

To: Design Commission  
From: Mary Phillips, Senior Comprehensive Planner  
Sarale Hickson, Comprehensive Planner II  
Memo Date: August 24, 2021  
Meeting Date: September 1, 2021  
Subject: Middle Housing Project First Draft Code Amendments  
Attachments: 1. Working Draft Development Code Updates  
2. Modeling Summary

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This meeting provides an opportunity for City staff and members of the Design Commission to discuss the Middle Housing Project, and the first draft of the development code amendments to comply with Oregon House Bill 2001. The first draft code was presented to the Planning Commission on June 14, 2021. Since then additional considerations for design standards for bulk and scale have been drafted for consideration. Staff is specifically seeking input from the Design Commission on the following:

- Are there any numerical requirements in the draft standards that do not seem feasible/appropriate?
- Are any design standards topics for middle housing not addressed that should be?
- What, if any, design standards to address bulk and scale should be used? (Floor Area Ratio (FAR), lot coverage, side wall articulation, etc.)
- Should there be further consideration of application of the middle housing standards based on zone district?
- Should the design standards for single detached dwellings and middle housing include simple sustainable development standards?

## **BACKGROUND**

The Middle Housing Project will update the development code to allow middle housing (duplexes, triplexes, quadplexes, townhouses, and cottage clusters) in Gresham's residential neighborhoods as required by Oregon House Bill 2001. The project is a component of the larger Housing and Homelessness topic on the 2021 Council Work Plan. The State-required development code changes will allow for a greater number of housing units and a greater variety of housing types to be built in the city, creating greater opportunities for renters and homeownership across multiple price levels, and greater variety of housing options to meet the needs of a wider range of Gresham households.

### **House Bill 2001**

In 2019 the Oregon State Legislature passed House Bill 2001 (HB 2001) to help address the state-wide housing crisis by increasing the amount and types of housing available to Oregonians. The bill requires Gresham to update its development code to:

- Allow duplexes on any lot that allows detached single dwellings; and
- Allow all middle housing types in any area zoned to allow detached single dwellings.

Two of the main goals of HB 2001 are housing availability and housing attainability. By allowing more dense housing, the bill seeks to increase the availability of housing, and by allowing a greater variety of housing types, the bill supports housing options that may be attainable to a greater number of Oregon households.

Gresham is required by the State to comply with HB 2001 by June 30, 2022.

### **Oregon Administrative Rules and Large City Model Code**

The Department of Land Conservation and Development (DLCD) developed a set of administrative rules that specify in detail how local governments are required to satisfy the requirements of HB 2001. The rules were incorporated on December 9, 2020 as Division 46 of Chapter 660 of the Oregon Administrative Rules (OAR 660-046 Middle Housing). These rules are referred to as Division 46.

DLCD also developed a “Large City Middle Housing Model Code” (Model Code or LCMC) which establishes a set of siting and design standards that a city could choose to adopt in their entirety in order to comply with Division 46. The Model Code also provides a benchmark against which certain local middle housing regulations could be compared to determine compliance with HB 2001. In addition, if a large city does not adopt middle housing regulations that comply with Division 46 prior to the State deadline of June 30, 2022, then the Model Code will automatically be applied to them and will supersede any local regulations that apply to middle housing.

