MEMORANDUM

Issues and Opportunities Summary
Beaverton Housing Options Project (HOP)

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TO Rob Zoeller and Cassera Phipps, City of Beaverton
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CC File

The purpose of this memo is to identify and summarize key issues and opportunities to be addressed by the Beaverton Housing Options Project (HOP). The issues and opportunities were identified through a review of the market context and development trends that are driving the need for a wider variety of housing options (see Housing Landscape Memo) and an evaluation of the city’s Comprehensive Plan, Development Code, and other planning documents (see Plans, Policies, and Code Evaluation Memo). Issues identified through public engagement will be addressed in a separate memo. This memo is organized around 16 topics. An issue or challenge associated with that topic is identified alongside an opportunity to better address that issue or challenge through the project. The topics are listed below:

1. Housing Options
2. Housing Supply
3. Homeownership
4. Displacement
5. Accessibility and Active Transportation
6. Use Regulations
7. Density and Development Standards
8. Building Scale and Form
9. Building Orientation and Design
10. Neighborhood Patterns
11. Off-Street Parking
12. ADU Requirements
13. Application and Review Procedures
14. Natural Resources and Trees
15. Public Facilities
16. Engineering Standards
17. Covenants, Conditions and Restrictions (CC&Rs)

ISSUES AND OPPORTUNITIES

1. Housing Options

Issue: Historically, most housing development in Beaverton has taken the form of single-family detached housing on relatively large lots or apartment units in larger multifamily or mixed-use developments. Trends in demographics and preferences are increasing the need for a wider variety of housing types, including accessory dwelling units, duplexes, triplexes, townhomes, and courtyard apartments.

Opportunity: Permitting a wider variety of housing types in the city’s residential zones can help to meet the need for housing options that fit a variety of needs and preferences. This may include older adults that desire to age-in-place, young families, and multigenerational households.

2. Housing Supply

Issue: Population and employment growth in the region and city have put pressure on the housing market, causing a housing shortage, rising prices, and reduced affordability.

Opportunity: Permitting a wider variety of housing types in the city’s residential zones can help to increase overall housing supply and mitigate challenges associated with a housing shortage. Increasing overall housing supply can alleviate upward pressure on housing prices and allowing for a variety of housing types can led to development of smaller units that tend to rent or sell for less.

3. Homeownership

Issue: Median wages are not keeping up with housing prices, making homeownership out-of-reach for more households. Most of the existing for-purchase housing stock are single-family detached homes, which can be unaffordable for many households. Most multifamily developments are operated as rental properties, partly because financing and liability issues constrain condominium development.

Opportunity: The city can help to create more for-purchase housing stock by allowing for a wider variety of housing types to be developed in a variety of ownership structures, including narrow lot detached houses, townhouses, small detached houses in a cottage cluster development, and condominium units in a variety of building types. Compared to detached housing on larger lots, these housing types are often more affordable for first-time home buyers or middle-income households. More affordable homeownership options also provide a wealth-building opportunity for historically underrepresented and lower income groups.
4. Displacement

**Issue:** There are concerns that allowing for a wider variety of housing types will lead to more demolitions of existing housing and replacement with more expensive housing, which reduces affordability and results in the displacement of existing residents.

**Opportunity:** Displacement can occur due to rent increases (“economic displacement”), as well as demolitions and redevelopment (“physical displacement”). Economic displacement may occur regardless of Development Code changes due to rising market prices. Physical displacement may occur regardless of Development Code changes if it is profitable to replace a house with a newer, larger house. Given this challenge, Development Code changes can make it more likely that redevelopment will result in greater overall housing supply by allowing for one home to be replaced with two or more homes.

Greater overall supply benefits lower income households. The private market will develop very little new housing that is affordable to these households. They are likely to live in older housing that has “filtered down” to become more affordable. Increasing the overall supply of housing facilitates the filtering process. Older units are more likely to open up and become available for lower-income households, who will face less competition from higher-income households for these units. Additionally, allowing for a wider variety of housing types may increase the supply of smaller or more affordable units, which may allow lower income households to access or even return to neighborhoods where housing prices have grown out of reach. More broadly, the city is implementing a range of other programs and projects aimed at preventing or reducing the negative effects of displacement in addition to this project.

5. Accessibility and Active Transportation

**Issue:** In some places, important community assets, such as transit lines, parks, schools, and commercial districts, are located near lower density housing. As a result, fewer people can live within walking or biking distance of these services and amenities than would be possible if the nearby homes were developed at a higher density.

**Opportunity:** Allowing for more compact housing types in targeted areas near these community assets can enable more people to live within walking or biking distance of these services and amenities. This improvement in active transportation opportunities has multiple benefits, including greater transit ridership, reduced neighborhood traffic, more customers for local businesses, and positive effects on human health.

