



Community Development Department / Planning Division
 12725 SW Millikan Way / PO Box 4755
 Beaverton, OR 97076
 General Information: 503-526-2222 V/TDD
www.BeavertonOregon.gov

MEMORANDUM

TO: City Council
 FROM: Rob Zoeller, Associate Planner
 DATE: June 17, 2022
 SUBJECT: Housing Options Project CPA 2022-0004, TA 2022-0002 and ZMA 2022-0004
 Supplemental Memo 4
 ATTACHMENTS: Letter from Matt Wellner, Crandall Group
 Letter from Ryan Makinster, Home Builders Association of Metropolitan Portland

This supplemental memo provides written testimony regarding the Planning Commission recommended amendments in CPA 2022-0004, TA 2022-0002 and ZMA 2022-0004 related to the Housing Options Project.

The Planning Commission recommended amendments in CPA2022-0004, TA2022-0002 and ZMA2022-0004 include changes to the Beaverton Development Code and Comprehensive Plan that are described in the April 29, 2022, Staff Report.

Public testimony received between June 15-17, 2022 has been included in this memo. Public testimony received before June 15 has already been included in the following exhibits in the agenda packet for the June 21 City Council hearing.

- Exhibit 2. Planning Commission Staff Report from Apr. 29, 2022
- Exhibit 3. Planning Commission Supplemental Memo from May 10, 2022
- Exhibit 4. Planning Commission Supplemental Memo from May 11, 2022
- Exhibit 12. City Council Supplemental Memo from June 13, 2022

Any additional testimony submitted before June 21, 2022 will be shared with City Council through an additional memo and/or via email prior to the June 21 City Council hearing.

The city has received letters from Matt Wellner of Crandall Group and Ryan Makinster of the Home Builders Association of Metropolitan Portland regarding three components of the Planning Commission recommended text amendment.

1. Maximum floor area ratios
2. Building height limitations
3. Glazing requirements

Staff appreciates the testimony and would like to provide the Mayor and City Council with information and context regarding these three topics that are part of implementing the Preferred Approach themes of flexibility, context and community.

Floor area ratios: The Planning Commission recommended text amendment includes setback reductions to increase flexibility on each lots. To address community and Council comments about new development responding to neighborhood context, the maximum floor area ratios were applied to provide a maximum building bulk given that in many cases the setback reductions would provide for larger buildings than currently allowed in Beaverton's neighborhoods. Staff tested the floor area ratios with massing studies and set the ratios to ensure a wide range of units, including larger units with multiple bedrooms, could be built on a variety of lot sizes. Earlier this year, the Council directed staff to increase maximum floor area ratios for RMA and RMB to provide some additional flexibility over the draft staff proposal at the time, and the Planning Commission recommended amendments includes those increases.

Building height limitations: The Planning Commission recommended text amendment establishes the maximum height in RMB and RMC at 35 feet but includes additional height limits for those two zones that apply on parts of a lot. These additional limitations help new buildings respond to neighborhood context by reducing the maximum height at the front and/or rear of lots.

Property owners have a choice whether to construct the building at a maximum of two stories at the setback line or move the building further away from the property line to build it taller, up to the full 35-foot maximum. The amendments work this way in RMB and RMC:

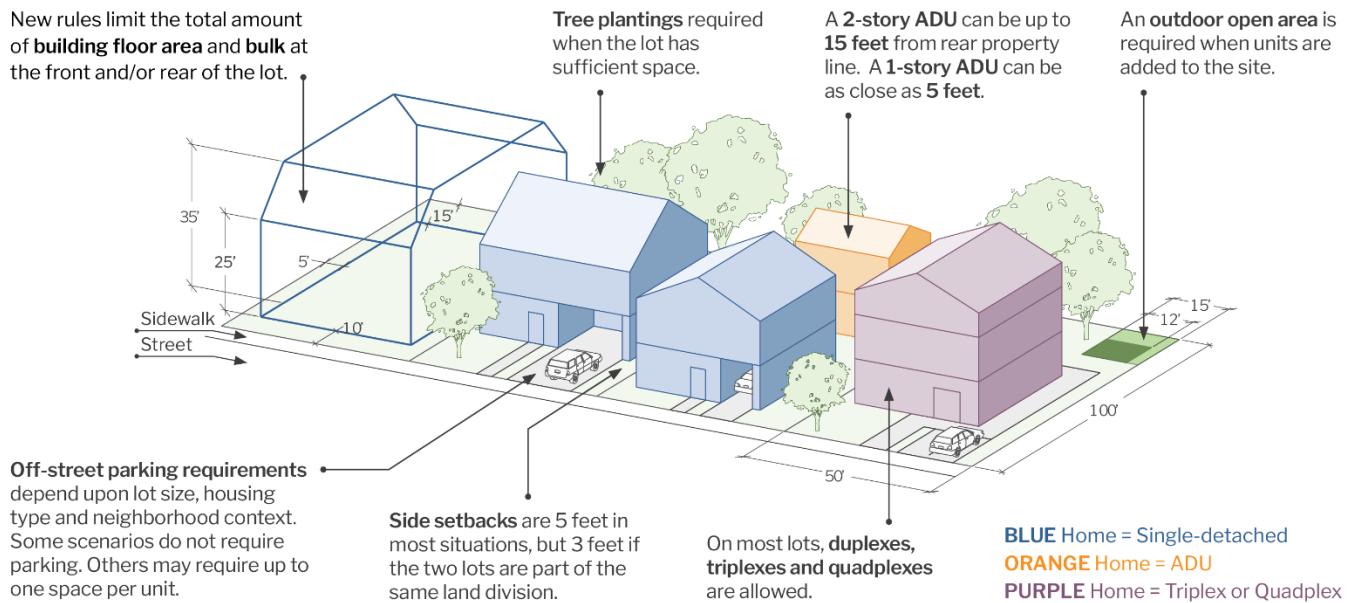
- RMB (same geography as R4 and R5 in the current code): The maximum height at the rear setback is 25 feet. Then the height increases at a 45-degree angle until it hits the 35-foot maximum. This only applies to buildings within 10 feet of the rear setback. Buildings outside that 10 feet can still be the full 35 feet tall.
- RMC (same geography as R7 and R10 in the current code): The maximum height at the front and rear setbacks is 25 feet. Then the height increases at a 45-degree angle until it hits the 35-foot maximum. This only applies to buildings within 10 feet of the front or rear setbacks. Buildings outside that 10 feet in the front and back can still be the full 35 feet tall.

At the same time, the Planning Commission recommended text amendments would reduce front and/or rear setbacks (combined) in the current R5 (10-foot reduction), R7 (17-foot reduction) and R10 (25-foot reduction) zones, which will provide additional buildable area on the lot that either mostly or entirely compensates for the additional height limitations. R4 setbacks were not reduced.

See Figure 1 on the next page for a graphic that shows additional height limitations at the front and back of residential lots in RMC. The same diagram applies to RMB also, except the additional height limitations only apply to the rear portion of the lot.

Additional height limitations do not reduce development potential. Because even with additional height limitations at the front and/or rear of lots, the entire allowed floor area can still be built.

Figure 1. A Look at New Rules for Single-Detached and Middle Housing, including Additional Height Limitations for New Development in RMB and RMC



The height limitations provide some ability to regulate for context while have little to no effect on the maximum buildable area or maximum square footage.

Windows (also known as glazing): The Planning Commission recommended text amendment says a minimum of 15 percent of all street-facing facades include windows or entrance doors and allows half of the window area in an attached garage to count toward the requirement. This requirement was included to help achieve the “community” goal of encouraging interaction among neighbors as well as a way to avoid overly blank walls.

Applicants who believe they cannot meet this standard have two other options.