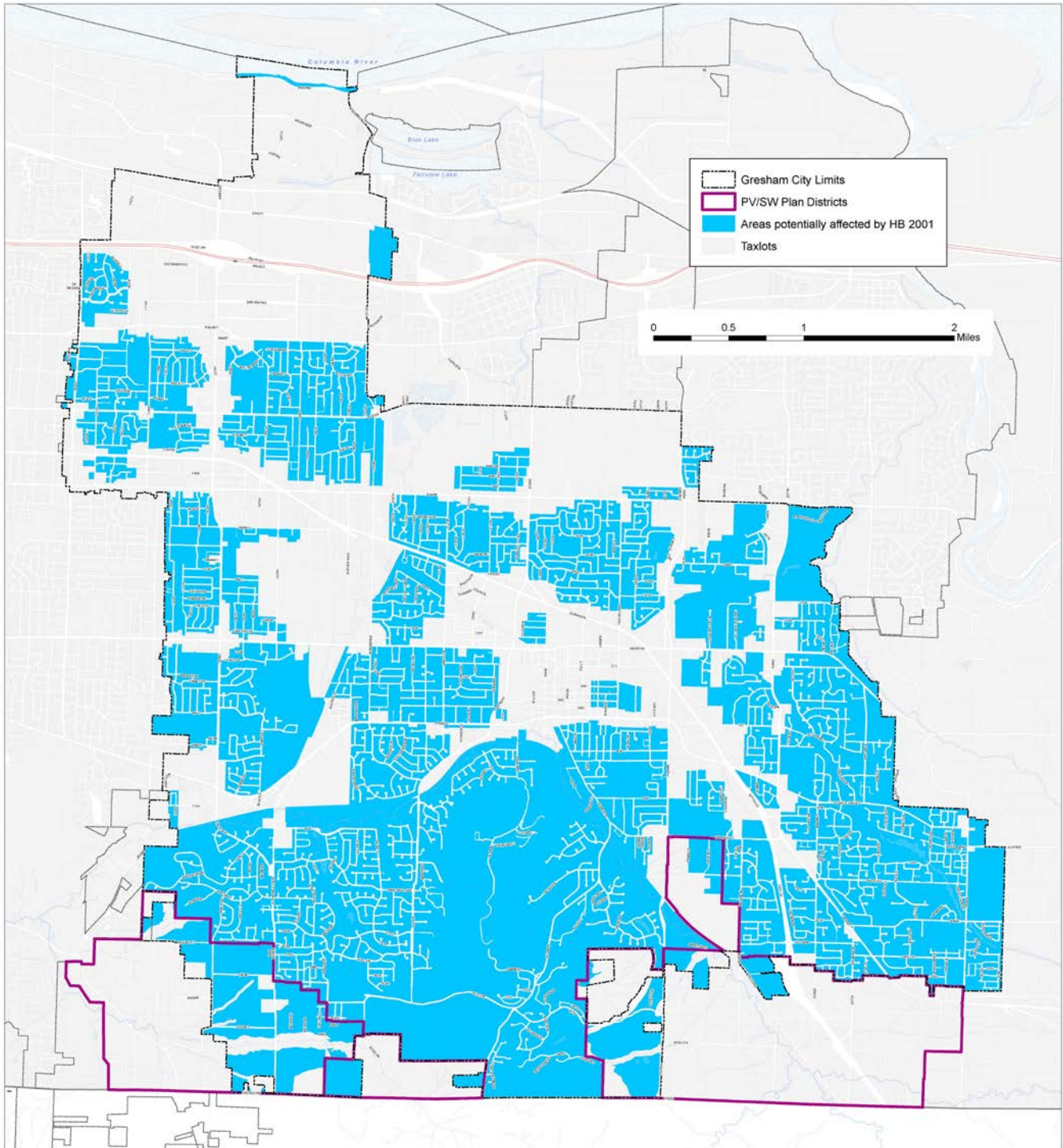
### **DRAFT DEVELOPMENT CODE AMENDMENTS:**

#### **Applicability**

While Gresham has choices around which standards to adopt addressing specific middle housing *design and development* topics, there are limited choices of *where* to allow middle housing types. HB 2001 and Division 46 requirements apply to any zone district where residential uses are the primary use, and where the zone allows single detached dwellings. Some or all properties in the following 15 land use districts or plan districts meet the criteria above and must comply with Division 46:

- Low Density Residential-5 (LDR-5)
- Low Density Residential-7 (LDR-7)
- Transit Low Density Residential (TLDR)
- Transition Residential (TR)
- Moderate Density Residential-12 (MDR-12) (applies only to existing lots of record)
- Office / Residential (OFR) (applies only to existing lots of record)
- Corridor Multi-Family (CMF) (applies only along the NE Glisan and NE 162nd Avenue corridors)
- Downtown Residential Low-Rise-1 (DRL-1)
- Downtown Residential Low-Rise-2 (DRL-2)
- Low Density Residential - Gresham Butte (LDR-GB)
- Low Density Residential - Pleasant Valley (LDR-PV)
- Medium-Density Residential - Pleasant Valley (MDR-PV)
- Very Low Density Residential - Spring Water (VLDR-SW)
- Low Density Residential - Spring Water (LDR-SW)
- Townhouse Residential - Spring Water (THR-SW)

