



Middle Housing Opportunities Report



LAKE OSWEGO MIDDLE HOUSING CODE AND COMPREHENSIVE PLAN UPDATES



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Background and Purpose

The purpose of this report is to outline the opportunities, challenges, and options for the City of Lake Oswego to address in complying with Oregon House Bill 2001 (“HB 2001”). HB 2001 is a landmark legislation with significant implications for residential zoning and development in Lake Oswego. The law and its implementing administrative rules (OAR 660-046, “Middle Housing”) require the City to allow duplexes on every lot where a detached single-family dwelling is allowed. Additionally, the City is required to allow triplexes, quadplexes, townhomes, and cottage clusters in areas zoned for residential uses that allow for single-family detached dwellings, with limited options to restrict these uses to certain locations or lots.

This report builds on the findings and research conducted as part of the Lake Oswego Middle Housing Implementation project. The project included a detailed study of the existing character of Lake Oswego’s neighborhoods (“Neighborhood Character Report”), a series of interviews and meetings with neighborhood association representatives, an online survey about neighborhood character that received over 900 responses, and an audit of the City’s existing Comprehensive Plan and Community Development Code (“Plan and Code Audit”).

This report is intended to identify conceptual options or alternatives for updating the City’s Comprehensive Plan and Community Development Code (LOC Chapter 50) to comply with HB 2001 and integrate middle housing development in a manner that is consistent with broader City goals and policies. The report will be used as background information in the next phase of the project, during which the City will prepare specific plan and code amendments. The amendments will implement some or all of the concepts discussed in this report and be refined through further engagement with the community and policymakers.



Organization of this Report

This report begins with some key background information on the state rules and requirements under HB 2001. The bulk of the report is organized around a set of eight (8) key topics related to implementation of middle housing. These topics are:

1. Comprehensive Plan Amendments
2. Locations and Density of Middle Housing
3. Off-Street Parking
4. Design Standards
5. Trees, Landscaping, and Stormwater Management
6. Conversions of Single-Family Homes to Middle Housing
7. Cottage Cluster Standards
8. Affordability Incentives

For each topic, the report identifies a set of implementation concepts. The concepts may

represent alternative options, requiring the City to select one concept. In other cases, the concepts are independent of each other and represent multiple recommendations that can be combined together to achieve a broader goal.

Each concept is evaluated against a set of criteria or desired outcomes for middle housing implementation. These criteria were developed based on the input from the community and review of related goals and policies of other planning documents:

- **Housing Options, Affordability, Equity:** How well does this concept support expanding the diversity of the City's housing stock, removing barriers to more affordable forms of housing, and/or addressing issues of equity and inclusion related to housing?
- **Sustainability and Climate Action:** How well does this concept support goals and policies of the City's Sustainability and Climate Action Plan?

- **Compatibility and Context-Sensitive Design:** How well does this concept support context-sensitive middle housing development that is most compatible with existing neighborhood character?
- **Ease of Administration and Compliance:** How well does this concept support the City's goals to maintain clear, easy to use development regulations and to ensure compliance with state law associated with HB 2001?

These topics cover the most important opportunities and challenges related to middle housing development, but they do not cover all of the code and plan amendments that may be needed to implement HB 2001. The Plan and Code Audit Memo provides a detailed list of needed amendments.



Pathways to Compliance with HB 2001

The Oregon Department of Land Conservation and Development (DLCD) is charged with ensuring compliance with HB 2001. DLCD adopted administrative rules to guide cities on how they may come into compliance with the law (OAR 660-046, “Middle Housing” or “Division 46”). A complete summary of those rules and an analysis of City’s existing development code for compliance is provided in the Plan and Code Audit. This section is intended to provide a brief summary of the City’s options for compliance with HB 2001 in order to provide key background information for the implementation concepts.

The following flow chart (Figure 1) provides a visual summary of the various pathways to comply with Division 46. The Division 46 rules can be broken down into two basic questions:

- **Where** is middle housing permitted?
- **How** is middle housing permitted?

Where is Middle Housing Permitted?

The intent of HB 2001 is that middle housing types are allowed on most lots where single-family houses are permitted. However, the administrative rules do allow for the City to limit middle housing to certain lots or areas if the City can show that a proposed code would allow for middle housing to be developed on a minimum percentage of all residential lots.

The City has two options for addressing the “where” question:

- **Minimum Compliance Track.** Division 46 establishes a set of minimum compliance

“benchmarks” for the minimum lot size and maximum density that is applied to each middle housing type. If the City’s proposed standards meet these benchmarks, they comply.

- **Performance Metrics Track.** If the City’s minimum lot size standards do not meet the minimum compliance provisions, then the City must demonstrate that middle housing will continue to be allowed on most lots in residential zones. The City would need to submit a GIS-based analysis that demonstrates that each middle housing type is allowed on a minimum percentage of applicable lots, ranging from 50%-80% of lots depending on the middle housing type.

The Performance Metric Track would require a more complex process and analysis to demonstrate compliance. This option has a tag throughout the document in orange, indicating this option would be required. Depending on the form of the proposed code amendments, it may also result in a more complex development code because new overlay zones, new base zones, or other geographic limitations must be incorporated into the code.

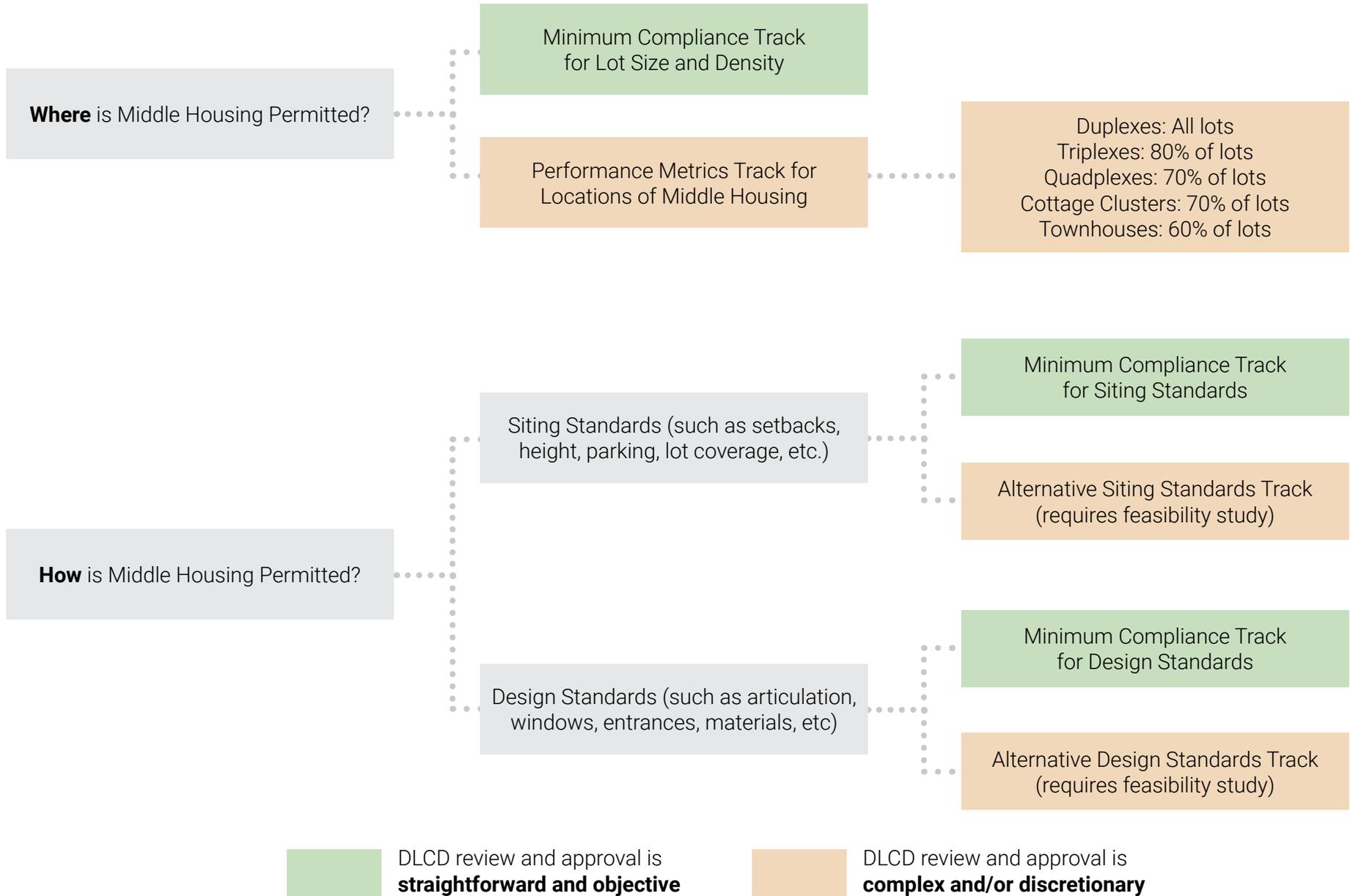
How is Middle Housing Permitted?

Middle Housing permitting is addressed through “siting” standards (such as setbacks, height, or parking) and “design” standards (such as building articulation or materials). As with the “where question”, the City has two options for addressing the “how” question:

- **Minimum Compliance Track:** For siting standards, the City must meet a set of minimum compliance benchmarks for maximum height, minimum setbacks, maximum lot coverage, and other siting standards. For design standards, the City must either apply the design standards of the DLCD Model Code or apply the same design standards that the City applies to single-family housing
- **Alternative Siting or Design Standards Track:** If the City proposes to not comply with either of these approval tracks, then it must submit an analysis to DLCD to show that the City’s standards would not cause “unreasonable cost or delay” to the development of middle housing compared to the minimum compliance provisions of Division 46. The City must provide quantitative data to support this finding, which would likely take the form of a real estate pro-forma analysis or other economic feasibility study.

The likelihood of DLCD approving an alternative siting or design standard is uncertain, and the City would need to provide a strong justification for the alternative standard that addresses the impact of the standard on the cost of development. Given this uncertainty, it is recommended that the City pursue Minimum Compliance Track approval and consider the Alternative Siting and Design Standards Track as a backup option if the community and policymakers cannot support the standards that would satisfy the Minimum Compliance Track.

Figure 1. Pathways to Compliance with HB 2001



Comprehensive Plan Update

Option 1: No Amendments

DLCD has indicated that it will not be reviewing amendments to comprehensive plans for compliance with HB 2001. Administrative rules implementing HB 2001 take legal precedence over local government comprehensive plan policies, and Division 46 rules govern the allowance of middle housing if local comprehensive plan policies conflict with the HB 2001. Technically, the City is not required to update its Comprehensive Plan for consistency with HB 2001. The City may choose to focus on amending the Development Code rather than the Comprehensive Plan at this time.

Option 2: Targeted Plan Amendments for Consistency with HB 2001

Though there is no mandate that the City update its Comprehensive Plan for consistency with HB 2001, the City may choose to adopt targeted amendments to maintain consistency between the Comprehensive Plan and the Development Code. This could be a second phase of work after amendments to the Development Code have been adopted, or at a later date when the City needs to conduct additional updates to the Comprehensive Plan. At a minimum, the Comprehensive Plan Map, which defines residential zones largely according to sq. ft. area per housing unit, could be amended as part of this process. The map legend and land use classifications will need to reflect that duplexes and other types of middle housing are exempted from density maximums under Division 46 rules. Revisions to the “Policy A: Housing Location

and Quality” in the Complete Neighborhoods and Housing chapter could also be included to incorporate additional housing types and density exemptions that HB 2001 requires.

