

Traditional Housing Choices

Guide Book, 2nd edition

Case Studies Memorandum

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City of Madras: Middle Housing and Parking Reform Code Amendments

After amending its code in 2021, Madras saw hundreds of new housing units.

2021 Code Amendments

In 2021, the city adopted middle housing and parking reform code amendments, including Comprehensive Plan and Transportation System Plan amendments. The code amendments followed two earlier strategic moves made by the city: the establishment of urban renewal districts for residential land, and a housing strategy report that identified ways to reduce the cost of home construction. Development code amendments addressed each neighborhood development context—downtown, infill, and greenfield—to support the development of middle housing.

According to Nick Snead, Community Development Director, the code amendments *“took an early 1980s code and put it in the 2020s.”* He continued, *“the entire city is behind it and in line with it. It helps to be a small, nimble city with a small, focused staff and a personal touch. Things don’t get lost into a large organization.”*

As a result of these efforts, Madras is seeing development applications for many more housing units, more affordable housing development, and all types of traditional middle housing.

About eighteen housing projects are in production in the city in 2024. Following is a profile of three of them.

Heights at Yarrow

The Heights at Yarrow is a 144-unit development consisting of cottage cluster development, townhouses, and other middle housing development.

The project was only possible because of the cottage cluster code provisions passed in 2021. City funding

from housing and urban renewal helped the project, and a \$75,000 grant from the state for capital improvements allowed the city to build the whole street. The state funding was part of the governor’s appropriations for local infrastructure through House Bill SB 1530 (2024), which targeted residential housing development in Culver, Madras, Redmond, Warm Springs, and Deschutes County.

The governor’s infrastructure funds meant the development could benefit from street improvements on both sides of the street immediately. Typically, development pays only for half-street improvements. As a result, the cottage cluster and townhouse portions of the development did not have any infrastructure cost.

Rooted Homes and development partner Beam plan to build homes for school district employees nearby.

First, you need a code that supports the housing you want; second, you need an efficient permitting process, and third, infrastructure matters.”

—Nick Snead, AICP, Community Development Director, City of Madras

Age+ Senior housing

Age+ Senior housing is a 24-unit affordable, senior housing project. The project would not have been possible without the middle housing and parking reform code amendments. It was also made

possible by the passage of Senate Bill 1051 (2017), which created a pathway for churches to use their land for affordable housing projects.

Even though HB 2001 did not require it, the code amendments project team wrote a waiver procedure for the director to use in approving creative housing developments. The new waiver procedure allowed director Nick Snead to approve the project. Nick states that the city’s language is more effective than the state’s 2024 legislative session proposed allowance for waivers.

Age+ Project Details

- Multiple duplexes.
- Units are 550 square feet each.
- All have ADA accessibility.
- Units share community center space.
- The development is next to the Jefferson County Community Center, which regularly holds activities and events for seniors.

"I'm super passionate about affordable housing and making it happen in a quick, expedited manner, because there is such a need. My partner in this, Larry Kine, has a heart for and is interested in affordable housing but didn't know how to subsidize it. I did, and so we're a good team and are looking forward to bringing housing to wherever it's needed in Central Oregon."

—Amy Warren, board president of Thistle and Nest, the nonprofit overseeing the project, and owner of Hive Development LLC

Duplexes are factory-built, then transported to the foundation in Madras, expediting construction.

City View

City View will ultimately bring 101 units to east Madras, near City View St. and the Yarrow neighborhood. The project is a partnership between Amy Warren, a nonprofit housing provider, and Larry Kine, a longtime Central Oregon developer. Their combined expertise is less common but could be a powerful new model for housing development.¹

¹ https://www.madraspioneer.com/news/state-program-brings-affordable-housing-units-to-madras/article_a60f38a0-f348-11ed-8fd0-7b16c9b772e1.html

City View Project Details:

Funding support came from the OHCS Lift grant program, a 20-year forgivable, no-interest loan for developers creating permanent affordable housing.

"Affordable housing is obviously needed, especially here as there is not an affordable home ownership program in place. These homes are not stuck in a corner. They're in a nice place, close to schools, community parks, and nice areas, and we're excited to make that possible for people."

