McMinnville City Center Housing Strategy

FINAL DRAFT

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Part One
Introduction and Vision

Project Purpose

The purpose of this document is to create a clear path forward for the city to achieve its goals for desired housing in the city center. It seeks to:

- Identify desired housing types appropriate to the city center context that meet needs across the income spectrum.
- Evaluate existing development code and policy documents to determine barriers to housing.
- Analyze existing housing market conditions and development forecast including market conditions, housing stock, property values, and development costs to evaluate opportunities for city center housing.
- Formulate two pilot projects on specific opportunity sites that could serve as catalysts for continuing the revitalization of downtown, including side streets and the NE Gateway District.
- Synthesize findings into a creative and straightforward implementation strategy.
- Create design and development standards to encourage desired housing types and ensure housing in the city center is compatible with existing character.

The work contained within this document culminates in an action plan that identifies specific steps the City of McMinnville and partner agencies can take to increase housing in the city center. This strategy explores both traditional and non-traditional solutions including policies, comprehensive plan amendments, code amendments, capitol projects, programs, and financial incentives. Collectively these actions create a clear path forward, grounded in the existing strengths of the city beloved by its residents.

Remove barriers to desired housing in city center	Provide incentives and support to desired development
Improve street character, connections, and walkability	Align enforcement and programming efforts with City Center Housing Strategy

Project Purpose

Background

As the Willamette Valley continues its growth in population, towns throughout the region are experiencing the flip side of expansion; as housing supply can't keep up with demand, prices are rising. McMinnville is proactively seeking to identify how the city can absorb and foster housing, including infill and higher density housing in the city center, while maintaining its existing quality of life and complementing its unique sense of place. Given average median incomes and the cost of construction, this is a challenge.

Over the course of 12 months beginning in March of 2019, city planning staff and a project advisory committee (PAC) worked collaboratively on developing the Central City Housing Strategy (CCHS). Objectives include:

- Identify traits and unique characteristics of McMinnville to capture in recommendations
- Describe and detail desired housing types the city would like to encourage
- Conceptualize housing across the income spectrum
- Determine the market for these housing types and potential costs to developers
- Prioritize most effective amendments to encourage development
- Evaluate financial impact of proposed code changes
- Identify funding gaps and potential solutions to bridge
- Build excitement and capacity with local developers to advocate for these housing types

Over the course of three overlapping phases, the project team addressed these objectives. During Phase 1 (Existing Conditions Analysis and Synthesis), the consultant team analyzed city policies, zoning, building code requirements, market studies, and recent development applications to identify barriers to development of desired housing types. The consultant team, in close coordination with city staff and the PAC, identified several opportunity sites on which to test the physical and financial feasibility of different forms of residential development.

Shifting to Phase 2 (Recommended Strategies and Prioritization), findings from Phase 1 were synthesized into a matrix of proposed housing types and prototypical sites. The consultant team took several of the proposed housing types and quantified their development potential in numbers of dwelling units, square footage, and number of parking spaces. Using three-dimensional graphic models

and financial feasibility tests, or pro formas, the consultant team measured the financial feasibility, affordability, and resulting building design against project objectives. These opportunities were then analyzed to better understand the financial impacts of regulatory barriers and identify the most effective zoning code changes.

During Phase 3 (Plan Development and Refinement) lessons learned were translated into an implementation strategy. This document summarizes these work products.

Community Engagement

Several groups have informed this work, providing feedback at critical junctures. The project advisory committee (PAC) is made up of members of the community including a number of representatives from the McMinnville Urban Renewal Advisory Committee (MURAC). Three PAC meetings were held over the course of the project, where members reviewed project findings and gave their feedback. The schedule below shows the overall project timeline and PAC involvement.

In addition to the PAC meetings, a series of focus groups were held at the beginning of the project. The consultant team and city staff met with developers, policy makers, and property owners to better understand the unique perspectives of housing from each group. Specific feedback from these meetings can be found on page 13 as well as part of Appendix A, PAC and Focus Group Findings.

Document Organization

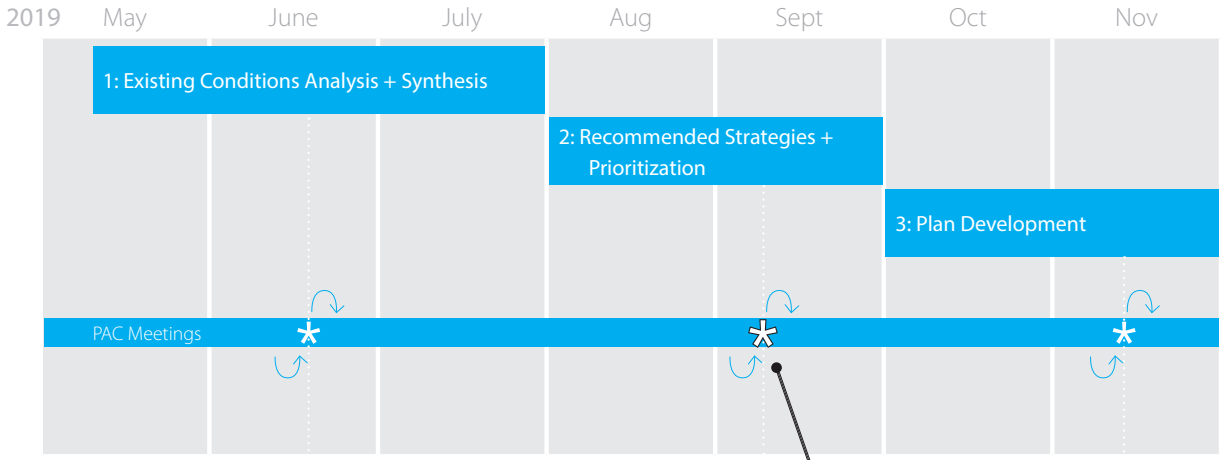
The document is organized into two parts.

Part One (Introduction and Vision) contains the following:

- Overview of the project including the purpose, study area boundary, and community engagement.
- City's existing vision and goals around housing, historical context of McMinnville, housing need, and policy context around housing.
- Summary of input from focus groups and project advisory committee (PAC) meetings.

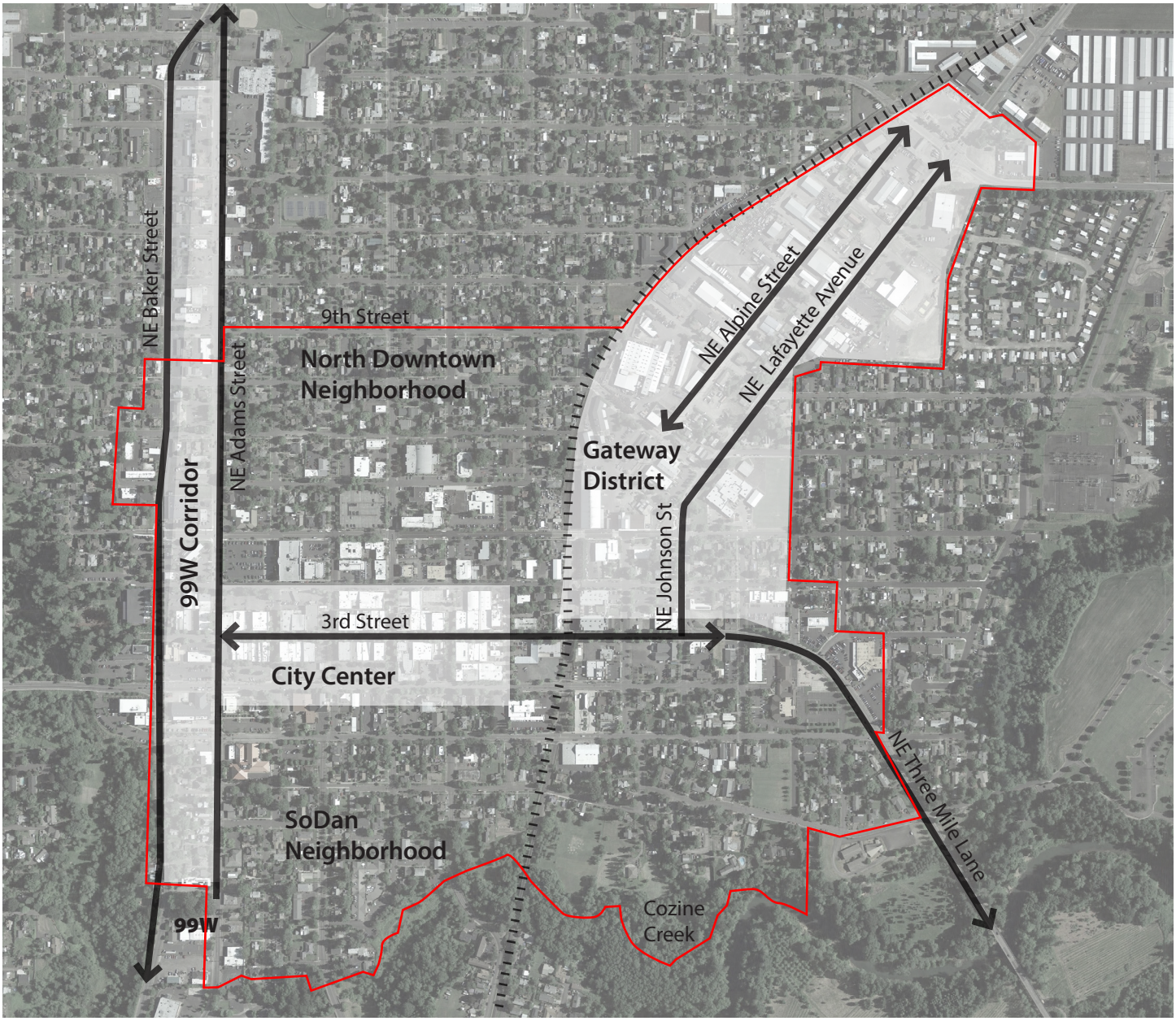
Part Two (Strategy) contains the following:

- Overview of steps to the action plan.
- Housing types envisioned for the city center and an overview of the different downtown context areas.
- Overview of financial feasibility tests and outcomes.
- Overview of two selected pilot projects.
- Summary of regulatory and non-regulatory barriers.
- Recommended actions for achieving the desired housing in the city center, including an action plan with regulatory and non-regulatory steps.



Project schedule

Feedback loop of PAC input at critical points during each phase.



City Center Study Area Boundary

The study area boundary for the Central City Housing Strategy is indicated in the map above (in red). While it contains the McMinnville Urban Renewal District (UR), its area extends outside the UR boundary. To the west the study area is bounded by the SE Adams/Baker couplet. To the south, the study area is bounded by Cozine Creek and the Yamhill River and encapsulates the SoDan neighborhood south of the city center. To the east, the study area roughly follows NE Lafayette Ave, extending to blocks to the east of this primary corridor in order to include the important intersection of NE Johnson Street and NE 3rd Street and the parcels containing St. James Catholic Church. The northern edge of the study area extends along NE Lafayette Ave and the railroad to capture the NE Gateway District and then along NE 9th Street encompassing the residential and commercial uses north of downtown.

