



# City of Oregon City

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## Staff Report

File Number: 17-632

**Agenda Date:** 12/12/2017

**Status:** Agenda Ready

**To:** City Commission

**Agenda #:** 3d.

**From:** Community Development Director Laura Terway

**File Type:** Presentation

### **SUBJECT:**

Oregon City Municipal Code Review: Lot Averaging in Subdivisions

### **RECOMMENDED ACTION (Motion):**

Staff recommends the City Commission provide direction for next steps.

### **BACKGROUND:**

Chapter 16.12.050 of the Oregon City Municipal Code (OCMC) allows subdivisions to include lots that are up to 20% smaller than the minimum lot size, provided the average size of all of the lots within the subdivision meet the minimum lot area identified in the underlying zone. For example, lots within the "R-10" Single-Family Dwelling District could contain lots which are 8,000 square feet, provided the average of all of the lots (excluding tracts dedicated to non-residential uses) was at least 10,000 square feet. Note that though the lot sizes may vary, all lots are required to comply with the minimum lot width and depth of the zoning designation.

The lot averaging provision was first adopted in mid-2004. At the time it allowed a 10% reduction in lot size. A minor amendment was adopted later that same year to specify the zoning designation which could utilize lot averaging. In 2008, the code language was altered to increase the lot size reduction to 20%. The full text of these provisions is set forth in Exhibit 1.

Allowing lot area averaging achieves a number of objectives. First, it allows greater flexibility for development. Because development occurs within space constrained by property boundaries, environmental protections, street layouts, and natural resources, the ability to utilize smaller lot sizes in some areas allows for a more efficient use of land. Second, it allows for the prioritization of street connections, which are drawn before lot dimensions are finalized. Last, it results in a variety of lot sizes. This is identified as a priority in the Comprehensive Plan under Goal 10.1. Lastly, the resulting smaller lot sizes may result in lower priced homes which is identified as a priority in the Comprehensive Plan Policy 10.1.4 and Goal 10.2.

The City has recently received a number of concerns about the lot averaging provision, including:

- The code does not limit the number of lots that are smaller than the minimum lot size,
- Excessively large lots with building limitations are used to skew the average;
- There is no prohibition for placing the smaller lots adjacent to neighboring properties;
- The 20% reduction is significant; and
- The standard is allowed outright and is not discretionary.

The presentation will review options for the City Commission to provide policy direction.