- The applicant can seek to reduce the percentage to 12 percent through a Type 2 process (notice to nearby property owners and Planning Director discretionary decision regarding whether the application meets the guidelines)
- The applicant can seek a different percentage through a Type 3 process (notice to nearby property owners and a Planning Commission discretionary decision) if they show that the “number, size, and placement of windows shall provide the opportunity for a visual connection between the residential living area of units and the street for units that are near the street.”

June 15, 2022

Beaverton City Council
12725 SW Millikan Way
Beaverton, OR 97005

Re: Housing Options Project – Floor Area Ratios, Building Height, and Glazing

Mayor Beaty and Councilors,

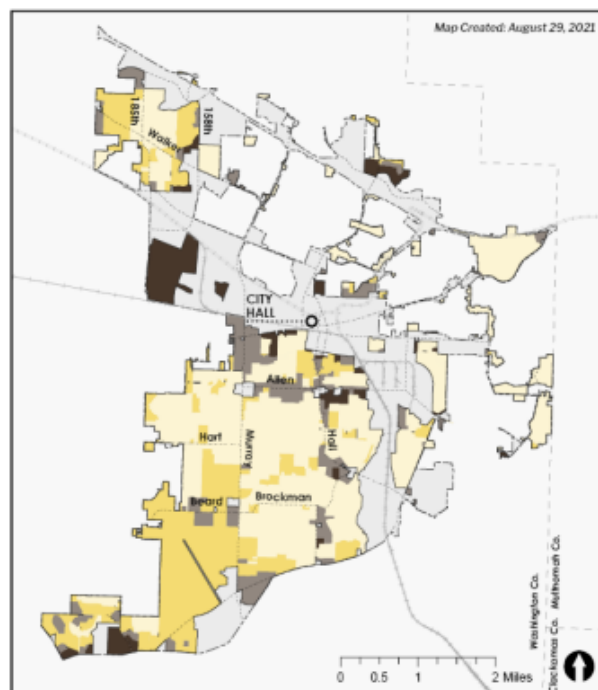
I am very appreciative of all the time and effort that you and your staff have put into the City’s Housing Options Project (HOP). Responding to HB2001 and SB458 has been a huge undertaking for the region. You have decided to take it one step further for Beaverton, and I commend you for that.

I have been working in the residential development and homebuilding industry, here locally, for 25 years. I was involved with the design and construction of 45° Central at the corner of Murray and Jenkins. I sat on the Stakeholder Workgroup for South Cooper Mountain. Through OHBA, I was involved with the initial drafting of HB2001. As a Planning Commissioner I have been intimately involved with Washington County’s middle housing ordinances. Personally, I believe that HB2001 is the most important piece of land use legislation since SB100 in 1973. As such, it is important that we get it right.

My comments herein focus on three building limitations within the HOP, that will discourage the construction of all housing in the proposed RMB and RMC districts. With HOP’s adoption, RMB and RMC will cover the vast majority of Beaverton’s residentially zoned land. RMB and RMC are replacing four existing zoning districts (R4, R5, R7 and R10). As shown in the map below, from the April 29th staff report, RMB and RMC cover most of the City’s residentially zoned ground. This is where the greatest opportunity is found for middle housing, and why we need to be careful about how we regulate it.

Legend

-  **MR** (Multi-unit Residential)
-  **RMA** (Residential Mixed A)
-  **RMB** (Residential Mixed B)
-  **RMC** (Residential Mixed C)



In general, HB2001 does not allow the adoption of new requirements specific to middle housing. Any new requirements must also be applicable to standard detached homes. This was intended to prohibit the adoption of anything that may discourage middle housing. It was never intended to trigger new restrictions on standard detached homes. There are several areas within the HOP, however, where that is in fact the case. New rules were created for standard detached homes so that middle housing could be regulated.