Strong Vision for Housing

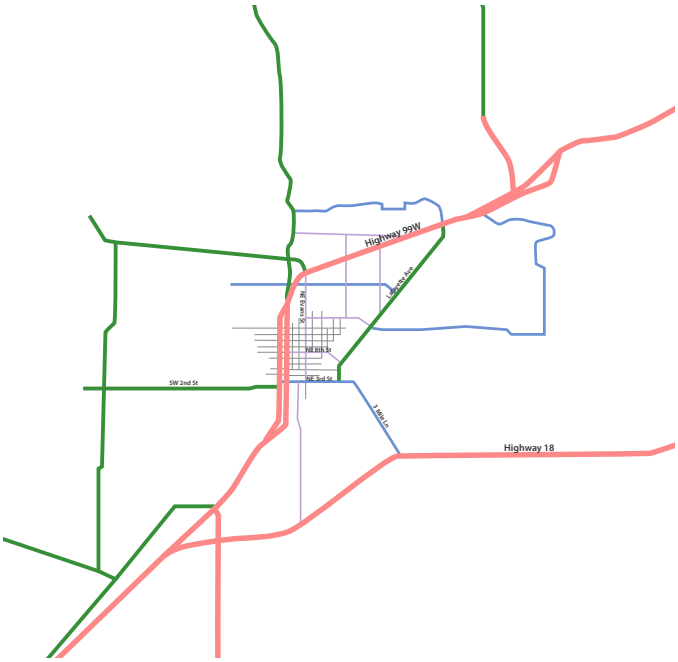
McMinnville has a clear vision for housing that is decades in the making. A robust and comprehensive set of policy documents bolster this vision. Together, these represent a clear direction, and the city center is an important component of that vision and direction. Building off its history, downtown is a logical location to accommodate growth. Supported by complete streets, transit infrastructure, and a range of uses, the city center presents a key opportunity to increase housing while diversifying types.

Historical Context

Founded as part of the stream of settlers traveling the Oregon Trail, McMinnville has a deep and rich history evident in the character of its central city. Beginning in 1844 with a claim from John Baker, McMinnville was located for agricultural production. Kalapuyan tribes, devastated by outbreaks of disease transmitted by European settlers, left the rich alluvial plains largely uninhabited. Additionally the Kalapuyan tribes had already cleared stands of trees, following a practice of seasonal burns. Other settlers followed John Baker, claiming large, plow-ready plots of land. The first homes and mills were built to support agriculture in the early 1850s as a small business district grew along 3rd Street. Early in its development, McMinnville's downtown was established as the central focus of the growing city.

Officially incorporated in 1876, McMinnville continued to grow. The establishment of a rail connection in 1880 and construction of additional grist mills attracted new residents. By 1894 the business district was taking shape, with brick buildings replacing earlier wooden structures and sidewalks laid down. Many of the iconic buildings found downtown today were built during the period spanning from the 1880s through the 1910s; these include the National Bank building, the Schilling Building, the Masonic Building, the Campbell Building, Hotel Elberton, Cooks Hotel, the Union Block Building, and the Wright Building among others. These brick buildings framed 3rd Street, establishing the street wall and rich detailed character evident today. A vibrant mix of uses located downtown, filling out the 200-foot by 200-foot block structure. An industrial district continued to grow alongside downtown. Mills and workers' cottages lined the Southern Pacific Railway extension. Today these buildings define the NE Gateway District.

Historically, residential uses were integrated with commercial uses; downtown shopkeepers lived above their stores while residents living in boarding houses and hotels were within easy walking distance of their jobs; small workers' cottages were built alongside mills. Detached single-dwelling residences sprouted up north and south of downtown, following the same 200 x 220 block pattern. Victorian and Queen Anne homes were built on large lots, set back from the street, framed by large open lawns and comfortable, tree-lined streets. These historic homes account for much of the current character of McMinnville's residential development. Only one historic example of a multi-dwelling can be found at 507 NE Davis Street; several older homes have since been converted into duplexes and triplexes. To house the post-WWII growth in population, more residential development arrived in the form of detached single-dwellings on smaller lots. These contemporary and ranch style homes can be found north and south of downtown.

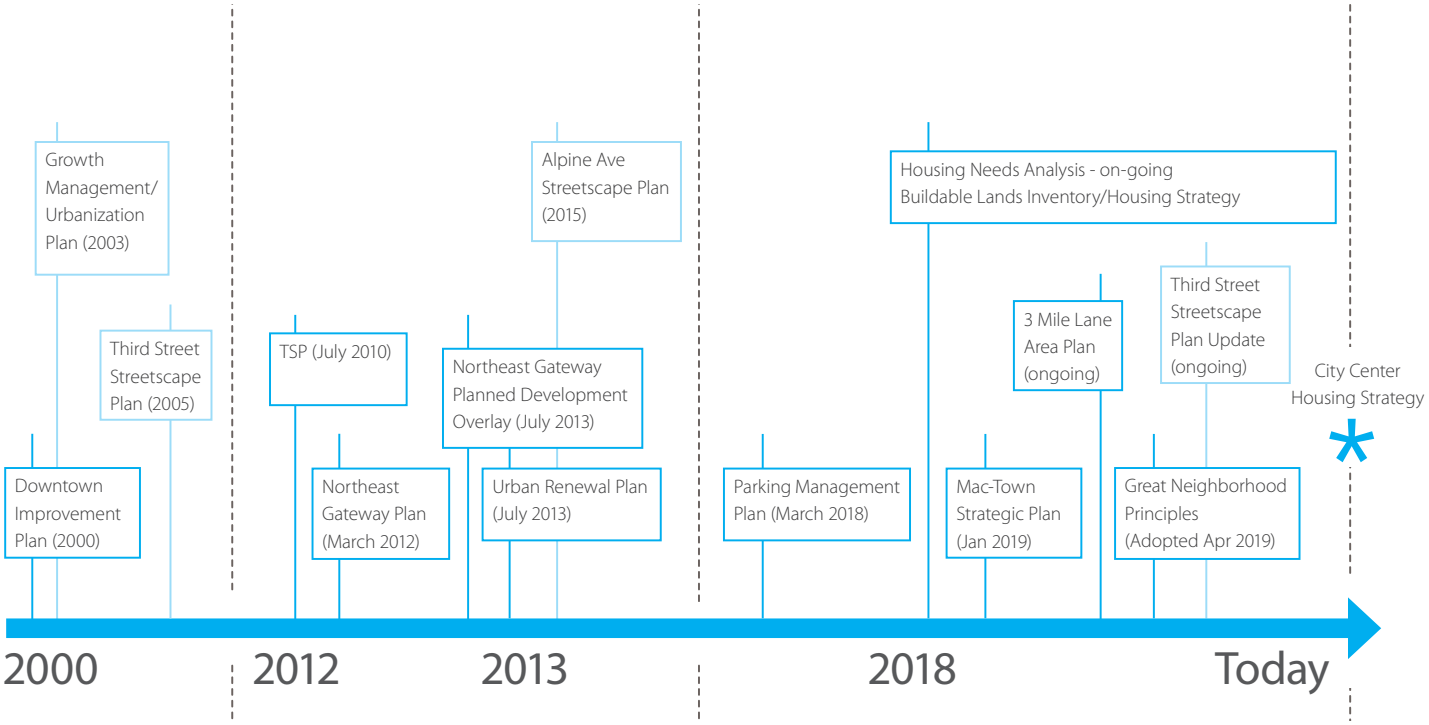


The city center in context

Housing Need

McMinnville is projected to grow by 12,000 people in the next twenty years. According to the recently completed Housing Needs Assessment (HNA), this translates into 4,424 new units. The city acknowledges that small-scale infill is not adequate to meet projected need. Nor is it desirable to continue to expand beyond the Urban Growth Boundary with detached single residences that occupy valuable farm land and natural resources. A strategy is needed to accommodate growth that uses a range of housing types across the city. Higher-density housing types are critical to addressing the forecasted need. Given its historic residential use, downtown is an appropriate location for higher density forms of housing.

The HNA states that there is an existing preference for detached single-dwellings, and housing price is the most important factor determining which types of housing residents choose. Today, according to the HNA, the median sales price is $315,000 and continuing to increase; in 2012 the median home price was $196,400. With lower incomes in comparison to Yamhill County and the State, McMinnville residents cannot continue to afford detached single-dwellings. In addition, there is a limited amount of housing product targeted at households earning more than $100,000 per year. As a result, these higher-income households are purchasing "less housing" than they can afford. This exerts a downward pressure on the market. There is a real need to open the market to different products including cottages, townhomes, duplexes, triplexes, quadplexes, and multi-dwellings to increase housing choice and respond to identified need.



Policy documents related to housing, since 2000

Policy Context Around Housing

Downtown is envisioned as a mixed-use district that builds off the historic core along Third Street. Existing plans, policies, and strategies address the many facets of increasing housing in the central city including land uses, transportation infrastructure, the public realm, parking, and the character and types of housing. Over the last several decades the city's policies have evolved. Taken together these documents provide the policy context guiding the development of the city center. In the summary that follows, potential areas of agreement or barriers are highlighted, and recommended changes supportive of the vision are cataloged in Part Two of this document.

As articulated in the Downtown Improvement Plan (2000), the central city is seen as a vital, mixed-use district that continues to be the focus of the community. The historic, high-quality buildings, relatively narrow streets, and urban-scaled blocks provide an identifiable character. A mix of uses and inviting streets attract people downtown and encourage walking. In order to remain competitive with residential development in other areas of the city, the central city's historic character should be the basis of any new development. New housing types should reflect the existing architectural context and patterns. Key to on-going development is building partnerships with community and governmental agencies. Since 2000, the city has fostered these partnerships and many actions identified in the action plan include these partners.

A large portion of centrally-located property along 4th Street NE is owned by the County. Multiple parcels along 2nd Street NE are owned by non-profits. Capital improvements along 2nd and 4th Streets NE and Adams/Baker Streets NE are critical, as are infrastructure improvement to 3rd Street NE. Development will infill along these primary corridors, and their development should match the high-quality pedestrian environment already established along 3rd Street NE.

Downtown McMinnville today

While the Transportation System Plan (2010) supports the development of complete streets, current policy envisions the streets downtown more as means to move people through downtown. For example, 2nd Street NE is identified as a Major Collector. This may need to be revisited so that this street can become a mixed-use, pedestrian-friendly area with residences. Peak traffic should be distributed throughout the street network. Policy changes that acknowledge the increase in residents downtown will impact TSP assumptions. Mixed-use residential building types rely on a high-quality public realm and a balanced approach to vehicular traffic that prioritizes pedestrian environment and access. Achieving the correct balance will influence the decision of residents to choose a home in a more urban setting over an outlying detached dwelling in a more suburban setting.

Both the Downtown Improvement Plan and the TSP highlight the need for upgrades to Adams Street NE and Baker Street NE. This would make residential options more attractive in these blocks.

Expanding the vision for housing in the central city, the Northeast Gateway Plan (2012) established the concept for a new mixed-use district adjacent to downtown. Recent implementation of the Alpine Avenue Streetscape Plan created a new center of gravity to the east of downtown, and established a craft-workshop character that is complementary to the traditional downtown character. The Alpine Avenue area has attracted development energy, encouraged new routes of access, and brought interesting new kinds of streets and gathering places to the downtown.