—Amy Warren

The initial phase consists of 34 townhouse units with two- and three-bedroom floor plans.

Each home has one shared wall with another unit, a single-car garage, and fenced private space.

One of the plans is an adaptable three-bedroom unit adaptable to multi-generational living. It has an accessible bedroom or bonus room on the first floor and options for a kitchenette and a separate entrance.

Units are between 1,300 and 1,900 square feet in size.

A photograph of a residential neighborhood with houses and trees, overlaid with a large white number '2'. The image is in a blue-tinted color scheme. The houses are two-story structures with gabled roofs and porches. There are several young trees in the foreground and middle ground, some supported by stakes. A concrete walkway leads from the foreground towards the houses. The sky is overcast.

2

BEND CHAMBER
OF COMMERCE WORKFORCE
HOUSING INITIATIVE

Bend Chamber of Commerce Workforce Housing Initiative

The Bend Chamber of Commerce worked with employers and a community land trust to develop workforce housing following passage of HB 2001.

Housing and Worker Shortage in Bend

The housing crisis is acute in Central Oregon—the fastest-growing region in the state—and affects the local economy and residents. Central Oregon’s housing and workforce shortages are closely linked, as in most parts of Oregon. According to Chamber of Commerce President Katy Brooks,

In 2021, the Bend chamber helped promote passage of HB 2001 with letters supporting various housing types, citing how “duplexes, triplexes, and quadplexes will provide economic and environmental efficiencies” and “offers an opportunity to meet our cities’ unique needs.”

To address the housing and workforce shortage, the chamber created the workforce housing initiative with the goal of “connecting with employers and community partners to build more workforce housing as quickly as possible to help alleviate the worker shortage in Bend.”

“Only 8% of the local workforce can afford a home in the area...and to attract and retain employees, 43% of employers reported that they’ve considered subsidizing housing costs by offering land for residential development, buying rental units for their workforce, or offering mortgage and down payment assistance.”

Workforce Housing Initiative

In response to the Workforce Housing Initiative, employers have stepped up to provide homeownership opportunities for their workers. An essential partner in the effort is Rooted Homes Community Land Trust, formerly known as Kôr Community Land Trust.

Most Rooted Homes developments use traditional middle housing: cottage clusters, courtyard apartments, and narrow lot homes. According to the organization’s community land trust mission, these are provided on individual lots for fee-simple homeownership. Developments often include

traditional middle housing rental units by other project partners, making available various housing options and creating mixed-income communities. For example, the Workforce Housing Initiative project Rooted at Simpson (detailed on the next page) encouraged other developers to invest in the area. One such project, 59 garden-style walk-up rental apartments, will add more housing options to the Rooted at Simpson cluster. The result is a complete neighborhood with a variety of housing types and households.

Following is a summary of some of the initiative’s projects, partnerships, and outcomes.

SW Bend Pilot Project

The southwest Bend pilot project resulted from a collaboration between the Bend Chamber of Commerce, a \$100,000 grant from Providence Health Plan, an anonymous donor, and Kôr Land Trust. The groups joined forces to create subsidized workforce housing for Bend businesses. Businesses must offer \$2,500 toward an employee’s closing costs and have a workforce that is more diverse than the current population. Potential homeowners are selected by lottery.

Southwest Bend Pilot Project partners: Bend Chamber of Commerce; Providence Health Plan, and Kôr Community Land Trust (now Rooted Homes).

Rooted at Poplar

Six homes for households earning less than 80% AMI (Area Median Income) and one home for a household

earning up to 120% AMI on Bend's west side.¹

In partnership with the Bend Chamber, Rooted at Poplar piloted a workforce housing program that selected homebuyers using a local employer partner preference approach. This resulted in housing for workers from St. Charles Health System, Regency Pacific Management, and other local businesses.

Rooted at Poplar project details:

- 2-story, 3-bedroom, 2-bath homes.
- One electric bike per household, a transportation option provided by a partnership between Rooted Homes and Pacific Power).
- Community features – shared common area and community gardens.
- Each household pays an average of \$1,500 on their mortgage, 40% less than the average monthly rent of a 3-bedroom home.
- Only \$12/mo. for utility costs due to the net-zero design and solar panels.