We are obviously looking for the right balance, but the real question is, “Do we want to encourage or discourage middle housing in Beaverton?”. A lot of positive steps have been taken with the HOP, but there are three key areas within the current draft, that I believe will discourage new construction of all housing within the RMB and RMC districts. A description of each is provided below along with some proposed solutions:

- **Maximum Floor Area Ratio (FAR) under 20.05.15, 20.25.10 and 20.25.15**
 - Beaverton has historically allowed setbacks, landscape requirements, and height restrictions to control the size of a residential structure on a lot. Under the HOP, Floor Area Ratios have been applied to all housing, even one detached single-family home. I have been doing some initial project design in the RMB zone and have found the FAR’s to be too restrictive, not resulting in market desirable housing product. This is especially a concern for duplex units with a current FAR of .90. I have heard the same from other builders about the RMC zone and the draft FAR’s for single-detached dwellings and duplexes.
 - The FAR calculation is based on the gross floor area, inclusive of any non-living area found in the garage. Counting the garage area as part of the FAR will discourage the provision of off-street parking in neighborhoods that are being designed at a very high density. Speaking from experience, in dense environments like what you will find with middle housing, parking cannot be an afterthought, it must be part of the plan from day one. Much of Beaverton is very suburban and not well connected to transit. Dense new neighborhoods need adequate parking to avoid overflow problems and neighbor conflicts. When the garage space competes with the amount of livable square footage, the living area will always win, parking will always be sacrificed.
 - None of the single-family housing in 45° Central could meet these FAR requirements.

Solutions – Ideally, eliminate the FAR requirements altogether and let setbacks and landscape requirements control. If the Council does not see that as a viable option, consider a 20% increase to the FAR’s across the board in RMB and RMC, and eliminate the garage space from the FAR calculation.

- **Building Height Limitations under 20.30.10**
 - The City’s current building height maximum in the R4, R5, R7 and R10 districts is 35 feet, which is the lowest height restriction across all of the City’s residential districts. Under the HOP, that requirement will lower. The peak of the structure will remain at 35 feet, but in RMB it is reduced to 25 feet at the rear façade, in RMC it is reduced to 25 feet at both the front and rear facades. This is a significant reduction in building square footage, it will have a major impact on interior design flexibility, and it will limit the

number of bedrooms that you can fit in the upper story. I cannot stress how big of an issue this is, it will unquestionably hamper middle housing design flexibility.

- Few, if any of the single-family homes in 45° Central could meet these height limitations.

Solution – Leave 35' as the maximum building height, don't change it. Eliminate the additional height restriction under 20.30.10. As drafted, it will only discourage new residential construction of all types in the RMB and RMC zones.

- **Glazing Requirements under 60.05.60**

- For the front and rear elevations of two- and three-story homes, meeting a 15% glazing requirement is feasible. On a street facing side-yard elevation, getting to 15% is problematic. The side of the house is almost always the largest wall. Reaching 15% on a 1,000 square foot wall will require nine 4x4 windows. Fitting that number of windows will have a significant negative impact the interior design of the home. It will force windows where they don't belong on the interior just to meet the 15% requirement on the exterior. The result is a choppy design, more expense, and limited flexibility. The same challenge will arise for single-story homes.
- None of the street-side facades in 45° Central could meet the 15% glazing requirement.

Solution – For single-story homes, reduce the glazing requirement to 12.5% and for street-facing side-yard walls on all homes, reduce the glazing requirement to 5%.

HB2001 is about creating more housing options, more housing types, more housing availability, and through market driven supply and demand, more housing affordability. The FAR and building height limitations discussed herein are geared more toward limiting house size than producing more housing. The 15% glazing requirement works, just not on the street-side façade.