There is some language in the Comprehensive Plan referencing single-family neighborhoods and lots. Under HB 2001, the City will generally not be allowed to maintain zones which exclusively allow single-family housing, and all residential zones that allow single-family housing will be required to also allow some middle housing types. For consistency, it may be appropriate to replace the term “single-family” in the Comprehensive Plan anywhere it is used to describe an entire neighborhood or lot type.

The added allowance of middle housing types may blur the distinction between Low Density and Medium Density designations. As part of a targeted amendment process, the City could consider either eliminating references to residential density within the Comprehensive Plan or classifying it more simply as either lower or higher density or intensity. References to “appropriate density” could be replaced with references to building form, scale, and character. Language that promotes a notion of distinct Low, Medium, and High-density residential development that is segregated in separate areas could be removed from the Comprehensive Plan entirely to achieve consistency with HB 2001.

Figure 2: Comprehensive Plan Chapters Affected by HB 2001



Option 3: Major Plan Update

Oregon House Bill 2003 requires the City to adopt an updated housing Needs Analysis (HNA) by December 31, 2023. That process will present an opportunity to provide updated data related to housing needs and housing capacity within the “Complete Neighborhoods and Housing” chapter of the Comprehensive Plan. The City might choose to combine its HNA requirements, which will also include adoption of a Housing Production Strategy, with a more extensive update to the Comprehensive Plan that specifically focuses on how and why middle housing fits into Lake Oswego’s vision and development strategies.

As part of a more comprehensive update process, it may be helpful to adopt parts or all of the Neighborhood Character Report into the Comprehensive Plan, to clarify what is meant

or implied by terms like character and integrity when used to typify neighborhoods. Minor amendments could be made to existing policies in the “Land Use Planning” chapter to eliminate references to designated density and to clarify how specific goals and policies apply to middle housing. Language and policies in the “Inspiring Spaces and Places” chapter could be amended to incorporate new middle housing allowances created through HB 2001.

Beyond updating the data in the “Complete Neighborhoods and Housing” chapter to reflect an updated Housing Needs Analysis, this chapter could also be amended to achieve consistency with other updates to the plan that relate to references to density and neighborhood character. “Policy A: Housing Location and Quality” should also be updated to incorporate additional housing types and density exemptions

per zone as required by HB 2001.

Implementing HB 2001 will constitute a major shift in the manner in which the City regulates residential development. Accordingly, it may be appropriate to draft new Comprehensive Plan goals and policies to articulate the City’s approach and preferences for how middle housing is developed in Lake Oswego, within the confines of new state law. At a minimum, new policies could be added to address: how expanded housing options relate to affordability, how new middle housing developments should be integrated into existing residential neighborhoods, and how middle housing will be developed on larger vacant and partially vacant residential land within the Urban Growth Boundary.

Evaluation

Options	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Option 1: No Amendments	–	–	–	✓
Option 2: Targeted Amendments for Consistency with HB 2001	–	–	–	–
Option 3: Comprehensive Review and Major Update	 Provides opportunity to further expand housing options, address needs			 Requires significant staff time and public input

 Significant Positive Impact
  Positive Impact
  Neutral/No Impact
  Potential Negative Impact

Location and Density of Middle Housing

Perhaps the most important issue the City must address is where higher-level middle housing will be permitted (“higher level” refers to triplexes, quadplexes, townhouses, and cottage cluster housing). Duplexes must be allowed on all lots where single-family houses are permitted. As outlined above, the City has two options for regulating the locations and density of higher-level middle housing. Option 1, below, assumes the City pursues Performance Metrics Track approval. Options 2 and 3, below, assumes the City satisfies the Minimum Compliance Track approval.

A straightforward approach would appear to be to designate middle housing types based on the planned density of various zone districts. Higher density zones would allow more or all middle housing types and lower density zones would allow fewer or no middle housing types. However, due to the minimum standards of the “Performance Metrics” track under Division 46, this approach is not viable. The City’s low density residential zones (R-7.5, R-10, and R-15) account for about 65% of residential lots. Completely excluding a higher-level middle housing type from any of these zones would make it impossible to meet the minimum standards that require each middle housing type to be allowed on 60%-80% of all residential lots. Some portions of each of these zones must allow some higher-level middle housing types.

Option 1: Concentrate Middle Housing Around Centers

Requires Performance Metrics Track Approval

If the City elects to limit the location where middle housing can be built, a logical concept would be to focus higher density middle housing around neighborhood centers and other “nodes” of commercial shops, services, and amenities. This idea was integral to the City’s 2035 Comprehensive Plan. One section of the Lake Oswego Community Vision for 2035 states: “higher density housing is located strategically and sensitively, including along transportation corridors and town centers to preserve the character of our existing neighborhoods”. This concept would also support sustainability and climate goals by concentrating more people within walking or biking distance to frequent destinations.

The 2035 Vision Map designates several types of centers that may be appropriate to concentrate higher density housing around: Town Centers, Neighborhood Villages, Commercial Corners, and Neighborhood Commons (see Figure 3). The map presented in Figure 4 tests the viability of this option. It shows the number of residential lots that are located within either a ¼ mile or a ½ mile radius from one of these centers. A ¼ mile is equivalent to approximately a 5 minute walk. A ½ mile is equivalent to a 10 minute walk.

Table 1. Centers Analysis - Comparison with Performance Metric Thresholds

Housing Type	Minimum % of lots	Lots within 1/4 mile	Lots within 1/2 mile
Triplex	80%	39%	78%
Quadplex	70%		
Cottage Cluster	70%		
Townhouse	60%		

The results indicate that it is not viable to limit any specific higher-level middle housing types to within a ¼ mile of these centers, because the total amount of lots within this distance only accounts for 37% of residential lots. If it is preferred to use this distance as a threshold, then the City would need to designate centers in more locations order to increase the total to at least 60% of lots.

It may be viable to use a ½ mile distance from these centers as a threshold for allowing all higher-level middle housing types, except for triplexes. Thus, duplexes and triplexes would be allowed in all areas, while quadplexes, cottage clusters, and townhouses would be limited to areas within a ½ mile of a center.

The Performance Metrics Track also requires the City to show that at least one higher level middle housing type must be allowed on 75% of all lots in each census block group. As shown in Figure 5, if the City uses the ½ mile distance from centers as a criteria for the location of middle housing, then some census block groups do not meet

Figure 3. Vision 2035 Map, Lake Oswego Comprehensive Plan

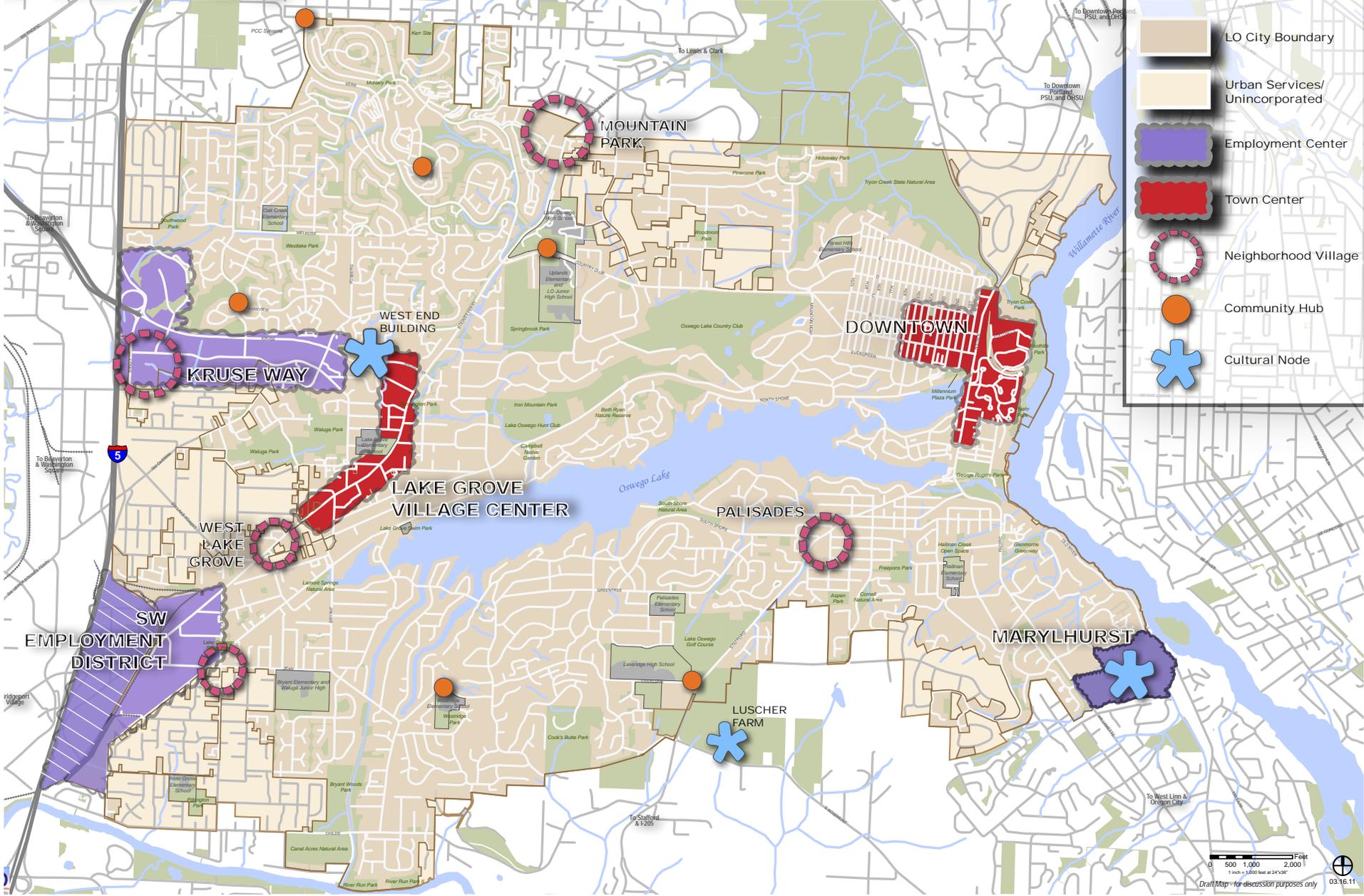
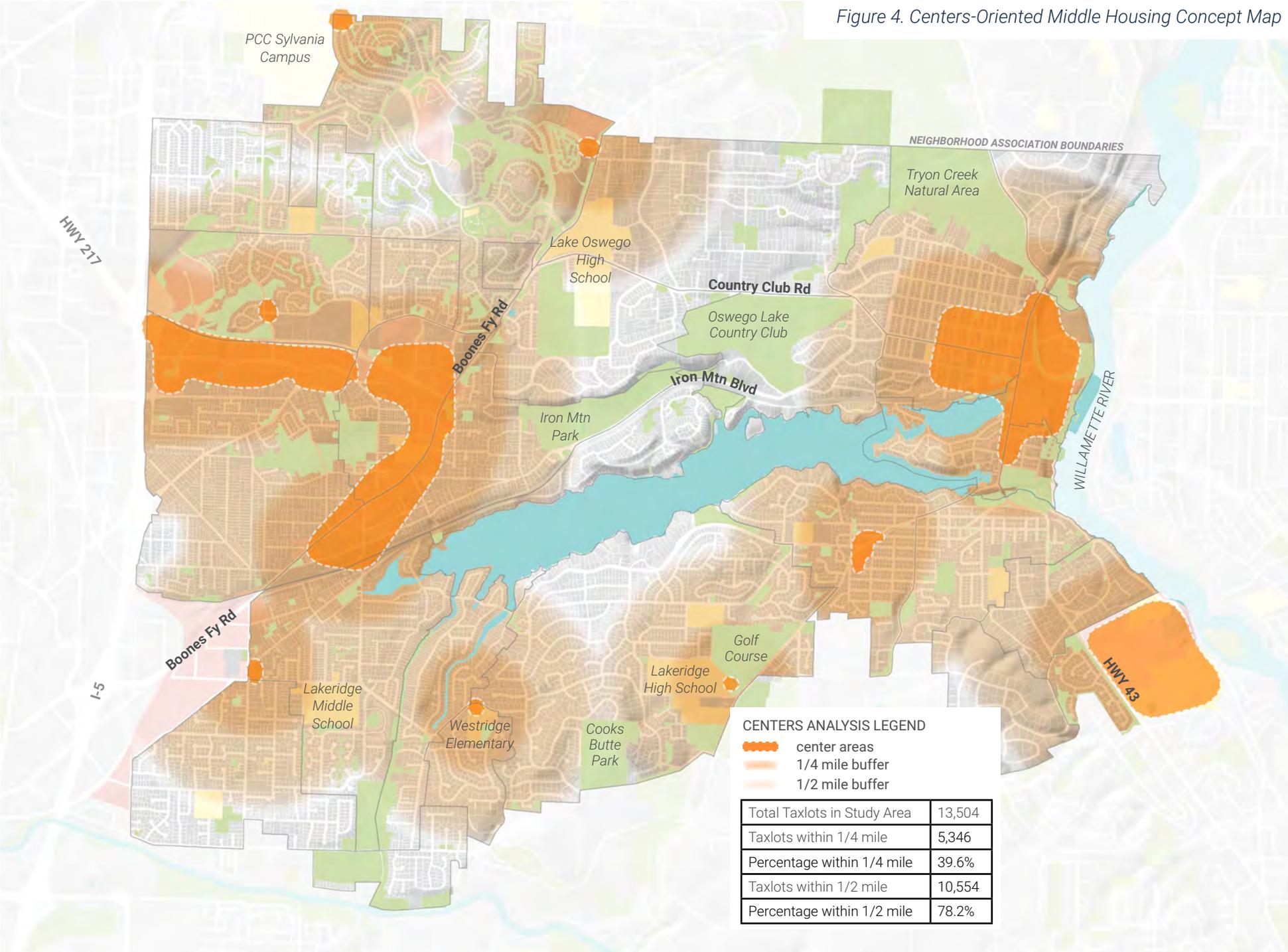