Rooted at Poplar Partners: Rooted Homes Community Land Trust; Regency Pacific Management; St. Charles Health System.

Rooted at Simpson

Rooted at Simpson is about 40 single-dwelling homes designed to goal net-zero energy standards. Located at 19755 Simpson Ave in Bend.²

¹ Bend Chamber (2024, January 24). Rooted at Poplar. New Year, New Homeowners Moving In! Retrieved August 17, 2024, from <https://bendchamber.org/housing-in-bend/rooted-at-poplar-new-year-new-homeowners-moving-in/>

² Bend Chamber (2024, August 14). Rooted at Poplar. Rooted at Simpson Housing Lottery Applications Due August 28. Retrieved August 17, 2024, from <https://bendchamber.org/member-announcements/rooted-at-simpson-housing-lottery-applications-due-august-28/>

Rooted at Simpson project details

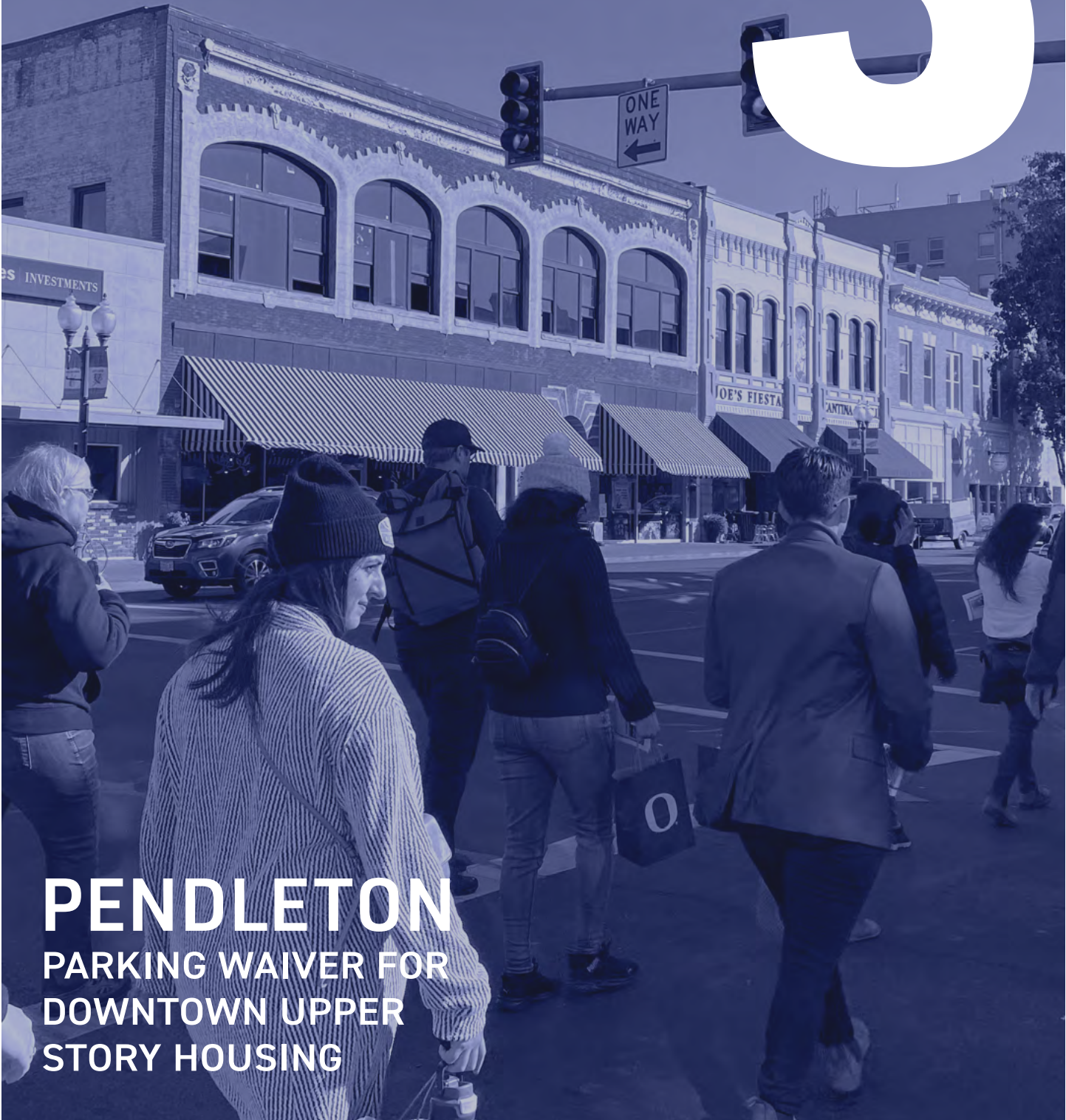
A mix of 2- and 3-bedroom homes clustered in groups of 6 around common courtyards and a mix of detached and duplex units.

- 2-bedroom homes (2 bed, 2 bath, with 1,094 sf).
- 3-bedroom homes (3 bed, 2 bath, with 1,321 sf).
- On-site vehicle parking.
- Electric vehicle charging.
- Covered bike parking.
- Community gardens.
- Open green space.

Tree-lined walking and bike paths and improved sidewalk system from 19755 Simpson Ave.

Rooted at Simpson Partners: Rooted Homes Community Land Trust; land provided by Deschutes County; and employer partners BasX Solutions, Mid Oregon Credit Union, MountainStar Family Relief Nursery, Mosaic Community Health, and St. Charles Health System.

3



PENDLETON
PARKING WAIVER FOR
DOWNTOWN UPPER
STORY HOUSING

Pendleton Parking Waiver for Downtown Upper Story Housing

Pendleton waived downtown parking requirements and saw new residential units above ground floor commercial in several historic buildings.

Managing Downtown Parking

Many of the downtown buildings in Oregon were built before cars existed and are characteristic of buildings of the pre-car era. They occupy the entire lot with no separation or setback. Often city blocks are made up of buildings that run to the edge of the lot and touch the building next door. This results in continuous street wall of shops and upper story rooms.

The historic downtowns, with their multi-story mixed use buildings and traditional neighborhoods, offer a variety of traditional housing types: upper story dwellings over street-level retail or small courtyard cottage apartments. For decades in the 19th and early 20th centuries, such dwellings were popular and served a wide diversity of city dwellers. In the postwar period, which favored suburban development and led to disinvestment in city centers, many dwellings fell into disrepair and neglect. During this same period, cities adopted regulations requiring every building to provide parking on the same site as the building. These parking requirements were written to serve suburban driving habits and made driving to suburban shopping malls easy but had a devastating effect on U.S. downtowns. Zoning codes required that buildings could only be updated or remodeled after providing the required parking.

For example, updating a residential hotel with modern apartments could trigger parking requirements for one or two on-site parking spaces per apartment. However, parking could not be provided on site because many buildings covered most or all of the lot. As a result, the upper stories of buildings remained unused or underused, and buildings were demolished. Many buildings were demolished to make way for parking lots—parking lots created to provide the required parking that historic sites could not accommodate!

For the buildings that still exist today and are suitable for housing, parking reform and parking management plans can bring them back into use again. “Parking reform” refers to development code amendments that eliminate, right-size, or modify suburban parking requirements so they are more appropriate for historic downtown environments. One modification strategy is waiving parking requirements within a designated zone or district.

“Parking management” refers to matching parking supply and demand, rather than simply focusing on creating more supply. Management techniques may include time-limited parking or paid parking zones. Parking management is usually carried out by a downtown business association or city government.

Another parking reform strategy is to “right-size” parking requirements: Instead of employing a one-size-fits-all, “off-the-shelf” parking requirement in the zoning code, develop locally specific rules that consider locals’ parking and driving habits and characteristics of the local physical environment. While the Pendleton zoning code requires one space per dwelling in the downtown zone, most Pendleton renter households own no car or only one car; less than 6% of all Pendleton households have no cars.¹

A further benefit is that historic downtown destinations are a short walk away. Many Pendleton households, particularly renter households, would choose to live in a walkable downtown if more housing options were available.

¹ US Census (n.d.). *Census Reporter. Tenure by Vehicles Available for Umatilla County OR; Hermiston-Pendleton, OR Micro Area Oregon.* https://censusreporter.org/data/table/?table=B25044&geo_ids=16000US4157150&primary_geo_id=16000US4157150#valueType%7Cpercentage

Providing frequent transit service minimizes parking because another mode of transportation is provided. For more information about this topic, see ODOT's Transit and Housing Study.²

Promote Downtown Housing

Because of the parking requirements described above, it is difficult or impossible to create housing in a historic downtown. Even in existing buildings, where living quarters were historically located above commercial space, it is difficult or impossible to remodel, renovate, or update housing.

As a rule, downtown residential development becomes more feasible when any of the following conditions exist:

- There are opportunities for shared parking.
- Curbside or on-street parking can count toward on-site or off-street parking requirements.
- The project can be "surface parked," meaning any parking provided on site, whether required or not, is on the site's surface or tucked under a portion of the building. Structured and underground parking are generally too expensive to construct while maintaining housing affordability.
- The project does not have to provide visitor parking in addition to parking spaces for residents. Instead, visitors are assumed to use on-street and possibly time-limited spaces. Alternatively, if visitor parking is required, on street parking is allowed to count toward required visitor parking.
- If the building is mixed-use, the project does not have to provide commercial parking (e.g., for ground-floor restaurant or shop) in addition to any required residential parking.
- The project does not have to provide more than

² ODOT (2022, September 30). *Oregon Transit and Housing Study*. <https://www.oregon.gov/odot/Planning/Pages/Transit-And-Housing-Study.aspx>. [https://www.oregon.gov/odot/Planning/Documents/ODOT Transit %26 Housing Study Final Report.pdf](https://www.oregon.gov/odot/Planning/Documents/ODOT%20Transit%20Housing%20Study%20Final%20Report.pdf)

one space per dwelling unit; better yet, there is no parking requirement or parking requirements are less than one space per dwelling unit. An overall recommendation is to leave the amount of parking that must be provided for residential development to the developer and their financier to determine. Developers and banks are risk averse and, therefore, conservative in their judgment of how much parking the development must provide to be marketable.

- Include residential parking demand in the development of a downtown shared-use parking strategy.
- Develop and adopt a policy and process to address residential parking in adjacent neighborhoods impacted by parking overflow (e.g., spillover parking) from downtown commercial and residential growth.

What's Up Downtown?

In *What's Up Downtown?*, a Playbook for Activating Oregon's Upper Stories³, a 2022 joint publication by Oregon Main Street, Oregon Parks and Recreation Department, and Oregon Cultural Trust, prepared by the University of Oregon Community Planning Workshop, the report studies 35 Oregon main streets and the barriers and opportunities for their success. In addition to financing sources, one of the most significant perceived and actual barriers is code compliance and the high cost associated with redevelopment. In most Oregon cities, cost and code compliance are intimately linked with parking requirements, which would technically require developers to remodel existing buildings to accommodate parking lots, reducing historic buildings to surface parking lots.

Pendleton's Approach

Unlike most small downtowns in Oregon, Pendleton waives on-site parking requirements within their Central Parking District, which is about 24 blocks of

downtown Pendleton. Residential uses are required only to provide one parking space per unit “within 250 feet of a public building entrance.” The waivers help the city implement their economic development strategy to occupy upper-level main street space and revitalize their downtown.³

According to a local city planner, Julie Chase, “It was recognized that residential uses need a location to park a car, but this location may not be available at the building site because it is also our Historic District with zero lot line construction that Pendleton wants preserved (Main Street especially).”

Pendleton has several public parking lots in the area. The city also allows shared parking agreements, where one owner allows another to use an agreed-upon number of spaces. These agreements are recorded, and the “shared spaces” cannot be used by more than one person unless it is shift parking, e.g., shared by one company in the morning and shared by a resident in the evening.