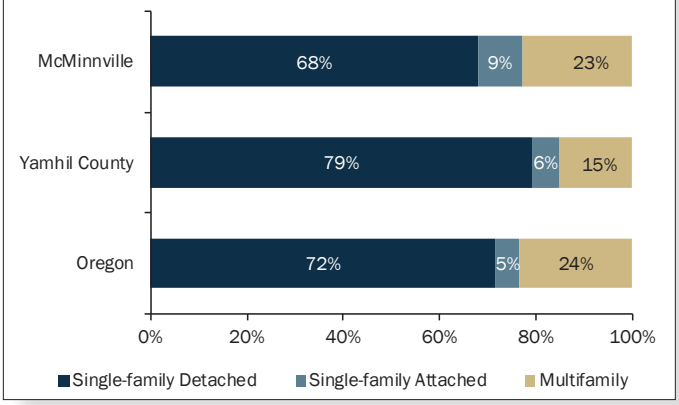
The amended Comprehensive Plan designated this district as a new center for housing, and the adopted Planned Development Overlay (PDO) designated residential uses and development standards. The PDO adopted by the city in 2015 divided the District into three zones and retained the R-2, R-4 and C-3 zones while M-1 and M-2 zones were rezoned as either C-3 or M-L zones. Currently there is

limited housing in the district, but housing types that would be especially appropriate for this area include live/work rowhouses with studio and workshop space on the ground floor, and multi-story buildings with dwellings over ground-floor commercial. The existing PDO will need to be modified as the R-2, R-4, and C-3 zoning limit this type and density of development.

Urban Renewal is an important financial tool to support the objectives for increasing housing downtown.

Urban Renewal (UR) is an important financial tool to support the objectives for increasing housing downtown. Established in 2013, this vision for UR supports and recognizes the importance of both the central city and the NE Gateway District. Currently the boundary of the UR district does not include the County buildings along 4th Street NE. Potentially $30 million in funds can be directed to capital projects or infrastructure projects. For example, improvements to 2nd Street NE could be funded through UR. Funds can also be used for technical and financial assistance for development and redevelopment, such as programs that improve facades as part of a redevelopment. The most recent use of UR funds to bridge the gap in development feasibility for the Atticus Hotel demonstrates how critical UR funds can be in encouraging and supporting desirable development. Low-interest loans, small grant programs, and gap financing for new construction are valuable tools to support the intentions of the CCHS.

Exhibit 10. Housing Mix, 2013-2017
Source: Census Bureau, 2013-2017 ACS Table B25024.



Housing Mix 2013-2017, HNA

Critical to the success of housing downtown will be balancing the parking needs of various uses with the desired urban forms and density levels. The Downtown Strategic Parking Management Plan (2018) found through extensive field research that there is more than enough parking downtown currently. The existing supply is underutilized. Creative management practices include allowing different uses to share parking on a single site, residential permit zones in the neighborhoods surrounding downtown to offset spillover parking, and valet options for commercial and lodging uses downtown.

Together these parking management programs could ensure that the parking supply remains adequate even as more people move downtown. The public parking garage was cited as a major resource, possibly increasing off-site parking options. While the majority of parking is privately held (78%), no solutions were identified to more effectively share the large amount of surface parking behind commercial uses fronting 3rd Street NE. The city may consider amending the Zoning Ordinance language for off-street parking to encourage the use of shared parking. New shared use options might include allowing the owner of an existing lot to sell or lease their unused parking supply to other users downtown, including residents.

With the vision in place for where housing should be developed, a plan for infrastructure, and the funding mechanisms to support this growth, the city turned to identifying its housing need. The recently completed Housing Needs Analysis (HNA) identified a need for 4,424 units. The HNA defined three housing types and identified the need for each of those three types:

- 55% Single-family detached – 2,433 units
- 12% Single-family attached – 531 units
- 33% Multi-family – 1,460 units

Additionally, demand for housing will not necessarily translate into development. Recent market research does indicate that while there is high demand for housing, few affordable or multi-dwelling projects are being constructed as they are not financially feasible. Given the lower median household income and higher than national average construction costs, the city needs additional measures in the CCHS to bridge this gap.

Anticipating this housing growth, the city co-developed its principles through a community dialogue to articulate the city's values around what makes a great neighborhood.

Adopted in 2019, the Great Neighborhood Principles set the standard for new housing development; they address how to integrate housing that matches the strong existing city character. This set of 13 principles amends the city's Comprehensive Plan and are the starting point for the vision for the development of housing in the central city. The principals embodied in the GNP range from a vision for how natural features and scenic views should be preserved and shape the character of future development to the qualities of neighborhoods including pedestrian and bike networks, parks and open spaces, a mix of uses, and interconnected accessible streets. The principles most relevant to the CCHS study are found below.

Great Neighborhood Principles support housing opportunities for people and families with a wide range of incomes, and for people and families in all stages of life.

11. **Housing for Diverse Incomes and Generations.**

    Great Neighborhoods provide housing opportunities for people and families with a wide range of incomes, and for people and families in all stages of life. A range of housing forms and types shall be provided and integrated into neighborhoods to provide for housing choice at different income levels and for different generations.

12. **Housing Variety.**

    Great Neighborhoods have a variety of building forms and architectural variety to avoid monocultural design. Neighborhoods shall have several different housing types. Similar housing types, when immediately adjacent to one another, shall provide variety in building form and design.

The envisioned housing types for the city center should provide a range of housing forms and types to provide for housing choice and access across different income levels and generations. Different architectural building types will provide opportunities for flexibility and variety while still meeting the needs identified in the HNA. These housing types will support the continued development of the city center as a livable, healthy, social, safe, and vibrant neighborhood.

HNA Findings

Currently the city's housing stock is primarily single-family detached (68%) with smaller portions of multi-family (23%) and single-family attached (9%). This mix has remained fairly stagnant since 2000. Net densities remain relatively low: single-family detached (4.8 units/acre), single-family attached (12.3 units/acre), and multi-family (an average of 18.2 units/acre). 95% of homeowners live in single-family detached housing which indicates there may not be many other options available.

While there is a preference for single-family detached housing, housing price is the most important factor in housing choice. Incomes in McMinnville are lower than Yamhill County and State ($50,299). Meanwhile the median sales price is $315,000 and increasing at a higher pace than increases in household income, jumping from $196,400 in 2012 to $350,000 in 2019. Lower household incomes (50% of households made $50,000 or less per year) indicate there is a real need for affordable housing options. Likewise, there is a deficit of housing targeted at households earning more than $100,000 per year, which translates into pent up demand for higher-amenity housing that is exerting downward pressure on the middle-income housing market as higher income households purchase less housing than they can afford.

Over the next 40 years McMinnville's population will age, with people over the age of 65 coming to make up 28% of the city's population, increasing demand for housing suitable to elderly residents. This may translate to a need for more smaller single-family housing (attached and detached), multifamily units, and group housing. In order to meet the needs of these residents, McMinnville will need to increase its share of smaller, less costly homes. Smaller housing types are attractive to both elderly and Millennial populations. Surveys indicate that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars. The preference for urban neighborhoods and town centers may increase demand for townhomes, rowhouses, and multifamily housing types.

An inventory identified the city center as the best option for providing higher density housing. Currently there is an inadequate range of options that allow residents of McMinnville to make decisions based on both preferences and needs. This opportunity/flexibility comes from planning for a range of housing and amending the Zoning Ordinance to ensure there are no barriers to this range of housing. The city needs to allow a wider range of housing types in single-family zones, ensure that sufficient land is zoned to allow attached and multi-dwelling housing types, and encourage residential development downtown, including through

Project Advisory Committee (PAC) and Focus Groups

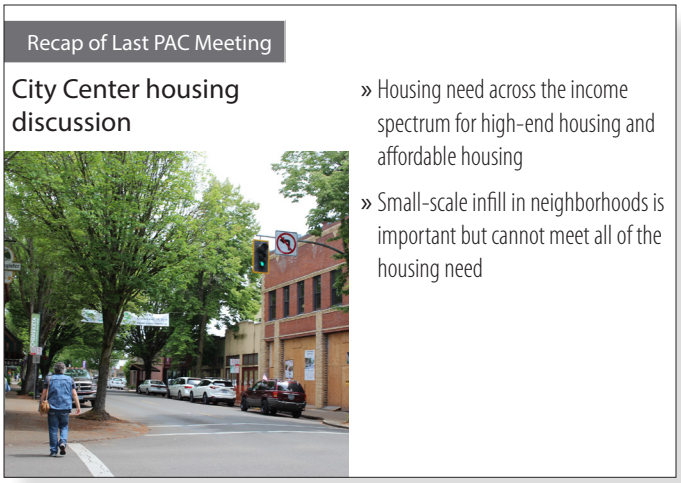
In a series of listening sessions with focus groups and multiple meetings with the PAC, the consultant team asked for feedback on what type of housing they want to see in the city center as well as what barriers to development and incentives exist. These questions and responses are detailed below. In addition they have been incorporated into action items in Part Two of this document.

What type of housing is desired in the city center?

- Housing for all groups of people at every end of the income spectrum
- Maintain character of McMinnville
- Senior and millennial housing that is low-maintenance
- Housing that attracts retirees including upper-end condos
- Places for young families
- Small-scale infill in city center residential neighborhoods including Plexes and ADUs
- Apartments similar to Village Quarter
- Live/work spaces to foster artist community and support the Alpine District

What are the barriers and challenges to achieving the desired housing?

- Market rate housing doesn't support financing
- Meeting building code requirements is costly for existing older buildings, including fire/life/safety requirements
- Existing historic buildings in disrepair are too expensive to rehabilitate
- Parking requirements are high and take away from developable area
- Short term rental projects are succeeding in lieu of long-term housing
- Limited pool of developers experienced with larger-scale projects
- Negative perceptions of "higher density housing"



Slide from PAC presentation

What are incentives for achieving desired housing?

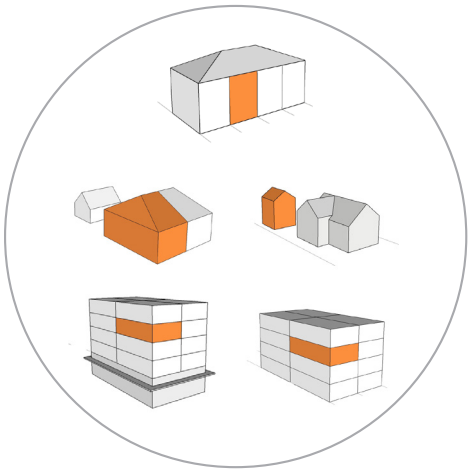
- Urban Renewal grants for gap financing
- Waiving SDC charges
- Public/private partnerships for large-scale projects
- Inclusionary zoning bill will help implement a pilot program
- Extend the downtown parking zone where parking requirements are waived
- Managing shared downtown parking
- Property tax relief or deferred property taxes
- Incentivize dividing existing buildings into plexes rather than tear them down

Part Two

Strategy

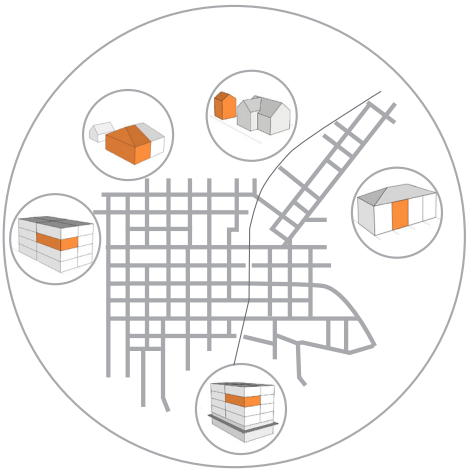
Steps to Action Plan

Before arriving at an action plan including regulatory and non-regulatory actions, a better understanding of opportunities and barriers was needed. A series of steps led to the action plan including studying appropriate contexts for housing types using example sites and financial feasibility of existing regulations. These steps are outlined below and described in greater detail in the pages that follow.