Figure 4. Centers-Oriented Middle Housing Concept Map

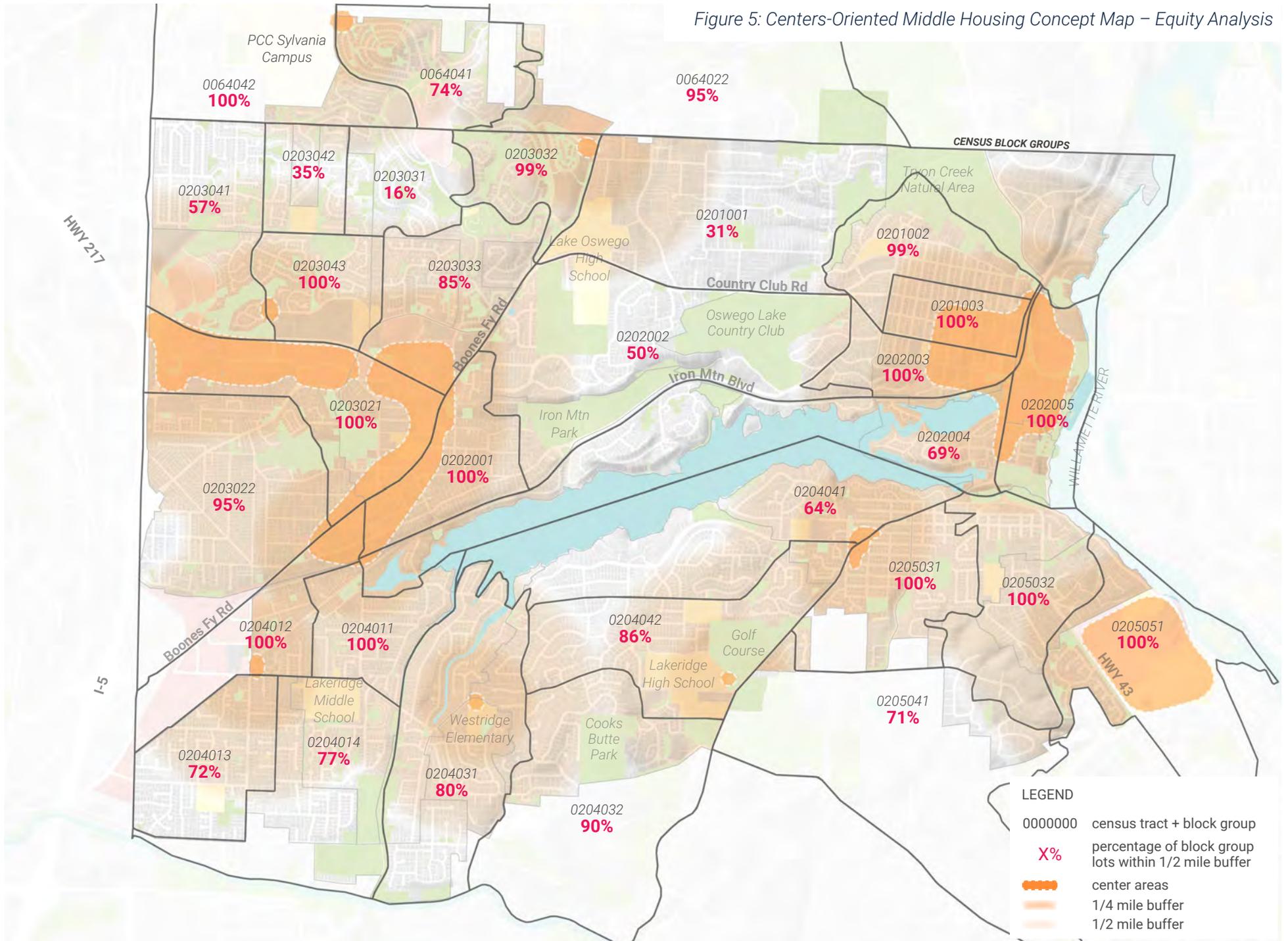


CENTERS ANALYSIS LEGEND

- center areas
- 1/4 mile buffer
- 1/2 mile buffer

Total Taxlots in Study Area	13,504
Taxlots within 1/4 mile	5,346
Percentage within 1/4 mile	39.6%
Taxlots within 1/2 mile	10,554
Percentage within 1/2 mile	78.2%

Figure 5: Centers-Oriented Middle Housing Concept Map – Equity Analysis



this standard. The boundaries of the center area buffers must be adjusted to address this issue.

Additional analysis is needed to refine this concept and ensure that it is consistent with broader policy goals and to confirm it is viable to comply with Division 46. Key issues include:

- **Locations of Centers:** Are the centers and the boundaries of centers used in this analysis appropriate? For example, should “Neighborhood Commons” areas, which are predominantly schools or parks, be designated areas to concentrate middle housing?
- **Equity:** If using the ½ mile centers concept, the effective result of this concept would be to exclude higher-level middle housing types from predominantly low density residential zones (R-10 and R-15), which tend to be further from centers. These zones also include neighborhoods that tend to have higher cost housing that is less accessible to lower income households and people of color. Excluding some middle housing types in these areas may perpetuate inequities and exclusion.
- **Administrative Complexity:** Implementing this centers option would require modifying the boundaries of base zones, creating new base zones, or creating a new overlay zone. This introduces more complexity into the development code, which could make it more difficult for staff to administer and users to understand the code. Some applicants have expressed concern about the complexity of the current code.

Table 2: Example of Minimum Lot Size Standards under Option 2

Housing Type	R-15	R-10	R-7.5	R-6	R-5	R-DD	R-W	R-3	R-2	R-0	FMU
Single-family	15,000	10,000	7,500	6,000	5,000	5,000	3,375	3,375	None	None	None
Duplex	15,000	10,000	7,500	6,000	5,000	5,000	3,375	3,375	None	None	None
Triplex	15,000	10,000	7,500	6,000	5,000	5,000	5,000	5,000	None	None	None
Quadplex	15,000	10,000	7,500	7,000	7,000	7,000	7,000	7,000	None	None	None
Cottage Cluster	15,000	10,000	7,500	7,000	7,000	7,000	7,000	7,000	None	None	None
Townhouse	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	None	None	None

Table 3: Example of Minimum Lot Size Standards under Option 3

Housing Type	R-15	R-10	R-7.5	R-6	R-5	R-DD	R-W	R-3	R-2	R-0	FMU
Single-family	15,000	10,000	7,500	6,000	5,000	5,000	3,375	3,375	None	None	None
Duplex	15,000	10,000	7,500	6,000	5,000	5,000	3,375	3,375	None	None	None
Triplex	15,000	10,000	7,500	6,000	5,000	5,000	3,375	3,375	None	None	None
Quadplex	15,000	10,000	7,500	6,000	5,000	5,000	3,375	3,375	None	None	None
Cottage Cluster	15,000	10,000	7,500	6,000	6,000	6,000	6,000	6,000	None	None	None
Townhouse	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	None	None	None

Option 2: Allow Middle Housing in all Areas, but Require Larger Lots in Some Zones

As an alternative to Option 1, the City could choose to not limit the locations of any middle housing type based on locational criteria or existing zone districts. All middle housing types would be allowed in all residential zone districts, so long as the site meets the applicable minimum lot size.

Under this option, the key policy decision is setting the minimum lot size for each middle housing type. A typical approach is to require a larger lot for a middle housing type compared to a single-family house. This approach is based on the convention that a multi-unit building requires a larger site in order to accommodate a larger building footprint, parking, landscaping, and other features, and to make the development compatible with neighboring single-family residences. However, there are many examples of duplexes, triplexes, or quadplexes on the same size lots as surrounding single-family houses

and they can “blend in” to these neighborhoods effectively. The key factors that affect whether the building is compatible have more to do with the design of the building itself, how and where parking is developed, and the size (or “mass”), orientation, and detailing of the building.

Table 2 shows the minimum lot size standards that could apply under Option 2. These standards are set at the highest minimum lot size that is permitted under the minimum compliance provisions of Division 46. It is important to note that the minimum lot size for the middle housing types are not significantly larger than the minimum lot size for single-family houses in many zones due to the limitations of Division 46.

