

## Appendix C

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**Subject** McMinnville City Center Policy Analysis

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## MCMINNVILLE CITY CENTER POLICY ANALYSIS SUMMARY

### Introduction

As part of Task 1.2 Existing Conditions Analysis, the consultant team performed an analysis of existing policy documents. Taken together these documents are the policy context guiding the development of the city center. They address land use, transportation, urban design, market analysis, financing tools, and housing policies. This document highlights key findings from each document in support of housing in the central city; where found, we note support for proposed regulatory and non-regulatory strategies in the CCHS.

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Introduction (this memo)

- Inventory of documents reviewed/analyzed
- Policy Analysis (summary of documents highlighting relevance to City Center Housing Strategy)

### Inventory of Documents

The following documents provided by the city were analyzed:

- Downtown Improvement Plan (2000)
- Transportation Systems Plan (2010)
- Northeast Gateway Plan (2012)
- Northeast Gateway Planned Development Overlay (2013)
- Urban Renewal Plan (2013)
- Alpine Avenue Streetscape Plan (2015)
- Downtown Strategic Parking Management Plan (2018)
- Three Mile Lane Area Plan – Market Analysis, (2019)
- Draft Housing Needs Analysis/Buildable Land Inventory/Housing Strategy (2019)

### Policy Analysis

Following is the policy analysis of the documents listed in the inventory above.

#### Downtown Improvement Plan

- Important policy document establishing vision and plan for economic, social, and physical success of downtown.
- High quality of character of downtown should serve as design basis for new development.
- Characterizes different zones within downtown including central spine along NE 3<sup>rd</sup>; 2<sup>nd</sup> Street parking supporting downtown businesses lacking other uses; NE 4<sup>th</sup> Street mix of buildings cohesive in appearance; and NE 5<sup>th</sup> Street seam between downtown and neighborhood to the north. NE Evan and Davis Streets are important north-south corridors.
- Support for improvements to NE Adams and Baker Street so they function more like downtown streets. Encourage retaining/adaptively reusing existing buildings (despite associated cost/difficulties) and constructing new buildings

that respect existing architectural context and patterns. Support for development of housing to support existing and new downtown businesses and add vitality.

- Notes importance of partnering with Yamhill County to cooperatively plan for future.

### **Transportation Systems Plan**

- Comprehensive transportation plan to accommodate growth, facilitate traffic movement, and reduce pollution. Established policy from 2003 – 2023.
- Recognizes importance of 99, NE Lafayette Ave, and NE 3<sup>rd</sup> Street within the overall network. Raises concern from traffic mobility perspective of east-west traffic movement. Advocates for “complete streets” with addition of bike lanes/facilities, sidewalks, curb ramps, etc.
- Identifies upgrades for crossing enhancements at NE Adams and Baker and along NE 5<sup>th</sup> Street to address safety, reduce traffic delay, and improve pedestrian/bicycle mobility. Notes critical role Adams and Baker play in traffic in and around downtown. NE Lafayette Avenue major north-south connector.
- Advocates for street, pedestrian, and bicycle-pedestrian network contributing to system of fully connected, interesting routes that discourage high speed traffic. This type of network would support future residential development downtown.
- NE 2nd Street is identified as major collector through downtown with traffic regularly backing up in the PM peak hour, which may impact residential uses along this road and/or shape which housing types to use.

### **Northeast Gateway Plan**

- Redevelopment plan for 75-acre NE Gateway District to shift from underutilized historic industrial core to mixed-use, pedestrian-oriented neighborhood.
- Historic buildings found in district support character of city center. Completing street grid will re-connect district to the city center. Advocate for upgrades to NE Lafayette Avenue to improve pedestrian experience.
- Existing creative mixed-use development evidence of potential for area to develop into unique and desirable live/work neighborhood.
- Vision supportive of residential uses in district with wide variety of housing types broken down by sub-district. Housing types may include rowhouses; condominiums; apartments with ground-floor commercial; attached/upper story housing above commercial, retail, or employment; and continuation of existing single-detached dwellings.
- Anticipated 1-2 pioneering housing projects near city center with up to 20 units of housing in one or two multi-family housing developments. 350 total units envisioned long-term between 2015 and 2025.
- Policy support for shared parking approach throughout district.

### **Northeast Gateway Planned Development Overlay**

- Zoning amendments adopted to implement Northeast Gateway Plan and designate district in Comprehensive Plan. Intent is to guide transition of industrial area to mixed-use neighborhood.
- Planned Development Overlay (PDO) retains R-2 and R-4 zoning and most of C-3 zoning. Introduces C-3 and M-L zones. Establishes three sub-areas that overlay zones (mixed-use residential, mixed-use employment, mixed-use commercial). Amends use standards to allow for complementary mix of uses including residential, employment, cultural/tourism, and neighborhood-services.
- Support for introduction of different housing types including live-work units and more urban development standards including reduced front setbacks and reducing parking standards.

### **Urban Renewal Plan**

- Policy tool to establish tax increment financing supportive of redevelopment of city center and NE Gateway District.
- Maximum indebtedness of \$30,000,000 anticipated over twenty-five years.