STEP 1: Identify housing types + context areas

Which housing types are most appropriate for the city center, and what are the characteristics of different areas?



STEP 2: Study key issues of example sites

Example sites in different city center contexts were studied to understand zoning challenges, regulatory barriers, and the most appropriate contexts for each housing type.

STEP 3: Test financial feasibility and pilot projects

Several sites were selected for pro forma testing of housing types to understand the impact of existing regulations. Pilot projects were used to test existing and proposed regulations in detail.

STEP 4: Action Plan

Based on findings from prior steps, recommendations were developed for regulatory and non-regulatory actions.

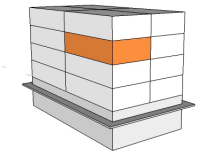
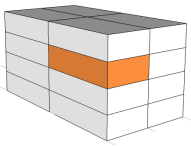
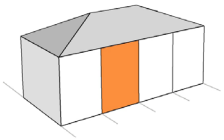
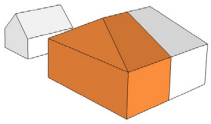
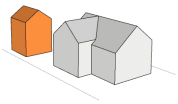
Introduction to Housing Typologies

Based on city goals, stakeholder focus groups, and committee input, five housing types were identified as the most desired and appropriate for the city center. They encompass a range of densities and are suited for different contexts within the City Center Study Area. The housing types vary in sizes and configuration and can appeal to different people with differing needs and household sizes.

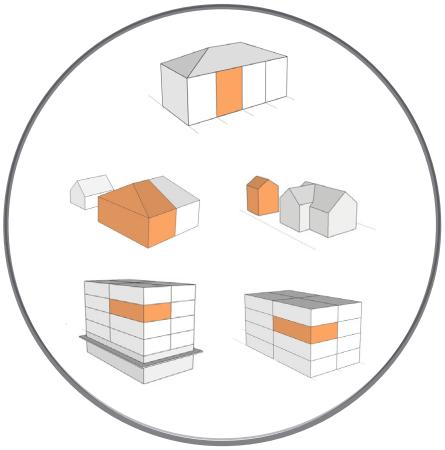
Pages 17 and 18 describe appropriate contexts by type and show a representative photo of each.

City center housing types include:

- Residential above retail
- Stand alone residential
- Townhouse
- Plexes (including duplexes, triplexes and quadplexes)
- City center accessory dwelling units (ADUs)

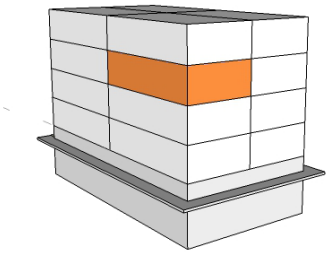






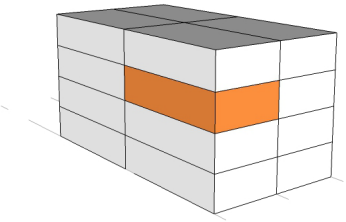
	Residential Above Retail	Stand-alone Residential	Townhouse (inc. Live/Work)	Plexes	CC Neighborhood ADU
Typical Density (units per acre)	10 - 200	10 - 200	18 – 25	15 - 72	Varies; increases the density of an existing lot
Typical Lot Width (feet)	Varies	Varies	20 - 35	25 - 80	Varies
Typical Lot Depth (feet)	Varies	Varies	90 - 110	90 - 110	Varies
Typical Lot (square feet)	7,200 – 320,000	7,200 – 320,000	1,800 – 3,500	2,000 – 8,000	5,000 – 9,000
Description	Mixed-use development with dwellings above ground-floor retail on a single lot. Typically, in the form of stacked flats. Units are usually rented but are sometimes sold as condominiums. Single Room Occupancies (SROs) are a variation of this type.	Multiple dwellings on one lot in the form of stacked flats or courtyard apartments arranged around a shared green space. Units are typically rented but are sometimes sold as condominiums. Single Room Occupancies (SROs) are a variation of this type.	Attached units, each on a separate lot, and each with its own entry from a public or share street or common area. Townhouse variation includes live/work units.	Multiple dwellings on one lot stacked or side-by-side. Rented or owned. Single Room Occupancies (SROs) are a variation of this type.	Small dwellings located on the same lot with a single dwelling. Units can be detached, above or instead of a garage, or attached to the primary dwelling.



STEP 1: Identify housing types and context areas

Which housing types are most appropriate for the city center, and what are the characteristics of different areas?





Residential Above Retail

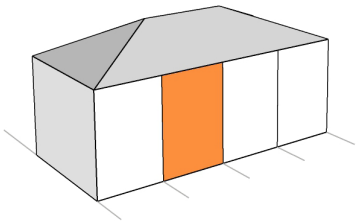
Residential above retail buildings can be up to seven stories high. Given their commercial uses and height these buildings are located primarily along prominent streets well-served by transit such as 3rd Street NE and adjacent side streets in the heart of the city center.

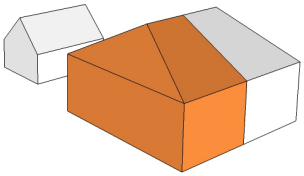
- Height: Max. 80 feet
- 4 – 7 stories
- Uses: Ground floor retail or office space, upper floors include a combination of office and residential uses

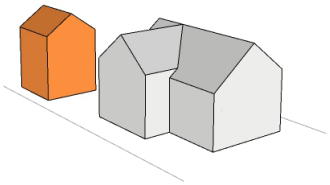
Stand-Alone Residential

Stacked flats in a single building or groups of buildings. Units have shared parking and typically are accessed through a single, shared lobby. While buildings vary in size and design, they typically have large footprints and fit in the core of the city center or along major streets served by transit.

- Height: 25 – 55 feet
- 2 – 6 stories
- Uses: Residential







Townhouse + Live/Work

Medium scale attached residential units each with their own entrance from a public or shared street. For live/work townhomes, the ground level is typically the business portion of the dwelling. Townhouses may be attached in groups of 4-6 together. Townhouses are appropriate in transition areas, such as between taller mixed-use buildings at the core of the city center, in creative light industrial neighborhoods such as the NE Gateway District, and at the edges of low and medium density residential neighborhoods.

- Height: 35 – 45 feet
- 2 – 4 stories
- Uses: Residential, live/work possible on ground floor

Plexes

Plexes including duplexes, triplexes, and quadplexes and may be conversions from older single dwellings. They fit in nicely in existing low and medium density residential neighborhoods such north and south of the city center.

- Height: 25 - 35 feet
- 2 – 3 stories
- Uses: Residential

City Center Neighborhood ADU

Small dwellings located on the same lot with a single dwelling. ADUs can be detached, above or instead of a garage, or attached to the primary dwelling. They fit best into low and medium density residential neighborhoods and provide infill options for existing single dwelling neighborhoods.

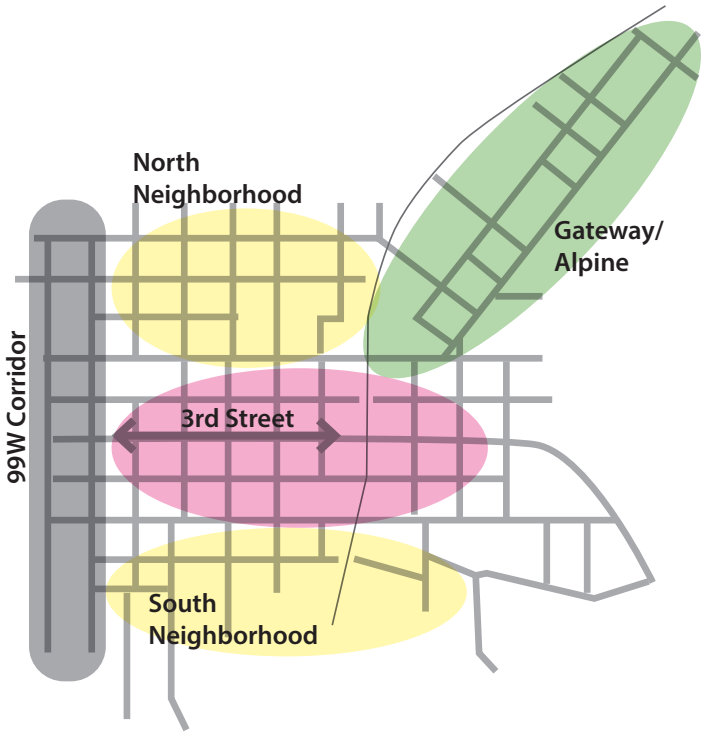
- Height: 15 - 25 feet
- 1 – 2 stories
- Uses: Residential, live/work

City Center Context Areas

Within the City Center Study Area there are four sub-area contexts. Each context area has a distinctive character and specific housing types that are most appropriate. The context areas include:

- 3rd Street – historic center of town with shops and restaurants clustered in the same area.
- North and South residential neighborhoods – characterized by larger lots with single and multi-dwellings.
- Gateway / Alpine District – area in transition from industrial to creative mixed-use.
- 99W corridor – Heavy traffic and auto-oriented uses such as gas stations and car-related services.

The following page gives more detail to each context area.



3rd Street

3rd Street is the historic main street of McMinnville. It is a pedestrian-friendly thriving center of the city with day and nighttime activities serving tourists and residents alike. A history of mixed-uses and residences above retail makes this an ideal location for higher-density residential development.

N/S Neighborhoods

Neighborhoods to the north and south of downtown have larger lots, typically with single dwellings or lower intensity multi-dwellings. These neighborhoods are green and leafy with on-street parking, street trees, and generous setbacks.

Gateway / Alpine District

The NE Gateway District is northeast of 3rd street, and a ten minute walk from the heart of downtown. With recent streetscape improvements and a festival street design, Alpine Street and the Gateway District are attracting new development to this light industrial neighborhood. The district has a mix of small and very large lots, some empty and some with single story warehouses.