Over the years, there have been concerns that downtown Pendleton’s housing parking spots were exceeding public parking spots and competing with commercial parking. However, parking counts have found that parking remains ample.⁴

There have been observations that commercial store owners and employees are using spots that might be better set aside for customers indicate the need for a parking management plan. Meanwhile, the city is adding upper story housing to its housing

inventory. The city’s 2023 Housing Strategy stated that the Urban Renewal Program granted monies to convert office space and redevelop upper stories of three buildings in the downtown historic district into residential units, resulting in 46 dwelling units.⁵

³ University of Oregon Institute for Policy Research & Engagement. “What’s up Downtown?” What’s Up DownTown?, Sept. 2022, www.oregon.gov/oprd/OH/Documents/Upper_Story_Report_Final.pdf

⁴ https://www.eastoregonian.com/news/local/pendleton-downtown-parking-still-widely-available-city-studysays/%20article_2174bf60-48d2-11ec-981e-434b71eeb225.html

⁵ CITY OF PENDLETON COMMUNITY DEVELOPMENT DEPARTMENT. Pendleton’s Housing Strategy, 2023. https://pendletonor.gov/sites/default/files/fileattachments/community_development/page/4131/open_house_report_6.8.23.pdf



4

**PORTLAND
FOURPLEXES**

Portland Fourplexes

After adopting middle housing code amendments, Portland saw smaller, less expensive residential units built, many of them fourplexes .

Fourplexes in the Context of HB 2001

A traditional fourplex is four units inside one structure on a single lot. Usually, each unit has its own entry. HB 2001 calls this housing type quadplexes and considers it an essential middle housing type. The HB 2001 Model Code¹ defines quadplexes as four units on a single lot. OAR 660-046-0200 allows many different configurations to be adopted by cities: detached, attached, stacked, single-level, or a combination (see Figure 1).

While HB 2001 called this housing type “quadplexes,” the traditional term fourplexes is also commonly used. Portland Residential Infill Project (RIP) uses the term fourplex, therefore the term fourplex will be used for this memo about Portland’s experience.

Fourplex Considerations

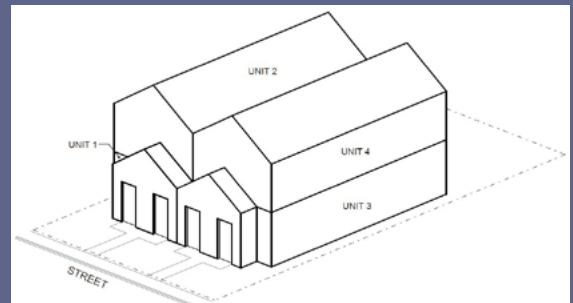
Tenure arrangements for fourplexes:

- Homeownership – Fourplex units may be owned if they are condominiumized or take advantage of a middle housing land division.²
- Rented – Fourplex units may be rented. A common arrangement is the property owner resides offsite (e.g., is absentee) and rents all units.
- Rented and owner-occupied combination – The property owner lives in one unit and rents out the other three. This arrangement has traditionally been less common.

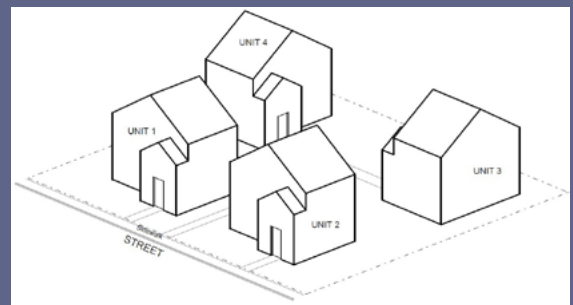
1 “Middle Housing Model Code.” Housing Choice. Department of Land Conservation and Development (DLCD) Housing Program, <https://www.oregon.gov/lcd/housing/pages/choice.aspx#:~:text=In%20the%202021%20Legislative%20Session,divisions%20through%20an%20expedited%20process.>

2 “Middle Housing Land Divisions.” Housing Choice. Department of Land Conservation and Development (DLCD) Housing Program, <https://www.oregon.gov/lcd/housing/pages/choice.aspx>.

Figure 1 - HB 2001 MODEL CODE TERMS AND MODEL CODE GRAPHICS



Quadplexes, stacked



Quadplexes, detached

Land Division

SB 458 (expedited middle housing land division) permits the subdivision of the parent parcel into multiple middle housing lots for individual homeownership. Most cities, including Portland, require that fourplexes be arranged side-by-side or detached, not stacked, to be eligible for middle housing land division.

