably. She said that middle housing can't be required to be equally distributed, but it can be equally permitted. She emphasized the importance of trees and that trees can be maintained with a wider diversity of housing. She said that another city they are working with is updating their requirements for trees on private property in conjunction with the middle housing project because they want to make sure trees are preserved and that these kinds of requirements can make the middle housing project more sensitive to the surrounding context of the neighborhood. Ms. Phillips added that allowing detached versus attached dwellings could have different implications for whether an existing mature tree can be preserved versus planting new smaller trees, so this should also be a consideration. Commissioner Bennett suggested looking at establishing performance-based metrics to allow the flexibility to deal with this type of situation and give planners the ability to work with the applicant to develop the right project for a particular site while still meeting the state statutes.

Commissioner Bennett asked if they were working with the fire department to ensure appropriate access. Ms. Phillips confirmed that nothing in the Division 46 or HB 2001 regulations precludes the City from applying fire and life safety standards. Commissioner Bennett then asked about mandated maintenance requirements for multi-family housing that were put into place when he was on Council. He suggested modifying or incorporating some piece of these requirements into the middle housing code. Ms. Phillips responded that there are maintenance requirements for developments in design districts and provisions through the rental housing program, but if they were to apply any maintenance requirements to middle housing, they would also have to apply it to single-family detached housing.

Commissioner Ruonala brought up that single-family residential is required to have two parking spaces, which will be more than what is required for duplexes under these rules. Ms. Phillips stated that they will not need to change the single-family parking requirements, and this would be in compliance with HB 2001 since it would not be more restrictive to middle housing. Chair Drechsler said that this could provide an adverse incentive. Commissioner Ruonala added that there are no design standards for single-family homes except for the "Safe Neighborhood" regulations. One of the issues she has seen with duplexes is

that they are built cheaply and are not maintained. She said that she will send Ms. Phillips examples to share with the consultants.

Chair Drechsler said that the east side does not command what the rest of the region does, so they tend to see a different type of development or no development. He said that the numbers for high-quality middle housing don't make sense in Gresham because of the lease rates. He explained that they have been focusing on adding and maintaining high quality development because Gresham already has a high percentage of low-income and middle housing compared to the rest of the region. He said they understand the need for a variety of housing and affordability but also want to maintain quality and be smart in their approach while knowing that the changes in the community due to HB 2001 will be gradual.

Ms. Phillips summarized that tonight was to look at the code audit and understand what Gresham is required to comply with. The next meeting will be used to look at code concepts including design standards and other things within their control that can be used to address concerns. The Middle Housing team is also working on a housing needs analysis and can provide some initial projections to help with the discussion at the next meeting.

### **III. Other Business/Adjournment**

#### Draft Letter

Commissioner Pramuk said that they were trying to make recommendations to Council on how to address the budget shortfall in the planning department and issues with code enforcement. She put together a draft letter which was sent out to the group for comments and has incorporated the ideas that were sent to her. She said that she was very concerned about the proposed drastic cuts because she does not see how they are going to handle the volume of development that they are currently handling. She added that the planning department is the way many people interact with the city and that they need to go to bat for the planning department because the time and effort they and the subcommittees put in is worthwhile.

Chair Drechsler updated everyone that five people were lost from the department which will drastically reduce their capacity. While he agrees with the objective of supporting development, he is now questioning the focus on inspections in the letter. He suggested a new direction of advocating for Council and the finance department to find a way to stabilize funding for the planning department because it is considered a critical service and there is no way to adequately review complex projects while going through cuts of this size.

After discussion, it was decided that the Planning Commission should present the problem to Council as well as suggestions for closing the funding gap. It was agreed that the presentation and discussions should happen before the new budget cycle begins. They will work with the Finance committee to look at possible mechanisms for increasing funding, such as indexing and increasing fees, requiring developers to hire third-party inspectors, and other funding stabilization measures. It was decided that the funding should not necessarily go toward hiring inspectors and that they will work with Mr. Berniker and his staff to determine how resources should be utilized. Mr. Berniker added that he would like to focus on the work that the Urban Design and Planning Department does in order to make the community better in a larger context, including housing, transportation, landscaping, etc.

Mr. McConnell said that after looking at the Council rules, he found that Council will periodically hold joint meetings with the Planning Commission and other Council committees to discuss policy issues. He said

that they can approve the letter and direct Chair Drechsler to appear before the Council or they can present the letter to the City Manager, who would then present the letter to the City Council. After the issue is presented, they would schedule a joint policy development meeting. He said the last joint policy development meeting with the Planning Commission was over a decade ago, and that one of the problems may be that the Planning Commission is unsure about their role in the city. He also said that in regard to the concerns about code enforcement, he agrees that there needs to be coordination between civil and police code enforcement. He informed the Commission that one of the items on the Council work plan is to explore the creation of a municipal court to enforce code violations such as conditions of approval. He recommended that the Commission discuss this at the policy development meeting.

Chair Drechsler made a motion to approve the letter with the amendment of taking out the direction to provide funding specifically for inspections and present to Council in January. In addition, Chair Drechsler and staff will work on setting up a joint policy work session with the new Council and City Manager in late February or early March. The motion was agreed upon unanimously.

The meeting adjourned at 8:55 PM.

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Chairperson

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Recording Assistant

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Date

\_\_\_\_\_  
Date

*A full recording of this meeting is available upon request.*