

## Topics Identified for further Planning Commission Review and Direction by the City Commission

Please refer to the language within the proposed amendments dated November 26, 2018, public comments, supplemental reports on the project website [www.orcity.org/planning/housing-and-other-development-and-zoning-code-amendments](http://www.orcity.org/planning/housing-and-other-development-and-zoning-code-amendments), or the Planning and City Commission hearings at <https://oregon-city.legistar.com/Calendar.aspx> for additional information.

The City Commission is in the final stages of reviewing a handful of outstanding proposed amendments to the Oregon City Municipal Code including strategies to increase equitable housing. On April 3, the City Commission requested that staff bring back four items to the Planning Commission for further review and direction. This memorandum addresses the four items with background on the issue, an explanation of the proposed Planning Commission recommendation, and a summary of comments from the public, Equitable Housing Project Advisory Team (EQPAT), Planning Commission, and staff. As of April 15, 2019, the issues for further consideration by the Planning Commission include:

- 1) Accessory Dwelling Units: Owner Occupancy Requirements and Short-Term Rental Policy.
- 2) Amending the 75' height limit in the Mixed-Use Downtown District.
- 3) Prohibition on 3-4 plexes in Historic Commercial District (in Canemah along McLoughlin Boulevard).
- 4) Change or Retain the mailed notice area requirement to neighboring property owners within 300' of Type II-IV development.

Staff anticipates that the items above will require varying levels of input to be resolved. For example, creation of a short-term rental policy will require significant time to sufficiently research and obtain public input while the distance of the mailed notice may not. Some of the items can be resolved fairly quickly for consideration by the City Commission under the current ordinance while others may require the creation of a new Ordinance on a separate, extended timeline. Lastly, the City Commission will be providing additional direction to staff at their April 17, 2019 and thus the Planning Commission may be asked to further consider additional items.

### **1) Accessory Dwelling Units: Owner Occupancy Requirements and Short-Term Rental Policy.**

#### Background

- The Municipal Code requires the property owners, which shall include title holders and contract purchasers, occupy either the principal dwelling unit or the ADU as their permanent residence, for at least seven months out of the year, and at no time receive rent for the owner-occupied unit.
- No other residential use requires owner-occupancy.
- Proposed language by the State legislature may require owner occupancy provisions to be removed.
- The City Commission expressed concerns regarding Short Term rentals and the desire that a more comprehensive and less onerous process for permitting short term rentals be considered (as opposed to the current Conditional Use process) prior to removing the requirement.

#### Planning Commission Comments and Recommendation

- Planning Commission originally recommended that the Owner-Occupancy Requirement be removed.

- It is easier to remove owner occupancy in the future if it is a hindrance to ADUs than it is to require owner occupancy once the requirement has been removed.
- Concern that properties would not be well maintained if owner does not live onsite.
- Owner-occupancy should be removed since it is not required for any other use (single-family, duplexes, multi-family).

#### Equitable Housing Public Advisory Team Comments and Recommendation

- Remove owner occupancy.
- The requirements adds an additional layer of complexity and regulation, further discouraging interested homeowners from considering an ADU and significantly limiting financing options.
- There are no owner occupancy requirements for other residential uses, and there does not appear to be a significant policy reason to single out ADUs for these restrictions given their relatively low numbers. If concerns arise, owner occupancy regulations could be developed to address residential uses more holistically across the city, such as through a short-term rental policy.

#### Public Comments

- If the property owner was onsite it would be better maintained. Note that issues of property maintenance and upkeep are not necessarily zoning issues, however, the unique and transient nature of short-term rental uses may affect neighborhood liveability.
- The current Conditional Use process required to operate a short-term rental is expensive and onerous.
- If the owner-occupancy was removed, rental properties could be developed with ADUs which would increase the City's supply.
- The requirement is not consistent with any other residential use and is difficult to enforce.

#### Staff Comments

- Over the years we have had property owners ask about installing ADU's on their rental properties, but it is difficult to quantify how this regulation has effected the number of ADUs developed.
- The owner-occupancy requirement is difficult to enforce.
- Staff recommends removal of the owner-occupancy requirement for ADUs.

*Applicable Code Section as proposed: 17.20.010.D.6*

## **2) Amend the height limit in the Mixed-Use Downtown District for properties located outside of the Downtown Design District**

#### City Commission

- The City Commission requested that the Planning Commission review the original recommendation.
- Requires a Joint Work Session with City Commission so that issues can be more comprehensively discussed.