Also, note that the minimum lot size for a duplex must be no greater than a single-family house and minimum lot size for an individual townhouse unit must be no greater than 1,500 square feet under Division 46 rules.

Option 3: Maximize Opportunities for Middle Housing

As an alternative to Option 2, the City could allow for most or all middle housing types on the same size lots as single-family houses, and smaller lots as the rules require for townhouses. This option is based on the principle that it is not necessary to require additional land area to ensure that middle housing is compatible with single-family houses.

Alternatively, regulations would focus more on the size and design of the building relative to the site and less on the number of dwelling units or housing type. This approach would also increase opportunities for middle housing development because middle housing types would be eligible to be developed on more lots than under Options 1 or 2.

Table 2 presents an example of minimum lot size standards that could apply under Option 3. Note that minimum lot sizes may continue to vary by zone, but minimum lot size for most middle housing types in most zones would be identical to that of a single-family house.

Evaluation

Options	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Option 1: Concentrate Middle Housing Around Centers	 Potential equity issues, limits middle housing to certain areas	 Concentrates more density in walking distance to destinations		 More complex analysis and code implementation
Option 2: Allow Middle Housing in all Areas, but Require Larger Lots				
Option 3: Maximize Opportunities for Middle Housing	 Enables middle housing most broadly across the City			

 Significant Positive Impact
  Positive Impact
  Neutral/No Impact
  Potential Negative Impact

Off-Street Parking

Option 1: Reduce Parking Requirements

The City currently requires between 1 and 1.5 off-street parking spaces per unit for multi-family housing and townhouses, depending on the number of bedrooms in each unit. These standards exceed the maximum amount of parking that can be required under the minimum compliance provisions of Division 46. These rules generally limit cities to requiring no more than 1 parking space per unit for middle housing.

It is recommended that the City reduce the minimum off-street parking requirement to 1 parking space per unit for middle housing types and meet the minimum compliance provisions. The City currently requires 1 parking space per dwelling unit for single-family houses and duplexes. This is consistent with the idea of regulating middle housing in a similar manner as single-family houses. Also, this standard and the Division 46 rules do not prohibit any development from providing more than 1 parking space per unit. Many developers will choose to do so if they believe it to be necessary to meet the market demand for on-site parking.

Option 2: Maintain Current Requirements and Apply for Alternative Approval

Requires Alternative Siting and Design Standards Track Approval

As an alternative to Option 1, the City could maintain its current off-street parking requirements for multi-family housing and townhouses and apply them to middle housing types. However, the City would need to apply for approval of “alternative siting and design standards” under Division 46 (OAR 660-046-0235). This application must include an analysis of the City’s current off-street requirements that demonstrates it will not cause “unreasonable cost and delay” to the development of middle housing. Specifically, the analysis must address how the current standard (1-1.5 spaces per unit) would affect the following factors compared to the minimum compliance standard of Division 46 (generally 1 space per unit):

1. The total time and cost of construction, including design, labor, and materials;
2. The total cost of land;
3. The availability and acquisition of land, including in areas with existing development;
4. The total time and cost of permitting and fees required to make land suitable for development;



5. The cumulative livable floor area that can be produced; and
6. The proportionality of cumulative time and cost imposed by the proposed standard or standards in relationship to the public need or interest the standard or standards fulfill.

Providing an approvable analysis to DLCD is likely to be challenging and would require additional study of the citywide impacts to middle housing development. In order to address these factors, the City would need to provide a financial and GIS-based analysis to quantify the relative impact of the current parking standard compared to the minimum compliance standard. There is a direct and well-established relationship between the amount of parking required and the cost of

development. An uncovered, surface parking space generally costs \$1,500 to \$5,500 to construct.¹ The space and associated circulation area also occupies 250-400 square feet of site area. There are many academic studies that have demonstrated that parking requirements increase the cost of housing and can have a negative impact on development feasibility.

Given these considerations, it is recommended that the City satisfy the minimum compliance provisions and reduce parking requirements as described under Option 1. It is unclear that the benefits of maintaining current parking requirements outweigh the cost and uncertainty of pursuing the alternative approval.



Evaluation

Options	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Option 1: Reduce Parking Requirements	 Removes potential barrier to middle housing development	 Promotes options for low-vehicle households	 May result in greater use of on-street parking in some areas	
Option 2: Maintain Current Requirements and Apply for Alternative Approval	 Maintains potential barrier to development			 Requires additional financial analysis and may not be approved

 Significant Positive Impact
  Positive Impact
  Neutral/No Impact
  Potential Negative Impact

¹ Source: DCLD, Parking Management Resources. <https://www.oregon.gov/lcd/tgm/pages/parking.aspx>

Design and Dimensional Standards

Recommendation 1: Apply the Same Dimensional Standards to Middle Housing as Apply to Single-Family Housing

The minimum compliance standards of Division 46 generally require that cities apply the same or less restrictive dimensional standards (or “siting standards” in terms used in the rules) to middle housing as apply to single-family housing. For Lake Oswego, these dimensional standards include setbacks, height, lot coverage, floor area ratio, and other requirements associated with utilities and public facilities.

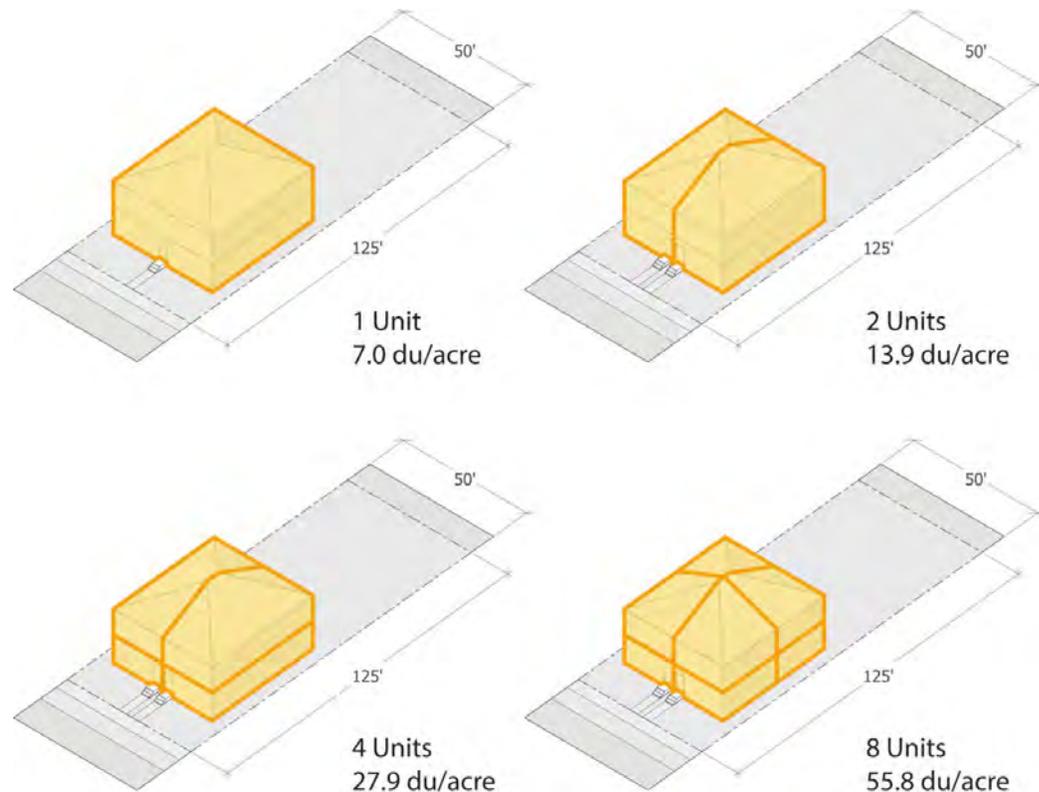
An underlying premise of the rules is that middle housing types can be constructed within a similar building footprint as a single-family detached dwelling, but the units would be smaller. This is likely to produce middle housing projects that are more compatible with the basic form and scale of single-family detached dwellings.

Additionally, smaller dwelling units also tend to be more affordable, so allowing more units within a similar building envelope is consistent with the overall intent of HB 2001 to provide more affordable housing options even if the units do not meet the definition of affordable or have below-market rate rents.

Most of the City’s existing dimensional standards (height, setback, lot coverage, front and side setback plane, long wall plane, and FAR standards) that apply to middle housing types are equivalent to or not more restrictive than what applies to single-family detached

dwellings. In some zones, it is unclear what standard would apply to middle housing given that middle housing types are not permitted. It is recommended that the City generally apply the same dimensional standards to single-family housing as to middle housing. This approach both addresses compatibility goals and will provide a simpler and more certain path to compliance with HB 2001.

Figure 6. Same Building Envelope, More Dwelling Units



Source: Opticos Design

Recommendation 2: Apply the Same Design Standards to Middle Housing as Apply to Single-Family Housing

The minimum compliance provisions of Division 46 provide two options for applying design standards to middle housing. These options are slightly different than the options for applying siting standards

- 1. Model Code Standards:** Adopt the applicable design standards in the Model Code, or a less restrictive version of these standards.
- 2. Single-Family Detached Standards:** Apply the same clear and objective standards as applied to single-family detached dwellings. The standards must scale with form-based attributes of the site or building, not with the number of dwelling units.

Option 1 is not recommended because the Model Code design standards do not address many key design elements that are important to the City and currently required for most residential development.

It is recommended that the City apply the same design standards that apply to single-family detached housing to middle housing development. This concept is consistent with the idea that these housing types should be treated similarly as single-family houses. This approach is also more likely to result in middle housing that is compatible with single-family housing because they would be subject to the same set of design standards. To implement this recommendation, several sets of design regulations will need to be amended so they apply appropriately to middle housing. The remainder of the concepts in this

section are recommended to apply to both single-family housing and middle housing.

Recommendation 3: Minimize the Visual Impact of Driveways and Garages

One key finding of the community survey on neighborhood character is that residents are not in favor of garages and driveways that are a dominant visual element from the street. This attribute was ranked 14 of 15 in terms of desirability, yet just over 70% of respondents indicated that visually dominant garages were a common feature in their neighborhoods. The only attribute that was ranked less desirable was homes on flag lots.

Middle housing developments could potentially result in more visually prominent garages. This may occur if developers attempt to provide more parking spaces on a similar sized site. Maintaining the City's current parking requirements may contribute to this issue.

The City currently regulates the location and appearance of garages through LOC 50.06.001.4. These standards prevent most negative impacts of garages, but could be adapted and strengthened to better the design of garages associated with middle housing. This could create additional complexity to the code and permit administration. The following five code concepts are recommended for further study.

