

Appendix A

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MCMINNVILLE CITY CENTER HOUSING STRATEGY (CCHS)

Findings from Project Advisory Committee (PAC) and focus groups

Description

As part of Task 1.2 Existing Conditions Analysis, the consultant team held a series of listening sessions to hear directly from the community. Three focus groups made up of policy makers, developers and property owners, were held between May 15 and 22nd, 2019. The first PAC was also held on May 22nd.

This document highlights key findings from those meetings, organized by theme.

Big Picture

- Housing in the City Center needs to address the full spectrum of need from very low income to high income. The draft HNA from May estimates the future need for housing as the following:
 - Twenty-two percent of McMinnville's future households will have incomes at or below 50% of McMinnville's median household income (MHI). Thirty-six percent will have incomes between 50% and 120% of McMinnville's MHI. Forty-one percent will have incomes greater than 120% of McMinnville's MHI.
- There is strong interest in retaining the historic fabric of the downtown, specifically on 3rd street. Historically there were apartments above retail in the city center and, while there is an interest in this type, it will be the most expensive model because of the expense of renovating and bringing buildings into compliance with current building codes and infrastructure needs, including sprinklers, seismic upgrades, and ADA accessibility.
- Consider an expansion of the study area to the north from 9th to 12th street. This area is zoned R3 and has the potential for smaller-scale infill development in the form of ADUs or converting single dwellings into plexes.
- Infill development will represent a much smaller percentage of development that's possible, roughly 8%. While infill is important, all of the housing need in this community can't be addressed through infill.
- Part of the effort is about communicating the housing need
 - Comments from the PAC: We haven't told our story well enough within the community for people to understand how much we need this housing. The story needs to be crafted around a need within this community. When people see several projects take off with success, there will be more openness. Communication and education are key to promoting the kind of high-density housing that we want to see. People have an image when you say "high density" that is unlikely to be the type of development we're talking about.
- Connect to the Great Neighborhood Principles
 - We have an opportunity to plan those areas and make them beautiful and livable for the full spectrum of needs. We need to link into the Great Neighborhood Principles, that's part of our story

Barriers and Challenges to Housing in the City Center

- Market rate housing doesn't support financing. It's close but not quite there.
- McMinnville has a limited pool of developers with experience on larger projects
- Utilities, landscaping, building code issues, sprinklers, seismic upgrades are all barriers
- Short term rental projects are succeeding in lieu of long-term housing
 - Comments from the policy maker focus group: The City's hotels and short-term rentals have exploded recently, probably tripled in the past 5 years, because they are high income projects. The City has lost almost all of its downtown apartment housing and affordable housing. Many apartments have been converted into short term rentals.

- Parking Requirements are a burden
- Comments from the developer focus group:
 - Parking constraints are a big issue. People with high-end condos want a parking spot. Need to be able to deliver some parking per unit, but not what is required now.
 - Projects would be bigger (have more units) and better landscaped without all the parking requirements. For the 8-plex, 16 spaces were required. If you are in a downtown area with services, there isn't as much of a need for parking.
 - Relax parking requirements
- Property inventory is a challenge
 - Finding a decent sized available lot at the right price.

Incentives

- Maintenance of existing buildings is a disincentive.
 - Comments from the PAC: There are a number of older apartments downtown that aren't habitable because they're in disrepair and the cost of bringing them up to code would be too great. The incentive in that case is actually demolition because it's cheaper than dealing with retrofitting for seismic and fire requirements.
- An inclusionary zoning bill, if passed, will apply to smaller developments in McMinnville.
 - HB 2997 is going through the Senate. If it is passed, McMinnville will be able to implement a pilot program. The current threshold for inclusionary zoning is greater than 20 units and this would permit inclusionary zoning for projects with less than 20 units.
- Waiving SDC charges for affordable ADUs is one strategy.
 - Comments from the PAC and focus groups: There's a real opportunity to densify the downtown core on some of these single-family residential neighborhoods, with the addition of ADUs. We might need to consider ways to incentivize the affordability of ADUs and making sure they aren't all going to short term rentals. Waiving SDC charges is a start. But how to we enforce that the ADU's are affordable? There could be a covenant against the property, make it part of the title. This could put a limit on rent cost and could require a certain number of years.
- Public / private partnership could be a good model for a large-scale project
- Extend the downtown parking zone where parking requirements are waived or halved.
- Incentives should be available for all and maybe targeted to attract those different populations. Consider levels of different incentives such as:
 - Managing downtown parking
 - Shared parking
 - SDC relief
 - Grants (URA gap funding)
 - Working with the County, property tax relief or deferred property taxes
- Incentives to divide existing buildings rather than tear down and build new

Other

- Target legacy property owners who aren't interested in a quick return and understand the value of giving back to their community.
 - If you can engage people to active project partners though land dedication as equity. The graying demographic is interested in legacy asset that generates income. There are property owners who have paid off their land and would view a development partnership as a legacy to the community.
- The ability to do micro retail (10x150, park the underground and build on top. Retain the character and avoid all the 3 over 1 homogenous development.

Opportunity Sites / Pilot Projects

Suggestions from PAC and focus group participants:

- Publicly owned properties:
 - The City did an evaluation of its structures earlier this year. There are a number of buildings that value is less than investment to repair. The next step is to analyze how services are deployed. Where do we want and need services in the community? There's an option to consolidate some of the single-story buildings into one central location. This could free up some space for opportunity sites.
- Top recommended City-owned sites:
 - Fire Station (needs seismic upgrade and will soon be too small to serve the need)
 - Community Center (major remodel)
- Other City-owned sites:
 - City Hall
 - Aquatic Center
- NE Gateway District
 - The zone permits multi-family and more dense development. There are many sites in Gateway that are being used for single-level storage units. Great opportunity to consider some bigger projects.
 - One of the major projects or tests for this project should be a partnership with City, Urban Renewal, and housing authority. In the Gateway district or downtown.
 - The northern end (near 11th Ave) was identified in earlier NE Gateway planning processes because there are several sites without anything on them. Concentrated housing. Could be a catalyst.
- Empty field owned by St. James Church.
- Building on top of parking structure
- County buildings (between 4th and 7th) consolidation to free up some of that land.
- Post office
- Car dealership in the city center.
- News Register building
- Empty field at the School District main offices
- Yamhill County planning department building