6. Use Regulations

**Issue:** While ADUs are permitted in all residential zones, other potential housing types, such as duplexes, triplexes, and townhomes, are only permitted in the city’s high and medium density zones (R1, R2, and R4). Except for duplexes in the R5 zone, which are permitted as a conditional use, all attached housing types are prohibited in the standard and low-density zones (R5, R7, and R10).
Opportunity: Amending use regulations to permit a wider variety of housing types in some or all residential zones would expand the range of sites where a variety of housing types can be built. This can help to increase overall supply of housing and provide more options for types of housing and types of neighborhoods to live in.

7. Density and Development Standards

Issue: The Development Code sets standards for minimum and maximum density, setbacks, and lot dimensions that are a barrier for some housing types in some residential zones. In particular, maximum density standards effectively prohibit some housing types, such as duplexes, triplexes, and courtyard apartments in the R4, R5, R7, and R10 zones. Minimum density standards in the R1 zone effectively prohibit some housing types, such as cottage clusters and townhomes.

Opportunity: Density and development standards can be amended to allow for forms of housing that will continue to meet the intent of the zone. In some cases, existing standards for conventional single-family detached housing may not change, but standards that apply to other housing types may be created or revised to ensure the housing types are both feasible to build and will be designed to meet the intent of the zone.

8. Building Scale and Form

Issue: If built to the maximum standards allowed under the existing Development Code, some lower-density housing types may be dissimilar in scale and form than existing housing in some residential zones. For example, the building may have a larger footprint, more “bulk” in relation to the size of the lot or be taller than nearby housing. Alternatively, the building(s) may be substantially smaller than existing houses, but placed closer together, as in a cottage cluster.

Opportunity: Development standards can be amended or supplemented with new standards to guide the scale and form of development and reduce visual disparities between existing housing and new housing types. These standards can be balanced with the need to ensure that a wide variety of housing types are feasible to develop.

9. Building Orientation and Design

Issue: Some housing types may include buildings that are oriented differently than most conventional detached housing. For example, buildings may be oriented toward a common green or courtyard rather than facing the street. Additionally, as noted above, some housing types may be dissimilar in scale and form than existing housing.

Opportunity: The city’s existing design standards help to prevent some potential issues that could result from buildings that are dissimilar in orientation, scale, and form, in comparison to surrounding houses. However, some design issues may be better addressed by an updated set of standards. Development Code amendments could include new design standards that address specific issues associated with certain housing types. These issues may include the design of main
entries, the design of driveways and garages, provision of open space and landscaping, and articulation and variety of building facades.

**10. Neighborhood Patterns**

**Issue:** Many residential neighborhoods or subareas in the city exhibit patterns that are consistent throughout the area and help to create identity and a sense of place. These patterns may include sizes and shapes of lots and buildings, architectural styles, materials, or relationship of the house to the street. Some patterns may be consistent with other neighborhoods in the same residential zone, while other patterns may vary across neighborhoods. If amendments to design or development standards are applied uniformly throughout the zone, the amended standards may not always be consistent with established patterns. Additionally, some patterns may be important to extend with new development while other patterns are less important to preserve.

**Opportunity:** The city can utilize this project to identify neighborhood patterns that are important to preserve and extend with new development. To the extent that important patterns vary across neighborhoods in the same zone, neighborhood-specific standards could be developed. These standards can help to preserve the essential features of neighborhoods while integrating a wider variety of housing types and options.

**11. Off-Street Parking**

**Issue:** The Development Code requires all residential developments to provide off-street parking spaces. The code requires one space per detached dwelling and 1.25-1.75 spaces per attached dwelling, depending on the number of bedrooms in each unit. The amount of off-street parking required for some housing types may be a barrier to development, as it can be difficult or expensive to accommodate the parking spaces on the site. The way that parking is integrated into the development has a significant effect on the quality of the site and building design, but the city’s design standards do not fully address this issue for all housing types.

**Opportunity:** Similar to detached houses, many small-scale multifamily and townhome developments can use on-street parking to meet a substantial share of parking needs. In many instances, off-street parking requirements could be reduced for some housing types and on-street parking would still be available in the neighborhood. Design standards also could be updated to ensure off-street parking is well-integrated into the development.

**12. ADU Requirements**

**Issue:** In addition to meeting base zone development standards, ADUs also are required to comply with several specific requirements and standards. These standards could present a barrier for more widespread development of ADUs, including the requirement for one dedicated off-street parking space, the requirements for the ADU to match the style of the main house, and the limitation on
the size of the ADU to be 50% or less of the main house size. Additionally, some base zone requirements, such as yard setbacks, may present barriers for ADU development.