Portland RIP provisions specifically state: “Middle Housing Land Divisions are allowed for sites with fourplexes only. Development must be proposed as side-by-side meeting the townhouse building code.”³

Building Code

A quadplex consisting of stacked units will trigger specific building code requirements. For example, in Portland, converting a house or duplex to three or more units may trigger the commercial building code, which has different requirements than the residential code. Commercial code requirements include sprinkler systems and increased fire rating of walls. Additionally, a seismic upgrade may be required if a conversion project results in a change of occupancy from a house or duplex to 3 or more units.⁴ Additional construction requirements can hinder the development of fourplexes. Many cities, including Portland, offer a building code appeal process.

Affordability

Housing researchers predict that fourplexes are

³ “Triplex and Fourplex (Three or Four Dwelling Units).” *Residential Infill Options*. Portland.gov, <https://www.portland.gov/ppd/residential-infill/residential-infill-options#toc-triplex-and-fourplex-three-or-four-dwelling-units>.

⁴ “Residential Infill - Conversions and the Building Code.” *Permitting & Development*. Portland.gov, <https://www.portland.gov/ppd/residential-infill/conversions-and-building-code>.

more affordable due to their land efficiency and lower construction cost.

In 2020, on the eve of RIP adoption, Sightline wrote an article about fourplexes, advocating that, among all the middle housing types, fourplexes would help solve the housing crisis faster than other middle housing types because (among other things), they would save people money, act as a “force multiplier” for affordable housing nonprofits, and the Floor Area (FAR) give-back would incentivize and accelerate market-rate home development.⁵

Portland's First Year After RIP

In 2023, one year after the Portland Residential Infill Project (RIP) went into effect, the city commissioned a study to evaluate development outcomes.⁶ Findings regarding fourplexes are particularly interesting and may support some of Sightline's predictions:

- Excluding Accessory Dwelling Units (ADUs), middle housing accounts for 73% of the 373 units permitted in the city's first year, and fourplex units comprised 76% of all middle housing units built in Portland's R2.5, R5, and R7 zones.
- Fourplexes comprised the largest share of middle housing units permitted (76%), followed by duplexes at 13%, triplexes at 10%, and six-plex units at 1%.

⁵ Anderson, Michael. “5 Reasons Portland's Fourplex Legalization Would Be a Big Deal.” *Legalizing Inexpensive Housing*. Sightline Institute, January 5, 2020. <https://www.sightline.org/2020/01/15/5-reasons-portlands-fourplex-legalization-would-be-a-big-deal/>.

⁶ “New Study Shows Promising Housing Production Results from the Residential Infill Project (RIP).” *Residential Infill Project News*. Portland.gov, July 5, 2023. <https://www.portland.gov/bps/planning/rip/news/2023/7/5/new-study-shows-promising-housing-production-results-residential#:~:text=%2F%20News-New%20study%20shows%20promising%20housing%20production,the%20Residential%20Infill>.

The study looked at new homes built in the four years before RIP and compared those with the first year of homes post-RIP. The study found:

- New homes built in the first year after RIP went into effect were generally smaller and more affordable than homes built pre-RIP, and
- The 271 permitted middle housing units were built on just 81 lots, more than double the rate for pre-RIP single-dwelling construction.

Given these two findings, combined with the fact that the largest share of housing built post-RIP is fourplexes, many believe fourplexes positively contribute to housing affordability challenges and state land efficiency goals.

Other notable findings about Portland post-RIP traditional middle housing:

- Middle housing is a more efficient use of land than houses, achieving 3.4 units versus 1.2 units per lot.
- More than 99% of middle housing units had two or more bedrooms, and 24% had three or more bedrooms, offering more choices and flexibility for growing or multi-generational households.
- ADUs remain a significant part of the housing mix, equaling middle housing unit production.
- When newer homes that met RIP's adopted floor area size limitations were compared to larger homes built before RIP, these smaller homes were, on average, \$117,000 less expensive.