3.1: Require side or rear access on corner lots

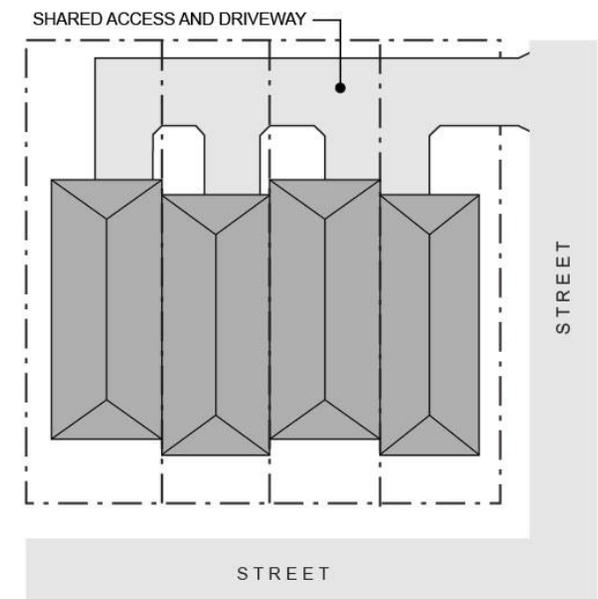
The ideal solution to integrating driveways and parking is to serve them from the side or rear of the lot. Where alleys are currently available, in the

First Addition area (R-6 zone), the LOC currently requires access from the alley or side of the lot. In all other zones, this is not required, but rear- or side-loaded garages are exempt from standards that regulate the width and appearance of garages.

Alleys are not available in most other residential zones outside First Addition, so rear access is typically not possible. However, side or rear access is possible on lots with two street frontages (corner lots). On these corner lots, it is recommended that the code require a side driveway that serves side or rear loaded garages or surface parking in the rear of the site. .

Exceptions to this standard would be needed for when the "side" street is of a higher classification

Figure 7. Side or Rear Access Requirement, DLCD Model Code



or the access would conflict with the City's general access and driveway standards (LOC 50.06.003). Exceptions may also be appropriate when topography, existing mature trees, or existing structures to be preserved would render side access less desirable or appropriate.

3.2: Required paired driveways

The LOC currently prohibits more than one driveway on any lot with a street frontage of less than 75 feet. The intent of this standard is to limit unnecessary driveways. It effectively limits most lots with single-family houses to one driveway.

Applying this standard to middle housing may present some challenges. First, in the case of townhouses, this standard would allow for a separate driveway to every townhouse unit. Division 46 requires cities to allow townhouses on a street frontage as narrow as 20 feet. If each unit has a front-loaded garage and driveway, then driveways could be separated by as little as 8-10 feet. Under Division 46 rules, the City must allow the same number of driveways as would be allowed for a single-family detached house. Therefore, for townhouses, the City cannot require driveways to be shared or consolidated because it must allow one driveway per lot.

Secondly, in the case of a duplex, triplex, or quadplex, the standard of one driveway per 75 feet of street frontage would require all the garages in a 2-4 unit building to be served by one driveway. Assuming one required parking space per unit, this may result in up to 4 side by side garage stalls. A better alternative would be to allow two driveways, each serving 2 garage stalls, as this would be more compatible with the predominant pattern of single-family houses.

Figure 8. Example of a Paired or Tandem Driveway Requirement, City of Tigard

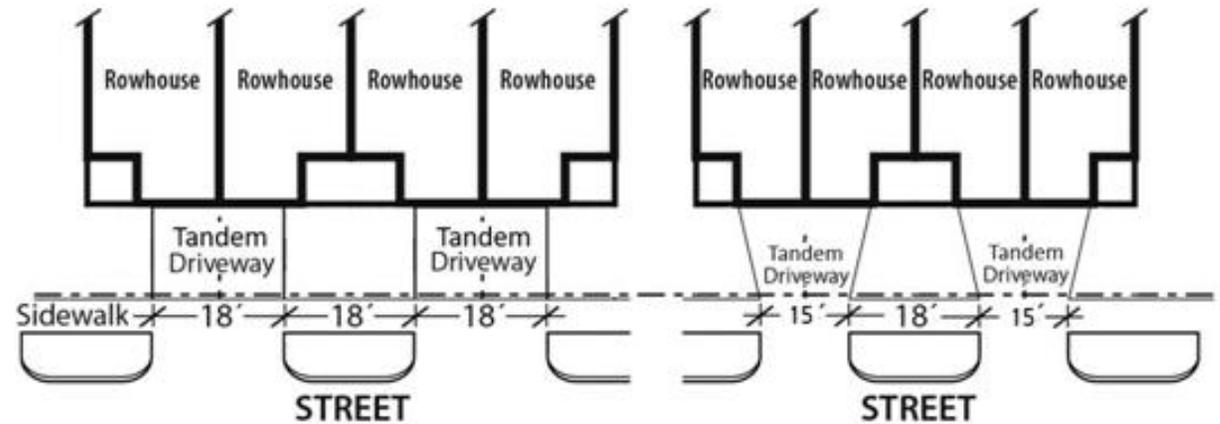


Figure 9. Townhouses/Quadplex with Paired Driveways/Garages

Driveways and garages separated into two pairs reduces visual impact



Continuous, shared front porch helps building to blend in with single-family houses

To address both of these issues, it is recommended that the City set standards which require driveways to be either “paired” together or separated by a minimum distance. This means that two driveways (on the same lot for a triplex/quadplex or on adjacent lots serving the same townhouse site) would not be permitted to be closer than 20 feet apart. Alternatively, the driveways would be consolidated into a pair no more than 16-24 feet wide (two garage stalls) and accessed from a single curb cut.

The wider spacing in between driveways has multiple benefits. It creates a safer and more comfortable pedestrian experience. It provides a more usable front yard area and may soften the visual impact of multiple driveways. It also allows for enough curb space between driveways to accommodate on-street parking.

3.3: Elevate garage design standards

The LOC currently regulates the design of garages as follows:

- The garage cannot extend in front of the front face of the dwelling;
- The width of garages is limited to 60% for single-family houses and 75% for duplex and zero lot line dwellings.
- Garages must meet two of four optional design standards intended to minimize their appearance.

Applying these standards to middle housing, particularly to a quadplex or a 4-unit townhouse project, may result in more prominent garages than is intended under the code. This is particularly true if the garages are allowed to

Figure 10. Examples of Design Approaches for Improving Appearance of Garages and Driveways



extend up to 75% of the width of the structure, as currently permitted for duplexes and zero-lot line dwellings.

In order to minimize the visual impact of garages, it is recommended that the City reduce the maximum width of a garage to 50% of the dwelling and apply that standard to all housing types. Any portion of the garage that extends beyond 50% of the width of the whole dwelling should be required to be recessed behind the other garage openings. This recess requirement is currently provided as one of four options for meeting garage design standards.

Regardless of the width of a garage, one of the most effective ways to minimize their visual impact is to recess it further behind the main facade. City code currently encourages recessed garages by identifying them as one of the four options for meeting the garage appearance standard. It is recommended that these options be modified to give more weight to the recessed garage option. For example, the code could present two options: (1) recess the garage at least 3-5 feet (the current standard is 2 feet) or (2) incorporate 3-4 elements from the following list in order to minimize the appearance of the garage:

- Trellis or pergola (current option). Also, allow an awning, canopy or an extension of an eave that extends the width of the door to create a shadow line
- Individual doors for each stall (current option)
- Windows on the garage door
- Decorative hardware on the garage door
- Use of natural wood finishes to create some texture and visual interest

- Recess the opening of door itself from the garage facade by at least 6-8 inches

The list of design elements could be extended and refined through further study. Each element would need to be specified in clear and objective language.

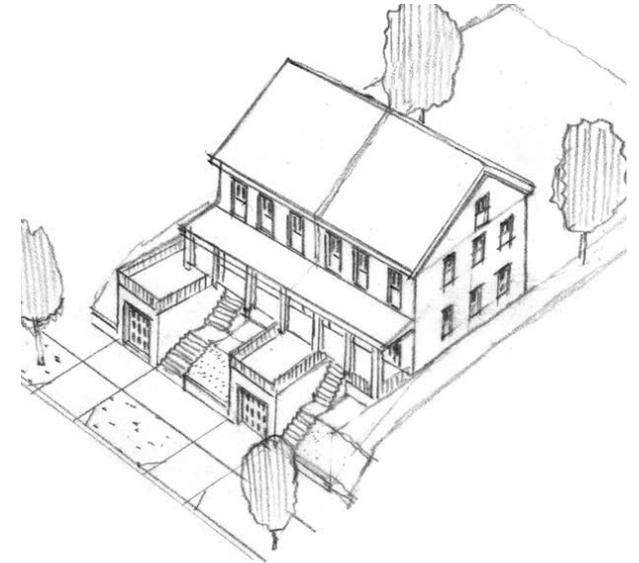
3.4: Allow small garages in front setbacks in certain cases

In certain situations, it may be appropriate to allow garages of limited width to extend into the front setback area and directly front the street. On sites that slope up from the street, if the garage is sited below the main dwelling at the street level and the dwelling above, it minimizes the visual prominence of the garage relative to the overall structure and site. Placing the garage directly abutting the sidewalk or right-of-way also prevents parking in driveways, which can detract from the streetscape. This design also offers the opportunity to create a rooftop deck above the garage, which is both semi-private as it is elevated from the street and it contributes to creating a more interesting and active streetscape.

This design could be allowed under certain parameters:

- The site is sloped up from the street
- The garage is no more than one car or 12 feet wide
- The ground floor of the house is placed at or above the elevation of the roof of the garage
- The rooftop of the garage is built to function as a usable deck/patio

Figure 11: Duplex with Garages in Front Setback



Recommendation 4: Require Detailed Design of Entrances

One of the findings of the Neighborhood Character Survey is that residents generally value when the entrance to the house is visible from the street and is emphasized in some way with a porch, columns framing the entry, or other architectural treatments. This attribute was given an average desirability rating of 3.5 on a scale of 1-5 (the 6th highest of the 15 attributes). A front porch, stoop, or an otherwise visible and emphasized entry can contribute to a sense of sociability and a neighborly environment.

The design of entrances is important to middle housing types. There may be multiple entrances to separate units in one structure. Some of the entrances may face the side or rear of the unit, or it may be more efficient to orient all

entrances to the side or to an internal courtyard, as in a cottage cluster development. The code concepts recommended below address these design challenges with the goal of enhancing neighborhood character with middle housing.

4.1: Require at least one street-facing entrance

City code does not currently regulate the orientation or design of entrances, with the exception of requirements for porches in the R-6 zone. In order to prevent developments which have all entrances oriented away from the street, the City should consider requiring at least one entrance to face the street. In most cases, it is desirable to have at least one entrance facing the street to minimize blank walls facing the street and to be more consistent with established patterns of single-family houses.

4.2: Encourage shared porches, stairs, and walkways

When a middle housing development has multiple entrances that face the same street, there is potential for the front facade to appear monotonous or incongruous if the same entry design is applied repeatedly across the facade (see Figure 10 for an example).

In most cases, it would be more compatible with patterns of single-family houses if the entry features were consolidated and created a simpler or more unified appearance to the facade. For example, consider the difference between a facade with four smaller, separate porches and one long, continuous porch or two larger porches that each served two entrances. This principle is also applicable to exterior stairs, walkways connecting entrances to the street, a recessed

Figure 12: Comparison of Side-Loaded Townhouse Designs

Side-Loaded Townhouses with No Entry Facing Street



portion of the facade that provides a covered entry, or simple canopy or overhang that covers an entry.

To implement this principle in a code, the standard would need to apply equally to middle housing and single-family housing. The standard also must not scale by the number of dwelling units in the building, but by form-based attributes of the building, to comply with Division 46 rules. For example, the standard could prohibit more than two separate porches or entry stairs on any facade that is less than a certain width.