Our lack of supply can be almost entirely tied to policy decisions that we and the region have made. We cannot force home prices down by forcing buildings to be smaller. In fact, the opposite will happen. When demand is high, and supply is low, prices rise, regardless of what's being built. Couple that with inflationary pressures on the cost of construction, labor shortages, SDC hikes, extended permitting timelines, added process, a constrained land supply, etc., all of these add to the ultimate price of a home, regardless of its size. Our problem is scarcity. HB2001 was passed to get more housing on the ground because the policies in place today aren't working. Supply and demand forces are totally out of balance. More supply of all housing will help to drive down prices and will take pressure off what has historically been more affordable housing types, also helping to relieve rental market pressures. Let's adopt rules to make it easier for builders to build, not more difficult. That is what I am proposing herein. Thank you for your consideration.

Sincerely,



Matt Wellner
Crandall Group



Home Builders Association
of Metropolitan Portland

June 15, 2022

Beaverton City Council
P.O. Box 4755
Beaverton, OR 97076

By E-mail

Re: Housing Options Project

Dear Mayor Beatty and Council Members,

The Home Builders Association of Metropolitan Portland (the “HBA”) represents over 1400 businesses and tens of thousands of women and men who work in the residential building and remodeling industries throughout the greater Portland area. We are dedicated to maximizing housing choices for all who reside in the region while promoting housing access and availability for everyone.

First, I would like to recognize the time and effort you and staff have put into this project and applaud the many positive changes proposed as part of the Housing Options project.

However, I am also writing today to voice concern with a few issues, recently highlighted by my members. I have heard from builders, especially those who have and continue to build in Beaverton with three specific concerns; FAR to address massing, height limitations and certain glazing requirements.

Maximum Floor Area Ratio (FAR) under 20.05.15, 20.25.10 and 20.25.15

As the experience of our infill builders in Portland highlight, these ratios are problematic and can make some middle housing projects difficult or impossible to finance and build. Combine these requirements with the inclusion of “non-livable” space as part of the calculation and the chance of negative outcomes becomes even more likely.

Although we are fairly late in the process to remove consideration of FAR and continue with Beaverton’s current methods for addressing massing; we ask that you consider that as a viable path forward. If that is not possible, we ask that you consider increasing the FAR ratio by 20% for all housing types and removing “non-livable” space such as garages from the calculation.

Building Height Limitations under 20.30.10

The building height limitation will seriously hamper design flexibility and by extension affect the viability of middle housing projects; either limiting the number of bedrooms or the number of total units on a lot as well as making some projects financially non-viable. Outcomes which are in direct opposition to the intent SB 2001. If you choose to remove the 25 foot front and back height restrictions in the RMB and RMC zones, you will offer more flexibility

in design which will allow more middle housing while still limiting projects to sizes that will fit well in existing neighborhoods.

Glazing Requirements under 60.05.60

While meeting a 15% glazing on the front and rear elevations of two- and three-story homes is possible, meeting a 15% a street facing side-yard elevation poses a problem. The side of the house is almost always the largest wall. Reaching 15% on a 1,000 square foot wall will require nine 4x4 windows. Fitting that number of windows will have a significant negative impact on the interior design of the home. Often It will force windows where they don't belong on the interior just to meet the 15% requirement on the exterior which causes wasted or inefficient use of space. Couple that with FAR and you have a recipe for serious limitation to flexible development of needed housing. We suggest that for single-story homes, reduce the glazing requirement to 12.5% and for street-facing side-yard walls on all homes, reduce the glazing requirement to 5%.

The Portland Metro area is currently at least 60,000 units behind with every year adding to the deficit because we are not building enough to keep up with demand. Every action you take helps address the crisis, whether it is cost containment or creating more units on the same amount of land available, and we worry that some of these requirements and restrictions will cause less housing units to be built and may add cost to those that end up being built. Both are outcomes that are a direct contradiction to the intent of SB 2001 and our region's need for more housing.

Thank you to you and staff for all the good work you are doing do help address the housing crisis we are experiencing; we hope you consider the concerns we outlined here as well as those highlighted by others from the home construction industry.

Sincerely,



Ryan Makinster

Director of Policy and Government Affairs