



## **Middle Housing Code Amendments Developer Focus Groups – Summary Report – May 2021**

### **Background**

Two focus groups were held on Thursday, April 22, 2021 and Monday, May 10, 2021 via Zoom. Attendees included a mix of market-rate, workforce, and Affordable Housing developers and project leaders with experience delivering affordable and middle-housing types in this community. Better Housing Together facilitated the discussions and prepared this summary.

The groups were convened to offer feedback on identified questions from City staff and the Planning Commission about development feasibility and the Middle Housing Code Amendments. Discussion focused on choices among various actions and efforts to align regulations and incentives with the project's requirements, values, and goals.

The requirements of HB 2001, the City's implementation timeline, current project status, the "Allow/Encourage/Incentivize" options, and the Values & Principles established by the deliberative review panel and public involvement process were summarized at both meetings.

### **Attendees**

Alec Dakers, Rainbow Valley Design and Construction  
Kellie Devore, Habitat for Humanity Lane County  
Emily Reiman, DevNW  
Andrew Heben, SquareOne Villages  
Jan Fillinger, Studio e-Architecture  
Dylan Lamar, Cultivate Development  
Bill Randall, former Planning Commissioner, Arbor South Architecture & Planning  
Dan Hill, Arbor South Architecture & Planning  
Richard Shugar, 2Form Architecture  
Nir Pearlson, Aligned Architecture  
Doug Bulski, Granite Property Management  
Greg Brokaw, Rowell Brokaw  
Frank Visconti, Rowell Brokaw  
Jacob Fox, Homes for Good  
Ela Kubok, Homes for Good  
Phil Farrington, CDC Management  
Paul Tanner, Hayden Homes  
Ryan Jennings, Hayden Homes  
Matt Powell, Gallic Financial  
Jennifer Knapp, City of Eugene  
Terri Harding, City of Eugene  
Kaarin Knudson, Better Housing Together, Facilitator



## General Comments

Discussion of housing access, regulatory controls that guide housing development, incentives and additional City efforts that could support more cost-effective housing production.

- Important to frame Middle Housing Code as “least restrictive to housing” rather than “least regulation.” Significant regulation exists for all housing types, including middle housing. Land use plays a role but there are also structural/building and energy codes, as well as requirements from lenders.
- Our current residential zoning restricts certain people from having access to land (space and property ownership). Land should not be only accessible to the wealthy. The current code was developed and refined over time to restrict (block) certain people from having access to housing in certain areas. Important that this code addresses that exclusion.
- Drawing from experience with middle housing development using the current code paths (PUD, subdivision, etc.), the fear of infill and multiple households per lot is unfounded. Outcomes are positive and desirable. New housing is high-quality and energy-efficient and many people are seeking smaller housing types. A mix of housing in neighborhoods make them more accessible to different types of households and more interesting places. Many older neighborhoods already have some mix of housing types.
- More housing supply is needed at all incomes, not only Affordable Housing. All housing is valuable and contributes long-term community value in multiple ways.
- Cost of on-site and project infrastructure needs to be addressed and value-engineered. We can only take so much out of the cost of a structure. Projects are spending \$150,000 before getting to the foundations (site development costs for stormwater, parking, underground utilities, utility connections, etc.). Affordable targets for workforce housing (ownership) are \$200-250,000 and current practices are generating \$400,000 outcomes.

## Lot Coverage Summary Comments

Specific questions regarding: the impact of 50% lot coverage on feasibility, open space and impervious surface area requirements, and code provisions or incentives that could encourage smaller and more affordable units.

- 50% lot coverage seems like an unnecessary limit.
- Small infill is a challenge. Should use a sliding scale: Smaller lot = increased coverage.
- Allow ample height limit if lot coverage is a concern.
- Don't limit coverage and also squash heights.
- More coverage would be helpful and more flexible to site conditions (trees, topo, etc.).



### **Special Area Zone Summary Comments**

Questions regarding design standards in Special Area Zones and the exemption of middle housing from these standards, as well as a question as to whether this would encourage middle housing rather than allowable, higher-density projects.