**Map 1: Areas subject to HB 2001**



### **Goal Protected Areas**

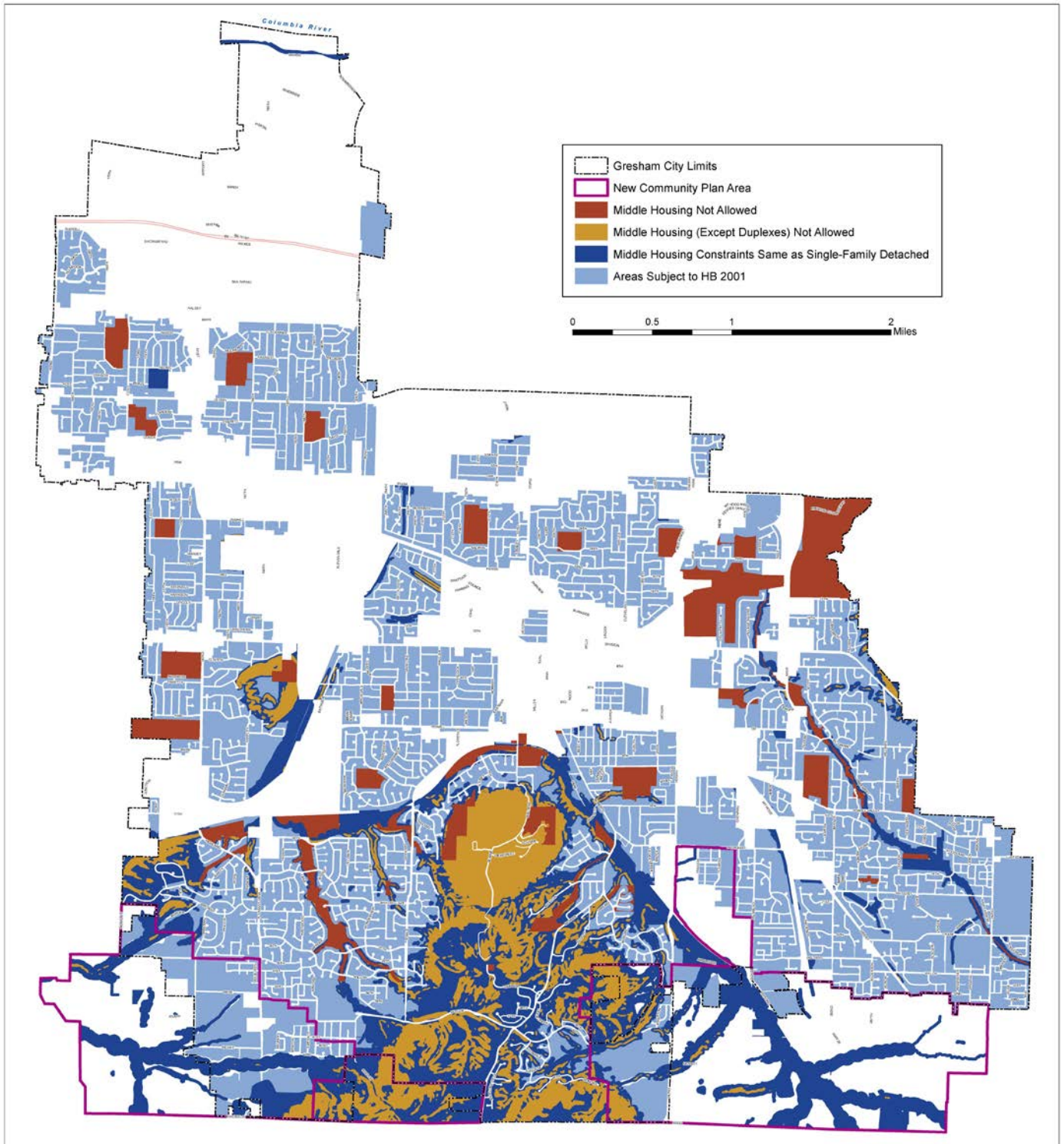
Division 46 (OAR 660-046-0010(3)) outlines how cities may regulate middle housing to comply with protective measures related to environmental resources and hazards adopted pursuant to Statewide Land Use Planning Goals (Goals). In such Goal protected areas, these provisions state that such protections may be applied to middle housing and in some cases cities may limit middle housing, other than duplexes, in those areas. Of the applicable Goal Protected Areas in Gresham, the following are areas in which the existing protections applicable to single family detached uses will provide sufficient protections when applied to Middle Housing, and therefore no additional limitations on middle housing are anticipated:

- Floodplain Overlay District
- Hillside and Geologic Risk Overlay (HGRO)
- Natural Resources Overlay (NRO)
- Areas with Shoreline Height standards

Additional restrictions are recommended only in the following areas:

- Highly Sloped Subareas (HSS): Middle housing, other than duplexes, is recommended to be limited (not allowed) as the area is identified as having the greatest potential for hazards to life and property.
- Open Space Overlay District (OS): This overlay does not allow single detached dwellings and therefore middle housing is not recommended to be allowed here.
- Gresham Butte Plan District (LDR-GB) and Gresham Butte Scenic View Overlay (GBSV) District: It is recommended that middle housing, other than duplexes, be limited (not allowed) due to the combination of view protections, potential hazards, and limited egress in the area.

**Map 2: Middle Housing in Goal Protected Areas**



## **Approach**

HB 2001 and Division 46 layout very specific requirements for allowing middle housing as well as limitations on any standards applied to middle housing such that they do not, individually or cumulatively, discourage the development of middle housing.

Based on community feedback and Planning Commission work sessions to date, the priority when selecting a compliance route within the state regulations is to maintain the flexibility, where permitted, to make code updates as specific to the Gresham context as possible.

Based on the above, the required Division 46 rules will be applied as well as the optional use of design standards.

The following outlines the process for developing the draft Middle Housing Standards in compliance with HB 2001.

## ***Site Standards***

Division 46 and the Model Code outline very specific requirements for site standards for middle housing. These site standards would be integrated into the existing zone districts standards for each of the 15 applicable zones. The following provides a high-level overview of the current draft site standards, see Attachment 1 for greater detail.

### *Minimum Lot Size:*

A minimum lot size is not required for middle housing types, but based on public feedback, the draft proposal is that it is applied. This would mean while each middle housing type is allowed in each of the applicable zone districts, they could only be developed where a lot met the applicable minimum size requirement. The largest minimum lot size allowed to be adopted for each middle housing type is defined by Division 46 as follows:

- Duplex: Same as single family detached
- Triplex: 5,000 sq. ft. (or less than or equal to that for single family detached)
- Quadplex: 7,000 sq. ft. (or less than or equal to that for single family detached)
- Townhouse: n/a (lot size to be regulated by min. lot width)
- Cottage Cluster: 7,000 sq. ft.

*Consideration:* Apply minimum lot sizes for middle housing types only in certain districts. Do not apply minimum lot sizes in districts which do not currently have them for single detached dwellings.

### *Density:*

- Density maximums cannot be applied to duplexes, triplexes, quadplexes, and cottage clusters
- Townhouses: 25 du/acre max.

### *Setbacks and Maximum Height:*

- Generally the same as those for single dwellings in the same zone, except
- Cottage Cluster: Max. height 25 ft., minimum rear setback 10 ft., minimum building separation 10 ft.

*Parking (off street minimum, as required by Division 46):*

- Duplexes: Not more than 2 off-street spaces required
- Triplexes: 1-3 spaces, depending on lot size, typically 1 per unit
- Quadplexes: 1-4 spaces, depending on lot size, typically 1 per unit
- Townhouses: 1 space per Townhouse
- Cottage Cluster: 1 space per Cottage

### ***Design Standards***

Adoption of middle housing design standards is not required, but is allowed. Per Division 46 design standards may only be applied to new middle housing development, and may not be applied to conversions. If a city chooses to adopt design standards, Division 46 allows several choices for how to approach them. The following lists the options for developing design standards in compliance with HB 2001 and Division 46.