#### Background

- The Mixed-Use Downtown District (MUD) is generally located topographically on the bottom shelf of the City and includes separate height limitations within the Downtown Design District (between the Willamette Falls Legacy Site and 10<sup>th</sup> Street) and the remainder of the City. A map of the MUD locations outside of the Downtown Design District is attached.
- The MUD is included in a Regional Center which is envisioned to include denser development which meets the needs of our and nearby communities.
- The existing height limit is 75', except for the following which is limited to 45':
  - Properties between Main Street and McLoughlin Boulevard and 11th and 16th streets
  - Property within five hundred feet of the End of the Oregon Trail Center property
  - Property within 100' of a single-family detached or attached unit

- The existing height limitations result in inconsistent heights within a relatively small area. However, it is believed that the heights are limited in certain locations in order to protect views to the river from certain locations, the view from I-205 toward the End of the Oregon Trail (EOT) property, and land nearby existing homes.
- The City owns property at 12<sup>th</sup> and Main as well as the parking lot at 13<sup>th</sup> and Main which are affected by the reduced height.
- There is varying topography south of Main Street/McLoughlin/11th/16th streets which allows some properties to currently have views of the water/West Linn.
- There are locations which are zoned MUD but are currently used as residences, particularly on the southern side of the railroad. A map of properties without business licenses is attached but includes a margin of error by assuming that properties without a business license are residential. In addition, topographic cross sections are attached.

#### Planning Commission Recommendation

Amend the height limit in the Mixed Use Downtown District for properties located outside of the Downtown Design District. The maximum height is 75', except for the following which is limited to 45':

- Properties between Main Street and McLoughlin Boulevard and 11th and 16th streets
- Property within five hundred feet of the End of the Oregon Trail Center property
- Property ~~within 100' of~~ abutting a single-family detached or attached units

#### Planning Commission Comments

- Support for the reduced maximum height to retain a view from I-205 to the EOT.
- Support that properties abutting existing single-family homes should be limited in height, but that the height of properties not adjacent to residences do not need to have reduced height.
- Support for reduced maximum height between Main Street/McLoughlin/11<sup>th</sup>/16<sup>th</sup> streets in order to retain existing property values and visual corridors while transitioning height from McLoughlin. Some concern as to why only views in certain locations were preserved and for the desire to maximize densities along the highway in the Regional Center.

#### Public Comments

- Support of retaining the view of the EOT from I-205.
- Support and opposition regarding reducing the maximum height near single-family homes.
- Support and opposition regarding reducing the maximum height between Main Street/McLoughlin/11th/16th streets.
- Concern for views and property values.

#### Staff Comments

- Support of retaining the view of the EOT from I-205. The reduced maximum height limit of the properties which are within 500' of the EOT, but not located between the EOT and I-205 do not need to be reduced if the purpose is to preserve a view corridor only to I-205, however given some public concerns that the EOT is not adequately protected in the Municipal Code the Commission should consider discussing height limitations around the EOT as a part of the upcoming Comprehensive Plan Update.
- Staff suggests removing the reduced maximum height adjacent to existing single-family homes, which are a non-conforming use in the zoning designation, in order to maximize the Regional Center as well as provide consistency and ease of implementing regulations.
- Staff suggests removing the reduced maximum height between Main Street/McLoughlin/11th/16th streets in order to provide consistency, maximize densities along the highway in the Regional Center. it is likely that views of the water will not be feasible with a 45' tall buildings in these locations, some properties will lose their views towards the river and West Linn.

*Applicable Code Section as proposed: 17.34.060.D*

### **3) Prohibiting 3-4 Plexes in the Historic Commercial District**

### Background

- The City Commission requested that the Planning Commission review the original recommendation.
- The Historic Commercial District (HC) is located Canemah along McLoughlin Blvd. Please see the attached map.
- The HC district currently allows multi-family uses consisting of 3 or more units on a single property.
- All new buildings and exterior changes to buildings in Canemah require review by the Historic Review Board through a Type III process for appropriateness and compatibility, regardless of use. The Historic Review Board will look at size, massing and appropriate architectural detailing needed to be compatible with the District. This process is required in addition to the existing Type II process to build a 3-4 plex in Oregon City.