4.3: Minimize visual impact of exterior stairs

Middle housing development may present new issues related to exterior staircases. First, some middle housing designs, particularly on narrow lots, the main entrance is elevated above the garage and served with a large, exterior staircase. Second, duplexes, triplexes, and quadplexes with stacked units may have an exterior staircase

Side-Loaded Townhouses with Entrance Facing Street



to upper story units that is placed on the front facade.

Both of these examples result in large staircases on the front facade that are usually not compatible with established patterns of single-family houses. The City of Portland addressed this concern with two code standards:

- Limit the height of a main entrance to no more than 4 feet above the average grade of the site. This allows for stairs that are built into the slope of the lot, but not as a separate structure.
- Prohibit exterior staircases to serve upper story units on the front facade

4.4: Require screening of side-facing entrances

A common theme of the community engagement for this project was that Lake Oswego residents value the sense of privacy that is associated with larger lots and wider setbacks between houses.

Respondents to the Neighborhood Character Survey rated “large spaces between houses” as the third-highest desirable feature of their neighborhoods.

One challenge associated with middle housing that may affect this sense of separation and privacy are when entrances to individual units are oriented to the side or rear of the lot. Even if the building itself meets setback requirements, locating the entrance facing out to another lot would likely create more foot traffic in the side yard than is common in single-family houses currently. The City has addressed this situation in its standards for accessory dwelling units, which require detached accessory dwellings to be setback a greater distance from side property lines than other accessory structures, fencing, and upper story window placement and design that addresses the privacy of adjacent residences.

To limit the impact of side-facing entrances for middle housing, the code could require visual screening of the entrance along a minimum length of the common side yard lot line, such as extending 20 feet out from the entrance. This could be accomplished with a fence, landscape plantings, or both.

Recommendation 5: Limit Building Width

As noted above, the City code currently has sufficient limits on the overall bulk and scale of houses--through height, setback, front and side setback plane, long wall plane, and FAR requirements--that would be appropriate to apply to middle housing. However, no design or dimensional standards directly regulate the

Figure 13. Comparison of Separate vs. Shared Entry Features

Separate Porches



Shared/Continuous Porches



overall width of a structure (or the length of the wall facing the street). One of the important patterns of neighborhoods with single-family houses is the rhythm of buildings that are generally between 30-80 feet wide. While some houses are wider than 80 feet, they are generally the exception rather than the rule.

Townhouses or a triplex/quadplex with 3-4 side-by-side units will likely be wider than most single-family houses in most neighborhoods. To preserve the “house scale” character of structures in these neighborhoods, the City may consider adopting a new limitation on the overall width of a structure or of any street-facing wall that is within

a certain distance from a street. For example, the code could require that any street-facing wall that is more than 80-100 feet in length be broken up into two separate structures or have a significant recess that gives the appearance of two separate structures.

Note that this standard is slightly different from a facade articulation requirement (such as LOC 50.06.001.7.c.i). The intent of this standard is to create the appearance of two separate structures and facades, while the intent of an articulation standard is to create a more interesting and varied facade, regardless of the overall length of the facade.

Recommendation 6: Encourage Context-Sensitive Architecture

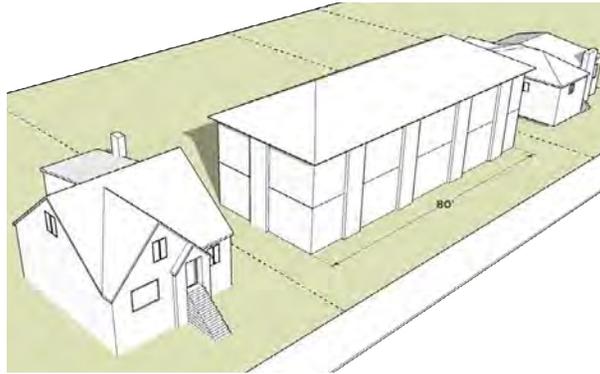
Lake Oswego's neighborhoods include a wide range of architectural styles. One of the key findings of the Neighborhood Character Survey is that respondents did not see consistency of architectural styles as a highly desirable attribute of neighborhood character. This feature received an average rating of 3 on a 1-5 scale, and only 40% of respondents indicated that architectural styles were consistent in their own neighborhood.

Outside of a few specific design districts and some standards of the R-6 zone, the code does not regulate many elements of architectural style, such as materials, composition of the facade, or roof forms and pitch. At the same time, there are some areas which do have a recognizable architectural pattern, but are not covered by a design district. For example:

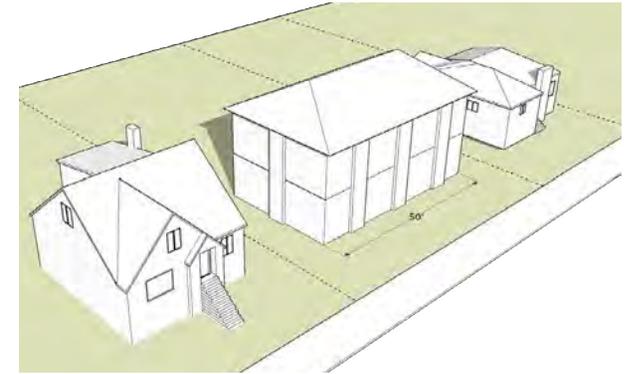
- Character areas were identified in a Neighborhood Character Report to highlight

Figure 14. Example of a Maximum Building Width Standard

No limit on building width produces a building out of scale with single-family houses



Limit on building width requires smaller building or a significant recess to between facades



and find continuity of unique design, topography, and other features in sections of Lake Oswego. The "Groves" and "Cooke's Butte" character areas, as mapped in the Neighborhood Character Report, include many mid-century modern style houses.

- The portion of the "Historic Core" character area in the McVey South-Shore and Hallinan neighborhoods has a consistent pattern of either early 20th century traditional styles or mid-century modern styles.

The patterns of architectural style in these areas may not be as clear and visible as in other areas, particularly those within a design district, but they still contribute to the character of the community. Ideally, new middle housing development would take cues from these styles and strive to incorporate some of their key elements. It is important to note that design standards for middle housing must also be similarly applied to single-family detached housing.

Yet requiring new housing to conform to one or two specific styles in these areas may be unnecessary. In lieu of requirements, it is recommended that the City consider offering code flexibility or possibly other incentives for projects that go above and beyond minimum requirements and meet a certain set of design standards.

These incentives could include a density bonus, FAR or lot coverage bonus, or other relief from a specific standard. In exchange, the project would be required to meet a set of architectural design standards that are intended to guide the design toward a specific architectural style. The styles may be narrowly defined (such as Arts and Crafts) or more broadly defined (such as any of the "form types" described in Section 5 of the Neighborhood Character report). It is recommended that the requirements be written as clear and objective standards in order to encourage use of the incentive.

Regulatory Incentive Options

The following incentives could be used to encourage a higher level of design, tree preservation, or to encourage affordability of middle housing for example through deed restrictions limiting rent or price levels.

Density Bonus. A larger number of units could be permitted on the site than otherwise allowed or on a development site or a reduction in the applicable minimum lot size standard could be allowed.

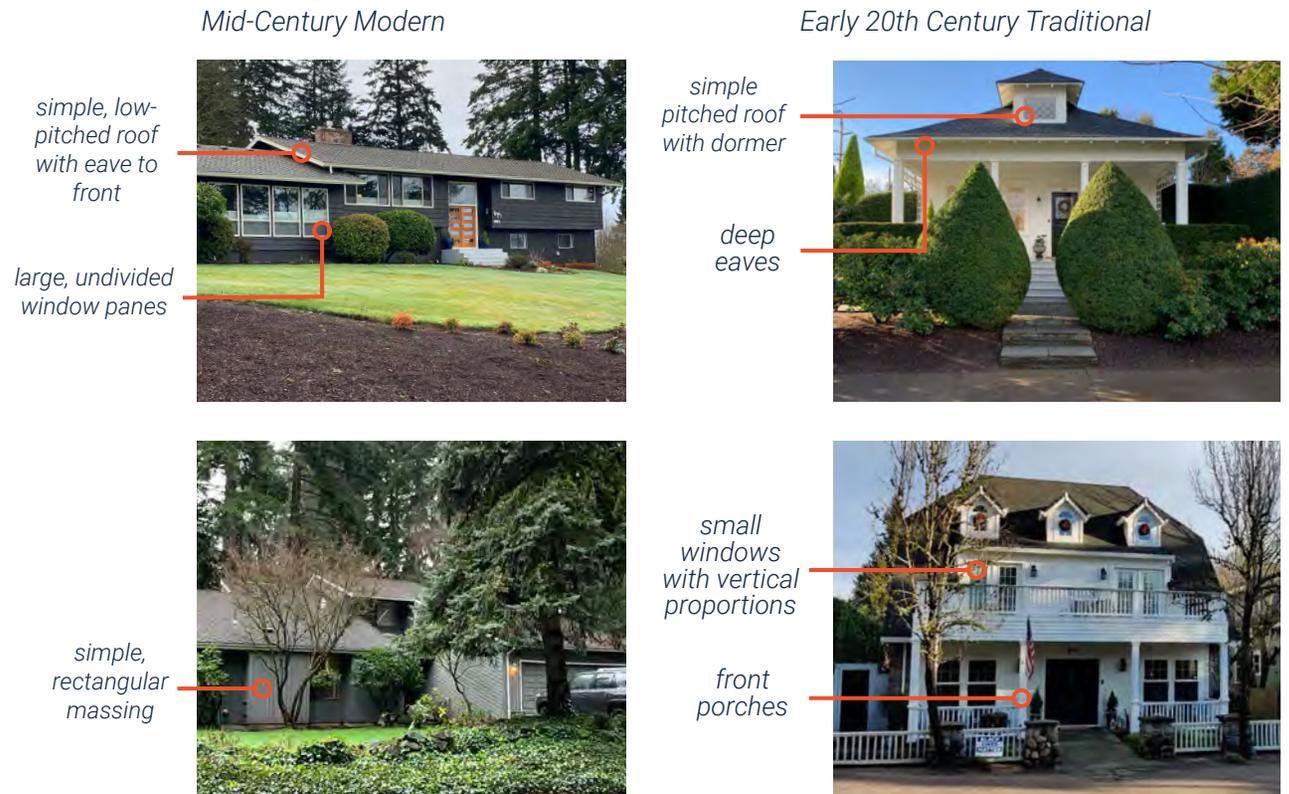
Height Bonus. A bonus height allowance might allow an additional story of height or an exemption from other height/bulk limitations.

FAR or Lot Coverage Bonus. A FAR bonus would allow additional floor area on the site. A lot coverage bonus would allow the building footprint to exceed the maximum lot coverage by a certain amount. Both standards have the effect of allowing more floor area on the site.

Setback Reduction. Setback requirements may make it difficult or impossible to take full advantage, middle housing allowances in certain cases. Setbacks could be reduced in specific neighborhoods, districts, or zones. In certain cases it may be appropriate to provide relief from a front setback to provide flexibility to accommodate an addition or to preserve tree(s) that may be toward the rear of the site.

Minimum Parking Reduction. Minimum parking requirements could be reduced in specific neighborhoods, districts, or zones.