- a. Apply some or all of the design standards directly from the Model Code.
- b. Apply design standards that are less restrictive than those from the Model Code.
- c. Apply other clear and objective design standards (not addressed in Division 46 or the Model Code) which are also applicable to single detached dwellings in the same zone. Such design standards may not scale by the number of dwelling units or other features that scale with the number of dwelling units, such as primary entrances.

Design standards may scale with form-based attributes, including but not limited to floor area, street-facing facade, height, bulk, and scale.

In order to maintain the most flexibility for standards that are specific to the Gresham context, a hybrid approach to the above alternatives is being followed. Each design standard topic is evaluated against all three options, and the alternative most appropriate for Gresham context is recommended based on community feedback, what will best support a neighborhood feel/character, and the priorities identified in the Comprehensive Plan.

Typically this analysis has resulted in the creation of Gresham specific draft design standards that would be applicable to both middle housing and single detached dwellings. Planning Commission and public feedback to date has supported standards for many topics, such as parking and/or driveway locations, where application of standards will also need to be applied to single detached dwellings. The application of design standards equally to all development types within individual neighborhoods will have a greater positive impact on neighborhood feel/character.

### *Format*

The middle housing design standards are proposed to be consolidated in Article 7 of the Development Code with the existing residential design standards applicable to single detached dwellings. Some existing standards which do not comply with HB 2001 will be modified, removed, or replaced with the new design standards.

The following provides a high-level overview of the current draft design standards, Attachment 1 may be referenced for greater detail. Specific feedback from the Design Commission is requested on if there are any design standards topics not addressed that should be, and if any of the numerical requirements in the draft standards do not seem feasible/appropriate. Other specific considerations are noted in the following sections.

### *Draft Design Standards (single detached dwelling, duplex, triplex, quadplex):*

- Entry Orientation: At least one entry per lot must face street.

- Window Coverage/Transparency: A minimum of 20% of total street façade(s) must be window or entry door (even if not transparent). Garages would not count toward transparency even if transparent.
  - *Consideration:* Is 20% appropriate? (Model code requires 15%, Gresham multifamily design standards require 25%)
  - *Consideration:* Should there be a minimum window coverage requirement for non-street facing facades? Planning Commission and staff are generally in support of requiring a low percentage on side and rear facades for livability.
- Garage/Parking Location and Width: Generally no parking between unit and street except in driveways; Garage opening width would be limited to the greater of 20 ft. or 50% of the facade width; Attached garages must be setback 4 ft. from the front of the façade.
- Driveway approach: Curb cuts limited to lesser of 34% lot frontage or 28 ft.
- Private open space/common open space: 5% of the lot area must be yard or porch, with a minimum of 2 trees (1 for lots under 3,000 sq. ft.)
- Pedestrian connections: 3 ft. walkway connecting entries, parking areas, and the street.
  - *Consideration:* Increase width to 4ft. Planning Commission discussed a tradeoff between requiring increased accessibility and allowing for reduced impervious surface coverage and lot coverage.

*Draft Townhouse-Specific Site Standards:*

Townhouse standards generally follow site standards for single detached except:

- Number of adjoining units: At least 2 units with a maximum number of 4, 6, or 8 attached units depending on the zone.
- Minimum lot width: 16 ft. for interior lots and 20 ft for end unit.
- No minimum lot size or street frontage.
- Maximum density: 25 units/acre.
- Setbacks are the same as single detached dwellings, with zero foot interior side setbacks.
- Height same as single detached dwellings (35 ft.)

*Draft Townhouse-Specific Design Standards:*

- Entry orientation: Follows Model Code, allows townhouses on flag lots.
- Unit definition: Follow model code, requires one articulation element per unit for street-facing facades.
- Minimum transparency: 20% of total street facing façade.
  - *Consideration:* Apply a minimum window coverage requirement for non-street facing facades?
  - *Note:* Transparency standards must be the same or less restrictive as that for single detached.
- Driveway access/parking location: Apply Model Code plus the same locational requirements for single detached, support shared driveway with shared curb cuts.
- Pedestrian connections (3 ft. walkways connecting entries, parking areas, and street)
  - *Consideration:* Increase width to 4ft. Planning Commission discussed a tradeoff between requiring increased accessibility and allowing for reduced impervious surface coverage and lot coverage.
- Open Space: Same as for single detached, 5% of total lot area of townhouse



development (not by individual lot) meeting specific requirements, including one tree per 3,000 sq. ft. lot area and additional options for shared open spaces or children's play areas to meet the 5% requirement.