99W Corridor

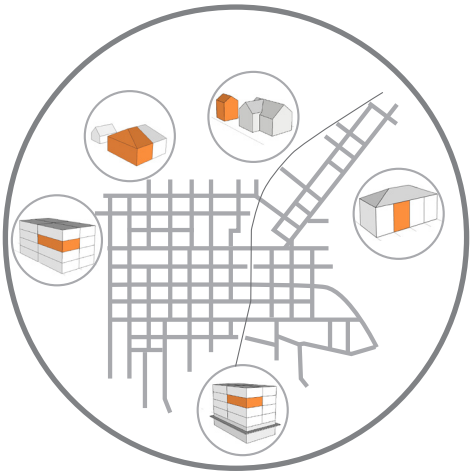
The 99W couplet is directly to the west of the historic main street. As a major regional connection carrying high-volume traffic, it presents an east/west barrier to the city center. Surrounding development is auto-oriented.

Example Sites

A range of sites within the study area were analyzed by the consultant team to better understand existing standards, different context areas, and site-specific challenges and opportunities that exist throughout the study area. Example sites were studied for their property characteristics including lot size, existing zoning, allowable building envelope, permitted uses, and parking.

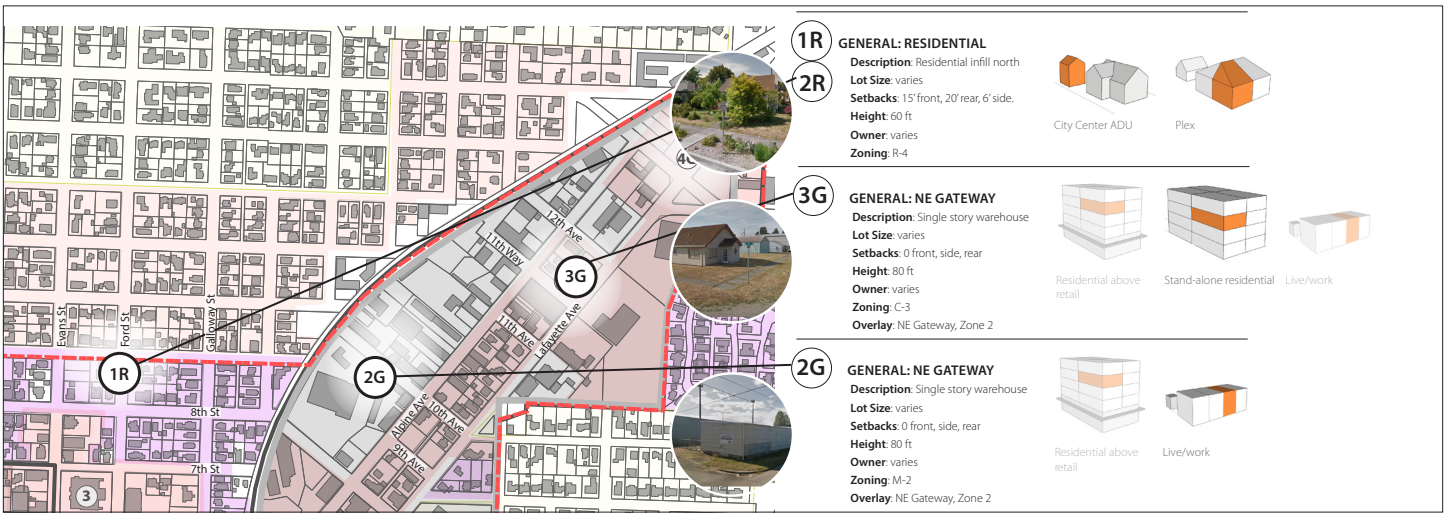
Each example site was studied for its particular context, and the most appropriate housing types were identified for each site. The team asked "*which housing types work best on this site*" and "*are there any barriers to developing the desired housing type with current regulations*."

The team reached several conclusions through this process. Several desired housing types were not permitted in certain zones. For example, townhomes were not permitted in C-3 zone. Residential neighborhoods to the north and south of downtown were generally good locations for plexes and ADUs because the smaller scale massing and residential form is compatible with low to medium density residential neighborhoods. In areas with more mixed-use commercial and light industrial uses, stand-alone residential buildings, mixed-use developments, and live/work townhomes were identified as appropriate types. For detailed analysis of the example sites review, see Appendix D.



STEP 2: Study key issues of example sites

Example sites in different city center contexts were studied to understand zoning challenges, regulatory barriers, and the most appropriate contexts for each housing type.



Excerpt from the example sites studied as part of Appendix D.

Development Feasibility

Using the example sites as a guide, several prototype sites were tested for their development feasibility. While the prototypes are not site-specific, they have characteristics similar to example sites studied. Prototype sites were selected to accommodate a diverse set of housing types, to represent different character areas, and to represent different regulatory challenges. Prototypes include:

- Mixed-use on a full block
- Stand alone residential on a half-block
- Rowhouse or Live/work on a quarter block.

These prototypes were 3D modeled and run through a pro forma analysis. Cascadia Partners used a new beta version of the Envision Tomorrow pro forma tool, calibrated for McMinnville. The pro forma analysis used industry standards for project performance and investment targets. See Appendix E for more details.

STEP 3: Test financial feasibility and pilot projects

Several sites were selected for pro forma testing of housing types to understand the impact of existing regulations. Pilot projects were used to test existing and proposed regulations in detail.

Sensitivity Testing

The sensitivity test takes a development prototype through a series of scenarios to measure the effect of different regulations on development feasibility. The sensitivity tests start with a base case using existing regulations. A series of changes to the existing policy are tested and these changes, or levers, show how costs can be reduced through a mix of regulatory and non-regulatory measures.

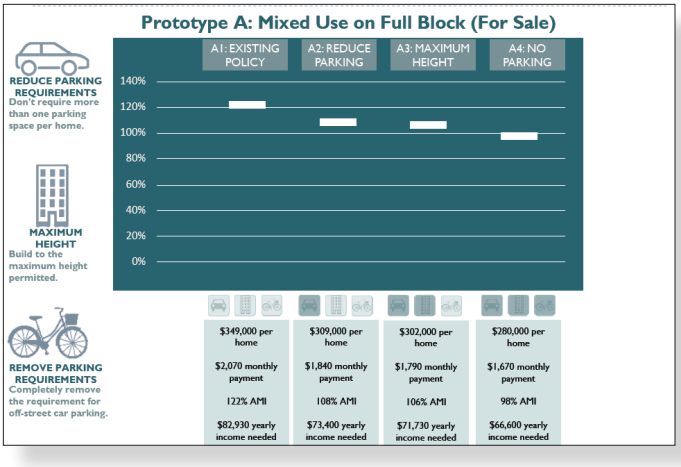
Some levers include:

- Reduce SDC charges
- Reduce required parking
- Reduce dwelling unit size
- Remove land costs
- Maximize allowable development capacity (maximum height)
- Remove all parking requirements

A variety of these levers were tested for a mixed-use building on a full block and a stand-alone residential building on a half block. When parking requirements are reduced to one space per unit and there is no parking requirement for retail/commercial, costs go down. Similarly, when the development capacity is maximized with an increase in height, the cost per unit drops; however, this increase in units also translates into a need for more parking spaces. Even at reduced levels of one space per unit, this increase in parking provided on site impacts feasibility. A middle ground can be achieved between maximizing building height and accommodating some parking. See details on page 25.

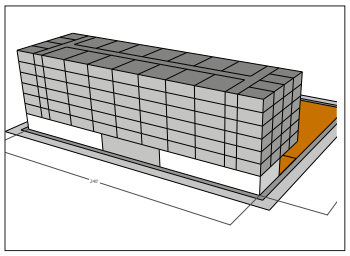
Note about parking assumptions:

Surface parking was assumed for the pro forma testing, due to costs. Surface parking costs roughly $5,000 per space while structured above ground parking costs approximately $20,000 per space. Other types such as underground, mechanized, and internal are even more expensive. While options outside of surface parking are certainly worth considering, development costs would significantly increase.



Sensitivity testing using 3 levers: reduce parking, maximize development, and eliminate parking.

Maximize height
Build to the maximum height permitted and allow parking area to stay the same.

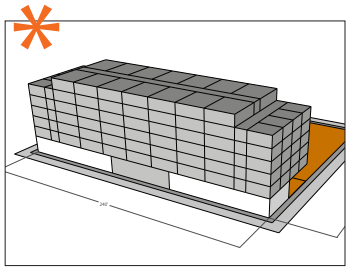


Least parking

High square footage

Lowest cost

Reduced parking
See how much development is possible with a parking reduction to one space per unit and none for retail.

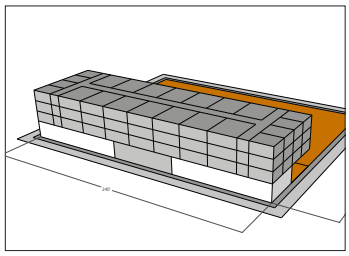


Medium parking

Medium square footage

Medium cost

Maintain parking
Build to maximum development potential based on existing parking standards.



Most parking

Low square footage

Highest cost

PARKING
There is less parking per unit as unit numbers go up.

FORM
The form is larger as the number of units increases.

COST
Greater number of units means more financially feasible units which may be more affordable

Finding the right balance for McMinnville

Pro forma testing shows that the most affordable project provides the least amount of parking and the largest form with the most units. Conversely, the least affordable project provides the most parking and has the smallest number of units and smallest form.

A medium amount of parking can provide for a mid-range of units and moderate affordability. This might be the best solution because it may be politically supportable now and produces units that are within reach of certain mid-level Area Median Incomes (AMIs).

Development Prototypes and Test Results

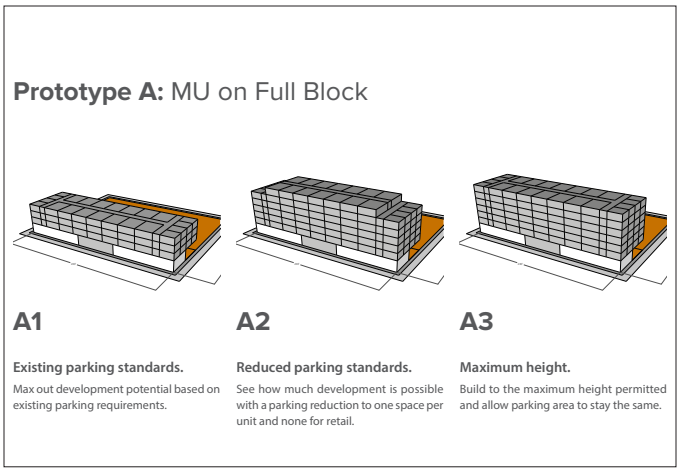
Prototype A: Mixed-use Building on a Full Downtown Block

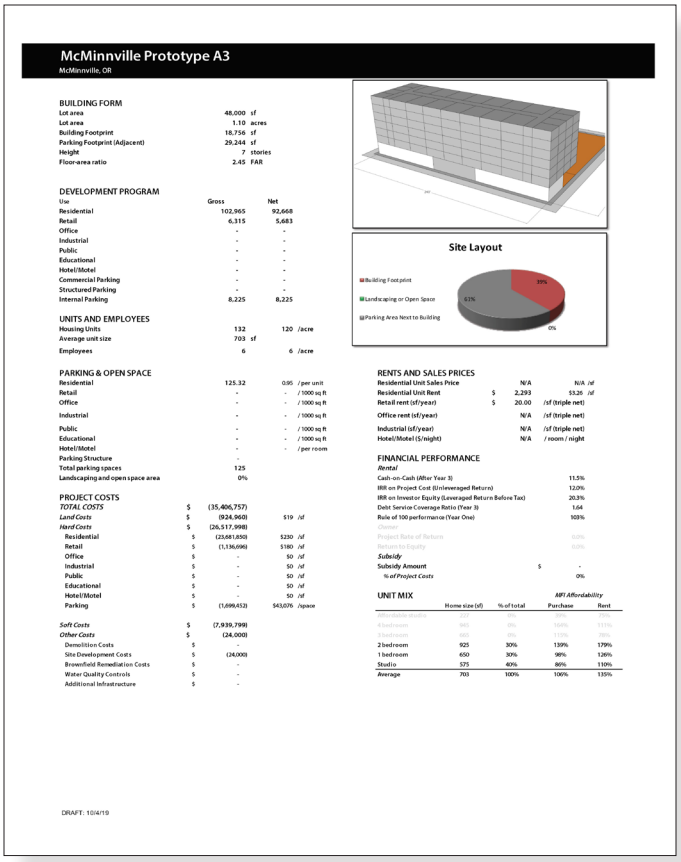
Three scenarios of Prototype A were tested. A1 shows development capacity using existing parking standards. A2 shows development capacity with a reduced parking ratio of one space per unit. A3 shows the maximum development capacity and allows the parking area to stay the same.