- Urban renewal area does not include county properties along 4th Ave.
- Promotes development of affordable, high-quality housing and residential development pattern that is compact and energy efficient. Cites financial and technical assistance for infrastructure development that will encourage the development of housing in central city and NE Gateway District.
- Established package of low-interest loan and grant programs for redevelopment and gap financing for new construction or substantial rehabilitation projects. Key source of funding for projects that promote development of housing and strengthen downtown core and NE Gateway District.
- Identified infrastructure projects include: Alpine Avenue design and reconstruction, NE 3rd Street streetscape and district identity improvements, design and reconfiguration of Adams/Baker couplet, design and reconfiguration of NE 5th Street, NE 1st and 2nd Street improvements, NE Lafayette Avenue beautification and safety improvements, and provision of additional public parking facilities to accommodate increase in demand for off-street parking.

### **Alpine Avenue Streetscape Plan**

- Established urban design vision for Alpine Avenue project stemming from Northeast Gateway Plan.
- Alpine Avenue is envisioned as a central spine to the district and primary pedestrian route through the district and connecting to downtown. Unique design for “festival street” complements craft workshop atmosphere.
- Construction completed in April 2018.
- Plan seeks to integrate Alpine Avenue to downtown; support for housing development supportive of downtown vision that responds to creative/working character of NE Gateway District.

### **Downtown Strategic Parking Management Plan**

- Parking study for on- and off-street systems and policy recommendations for parking management downtown.
- Goal for parking is to balance needs of development and growth with historic character and charm of downtown.
- On-street parking facilities: 28%; off-street parking facilities: 72%.
- Downtown core (between 1st and 5th and Adams and railroad tracks) has thirty-five block faces that see high use (85% or more), which creates a sense of constraint for users. However, overall there is abundant parking with significant capacity to absorb new trips.
- Off-street parking facilities (including public garage) only see moderate use with peak occupancies of less than 60%. The majority of off-street parking (79%) is private.
- Recommended actions include establishing working group; expanding 2-hour parking limit stalls; upgrading on-street parking and signage; exploring options for valet and overnight opportunities for surplus in city garage; formation of residential parking permit zones in neighborhoods adjacent to downtown.
- Innovations include fee-in-lieu program for new development and/or mixed-use projects that sell or lease back portion of parking as public.
- District-wide parking management strategy supports potential reductions in off-street parking requirements.
- Advocates clarifying existing code guidelines for shared parking to encourage greater shared use.

### **Three Mile Lane Area Plan Market Analysis**

- Most recent market analysis of housing market in McMinnville.
- Significant growth in Mid-Valley region translates into strong demand for housing growth (both single-units and multi-unit).
- Majority of new development in McMinnville has clustered around western and northern edges.
- Single-family market is tight with very little inventory, particularly products below \$400,000. Recent development has primarily been multi-family given pent-up demand. Primary inventory has been “workforce housing” with no high-end projects.

- Existing rents are relatively low and construction costs continue to rise, making it challenging to attract prominent multi-family developers.
- Identified low-rise rental apartments and multi-plexes as likely primary building types due to relatively weak market characteristics. Urban garden apartments (which include tuck-under parking and sometimes ground-floor retail) may be feasible in the mid- and long-terms. Wrap and mid-rise projects are only likely to be feasible after significant “place-making” improvements have been made, and/or if the market changes. Confirm with EcoNW if this finding is applicable for central city area as well.

### **Draft Housing Needs Analysis/Buildable Land Inventory/Housing Strategy**

- Comprehensive housing policy and action plan addressing 5-, 10-, 20-, and 46-year periods informing updates to Housing Element of Comprehensive Plan and Zoning Ordinances.
- Identifies both immediate housing needs and long-term strategies.
- Housing Needs Analysis (HNA) identified *need for 4,424 units (211 annually)*
  - 55% Single-family detached (detached units including cottage clusters, manufactured homes on lots and in mobile home parks, and ADUs) – 2,433 units
  - 12% Single-family attached (townhomes and row houses)– 531 units
  - 33% Multi-family (plexes, and apartments with more than 5 units) – 1,460 units
- Housing mix has stayed static since 2000. Nearly all homeowners and a third of all renters live in single-family detached housing, indicating that they may lack other ownership options.
- Nationwide trends indicate a move in the direction of smaller units and more diverse housing types.
- Housing price is the most important factor in housing choice.
- There’s a deficit in both housing affordable to households earning between \$10,000 and \$25,000 (50% AMI) and for households earning more than \$100,000 (120% AMI). Outcome is lower income households purchasing housing that makes them cost-burdened and higher income households purchasing less housing than they can afford exerting pressure on middle-income housing market.
- Market research indicates while there is high demand for housing, few affordable or multi-dwelling projects are being constructed as they are not financially feasible. Given lower median household income and higher than national construction costs, additional measures may be needed to bridge the gap.
- Policy support for providing household choice that lets households have a range of options that allow them to make decisions based on preferences and needs. Recommend planning for the opportunity/flexibility to achieve densities and affordability that come from range of housing as opposed to planning for a specific mix of housing types.