*Draft Cottage Cluster Site/Design Standards:*

Cottage Cluster standards generally follow the Model Code.

- Cottages per development: Min. 3, no max.
- Cottages per common courtyard: Max. 12
- Must meet minimum density for zone district
- Min. lot size 7,000 sq. ft.
  - *Consideration:* Apply minimum lot sizes for middle housing types only in certain districts. Do not apply minimum lot sizes in districts which do not currently have them for single detached dwellings.
- Min. perimeter site setbacks (including accessory structures): Front/Rear: 10 ft., Side: 5 ft., Garage 20 ft.
- Min. building separation: 8 ft.
- Max footprint (applies to any building in a cottage development): 900 sq. ft. (The required 40 sq. ft. covered entry is exempt.)
- No total sq. ft. limit (scale governed by open space, setbacks, and height)
- Max height: 25 ft.
- Required covered porch entry facing street or courtyard if adjacent
- Private open space: Larger porch or directly accessible yard space for each cottage
- Courtyard design standards from model code, plus require minimum 1 tree per courtyard, with a maximum 50% impervious surface (Model Code is 75%). 150 sq. ft. of courtyard per unit with min. 15 ft. dimensions.
- Allow one common building per shared courtyard which may count for up to 30% of the required courtyard size. Maximum common building footprint of 900 sq. ft.
- Pedestrian access: Follow model code, 4 ft. walkway connecting unit entrances to common courtyard, parking areas, community buildings, and sidewalks.
- Window Coverage: Follow model code, cottages within 20 ft. of street follow transparency requirements for single detached dwellings in same zone.
  - *Consideration:* Apply the same transparency standards as for single detached dwellings.
- Parking design/clustered parking: Follow model code, clusters separated by 4 ft. landscaped areas
- Parking location/access/screening: Follow model code, 20 ft. setback from street, landscape separation from units
- Garages and Carports: Adapt model code, total enclosed garages and carports may not exceed 400 sq. ft. per unit. Individual attached garages allowed with up to 200 sq. ft. exempt from footprint calculation.
- Accessory Structures: Maximum footprint for an individual accessory structure of 400 sq. ft. per model code
- Existing structures and conversions: Apply model code, adapt for less restrictions on converting existing single detached dwellings/lots to unit in cluster.

***Additional Design Standards Considerations***

Based on community feedback and the Planning Commission review of the initial draft code, additional standards for bulk and scale may be desirable. The following outlines considerations for the adoption of minimum lot coverage, maximum floor area ratio (FAR),

and side wall articulation standards. Feedback from the Design Commission is specifically requested on whether or not to adopt a standard for these items, but determining a specific numerical standard is not necessary at this time. See Attachment 2 for modeling images of sample middle housing developments on varied lot sizes and their development statistics for reference.

*Applicability.* Division 46 requires that if a large city chooses to regulate scale and bulk, including but not limited to provisions including lot or parcel coverage, floor area ratio, and maximum unit size, those standards cannot cumulatively or individually limit the bulk and scale of a cumulative middle housing project (i.e. all four units in a duplex) greater than that of a single detached dwelling, and such standards cannot be applied to cottage clusters. Currently, typical new single detached dwelling construction tends to be built at or near the setbacks, have limited articulation, and “blocky” massing. Applying standards for bulk and scale to both middle housing and single detached dwellings could be desirable to encourage massing with a pedestrian scale supporting a neighborhood feel/character.

Residential bulk and scale are currently regulated in various zones by height, setbacks, open space requirements, and impervious surface limits. In the applicable residential zone districts a floor area ratio is currently applied only in the DRL-1 and DRL-2 zones. Gresham does not currently regulate lot coverage in the applicable residential districts.