### Planning Commission Recommendation

- Redefine multi-family as 5 or more units and identify 3-4 plexes as a separate use.
- Identify multi-family as a permitted in HC, but not 3-4 plexes.
- Allow 3-4 plexes to be processed as a Type I application with clear and objective design requirements.

### Planning Commission Comments

- 3-4 plexes may not be an appropriate use given the historic district.

### Public Comments

- Concern that 3-4 plexes are processed as a Type I and the design may not be appropriate, but acknowledgement that a Type III process before the Historic Review Board is required for review appropriateness and compatibility.

### Staff Comments

- The density of units within a building should not be a deciding factor in the compatibility of a building in a historic or conservation district.
- Staff recommends allowing 3-4 plexes in HC, which allows the same uses which are allowed today. The Historic Review Board review will provide a public review process for appropriate design.

*Applicable Code Section as proposed: 17.26.020*

## **4) Change or Retain the Mailed Notice Area Requirement of 300' to Neighboring Property Owners for Type II-IV Development**

### City Commission Comments

- City Commission heard testimony that the notice area is not large enough

### Background

- State law requires a mailed notice be provided to property owners within 100' of most types of development informing them of an application and providing them an opportunity to comment.
- The existing code requires mailed notice to all property owners within 300' of the perimeter of the subject site.
- The public is noticed of applications in a variety of ways including mail, emailed notice to neighborhood association chairs and CIC members, online, physical signs posted on all frontages, within the paper for some development, and postcards by neighborhood associations.

### Planning Commission Comments and Recommendation

- No changes to the notice requirements were originally proposed, though this topic was discussed.

### Staff Comments

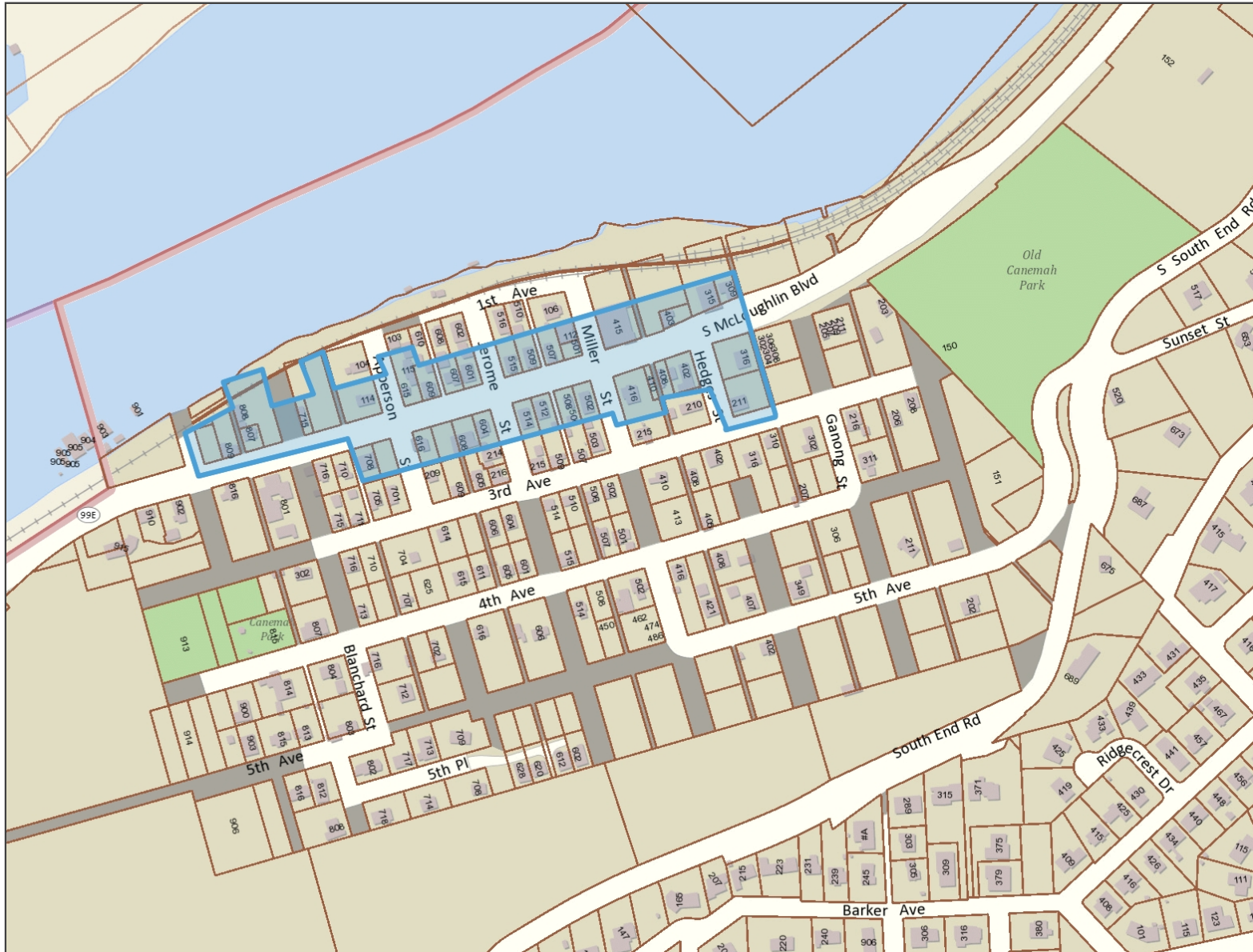
- Because of our relatively smaller lot patterns and smaller lot dimensions, 300' reaches a fair number of properties.
- In addition to the mailed notice, notice of a land use application is provided in a variety of ways, as identified above, such as onsite signage, email lists, neighborhood post cards, etc. It is unclear the extent to which nearby neighbors