- New Middle Housing rules should apply City-wide.
- Consistency and clarity is important in development process.
- All middle housing should be exempt from SAZ-specific design standards.
- Exclusivity and obstructionism in some neighborhoods is a problem.
- “I got here first” should not be driving decisions about community-wide housing needs.
- Some Special Area Zones are intentionally constructed to repel infill housing and this puts them at odds with intention and requirements of the law.

### **Plexes – Attached and Detached Summary Comments**

Discussion of whether there is a financial or feasibility advantage (or disadvantage) to allowing plexes to be either detached or attached. In general, are attached plexes more or less financially viable to build and rent/sell, all other things (e.g., unit size, design, etc.) being equal?

- Value in both attached and detached. Recommendation to keep both options open equally.
- Attached is more affordable to build (shared structure), but currently drive projects into commercial building code.
- Detached are more expensive to build and more complex, but have site flexibility and livability advantages.
- Detached option could be route to keeping an existing structure on site.
- Large, deep blocks/lots lend to infill of detached units behind existing homes.
- Detached units can facilitate certain homeownership paths, which is desirable.
- Can be difficult if condominium structure is required. Cluster subdivision is a good path.
- Detached units could lead to incremental, neighbor-specific development rather than McMansion quads.

### **Cottage Cluster / Smaller Unit Summary Comments**

Discussion of whether reducing the maximum/average size of cottages would impact feasibility; if cottages should be allowed on individual lots (ownership options, not only rental); and if allowing cottages on smaller lots near transit would encourage smaller units and more production.

- General sense that development of smaller units will be addressed via site capacity studies and other regulations.



- No strong objection, but overarching skepticism of this approach. Unnecessary.
- Feasible types tend toward smaller units, so doesn't seem to need code direction.
- Restriction could repel some projects. Controls on sizes should be addressed via incentives or via density/unit bonuses.
- A lot of people would love access to a smaller home.

### **Townhouse Summary Comments**

Discussion of whether townhouses/rowhouses should require street frontage, and if maximum density or minimum lot size should control their development.

- No need for frontage requirements.
- Townhouse development is very lot dependent and doesn't typically need density restrictions.
- Deep blocks/lots have rear-lot potential that shouldn't be discouraged.
- Using max density (rather than lot size minimums) could steer away from small units.
- Don't try to direct or predict type: level the playing field and let other regulations guide.
- Use incentives as leverage and bring affordability along.

### **Parking**

Discussion of requirements, location, format, impact on feasibility, and relationship to financing and street standards. Discussion of attached garages with cottages and influence on feasibility.

- Parking strategies/locations need to be flexible. Parking flexibility will increase options.
- City can incentivize certain outcomes, but it shouldn't restrict how parking is organized.
- If private off-street parking is important to people, it will get built. Don't require it.
- Some lenders require parking with project financing, but banks will make loans in walkable neighborhoods. Lending practices will change with housing.
- Some Affordable Housing funders offer incentives for reduced parking/GHG emissions.
- City parking regulations should remain separate from current lending practices.
- Requiring off-street parking will make many sites infeasible. Sloped sites, sites without alleys, sites with existing homes often are eliminated from candidate pool.
- In older neighborhoods, many houses don't have garages or off-street parking.
- Many townhomes will want parking but amount should be flexible.
- Quads could be 0.5/spaces per unit or less.
- Reduce parking requirements and allow configurations like tandem parking (e.g., one car parked behind the other) to increase flexibility to accommodate on different sites.
- Look at street width and fire code if on-street parking being used to meet requirements.
- Consider new street standards so cottages can be developed as car-free zones.
- Garages are often just used for storage.



### **Attached Garages and Larger Footprint Cottages Summary Comments**

- Be flexible and allow a larger footprint for an attached garage. This will allow designers to respond to the unique characteristics of a site.
- Alley access would allow for good design with attached garages.
- Age-in-place designs need option to have cars accessible and close to units.

### **Design Standards**

Discussion of modest design standards (entry orientation, driveways/access, articulation, etc.) and influence on feasibility and design quality of outcomes.

- With access-related design standards, be careful not to disallow the best outcome while trying to encourage a different one. Portland has seen some unintended consequences with over-directing access standards.
- Allowing entries/doors to open onto a shared open space or clustering units around a space is better and more flexible option. Opening to a shared space supports community and is more flexible. Many successful historic examples of doors not facing the street.
- Better approach would be more flexible: allow front doors, porch elements or gateways to be part of entry. Front doors can orient to a courtyard and open to a porch, but not be required to face the street (example from Bend).
- To have entries facing the street is especially difficult on narrow, deep lots.
- Multi-family standards have many problems; should be entirely rewritten. Some good articulation requirements, but overall far too complicated. For a specific home to look good is more important than meeting generalized design standards.
- Adjustment Review process can be onerous and it adds cost and time to projects. Different standards can conflict with each other and with site conditions.
- Suggest Adjustment Review options built into code. Seek simple solutions and flexibility rather than cumbersome processes that require extra time and money.
- Entries shouldn't have to face busy streets. When street speed is over 40 mph, homes should not be required to have entries facing the street. Housing unit should not bear all of the burden.



## **Incentives**

Discussion of various actions that could support more Affordable Housing, the construction of particular types of housing, and more housing in particular locations.

- Pursue a “Deeper Affordability” option for Affordable Housing, with unit or density bonus beyond what is typically allowed. This type of approach can reduce public subsidy needed by a factor of 10. Look at what Portland has done and build on this locally.
- Target small lot infill and locations with multiple challenges for housing development.
- Some interest at incentivizing restoration of an existing structure when adding units to a site. Do not restrict to this scenario but incentivize it. Connection to preservation of “naturally occurring affordable housing” and energy-efficiency funds for maintenance.
- Elephant in the room is utility connections and requirements. Can be in the \$10s to \$100s of thousands of dollars. City Public Works and EWEB should partner on incentives and MH utility approaches.
- City should look at allowing shared utility connections. Look at developing an agreement with the utilities that would allow a private easement for a single, shared connection for sewer, water and electricity for multiple homes on a site.
- Developing a Middle Housing MUPTE to increasing density or prioritize certain areas would align with sustainability goals and could be bundled with State incentives.
- City needs to make sure advertised incentives are budgeted adequately. The SDC credit near transit and the SDC credit for Affordable Housing have a cap that is reached every year. Projects seeking this support are delayed or turned away.
- A density bonus could be more manageable, would make more sense than an unfunded incentive program. Currently, one large project can consume the entire annual allocation of SDC waiver support.
- SDC waivers are an influential tool to create more housing and housing in specific places.

## **Other City Actions To Support More Affordable Housing Supply**

Discussion of actions outside requirements of Middle Housing Code Amendments project, but related to overarching goals of affordability and



- Systems Development Charges (SDCs) need to be addressed. How they're approached doesn't make sense with other housing goals and these fees can kill projects.
- City should make it clear they are taking a new approach to affordability and availability with this new code. Currently, it's too difficult to get good/clear answers from the City on specific projects; developers need clear answers early. The longer reliable/good information is delayed, the greater the cost to the project and potential price of the housing. The new code presents the opportunity to upgrade this process and help housing projects find their best path through the code and permitting process.
- City should implement a Master Builder program and pre-approved status. Architects carry the project liability already; this could facilitate better, swifter projects.
- City should pursue pro-forma analysis to understand redevelopment feasibility of various sites and also the likelihood of tear-downs. There is a general misunderstanding about how easy or inexpensive it is to demolish an existing structure that has any value. It's difficult to carry that additional cost in a project. Additional pro-forma analysis can also help assess whether the code is working as intended and help to illuminate barriers and understand feasibility/infeasibility.
- To see real progress with opportunities facilitated by middle housing, several issues identified in the Housing Tools & Strategies process need to move forward (infrastructure specifically, but also paths and permitting speed, etc.).

### **Closing Thoughts**

Discussion of things the City should be thinking about with these draft code amendments (see also General Comments on page 2).

- The approach and engagement with this work is refreshing and appreciated.
- Prioritize flexibility. Infill housing is already challenging. Flexibility is a strong incentive.
- Work to address on-site and project-related infrastructure costs. Only so much can come out of the cost of the structure.