Changes are required to the existing development standards in order to comply with HB 2001. Those changes are mostly noted in Attachment 1. The Section 4.0138 Residential Compatibility Standards for LDR-5, LDR-7, TLDR and TR and the Section 9.0600 Height Transition standards are not compliant with HB 2001 and will need to be removed/edited. The draft design standards addresses similar purposes, but the additional standards for bulk and scale (particularly those for side wall articulation) may more fully address them.

*Maximum Lot Coverage.* The City is not required to apply maximum lot coverage standards, however, if they are used Division 46 requires:

- Lot coverage for duplexes must be the same as that for single-detached in the same zone.
- May not establish a cumulative lot coverage for Triplexes, Quadplexes, or Townhouse projects that is less than established for detached single-family dwelling in the same zone.

*Model Code:*

- If required by underlying zone district, lot coverage is not applicable to Triplexes, Quadplexes, Townhouses, or Cottage Clusters.

*Lot Coverage Standard Considerations and Alternatives:*

- Do not regulate lot coverage (continue use of setbacks and open space standards, potential adoption of FAR and/or side wall articulation standards).
- Adopt a maximum lot coverage standard that also applies to single detached dwellings.
  - Calculate lot coverage based on impermeable surfaces.
  - Calculate lot coverage based on building coverage.
  - Apply in all applicable districts.

- Apply only in certain zone districts.
- Apply differently in different districts.
- Do not apply to townhouses.

*Floor Area Ratio (FAR).* The City is not required to apply FAR standards to middle housing, if used the standard could not be applied to cottage clusters. Currently, both DRL-1 and DRL-2 have a maximum FAR of 1.0, with options for increasing this by up to 1.5 higher with sustainable development strategies (minimum FAR within DRL-1 and DRL 2 varies in different sub-areas between 0, 0.2, 0.35, 0.5, and 0.7). Floor area is currently calculated as the gross area under roof of all habitable floors of a building (excluding parking/loading/basements). Habitable area is that used for living purposes.

*Model Code FAR Standard:* The Model Code Standard for FAR is cumulative for all buildings onsite and is based on the minimum lot size for a detached single dwelling in the same zone.

<u>Minimum Required Lot Size for Single Detached</u>	<u>Maximum FAR</u>
3,000 sf or less	1.4
More than 3,000 sf, up to and including 5,000 sf	1.1
More than 5,000 sf, up to and including 10,000 sf	0.7
More than 10,000 sf but less than 20,000 sf	0.6
20,000 sf or more	0.4

*Maximum FAR Standard Considerations and Alternatives:*

- Do not regulate FAR (continue use of setbacks and open space standards, potential adoption of lot coverage and/or side wall articulation standards)
- Apply some or all of the model code standard, do not apply to single detached
- Apply some or all of the model code, also apply to single detached
- Apply FAR standards less restrictive than the model code
- Apply some other standard and also apply to single detached
- Apply FAR based on lot size (rather than on required minimum lot size)
- Apply FAR only in certain zone districts
- Apply FAR differently in different districts

*Side Wall Articulation.* An additional alternative for addressing mass and scale and limiting “blocky” massing is to adopt clear and objective standards that require sidewall articulation. Such standards are not addressed in the model code and would therefore have to also be applied to single detached dwellings. Strategies to increase articulation along side setbacks could include:

- Limiting wall length before a full-height offset of a minimum size is required (e.g. Any walls greater than 40 ft. in length shall have an offset of 4 ft. in depth for a minimum of 10 ft. in length etc.)
- Requiring just wall area above the first floor be inset after a certain wall length (e.g. The area of all wall planes above the first floor is limited to 40 ft. in length within 5 ft. of the side setback etc.)
- Limit the area of single wall planes and require min. depth of offsets (e.g. No wall plane shall be greater than 300 sq. ft., must have articulation between plans of at least 2 ft. in depth)

- Require a minimum number of articulation elements such as recessed or projecting window bays (e.g.. Cumulatively, side wall(s) within 10 ft. of a side setback shall include at least two features that project or recess at least 2 ft. Features must be at least 24 sq. ft. and include articulations such as bay windows, recessed window planes, projecting or recessed balconies, etc.)
- Require variation in roof lines with majority of roofs sloping away from the side setback (e.g.. Cumulatively, the roof(s) facing a side setback shall slope down towards the side setback. For every 40 ft. of wall length at least one variation in room form shall be included, such as hipped dormers, offsets, gables, changes in pitch, etc.)
- Include a minimum 20% transparency
- Etc.