which are not within 300' were unaware of a project proposal and would have participated if they would have received mailed notice.

- Staff recommends no changes to the standard.

*Applicable Code Section as proposed: 17.50.030.B-D*

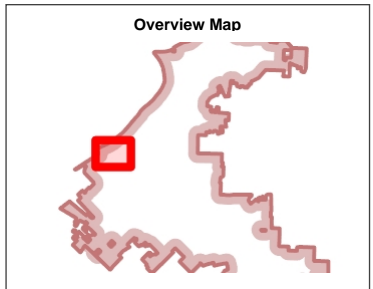
# HC District



### Legend

- Street Names
- Taxlots
- Taxlots Outside UGB
- Unimproved ROW
- City Limits
- UGB
- Basemap

### Notes



0 400 800 Feet

1: 4,800



The City of Oregon City makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. This map is not suitable for legal, engineering, surveying or navigation purposes. Notification of any errors is appreciated.

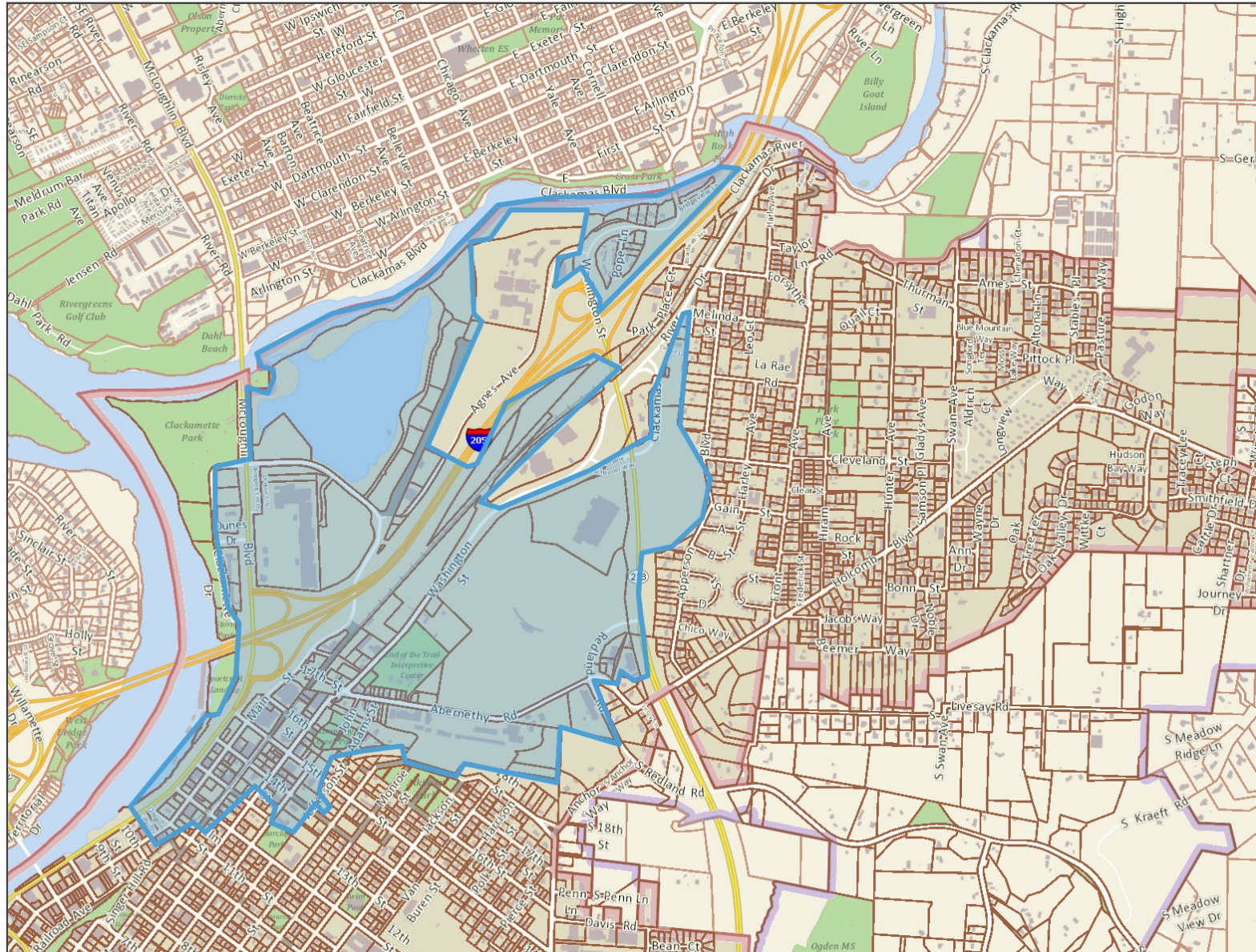
Map created 3/23/2019

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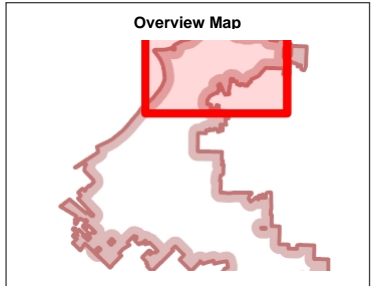
# MUD District (No Design District)



### Legend

- Street Names
- Taxlots
- Taxlots Outside UGB
- Unimproved ROW
- City Limits
- UGB
- Basemap

### Notes



0 1,600 3,200 Feet

1: 19,200

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Map created 3/23/2019

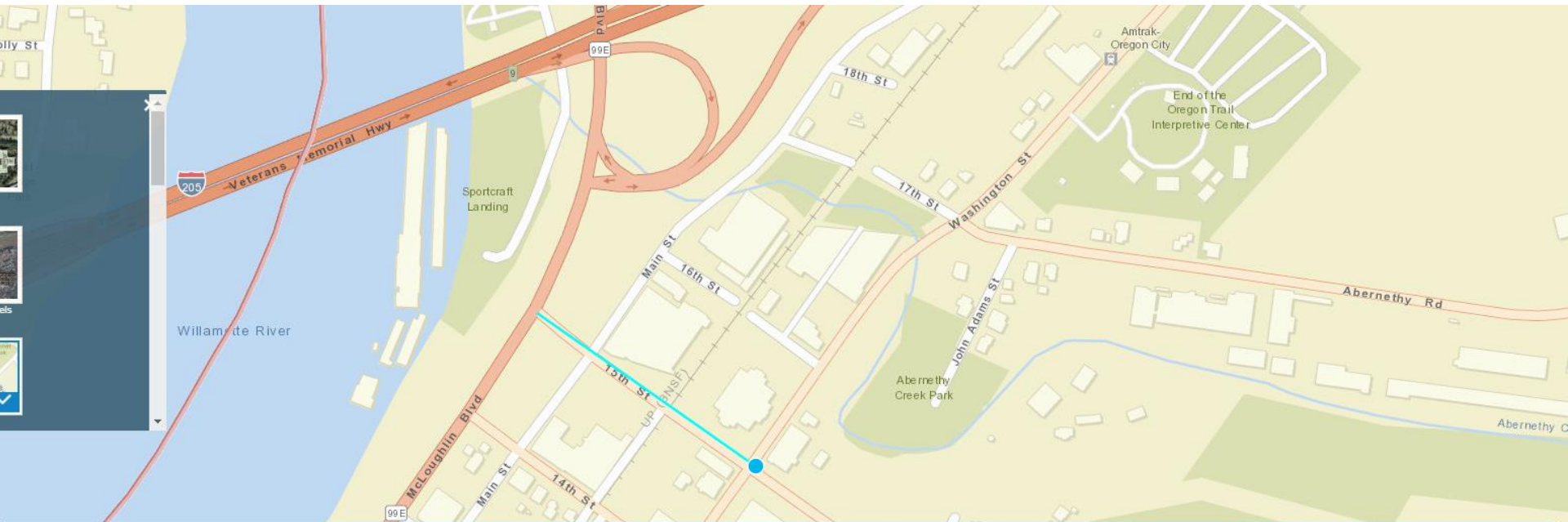
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# Elevation Profile

## 15<sup>th</sup> Street from 99-E to Washington



### Elevation Profiler

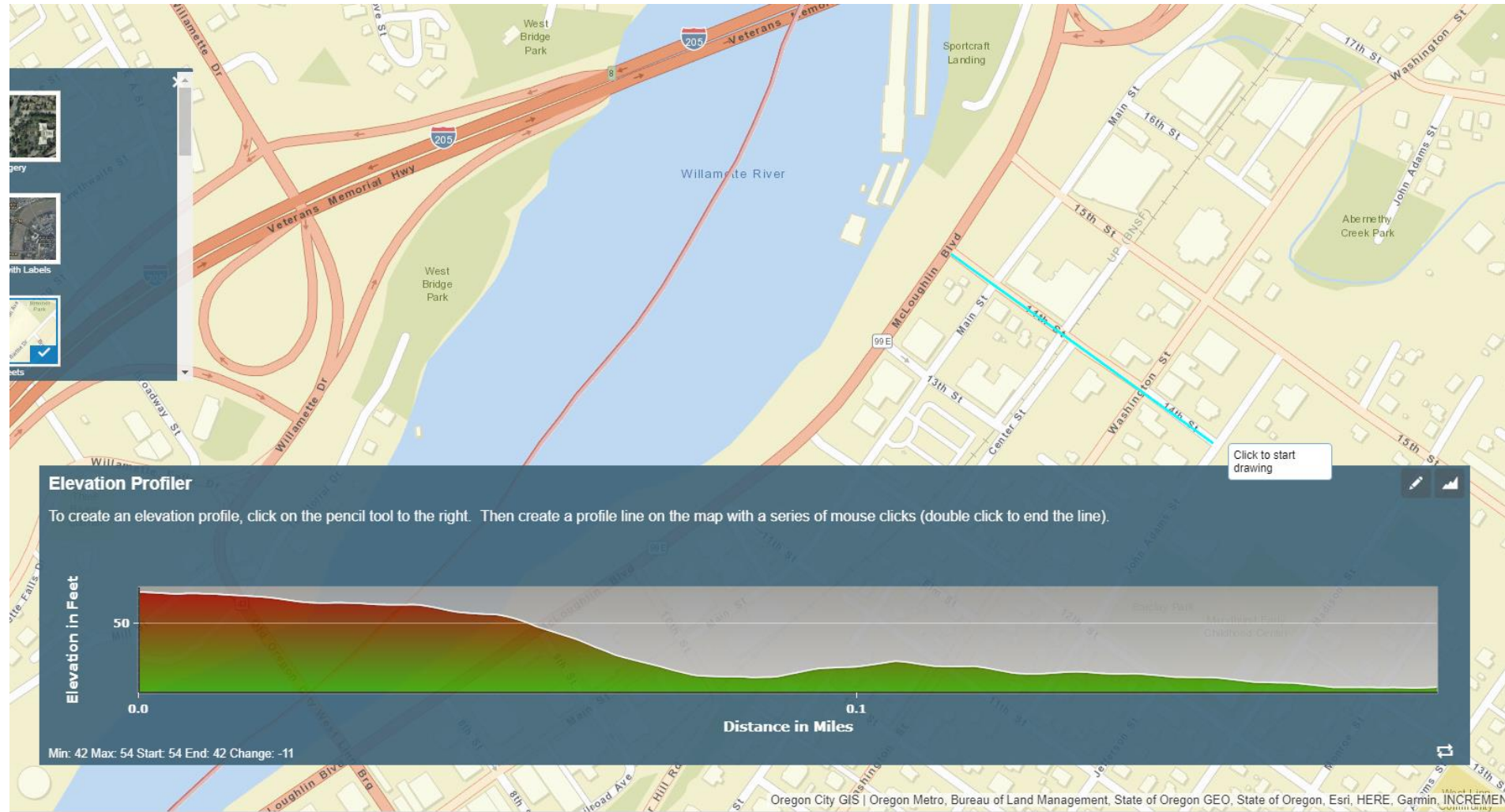
To create an elevation profile, click on the pencil tool to the right. Then create a profile line on the map with a series of mouse clicks (double click to end the line).





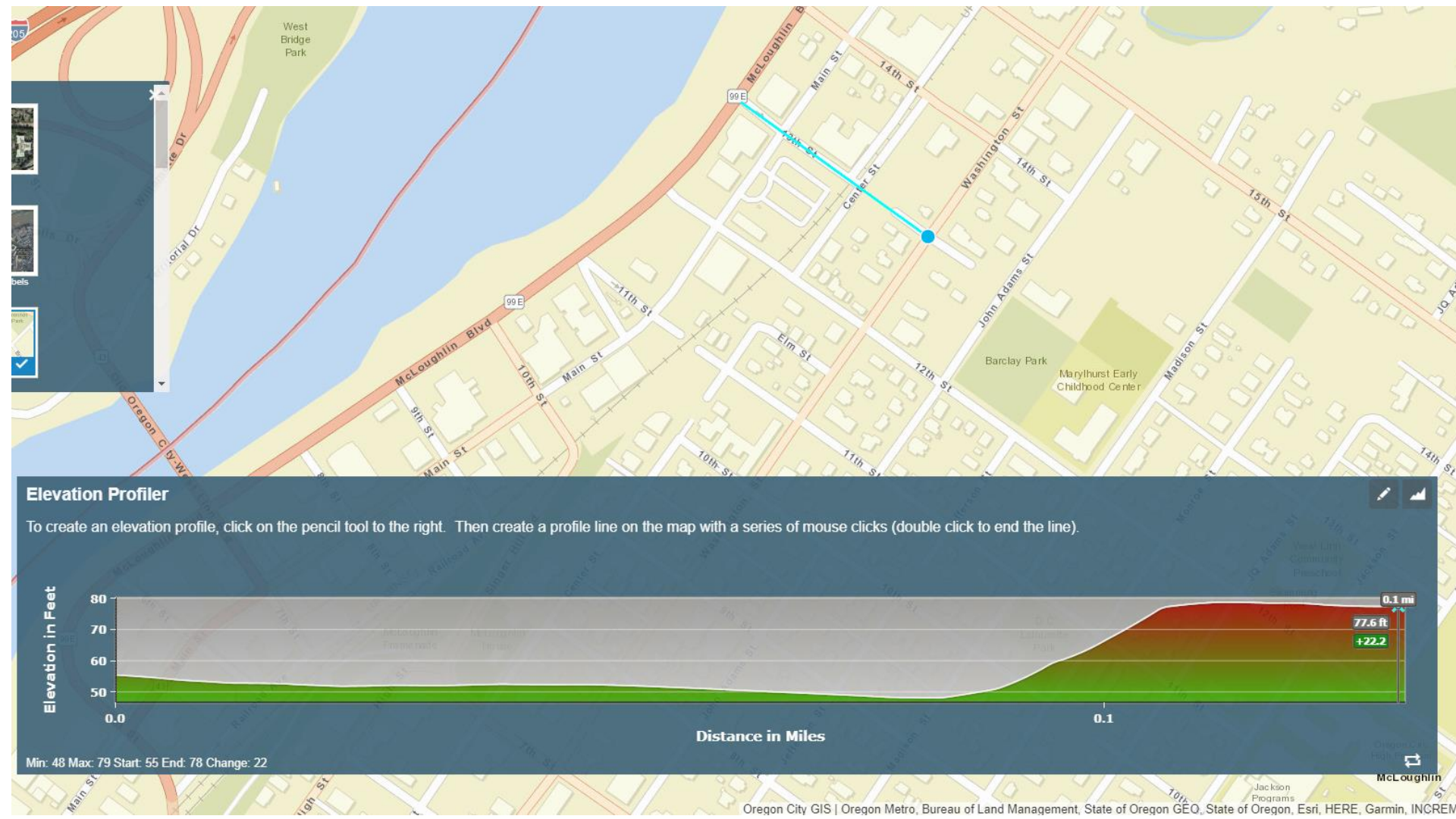
# Elevation Profile

## 14<sup>th</sup> Street from 99-E to John Adams



# Elevation Profile

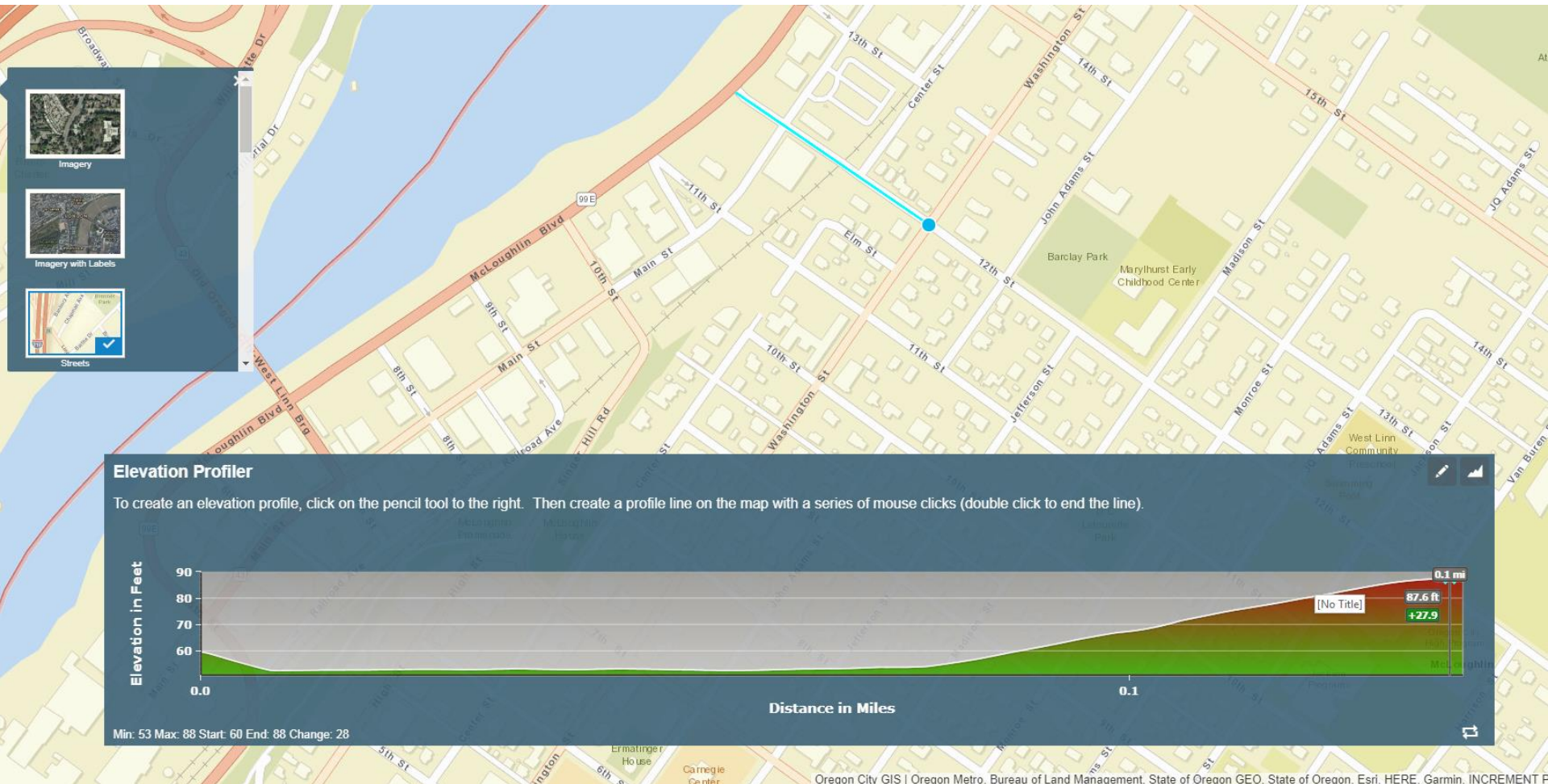
## 13<sup>th</sup> Street from 99-E to Washington





# Elevation Profile

## 12<sup>th</sup> Street from 99-E to Washington



# Elevation Profile

## N-S from 99E to Latourette Park