Preliminary findings: The mixed-use building cannot reach the maximum height permitted by zoning: On-site parking requirements limit development capacity before the building hits the maximum height allowed. Therefore, the building cannot provide as many dwelling units as the development standards (e.g., height and setbacks) would be expected to allow. For cost reasons the pro forma assumes parking is provided on the surface of the lot, surrounding the building (see above, Note about parking assumptions). As a result of these factors, unit costs were high.

To see if a larger number of units could be provided and costs per unit could be reduced, a second round of testing was conducted, which completely removed parking requirements (Prototype A4).

- In scenario A4, even with the reduction in parking and maxing of height, the prototype remains expensive at 126% Area Median Income (AMI). While it's not affordable, the change does reduce the gap between construction costs and rents. This remaining gap may be able to be bridged with urban renewal funds.
- Additionally the parking ratio of 0.95 spaces/unit seems more likely to be supported by City Council and the public given how close it is to 1 space/unit.




McMinnville Prototype A3

McMinnville, OR

BUILDING FORM

Lot area	48,000	sf
Lot area	1.10	acres
Building Footprint	18,756	sf
Parking Footprint (Adjacent)	29,244	sf
Height	7	stories
Floor-area ratio	2.45	FAR

DEVELOPMENT PROGRAM

Use	Gross	Net
Residential	102,965	92,668
Retail	6,315	5,683
Office	-	-
Industrial	-	-
Public	-	-
Educational	-	-
Hotel/Motel	-	-
Commercial Parking	-	-
Structured Parking	-	-
Internal Parking	8,225	8,225

UNITS AND EMPLOYEES

Housing Units	132	120 /acre
Average unit size	703 sf	
Employees	6	6 /acre

PARKING & OPEN SPACE

Residential	125.32	0.95 / per unit
Retail	-	- / 1000 sq ft
Office	-	- / 1000 sq ft
Industrial	-	- / 1000 sq ft
Public	-	- / 1000 sq ft
Educational	-	- / 1000 sq ft
Hotel/Motel	-	- / per room
Parking Structure	-	
Total parking spaces	125	
Landscaping and open space area	0%	

PROJECT COSTS

TOTAL COSTS	$	(35,406,757)	
Land Costs	$	(924,960)	$19 /sf
Hard Costs	$	(26,517,998)	
Residential	$	(23,681,850)	$230 /sf
Retail	$	(1,136,696)	$180 /sf
Office	$	-	$0 /sf
Industrial	$	-	$0 /sf
Public	$	-	$0 /sf
Educational	$	-	$0 /sf
Hotel/Motel	$	-	$0 /sf
Parking	$	(1,699,452)	$43,076 /space
Soft Costs	$	(7,939,799)	
Other Costs	$	(24,000)	
Demolition Costs	$	-	
Site Development Costs	$	(24,000)	
Brownfield Remediation Costs	$	-	
Water Quality Controls	$	-	
Additional Infrastructure	$	-	

Site Layout

Building Footprint 39%

Landscaping or Open Space 61%

Parking Area Next to Building 0%

RENTS AND SALES PRICES

Residential Unit Sales Price		N/A	N/A /sf
Residential Unit Rent	$	2,293	$3.26 /sf
Retail rent (sf/year)	$	20.00	/sf (triple net)
Office rent (sf/year)		N/A	/sf (triple net)
Industrial (sf/year)		N/A	/sf (triple net)
Hotel/Motel ($/night)		N/A	/ room / night

FINANCIAL PERFORMANCE

Rental

Cash-on-Cash (After Year 3)	11.5%
IRR on Project Cost (Unleveraged Returns)	12.0%
IRR on Investor Equity (Leveraged Return Before Tax)	20.3%
Debt Service Coverage Ratio (Year 3)	1.64
Rule of 100 performance (Year One)	103%
Owner	
Project Rate of Return	0.0%
Return on Equity	0.0%
Subsidy	
Subsidy Amount	$ -
% of Project Costs	0%

UNIT MIX

	Home size (sf)	% of total	*AMI Affordability* Purchase	Rent
Affordable Studio	277	6%	39%	73%
4 bedroom	965	0%	166%	151%
3 bedroom	665	0%	115%	78%
2 bedroom	925	30%	139%	179%
1 bedroom	650	30%	98%	126%
Studio	575	40%	86%	110%
Average	703	100%	106%	135%

DRAFT: 10/4/19

Detailed proformas were run on each building prototype to inform the sensitivity test. See Appendix E.

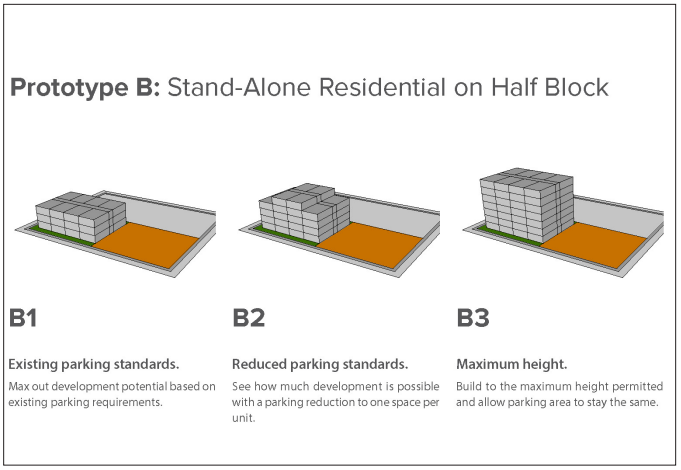
Prototype B: Stand-Alone Residential Building on a Half Downtown Block

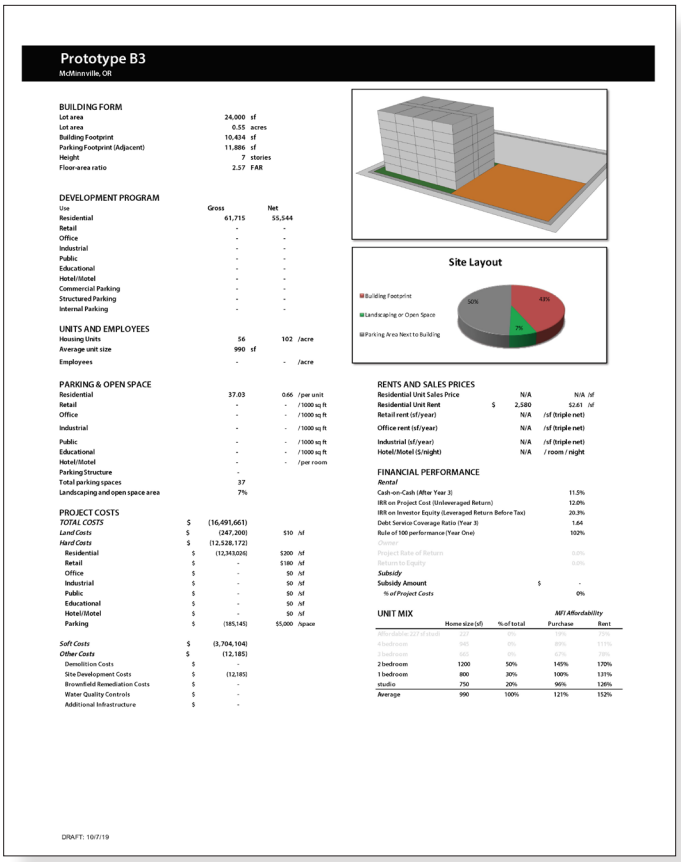
Three scenarios of Prototype B were tested. B1 shows development capacity using existing parking standards. B2 shows development capacity with a reduced parking ratio of one space per unit. B3 shows the maximum development capacity and allows the parking area to stay the same.

Preliminary findings: Similar to Prototypes A1 through A3, the stand-alone residential buildings cannot reach the maximum height permitted by zoning because on-site parking requirements limit development capacity before the building reaches the maximum height allowed. As for Prototypes B1 through B3, unit costs were high.

A second round of testing was conducted, which reduced the home size square footage (B4).

» For Prototype B, in scenario B4, while the reduction in unit sizes drops the unit cost to 85% AMI, the increase in units from 56 to 66 units is still challenging to park on-site, even with a further reduced parking ratio (below 0.66/unit). A parking ratio this low may not be feasible, but some parking supply may be managed off-site, through subsidizing parking in the City garage or other district parking management programs.





Detailed proformas were run on each building prototype to inform the sensitivity test. See Appendix E.

Pilot Projects

The purpose of the pilot projects is to test the development of housing on two actual sites in the city center. The immediate surrounding contexts of the sites helped determine which housing type was most appropriate. The consultant team, in coordination with the city and willing property owners, developed a distinct program for each site. Specific design responses were developed to further understand the needs and opportunities for each site.

The pilot projects allowed the consultant team and staff to test assumptions around financial feasibility, design, and current barriers to achieving the desired housing in the city center. The pilot projects are the precursor to identifying regulatory and non-regulatory barriers, and recommended actions.

The Fire Station block and the Cooperative Ministries block were established as the pilot projects. The following page provides a brief overview of each site. For a complete analysis of the pilot projects, see Appendix F.

Pilot projects provide an opportunity to test assumptions about current barriers and possible design and regulatory solutions using specific sites in the city center.

1 FIRE STATION

Description: City-owned property that may be available for redevelopment as the needs of the community have grown beyond the capacity of what the existing fire station can serve.

Lot Size: 200x220 ft
Setbacks: 0 front, side, rear
Height: 80 ft
Owner: City
Zoning: C-3
Overlay: Downtown Design

2 COOPERATIVE MINISTRIES

Description: Full city block owned by McMinnville Cooperative Ministries. The site has an existing church and shared parking lot.