*Side Wall Articulation Standard Considerations and Alternatives:*

- Do not regulate side wall articulation (continue use of setbacks and open space standards, potential adoption of lot coverage and/or FAR standards).
- Adopt a side wall articulation standard that also applies to single detached dwellings.
  - Require a specific articulation strategy
  - Require one option from a menu of alternatives be used.
  - Apply based on depth of side setback (e.g. only apply where setback is less than 10 ft.)
  - Apply only in certain districts
  - Apply differently in different districts

*Considerations for Additional Design Standards.* The Design Commission is asked to provide feedback on whether to adopt standards for mass and scale, and if so which ones. Alternatives could include some or all of the strategies outlined above, or the Commission could suggest alternatives not addressed here.

***Climate Action and Sustainable Development Considerations***

The 2021 Council Work Plan identifies climate action as a key focus area of the City’s work. Planning Commission feedback and discussions have identified that responding to climate change and/or reducing climate impacts of development should be considered in every development code change. An additional consideration is to include standards for clear and objective sustainable development standards, which would also be applicable to single detached dwellings. Such standards could be similar to those required in the City’s design district standards, with a list of options for incorporating sustainable development strategies on a lot. For example:

- Utilize a minimum of one of the following sustainable building techniques or design strategies:
  - Orient the long axis of the building east and west, with minimum 20% transparency on the south building façade with exterior.
  - Provide architectural sunshades or eaves on the south and west building facades which effectively limit summer sun and to allow for winter sun penetration.
  - Provide a vegetated (green) roof surface comprising a minimum of 50 percent of the roof area.

- Incorporate solar energy panels comprising an area equivalent to a minimum of 20 percent of the roof area or generating a minimum of 20 percent of the typical energy usage for the building.
- Provide an on-site electric vehicle fueling station.
- Source sustainable and local building materials from within 500 miles of the development site for no less than 20 percent of the total construction materials
- Provide site trees which will create a minimum 50% canopy coverage of the lot within 10 years.
- Provide pervious paving for all paving on site.
- Design buildings to meet certain increase energy efficiency ratings such as the Oregon Residential Reach Code.
- Etc.

*Considerations for Climate Action and Sustainable Development Standards.* Should the design standards for single detached dwellings and middle housing include a requirement for sustainable development standards?

### ***Application of Standards Considerations***

In many cases Division 46 allows siting and design standards to be applied differently in different zone districts. (Note that standards cannot be applied based on location (such as by distance to transit etc.) they must be the same for all uses within a single zone.) For example, in the draft code the site standards for townhouses include different maximum numbers of attached units based on the density of the zone district. For reference, the three categories of applicable zone districts (in this case based on allowed density) are as follows:

- Lowest Density Districts: VLDR-SW, LDR-SW, LDR-7, LDR-5, TR and LDR-PV
- Low to Moderate Density Districts: OFR, MDR-12, and DRL-1
- Moderate Density Districts: DRL-2, TLDR, THR-SW, MDR-PV, and CMF

Similarly, design standards, such as those discussed above, could be used either in just certain zones, or could be applied differently in different zones.

*Considerations for Application of Standards.* Are there siting or design standards that should be applied differently in different zone districts? Criteria for groups of applicable zone districts could be based on allowed density as in the example above, or by existing standards that vary by zone district such as minimum lot size or minimum setbacks.

## **NEXT STEPS**

### **Draft Code Refinements**

Staff will continue to refine the draft development code amendments for middle housing. Revisions will be evaluated within the context of the HB 2001 and Division 46 requirements, the Model Code, feedback from the Design Commission, Planning Commission, City Council, and community, and the priorities identified in the Comprehensive Plan.

### **Schedule**

Additional work sessions with the Planning Commission and City Council will be held in fall of this year. Additional work session with the Design Commission could be held if needed. The first adoption hearing is targeted for the end of 2021 in advance of the June 30, 2022 State deadline.