**Opportunity:** Development Code standards can be amended to remove barriers to ADU development while continuing to meet the overall intent of the residential zones. The standards can be modified to better address the multiple types of ADUs that can be developed (attached, detached, internal conversion) and the variety of existing conditions (lot sizes and shapes, house styles and sizes) on properties where ADUs are developed.

### 13. Applications and Review Procedures

**Issue:** All attached housing types are required to submit either a Design Review or Conditional Use application. A cottage cluster development, which is made up of detached houses, is not permitted on a site less than two acres in size and, if over two acres in size, must submit a Planned Unit Development application. These applications add time, cost, and uncertainty to the development process, which may discourage development of a wider variety of housing types.

**Opportunity:** The city may consider amending application and review requirements to allow some housing types to be permitted without a land use application or Design Review, as is provided currently for detached dwellings on individual lots. Alternatively, the city could provide a more simplified or streamlined Design Review process for these housing types.

### 14. Natural Resources and Trees

**Issue:** There is a potential concern that permitting a wider variety of housing types and higher residential densities could negatively affect natural resources, including floodplains, wetlands, stream corridors, and trees.

**Opportunity:** The Development Code requires that all new development meet standards intended to preserve the function and values of natural resources. This includes standards for how and where development is permitted in floodplains; standards for the protection of wetlands, stream corridors, and associated sensitive areas, which are jointly administered with Clean Water Services through the environmental review process; and standards for the preservation of significant trees and tree groves. Some mature trees, classified Community Trees, are not mapped in the city’s inventory of significant trees, however, and are not protected. There may be an opportunity to require or incentivize preservation of Community Trees where new housing types are permitted, but new requirements will need to be balanced with the goal to remove barriers to development of wider variety of housing types.

### 15. Public Facilities

**Issue:** Permitting a wider variety of housing types must be coordinated with planning for public facilities to serve new housing, including transportation, stormwater, sanitary sewer, water, schools, and parks and recreation facilities. If permitting a wider variety of housing types results in
potentially higher residential densities in some areas, then public facilities must have capacity to
serve the higher number of housing units and population in that area.

**Opportunity:** Proposed Development Code amendments should be reviewed by all affected public
facility providers and designed so that public facilities have capacity to serve planned residential
development. The potential impacts on public facilities may vary significantly by location and type
of facility due to existing capacity and local conditions. In order to understand these impacts, the
amount, location, and type of new development should be projected based on an economic
analysis that considers the market environment, buildable land supply, and other factors.

### 16. Engineering Standards

**Issue:** Some of the requirements of the City’s Engineering Design Manual (EDM) apply to some
housing types, but do not apply to detached, single-family houses, and may present barriers to
development due to increased cost or complexity of development.

**Opportunity:** Where appropriate and consistent with other city policies and state requirements, the
EDM may be amended to allow for some housing types, such as duplexes and triplexes, to be
subject to the same standard as single-family detached housing. Alternatively, standards may be
modified to reduce or remove barriers for specific housing types.

### 17. Covenants, Conditions and Restrictions (CC&Rs)

**Issue:** Many subdivisions and PUDs in the city adopt private contractual agreements among the
homeowners in the development that place certain restrictions on uses, activities, and
improvements in the development. These are generally referred to as Covenants, Conditions and
Restrictions (CC&Rs). Based on a set of ten sample CC&R agreements, it is likely that many, but not
all, CC&Rs directly prohibit more than one dwelling unit on one lot. Other CC&Rs allow for ADUs.
Still other CC&Rs do not expressly prohibit more than one dwelling unit per lot but may have
architectural review standards and procedures that may effectively prohibit an ADU, duplex, or
other housing type.

**Opportunity:** The city’s Development Code can only supersede a CC&R standard where the code
standard is more restrictive than the CC&R standard. Therefore, any CC&Rs that prohibit a certain
housing type or place more restrictive standards than the code will supersede the code standard.
Any proposed Development Code changes should be evaluated to determine if and how CC&Rs will
influence the effectiveness of the code change.

Additionally, as a condition of approval of the city’s application for an urban growth boundary
expansion for the Cooper Mountain area, Metro will require that the city amend the Development
Code to prohibit future homeowner associations from adopting CC&Rs that would have the effect
of “prohibiting or limiting the type or density of housing that would otherwise be allowable under city zoning” or “require owner occupancy of homes that have accessory dwelling units”.¹

¹ Source: Memorandum to Mayor and City Council, RE: Metro urban growth boundary expansion conditions of approval, 12/28/18