Lot Size: 200x220 ft
Setbacks: 0 front, side, rear
Height: 80 ft
Owner: City
Zoning: C-3
Overlay: Downtown Design

Existing Barriers

The zoning code assessment attempts to pinpoint major issues caused by several zoning code problems acting in concert: While the zoning code permits a range of housing types, when they are subjected to the review procedures, parking requirements, minimum lot sizes and other requirements, dwellings such as townhomes or apartments are not feasible to build. In other words, a dwelling type or use may be permitted, and marked with a capital "P" in the land use table, but that does not mean it will be developed, even if it is popular, fulfills market demand, and there is land available. Additional building code issues present further barriers to financially feasible development downtown. Without amendments to fix these problems, McMinnville will be unable to achieve the vision of its Comprehensive Plan. Below are big picture results of the code assessment. Recommendations to improve the zoning code are presented in the action plan.

The following analysis highlights issues that may pose barriers to the proposed potential housing types in the city center. Based on our experience, we identified issues that affect the feasibility, affordability, and form of each of the potential housing types. Some of these issues may include parking requirements, alley availability, lot width, driveway access, site suitability, context appropriate adjustments for housing shape and size, issues with code definitions, design review, and administrative procedures.

Regulatory Issues

There are six zones found in the City Center Study Area. They are:

- R-2– Single-Family Residential
- R-4 – Multiple-Family Residential
- O-R – Office-Residential
- C-3 – General Commercial
- M-1 – Limited Light Industrial
- M-2 – General Industrial

A complete audit of the zoning code can be found in Appendix B. It includes a detailed simplified use and development standard tables. These tables distill many pages of text, lining up uses and standards in rows to make them easier to compare across different chapters of the code. From this comparison comes a clearer picture of the barriers to potential new housing types. Regulatory barriers are summarized below by category.

Some desired housing is not permitted or restricted

- Townhouses are not permitted in C-3.
- Single Room Occupancies (SROs) are not currently permitted in any zone.
- While other housing types are permitted, they have requirements such as lot size that make them more restrictive in practice.
- With a goal of providing a variety of housing types at a range of income levels throughout the city, existing minimum lot size requirements in some zones may not attract these possible housing types. Some housing types, such as tiny homes and rowhouses need less square footage than the minimum required lot size, making it difficult to achieve this variety in practice.

Density requirements conflict with city center goals

- Density standards are low and encourage less-dense development not in keeping with the city's vision.
- Density is defined by the amount of space per family, an outdated measure that does not reflect household types nor accurately portray dwelling unit density.
- C-3 is subject to R-4 density requirements.

Parking Issues

- Parking lot design
- Parking requirements are onerous. Additionally, the current parking zone that reduces or eliminates parking requirements is limited to the core of the city center. Other areas adjacent are still required to provide large amounts of parking.
- Minimum parking requirements (2 spaces per unit on-site) are high for denser housing types and impact the development potential of lots and affordability of dwellings.

Design standards are geared towards commercial uses

- Downtown design standards lack appropriate requirements for ground floor residential.

Review procedures are subjective

- Review procedures and criteria for conditional uses are intensive and not clear and objective, increasing the time and cost of development and introducing a level of uncertainty for developers and builders. This impacts the potential for development of duplexes and rowhouses across all zones and more dense multi-dwelling in the R-4 zone.

Action Plan

The action plan lists regulatory and non-regulatory actions that will help the city achieve its desired goal for housing in the city center.

The action plan is organized by the following categories:

- Remove barriers to desired housing in the city center
- Provide incentives and support to desired development
- Improve street character, connections, and walkability
- Align enforcement and programming efforts with the city's housing goals

STEP 4: Action Plan

Based on findings from prior steps, recommendations were developed for regulatory and non-regulatory actions.

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Action Plan

	Regulatory	Non Regulatory	Proposed Action
1.0	**Remove barriers to desired housing in city center**		
1.1	x		Remove density requirements*
1.2	x		Reduce residential parking minimums*
1.3	x		Extend the parking reduction area*
1.4	x		Revise parking lot standards for small scale development*
1.5	x		Permit townhouses in C3 zone*
1.6	x		Permit or conditionally permit SROs*
1.7	x		C3-specific setbacks for multi-family residential*
1.8	x		Residential-specific design standards*
2.0	**Provide incentives and support to desired development**		
2.1		x	City-led pilot projects in partnership with developer*
2.2		x	Subsidy gap financing from Urban Renewal funds
2.3		x	Evaluate SDC costs
2.4		x	Property Acquisition and Reduction of Land Costs
2.5		x	Fast-track system for permitting
2.6		x	Small-scale developer bootcamp
2.7		x	Developer guidebook of financial assistance
2.8		x	Developer Tours
3.0	**Improve street character, connections, and walkability**		
3.1		x	Improvements to 2nd and 4th streets
3.2		x	Streetscape improvements to Adams and Baker
3.3		x	Improvements to Lafayette
3.4		x	Strengthen connections between Alpine District + 3rd St
3.5		x	Continue façade improvement program
3.6		x	Free design assistance application
3.7		x	Urban open space network to support downtown housing
4.0	**Align enforcement and programming efforts with City's housing goals**		
4.1		x	Evaluate short term rental regulations
4.2		x	Transportation modeling of the city center
4.3		x	Parking management plan / shared parking plan
4.4		x	Review of school capacity and other public services

* Being addressed as part of the City Center Housing Strategy

1.1 Remove density requirements

Density standards are low and do not permit development that would be consistent with the city's vision. The C-3 zone is currently subject to the standards of the R-4 zone for multi-family residential development, which specifies a minimum lot area per family. Denser development in a small core area of downtown is conditionally permitted, however, to achieve the desired goals of higher density housing for the city center, all density requirements should be removed within the study area. The allowed maximum build out of property would be based on building form, rather than lot-area per unit or dwelling unit per acre calculations. Parking requirements are more likely to limit density and define maximum building height, at least in the near future.

Lead: City of McMinnville

Partners:

1.2 Reduce residential parking minimums

Reduce residential parking minimums to one space per unit for downtown residential uses. Apply the reduced residential parking minimums to the City Center Housing Strategy Study Area.

Lead: City of McMinnville

Partners:

1.3 Extend the parking reduction area

Several parking reduction zones for commercial uses exist in the city center. In the heart of the city center, there are no parking requirements for commercial uses, while just to the north, there is only a fifty percent reduction. These parking reduction areas should be extended to include a larger area of the city center. Even while the parking reduction only applies to non-residential uses, enlarging the parking reduction area would support downtown housing by making mixed use buildings more feasible. The gateway district already has permissive commercial parking requirements; no off-street parking is required for non-residential units under 3,000 square feet.

Lead: City of McMinnville

Partners:

1.4 Revise parking lot standards for small scale development

Parking lot design requirements are onerous, especially for multi-dwellings that are small scale (8 units or less). Drive aisles and stall requirements are large and developers consistently request variances for narrower aisles. Right-sizing parking lot standards for small scale development is recommended, including allowing alternative parking configurations such as stacked parking.

Lead: City of McMinnville

Partners:

1.5 Permit townhouses in C3 zone

C-3 zone does not currently permit townhouses. Amend the zoning code to allow for this type within the entire C-3 zone.

Lead: City of McMinnville

Partners:

1.6 Permit or conditionally permit SROs

Single Room Occupancies are not currently permitted in the City of McMinnville. This housing type is recommended for inclusion in the City Center Housing Strategy Study Area . SROs are very small apartments that share some facilities such as kitchens and bathrooms. Permitting such a housing type creates very affordable options for the community and helps to balance housing needs across the income spectrum.

Lead: City of McMinnville

Partners:

1.7 C3-specific setbacks for multi-family residential

Setbacks are limiting for C-3 properties outside of the downtown design area because they are subject to the setback standards of the R-4 zone. This includes a 15-foot front setback. In a city center context, this isn't appropriate.

Lead: City of McMinnville

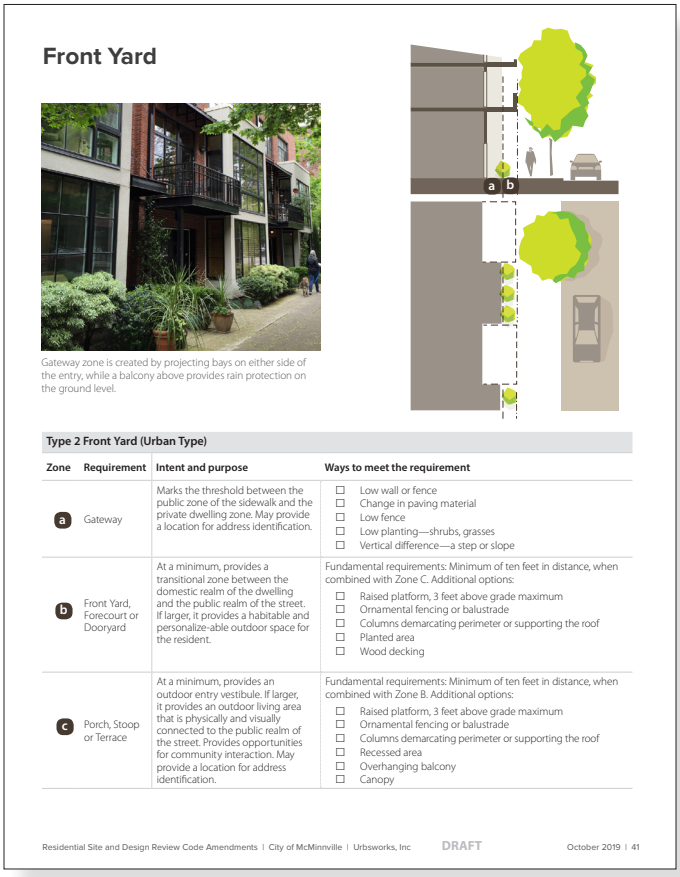
Partners:

1.8 Residential-specific design standards

Buildings within the downtown design overlay area are required to maintain a zero setback from the property line, with exceptions allowed for plazas, courtyards, dining space, or rear access for public pedestrian walkways. Current design requirements are targeted toward commercial ground floor uses and do not take into account the need for design standards of ground floor residential uses. Amend the zoning code to add provisions for vertical and/or horizontal separation compatible with residential uses. This amendment would allow for porches, stoops and terraces to give ground floor units privacy, and a modest setback from the edge of the sidewalk. Consider amending the zoning code to remove limitation of two stories on corner lots.

Lead: City of McMinnville

Partners:



Front Yard

Gateway zone is created by projecting bays on either side of the entry, while a balcony above provides rain protection on the ground level.