Figure 15. Example of Building Form Types from Neighborhood Character Report



Evaluation

Recommendation	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Recommendation 1: Apply the Same Dimensional Standards to Middle Housing as Apply to Single-Family Housing				
Recommendation 2: Apply the Same Design Standards to Middle Housing as Apply to Single-Family Housing				
Recommendation 3: Minimize the Visual Impact of Driveways and Garages				
Recommendation 4: Require Thoughtful Design of Entrances				
Recommendation 5: Limit Building Width	 This standard has potential to increase cost of development			
Recommendation 6: Regulatory Incentives for Context-Sensitive Architecture				 Requires further public input and analysis to craft appropriate design standards.



Significant Positive Impact



Positive Impact



Neutral/No Impact



Potential Negative Impact

Trees, Landscaping, and Stormwater Management

It is recommended that the City consider new standards and incentives related to trees, landscaping, and stormwater management that apply in equal measure to new single-family dwellings and middle housing. These standards should be calibrated and scaled appropriately to induce desired outcomes, such as tree preservation and front yard landscaping.

Recommendation 1: Regulatory Incentives for Tree Preservation

93 percent of respondents to the Neighborhood Character Survey indicated that trees or landscaping were dominant visual elements of their neighborhood. Furthermore, even though the types of tree species and density of tree canopy varies considerably across different neighborhoods, preservation of trees and greenery ranked as the most desirable neighborhood character feature of all features that were polled on, with 90% of survey respondents rating it as highly desirable.

It is recommended that the City create a regulatory incentive for tree preservation. This incentive could potentially use the tree removal alternatives referenced under the Tree Code's Criteria for Issuance of Type II Tree Cutting Permits: LOC 55.02.080(3)(b), which allows for alternative site plans, alternative placement of structures or alternative landscape designs intended to lessen impacts of permitted uses on trees. Where an alternative is used and a tree is preserved, the LOC would allow for FAR bonus, lot coverage bonus, or other adjustment. The

Figure 16. Comparison of Townhouses with and without Foundation Landscaping



incentive should be scaled based on the size and species of tree(s) that are preserved (and the likelihood that they will survive for many years after construction), with an overall goal of lessening negative impacts to the character and aesthetics of the neighborhood resulting from tree removal.

There is precedent in code for allowing flexibility in development standards for preservation of mature trees. In the Lake Grove Village Center, the City may adjust the build-to line and allow reductions in required off-street parking where mature native trees are preserved on-site. However, the public benefit of this type of incentive may be limited because trees eventually die, some sooner than others due to environmental factors beyond a property owner's control, and the future impact of climate change on the urban forest is unknown.

Recommendation 2: Require Foundation and Front Yard Landscaping

78 percent of Neighborhood Character Survey respondents indicated that front yards planted heavily with shrubs, trees, and gardens were dominant visual elements on their neighborhood streets. 93 percent of respondents ranked this as a desirable neighborhood character feature. Lake Oswego has fairly minimal landscaping requirements for new development, beyond those that apply to screening and buffering. Requiring new residential development to provide landscaping along the front foundation wall and front yard could help new middle housing development to fit in in existing neighborhoods, which often have more mature landscaping. In particular, landscaping along the foundation is effective at "softening the edges" of new development.

A foundation or front yard landscaping requirement could take several forms. For example, the City of Portland has adopted specific landscaping design standards that apply to narrow lot infill development that require all street-facing facades to have landscaping along the foundation, with at least one shrub (3-gallon container size) for every 3 lineal feet of foundation. Sixty percent of the area between the front lot line and the front building line must be landscaped, and, at a minimum, the required landscaped area must be planted with ground cover. Up to one-third of the required landscaped area may be used for recreational or pedestrian purposes. It is recommended that the City apply some type of foundation landscaping requirement at a minimum, and potentially also a broader front yard landscaping requirement.

Recommendation 3: Limit Impervious Surface Coverage

City code currently regulates stormwater management through the Stormwater Management Code (LOC Article 38.25). The primary objectives of these regulations are to protect the water quality of Lake Oswego and to prevent negative impacts of a stormwater runoff on downstream properties. These requirements are triggered for any project that creates more than 1,000 square feet of new impervious surface area. The code requires applicants to submit a site assessment, stormwater system design, and other analyses to demonstrate compliance with the code.

One limitation of this code is that it only applies to the creation of new impervious surface area. In a redevelopment scenario, the code would

allow for a site that has high impervious surface coverage to be redeveloped with the same level of impervious surface coverage.

To address this issue, and to generally incentivize developments with lower impervious surface areas, some cities establish limits on overall impervious surface coverage. These limits are usually applied as a percentage of the site. For example, the City of Austin, Texas, which is also centered around a large lake, limits impervious cover to no more than 40%-65% of the site in lower density residential zones.

It is recommended that the City consider a similar limitation on impervious surface coverage. The standard should allow for exceptions in challenging circumstances or for alternative approval options.

Evaluation

Recommendation	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Recommendation 1: Regulatory Incentives for Tree Preservation	 Allowing additional floor area or density could improve feasibility.	 This incentive has potential to preserve trees that would otherwise be removed.		 Requires further study to determine appropriate incentive type and calibrate appropriately.
Recommendation 2: Require Foundation and Front Yard Landscaping				
Recommendation 3: Limit Impervious Surface Coverage	 If set too high, this standard could limit middle housing development.	 This standard has potential to reduce pollution from runoff.		

 Significant Positive Impact
  Positive Impact
  Neutral/No Impact
  Potential Negative Impact

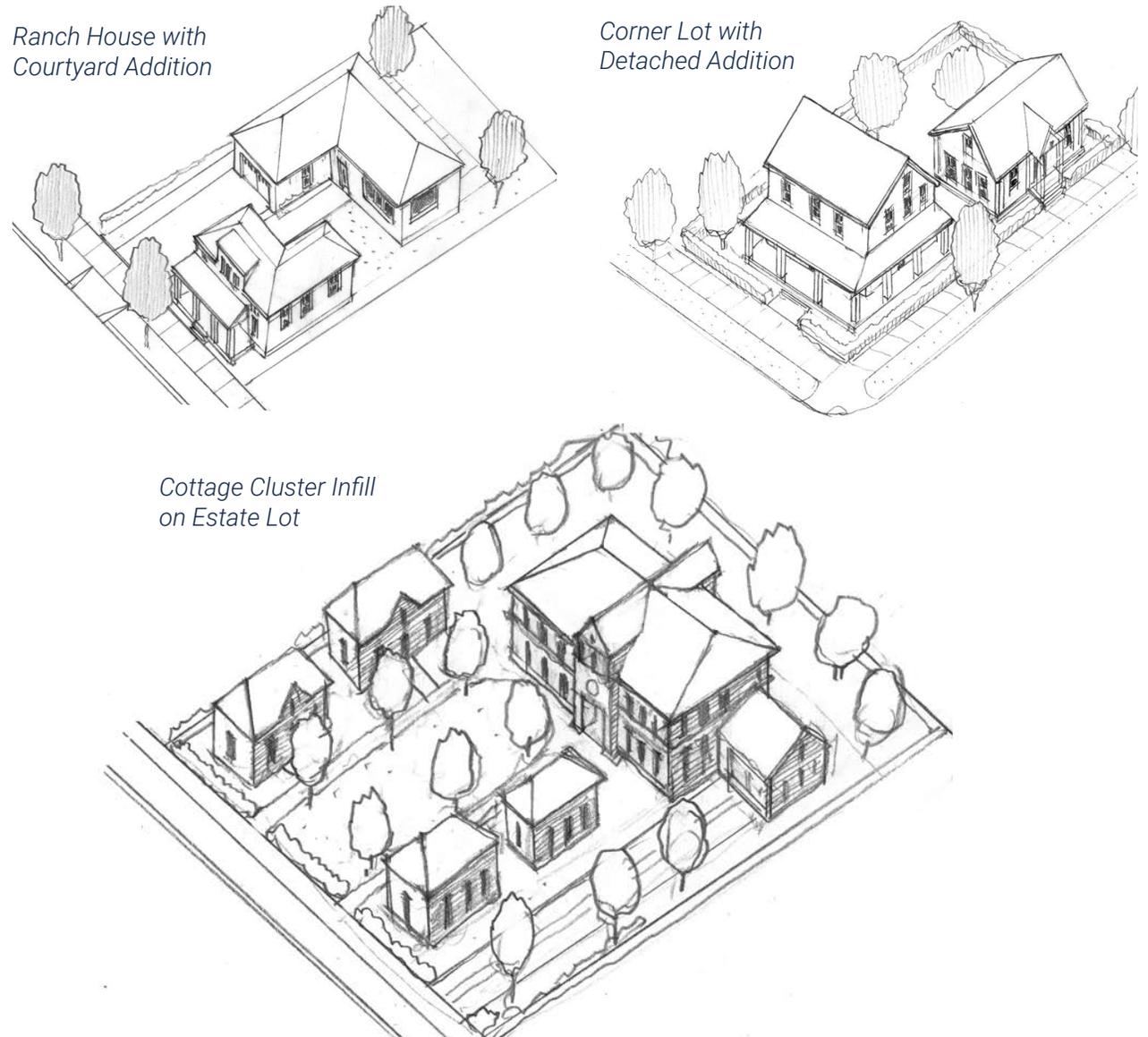
Conversions and Additions

Division 46 requires cities to treat internal conversions of single-family detached houses into multiple units or additions to existing single-family dwellings to create middle housing differently than new development or wholesale redevelopment of middle housing. The Division does not specifically define a “conversion” or “addition”. The term should be considered to broadly apply to any project that preserves at least some portion of the structure of a single-family dwelling while renovating, dividing, or adding to the structure to create a middle housing type.

Specifically, cities are not permitted to apply design standards to middle housing types created through conversion or addition to a single-family dwelling. Per OAR 660-046-0020, design standards include, but are not limited to, standards that regulate entry and dwelling orientation, facade materials and appearance, window coverage, driveways, parking configuration, pedestrian access, screening, landscaping, and private, open, shared, community, or courtyard spaces.

Cities are permitted to apply siting standards to conversions or additions. Siting standards include setbacks, height, bulk, lot coverage, and other dimensional requirements. However, cities must allow for existing, non-conforming structures to be converted or added to in order to create a middle housing type so long as the conversion or addition does not increase the non-conformity. Redevelopment that is not a conversion or remodel requires removal of the existing structure by “demolition”. LOC Chapter 45.12.100 defines

Figure 17: Examples of Context-Sensitive Conversions or Additions to Create Middle Housing



demolition:

“Demolition” or “demolish” means:

- Removal of all exterior walls;
- Removal of the superstructure (the part of the building or construction above the lowest subflooring; “lowest subfloor” is the bottommost structural floor laid as a base for a finished floor), such that none of the existing superstructure is maintained; or
- Alteration, abandonment or removal of all of the existing perimeter foundation.

These allowances may encourage conversions or extensive additions (that largely replace existing homes but come just short of demolition), to create middle housing. In many cases, a conversion of an existing dwelling where the exterior envelope remains the same is more likely to be compatible with the existing character of the neighborhood. See Figure 17 for several examples of conversions or additions (detached and attached) that can provide a context-sensitive option for creating a middle housing type. Encouraging conversions and additions is also consistent with the City’s recently adopted \$15,000 demolition tax policy, which was intended to discourage demolition of existing dwellings.

However, an addition may become incompatible if the existing home is subsumed by new construction and expanded. Under a conversion or addition, the new middle housing may require additional driveways, parking, and outdoor living spaces that could increase the size of the development on a lot.

Figure 18: Example of an Architecturally Compatible Addition



Recommendation 1: Regulatory Incentives for Preservation of Existing Houses

In addition to the allowances under Division 46, the City may consider further efforts to encourage conversions and additions to existing houses as an alternative to demolition to create middle housing. Whether the project is a conversion that is primarily internal space (but may include exterior modifications), an addition to an existing house, or a combination of both

conversion and addition, the result is more likely to be compatible if most of the existing facade of the house is retained. To encourage this outcome, the code could offer a regulatory incentive, such as a FAR or lot coverage bonus, to projects that modify no more than 20% of the street-facing facade of the existing dwelling, maintain 10 foot setbacks to their side yard neighbors, and do not involve variances. This option would not be available to nonconforming lots or structures and would encourage additions to the rear or side or internal conversions.

Recommendation 2: Regulatory Incentives for Architecturally Compatible Additions

There may be sites where there is space for a significantly sized addition to an existing dwelling while still conforming to dimensional standards. In these cases, under Division 46, the addition to create a middle housing unit would be exempt from any building design standards that would otherwise apply to any other addition or to a new development. To encourage these additions to be compatible with the existing house and the surrounding neighborhood, the code could offer an incentive (e.g., FAR, lot coverage, height) for an addition that meets one of two criteria::

1. The addition complies with the set of general design standards that would otherwise apply if the addition were not creating a middle housing unit.
2. The addition complies with a set of standards which require that it match the architectural style of the main dwelling. The standard typically requires that the addition use the same siding materials, trim, color, window orientation, roof pitch, and depth of eaves.



Evaluation

Recommendation	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Recommendation 1: Regulatory Incentives for Preservation of Existing Houses	 Encourages lower-cost strategy for creating new housing units.	 Encourages preservation of existing building stock.		
Recommendation 2: Regulatory Incentives for Architecturally Compatible Additions		 Encourages preservation of existing building stock.	 Encourages additions that continue patterns of existing housing.	

 Significant Positive Impact
  Positive Impact
  Neutral/No Impact
  Potential Negative Impact

Cottage Cluster Standards

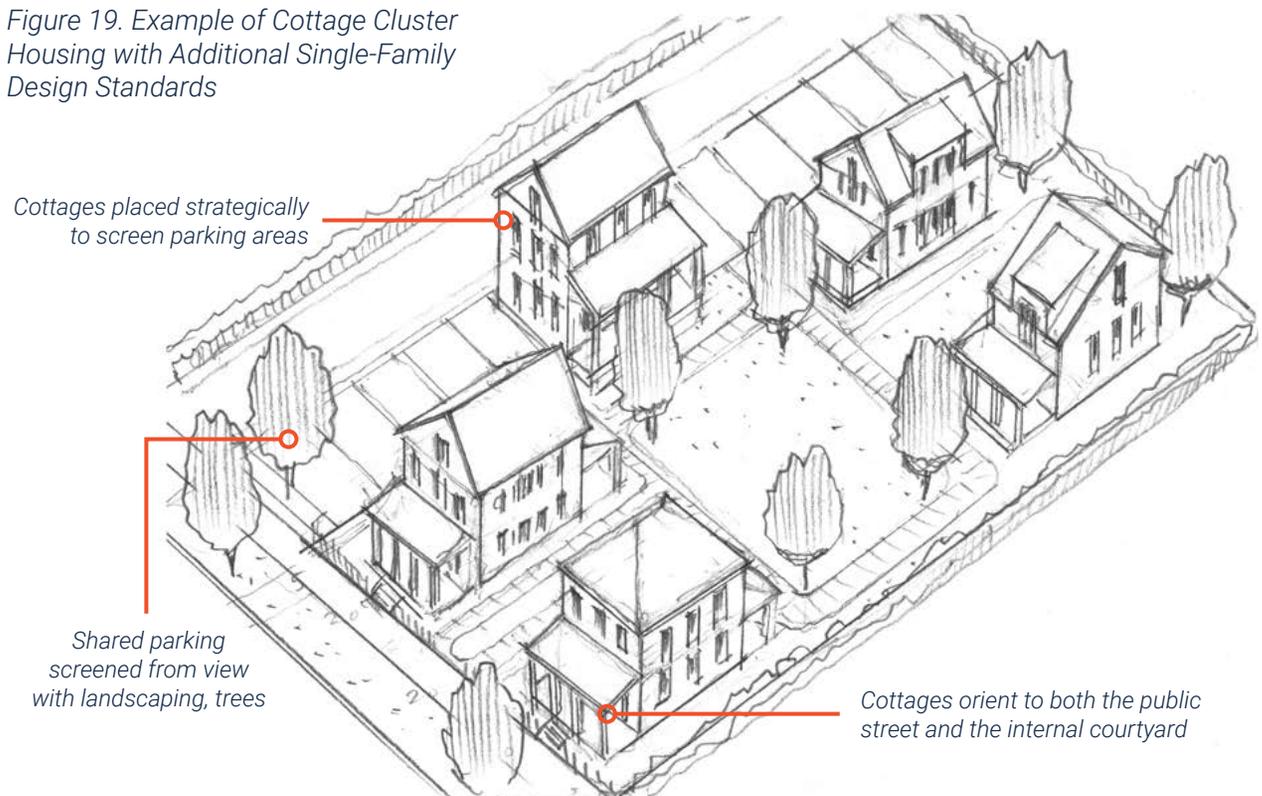
The term “cottage cluster” refers to a specific development concept wherein multiple, small, detached houses are sited relatively close together and oriented around a common green or courtyard. The concept may also be referred to as a cottage court, bungalow court, or pocket neighborhood. The benefits of this concept is that it maintains some of the character and privacy of detached housing, but allows for smaller and potentially more affordable units. Some developments also cite the communal feel of the site as an attractive feature.

Division 46 requires cities to allow at least 8 cottages to be oriented around one common courtyard, so long as the site meets the minimum lot size and other dimensional standards of the zone. Within these parameters, the City has some options for other design and siting standards to apply to cottage clusters. These options are described below.

Option 1: Adopt the DLCDC Model Code Standards

Cottage cluster housing offers an attractive alternative to conventional multifamily development that seems particularly well suited to the village scale and character of many of Lake Oswego’s neighborhoods. The DLCDC Model Code standards for cottage cluster housing are thoughtfully prepared and address the key issues that distinguish cottage cluster housing from other types of infill development. The standards require smaller unit sizes, limit cottages to 2 stories, apply design standards to ensure cottages are oriented to a common courtyard

Figure 19. Example of Cottage Cluster Housing with Additional Single-Family Design Standards



and parking areas are sited to reduce their visual impact from the street or the cottages. The DLCDC Model Code standards incorporate many of the best practices of cottage housing design.

Option 2: Adopt the DLCDC Model Code Standards and Apply Selected Single-Family Design Standards

The DLCDC Model Code cottage cluster standards do not address the architecture of the cottage

buildings themselves. The standards focus predominantly on site design. Under this concept, the City would also apply a selected set of architectural design standards that apply to single-family dwellings today and will apply to other middle housing buildings in the future. These standards would regulate elements not addressed by the DLCDC Model Code but which may be otherwise required for single-family dwellings in that zone.

For example, in the R-6 zone, a minimum roof

pitch is required, and each new house must have a porch on the street-facing facade. In other zones or design districts, new single-family dwellings must conform to specific architectural design standards related to roof pitch, composition of the facade, and other elements. So long as the standards are also applied to single-family detached housing, then they may also be applied to cottages in a cottage cluster development without requiring the City to seek a “Track 2” alternative siting and design standards approval from DLCD.

Option 3: Develop Custom Design and Development Standards

It is possible for the City to develop its own, unique set of cottage cluster standards. Custom design and development standards for cottage cluster developments could include additional siting and design standards not included in the DLCD Model Code, such as require additional private yard space for each unit or specific standards for targeted areas of the City, such as view corridors or landscape buffers. If the City elected to do so, it would need to meet the “Track 2” approval criteria. This would require the City to submit findings to DLCD

to demonstrate that the proposed standards would not cause “unreasonable cost and delay”. Given the uncertainty of this approval track and the limited benefit of creating a custom set of cottage cluster standards, this option is not recommended.

Evaluation

Options	Housing Options, Affordability, and Equity	Sustainability	Compatibility and Design Quality	Ease of Administration and Compliance
Option 1: Adopt the DLCD Model Code Standards				
Option 2: Adopt the DLCD Model Code Standards and Apply Selected Single-Family Design Standards				
Option 3: Develop Custom Design and Development Standards				Requires Track 2 approval and feasibility analysis.

Significant Positive Impact
 Positive Impact
 Neutral/No Impact
 Potential Negative Impact

Affordability Incentives

Division 46 does not address the affordability of middle housing. However, HB 2001 does require that cities consider strategies to increase the affordability of middle housing at when the City adopts code and plan amendments to comply with the new law. Specifically, HB 2001 requires cities to consider waivers or deferrals of System Development Charges (SDCs), property tax abatements, and a Construction Excise Tax (CET).

The scope of this project does not include a detailed analysis of each of these financial incentive options or for strategies to produce more affordable housing in general. However, there are two relatively straightforward policy changes that are recommended in order to encourage more middle housing projects to include affordable units.

Recommendation 1: Modify Existing SDC Exemption Policy to Integrate Middle Housing

The existing SDC exemption policy for affordable housing (LOC 39.06.105(5)) applies to ADUs and multi-family projects with more than 20 units where 10% of the units are affordable to households earning less than 80% of area median income. The 20-unit minimum of this policy will effectively exclude all middle housing projects, which will include fewer than 20 units.

There are several potential benefits to including affordable units in smaller, middle housing projects. They can be more widely distributed across neighborhoods and contribute to equity and inclusion goals. More affordable units may be

produced overall by encouraging smaller projects on more sites. Thus, it is recommended that the City reduce or eliminate the 20-unit minimum. Additionally, it will be necessary to scale the percentage of units that must be affordable to account for projects as small as 2-4 units.

Additionally, this exemption is only available for rental housing. Some middle housing types can be developed as fee-simple ownership housing, such as townhouses or a cottage cluster development. Also, all middle housing types could potentially be structured as a condominium. It is recommended that the policy be amended to allow for for-sale units to be eligible for the incentive.

Recommendation 2: Provide Regulatory Incentives for Affordability

To further encourage affordable housing units in middle housing developments, the City could consider pairing the SDC exemption above with a regulatory incentive. Options for various types of regulatory incentives are identified above. Further study is needed to determine which of these incentives is likely to be most effective. In similar contexts elsewhere, the incentives that are most effective are those that would allow for additional units that would otherwise not be allowed on the site. This can be accomplished through a density bonus or potentially a reduction in minimum parking requirements. It may also be necessary to provide an FAR or lot coverage bonus to ensure that sufficient floor area can be developed on the site to accommodate the additional units and still produce marketable unit sizes.



Cully Green, a cottage cluster/townhouse project with three units to be sold as permanently affordable homes administered by Proud Ground, a non-profit land trust.

Source: Orange Spot Development