Type 2 Front Yard (Urban Type)

Zone	Requirement	Intent and purpose	Ways to meet the requirement
a	Gateway	Marks the threshold between the public zone of the sidewalk and the private dwelling zone. May provide a location for address identification.	☐ Low wall or fence ☐ Change in paving material ☐ Low fence ☐ Low planting—shrubs, grasses ☐ Vertical difference—a step or slope
b	Front Yard, Forecourt or Dooryard	At a minimum, provides a transitional zone between the domestic realm of the dwelling and the public realm of the street. If larger, it provides a habitable and personalize-able outdoor space for the resident.	Fundamental requirements: Minimum of ten feet in distance, when combined with Zone C. Additional options: ☐ Raised platform, 3 feet above grade maximum ☐ Ornamental fencing or balustrade ☐ Columns demarcating perimeter or supporting the roof ☐ Planted area ☐ Wood decking
c	Porch, Stoop or Terrace	At a minimum, provides an outdoor entry vestibule. If larger, it provides an outdoor living area that is physically and visually connected to the public realm of the street. Provides opportunities for community interaction. May provide a location for address identification.	Fundamental requirements: Minimum of ten feet in distance, when combined with Zone B. Additional options: ☐ Raised platform, 3 feet above grade maximum ☐ Ornamental fencing or balustrade ☐ Columns demarcating perimeter or supporting the roof ☐ Recessed area ☐ Overhanging balcony ☐ Canopy

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Example of Action 1.8: Residential Site and Design Review Code Amendments project (currently underway) proposes design standards for ground floor residences that would require transition elements such as a gateways, front yards, forecourts, or porches.

Example of Action 1.8: In a more urban context where entrances to residences could be close to the sidewalk, a partially open fence and landscaping creates layers of private to public space.

Example of Action 1.8: Landscaping, trees, and partially-open wall provide a graceful transition with layers of privacy from the sidewalk edge to the apartment building.

2.1 City-led pilot projects in partnership with developer

Test proposed amendments by creating two pilot projects on specific sites in McMinnville. The pilot projects should be developed in partnership with willing property owners, to test several different housing types on actual sites in the city center. Design and development standards will be analyzed through 3D modeling and development feasibility from earlier sensitivity testing.

Lead: City of McMinnville

Partners:

2.2 Subsidy gap financing from Urban Renewal funds

Sensitivity testing found that a gap remains between the cost of housing prices and Area Median Incomes (AMI). Given the high cost of construction and lower incomes in comparison to the county and statewide, development of desired housing types remains financially unfeasible. Funds available through Urban Renewal could be applied to bridge this gap, increasing the feasibility of new housing types. Urban Renewal funds were recently applied to this end for the Atticus Hotel in the central city.

Lead: City of McMinnville

Partners: Urban Renewal Agency

2.3 Evaluate SDC costs

Evaluate the effect of SDCs (Systems Development Charges) on the cost of development. Consider McMinnville Urban Renewal Advisory Committee (MURAC) buying down SDC costs through loan or grant programs to help property owners and developers building certain desirable housing types. Starting in 2010, the City of Portland waived SDCs for Accessory Dwelling Units (ADUs) and saw an increase in ADU construction. The Accessory Dwelling Unit ordinance had been on the books since before 2000, and the city permitted a small number every year. After the SDCs were waived, ADU permits grew from about 50 a year to 500 a year. In 2018 the City of Portland extended the SDC waiver for Accessory Dwelling Units with an additional condition: The program required the property owner to sign a covenant stating that neither the ADU nor the house will be rented as accessory short-term rentals for 10 years. The city's objective was to continue to incentivize ADUs, but ensure that ADUs would contribute to Portland's housing capacity.

Lead: City of McMinnville

Partners:

2.4 Property Acquisition and Reduction of Land Costs

Land costs are one of the higher cost line items in development budgets. McMinnville is fortunate however; a large percentage of land in the central city is owned by either governmental agencies (city or county agencies) or non-profits interested in partnering with the city. Lower land costs in the form of donated land or property tax relief or deferment could lower the threshold for potential development. Additionally, land acquisition and parcel assembly can assist small-scale developers in aggregating land.

Lead: City of McMinnville

Partners: Urban Renewal Agency

2.5 Fast-track system for permitting

Expedite, streamline or aid the passage of permits for desirable housing types. Provide a special permit path for projects that meet specific criteria, provide pre-approved building plan sets, or provide staff assistance shepherding specific housing permits through the approval process.

Lead: City of McMinnville

Partners:

2.6 Small scale developer bootcamp

Bring in national experts to conduct a workshop or educational classes for local property owners who are interested in adding small-scale infill development to their own residential properties but don't know where to start. Leaders like John Anderson of Incremental Development Alliance, hold "bootcamps" for local developers, in cities all over the country. Housing types promoted include Accessory Dwelling Units, duplexes, tri- and quad-plexes, cottage clusters, cohousing and creative housing combinations. The aim is to cultivate locally-based amateur developers, build local knowledge and capacity, increase production of compact infill housing, and promote locally-appropriate and entrepreneurial solutions to housing choices and supply. Incremental Development Alliance helps homeowners and residential property owners understand how to access ordinary lending programs such as home equity loans and use residential property they already own.

Lead: TBD

Partners:

2.7 Developer guidebook of financial assistance

To signal to potential developers and entrepreneurs that the city is friendly to business, resources should be developed cataloguing all available assistance. Currently McMinnville Economic Development Partnership's (MEDP) website lists incentives including Urban Renewal tools such as façade improvement grants, free design assistance, and property assistance loans as well as available properties. The city should partner with MEDP and the McMinnville Downtown Association to develop more information regarding tools available in the central city targeted to the development of diverse new housing types. This information should be easy to find on the city's website.

Lead: City of McMinnville

Partners: MEDP, McMinnville Downtown Association, Chamber of Commerce

2.8 Developer tours

Consider conducting developer tours to build relationships with emerging developers from other communities. This was done in Redmond with great success, where a tour led to multiple projects coming to fruition.

Lead: City of McMinnville

Partners:

3.1 Improvements to 2nd + 4th streets

Improve the overall street character of 2nd and 4th streets. Properties facing 3rd street "turn their backs" on 2nd and 4th streets with parking and loading areas. Surface parking lots make the perceived width of these streets much wider than their actual width. Lighting, streetscape furniture, and street trees would help to visually narrow the roadway and create a more urban character.

Lead: City of McMinnville

Partners:

3.2 Streetscape improvements to Adams and Baker

Improve the overall street character of Adams and Baker so they are a welcome space for pedestrians, and appear and function as downtown streets. The 99W couplet carries heavy vehicular traffic and has an auto-centric design that can feel unsafe for pedestrians to cross and walk along. These streets act as a barrier between the city center and civic services like the library and large city park. Add protected crossings at regular intervals, improve lighting, and street trees. Encourage new development to meet the back of the sidewalk to create a more urban character in the city center.

Lead: City of McMinnville

Partners:

3.3 Improvements to Lafayette

Address the walkability and character of Lafayette Avenue. As identified in both the Northeast Gateway Plan (2012) and the Transportation System Plan (2010), Lafayette is an important arterial street that functions well for cars. However, it needs design improvements and street trees to make it a safe, walkable space for pedestrians. This would increase the viability and desirability of housing along this thoroughfare.

Lead: City of McMinnville

Partners:

3.4 Strengthen connections between Alpine District and 3rd Street

Lighting, wayfinding signage, and gateway elements can visually connect the Gateway District to 3rd Street. While these two areas have a distinct character, they are a short walkable distance from one another. Links between the two districts increases foot traffic and the viability of the city center as a 24-hour livable and lively place.

Lead: City of McMinnville

Partners:

3.5 Continue façade improvement program

Façade improvement grants funding through Urban Renewal can be leveraged in the central city and gateway district to improve existing buildings. The street wall lining 3rd Street NE is a valuable historic resource as are the historic buildings in the gateway district. Grants stimulate private investment and encourage local property owners and small developers to re-invest in existing buildings.

Lead: City of McMinnville

Partners: Urban Renewal Agency, MEDP, McMinnville Downtown Association, Main Street McMinnville

3.6 Free design assistance application

Grants are available through UR to fund up to ten hours or $1,000 of free design assistance from a pre-qualified list of architects and designers. These funds should be used to support small and local developers struggling with how to develop desired housing types in the central city. Additional support could be provided by the city funding a developer bootcamp. See 2.6 Small scale developer bootcamp.

Lead: City of McMinnville

Partners: Urban Renewal Agency, MEDP, McMinnville Downtown Association

3.7 Urban open space network to support downtown housing

Increase the number and types of downtown parks and connect them to each other and to existing open space. New or additional types of downtown open space would include the full spectrum of parks, from fully public (e.g., urban plazas, pocket parks—green or paved), to semi-private residential courtyards, forecourts and dooryards. Consider an update to the Parks Master Plan to include a fuller range of downtown-appropriate residential-supporting open space types and facilities. The objective of the Master Plan would be to define a system of pedestrian-friendly sidewalks, through-block connections, and pedestrian-dominant alleys or woonerfs. The walking system would provide improved pedestrian access to parks which are adjacent to downtown, such as City Park. Access improvements would include pedestrian-protected crossings of major streets such as the Adams and Baker couplet. City Park is close to downtown housing, but Baker and Adams are daunting to cross with small children or in a walker or a wheelchair. See 3.2 Streetscape improvements to Adams and Baker.

Lead: TBD

Partners:

4.1 Evaluate short-term rental regulations

Short term rental projects are succeeding in lieu of long-term housing. In residential zones, a spacing standard helps regulate the frequency and location of rentals by specifying a 200-foot spacing standard. A similar approach could be taken with commercial zones in the city center. However, data from Visit McMinnville shows a lodging shortage as well. Sufficient production of new housing could negate the need for heavy regulation of short-term rentals, given the potential negative side effects of putting a damper on visitor volume. There will need to be a balance between lodging and long-term rentals.

Lead: City of McMinnville

Partners:

4.2 Transportation modeling for the city center

The existing Master Plan and infrastructure plans do not account for maximum potential density under the current zoning. While there is increased dialogue about density and infill in the downtown, and Comprehensive Plan policies support higher density residential in the city center, there are concerns about insufficient infrastructure and services. For example, the existing master plan/infrastructure plan was not designed to accommodate the density called for in the Comprehensive Plan. The existing Transportation System Plan (TSP) did not model higher-density in the city center. Scenarios previously modeled assumed land use growth at edges of McMinnville. New transportation models for downtown should acknowledge the role of autonomous vehicles, ride sharing, micro-mobility, and other transportation technology and mode shifts. A possible action resulting from this project would be to conduct transportation modelling of the city center at the density the City is planning for. When conducting transportation modelling of the city center, the City should consider the designation of the city center as a mixed-use, pedestrian friendly center as described and allowed in OAR 660-012-0060(6).

Lead: City of McMinnville

Partners:

4.3 Parking management plan / shared parking plan

The public parking garage was cited as a major resource, possibly increasing off-site parking options. While the majority of parking is privately held (78%), no solutions were identified to more effectively share the large amount of surface parking behind commercial uses fronting 3rd Street NE. Amend the Zoning Ordinance language for off-street parking to more explicitly encourage the use of shared parking. New shared use options might include allowing the owner of an existing lot to sell or lease their unused parking supply to other users downtown, including residents.

Lead: City of McMinnville

Partners:

4.4 Review of school capacity and other public services

Assess school capacities and other public services such as parks, open space, and the pool/community center, to plan for additional people living in the city center. Evaluate public services of a scale appropriate for an urban city center environment. This may include an update to the Parks Master Plan to include a fuller range of open space types and facilities. See 3.7 Urban open space network to support downtown housing.

Lead: City of McMinnville

Partners: