



City of McMinnville
Planning Department
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EXHIBIT 3 - STAFF REPORT

DATE: September 16, 2021
TO: Planning Commission Members
FROM: Tom Schauer, Senior Planner
SUBJECT: Public Hearing (Docket G 2-21) – Housing-Related Amendments

STRATEGIC PRIORITY & GOAL:



HOUSING OPPORTUNITIES (ACROSS THE INCOME SPECTRUM)
Create diverse housing opportunities that support great neighborhoods.

OBJECTIVE/S: Collaborate to improve the financial feasibility of diverse housing development opportunities

Report in Brief:

This is a legislative public hearing for docket G 2-21, proposed City-initiated zoning ordinance amendments related to housing. The proposal is intended to increase housing opportunities and remove regulatory barriers associated with provision of housing, consistent with the Comprehensive Plan.

The proposed amendments address three main topics: (a) add provisions allowing existing single-family dwellings and duplexes as permitted uses in the C-3 zone subject to certain parameters, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot. The proposed draft amendments are attached as **Exhibit B**.

On August 19, 2021, city staff hosted a work session with the Planning Commission to review the draft proposal. **Exhibit B** reflects some revisions from the initial draft, resulting from discussion and input at the August 19, 2021 Planning Commission work session.

Background:

Below is a summary of each of the three major topics. Please see the first page of **Exhibit B** for a summary of the specific sections proposed to be amended.

- 1. Add Existing Single-Family Dwellings and Duplexes as a permitted use in the C-3 zone.**
The C-3 commercial zone doesn't allow single-family dwellings or duplexes as permitted uses, since the primary purpose of the zone is to provide land for commercial use at appropriate locations. The C-3 zone does also allow multi-family development as a permitted use. If new

Attachments:

Exhibit A – G 2-21 Decision Document
Exhibit B – G 2-21 Proposed Code Amendments

single-family dwellings and duplexes were included as permitted uses in the C-3 zone, that would allow for development which is inconsistent with the purpose of the C-3 zone, opening the door to proliferation of lower-density housing types and subdivisions on C-3 zoned land.

Existing single-family dwellings and duplexes are therefore currently classified as nonconforming uses in the C-3 zone. As such, they are subject to the limitations for nonconforming uses. Nonconforming uses can continue as long as the use continues to operate without being discontinued for more than a year, but they can't be expanded, except to a limited extent within the existing building lines.

The City has recently received several requests for expansion of existing single-family dwellings within the C-3 zone to add on a room, and these requests have been subject to the limitations which apply to nonconforming uses.

By reclassifying existing single-family dwellings as a permitted use subject to certain parameters, the existing dwellings could expand on-site and operate in the same manner as permitted uses, as long as the use is continued. For purposes of determining continuation of use for single-family dwellings, the proposal would also allow for short-term rentals and owner-occupied short-term rentals to be considered a continuation of residential use.

These existing residential uses aren't inherently in conflict with other permitted uses in the C-3 zone, as typically is the case with other types of nonconformity uses. The proposed amendment is intended to provide greater "fine-grained" refinement in how this use is regulated by differentiating between existing single-family dwellings/duplexes and new single-family dwellings/duplexes within the C-3 zone. This would allow the existing uses to continue with less restriction, while addressing the purpose of the zone by preventing proliferation of new low-density residential development within the C-3 zone.

Of different available options, this approach is preferred to other actions such as lot-by-lot spot rezones that could be inconsistent with the long-term development goals of the area. However, some individual properties might also be candidates for rezoning to other zones such as the O-R office-residential zone, but the issue with this proposed amendment is slightly broader than would be addressed by individual rezones. This amendment would not preclude a property owner from applying for a rezone where something like the O-R zone could be appropriate.

- The original draft of the proposed amendment addressed only existing single-family dwellings in the C-3 zone, which has been the most common issue. However, the same issue also applies to existing duplexes in the C-3 zone. ***Based on input from the Planning Commission at the August 19, 2021 work session, the draft proposal has been updated to also allow existing duplexes as a permitted use in the C-3 zone in the same manner as would apply to single-family dwellings, except for provisions related to short-term rentals.***
- At the work session, the Planning Commission also discussed the amount of latitude that should be authorized for expansion and/or redevelopment of an existing single-family dwelling or duplex if allowed as a permitted use in the C-3 zone. Some of the concepts discussed at the work session could potentially result in provisions where some aspects could be more restrictive than what currently applies in terms of limitations for these uses as existing nonconforming uses, which could be a philosophically inconsistent implementation approach to the respective policy objectives.

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Exhibit B – G 2-21 Proposed Code Amendments

During the discussion, some Planning Commissioners expressed a desire for code provisions that would have some limitations on redevelopment or expansion of these uses, such that they might be phased out through attrition and redeveloped with other uses more quickly than might be achieved if they are allowed to be fully redeveloped or expanded on existing sites with no limitation on size or percentage increase over existing square footage. (Please note that limits on the size of expansion or restrictions on redevelopment are not necessarily indicative of the level of investment that may still occur through maintenance and/or remodeling, whether retained at the same size or expanded within specified parameters).

That approach is somewhat different than the proposed concept of granting these existing residential uses permitted use status, and more in line with regulating them as nonconforming uses, but with nonconforming use regulations which are less restrictive than currently exist.

However, if the Planning Commission favors a different policy objective/prioritization or implementation approach that differs from the staff recommendation, staff would suggest a narrower provision that addresses the maximum size/percentage of expansion allowed, rather trying to regulate the issue by prohibiting redevelopment or restricting the improvement value of redevelopment/expansion relative to the current value – issues which are challenging to administer over time and may not neatly fit with current provisions governing nonconforming uses in general.

Some of the concepts discussed by the Planning Commission potentially relate to broader policy considerations regarding nonconforming uses in general, which are beyond the intended limited scope of this amendment addressing only existing single-family dwellings and duplexes in the C-3 zone.

The draft proposal attached as Exhibit B doesn't currently incorporate any modifications from the original draft relative to this issue.

Staff is also researching whether we can readily determine the number of these existing units within the C-3 zone, and will provide any additional information at the hearing. We weren't able to obtain the information directly from the Assessor's Office. If the number of these existing uses is limited, the implications of different alternatives to address policy objectives may be very limited.

- 2. Establish a City Center Housing Overlay Zone and associated provisions.** On May 11, 2021, City Council adopted the City Center Housing Strategy Final Report by Resolution 2021-27. This was the culmination of work through a public process that began in 2019, guided by the McMinnville Urban Renewal Advisory Committee (MURAC) and an 18-member Project Advisory Committee, with a recommendation from both entities to City Council.

The purpose of the project was to create a strategy to potentially increase and incentivize more housing within the city center area and the surrounding higher density residential zones where there may be capacity for additional housing opportunities

The adopted resolution and final report are available at:

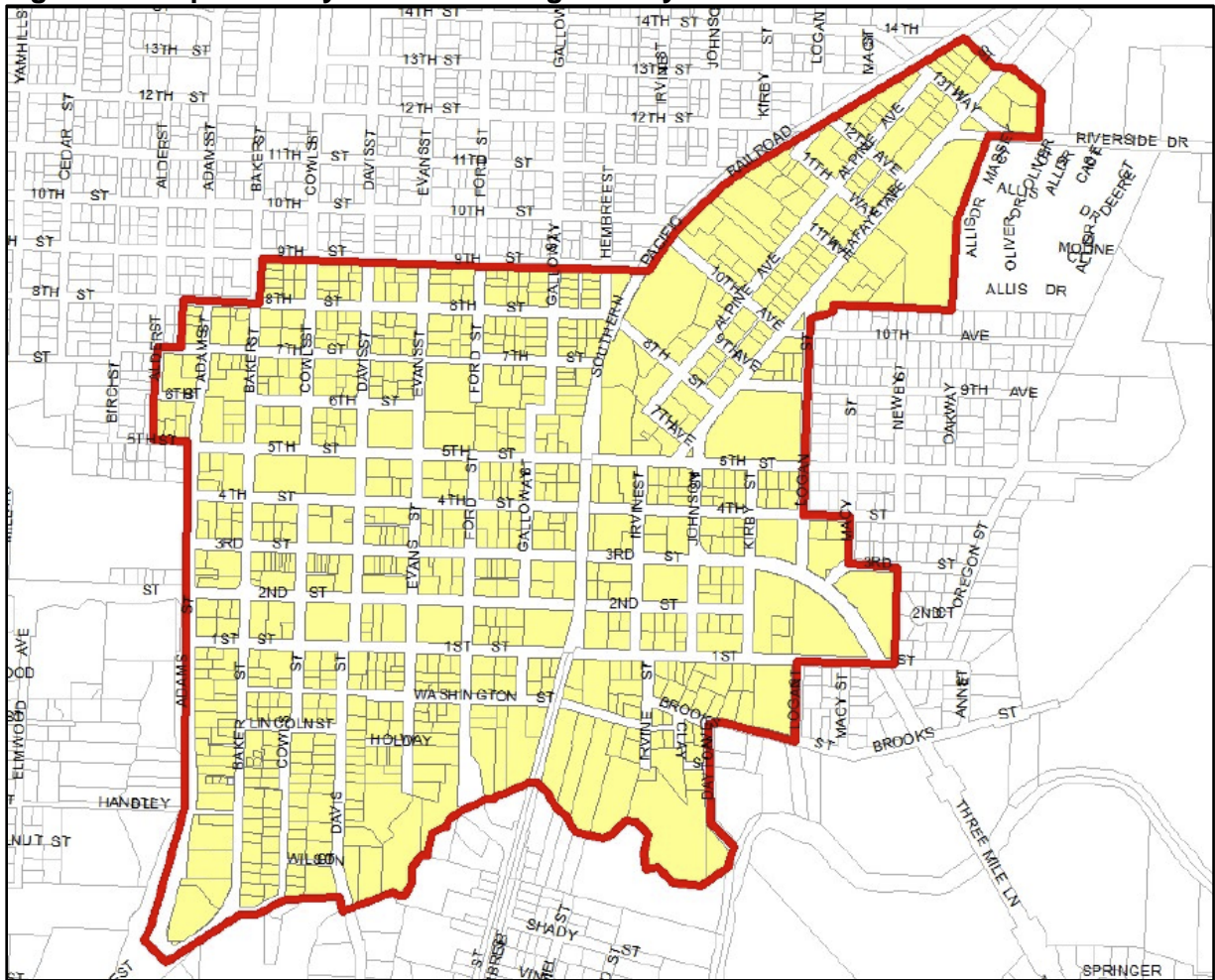
Attachments:

Exhibit A – G 2-21 Decision Document

Exhibit B – G 2-21 Proposed Code Amendments

The project included a study area. The boundary for the proposed Overlay Zone generally follows the study area boundary, but doesn't include areas with lower-density residential zoning on the southeast fringes of the study area and adds a commercial block on the southwest side, including property where a multi-family residential structure was damaged by fire. Some lower density residential properties on the east side of the study area are still included within the proposed boundary because they are within the Urban Renewal Area and Northeast Gateway Overlay Zone. The proposed boundary for the City Center Housing Overlay Zone is shown in **Figure 1** below.

Figure 1. Proposed City Center Housing Overlay Zone



A summary of the City Center Housing Strategy Action Plan is provided in the table in **Figure 2** below. Four categories of actions were identified, the first being removal of barriers to desired housing in the City Center.

The proposed amendment is a first step which establishes the overlay zone and addresses some of the initial barriers, including Actions 1.1 (density), 1.2 (minimum parking), and 1.3

(parking reduction area) below. It also partially addresses Action 1.4 (parking lot standards for small-scale development), by allowing residential parking within the Overlay Zone to be located on a nearby property, as already allowed for other uses. Other Action Items would be brought forward in subsequent steps. For example, Actions 1.5, 1.6, 1.7, and 1.8 below would be brought forward as a separate bundle of amendments together with the work underway on residential design standards. Some of those items have also already been discussed in previous work sessions.

- At the August 19, 2021 Planning Commission work session, there was discussion about whether or not to revise the boundary to remove the small area of lower-density R-2 zoning, which is located within the Urban Renewal District and Northeast Gateway PD Overlay Zone. The general concurrence of the Planning Commission was to retain this area within the proposed boundary. The area includes the School District administrative offices and is uniquely located within the Urban Renewal District and NE Gateway Overlay Zone. ***The proposed boundary has not been changed in the revised draft.***

At the work session, there was also discussion about some of the proposed standards that would be applicable within the City Center Housing Overlay, including the following:

- Opportunity for further parking reduction in the core area (less than 1 space per unit, or at least for smaller units, but not a reduction to 0 spaces per unit). ***The initial draft has been revised to allow for some additional parking reduction in the core area.***
- Whether the proposed 500' maximum distance for the off-site parking option was too far. ***The current draft retains the 500' distance. Most people walk a quarter mile in five minutes, so 500' represents a 2-minute walk.***
- Allow shared driveways. ***The initial draft has been revised to allow for shared driveways.***
- There was general concurrence regarding the proposed provisions allowing rebuilding a nonconforming multi-family residential structure that had been destroyed by calamity in the C-3 zone in the City Center Housing Overlay to modify the restriction on number of units if the structure met certain standards of the C-3 zone but if nonconforming to the current R-4 standards referenced in the C-3 zone. ***The revised draft has been amended slightly to further address this issue.***
- There was also an inquiry regarding existing parking studies. ***A copy of the 2018 parking utilization study has been distributed separately.***

Attachments:

Exhibit A – G 2-21 Decision Document

Exhibit B – G 2-21 Proposed Code Amendments

Figure 2. City Center Housing Strategy – Action Plan Summary Table

	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			

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3. **Allow temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.** Allowing temporary use of an RV during construction of a dwelling can allow a household to reduce their housing costs. With this option, a household doesn't need to own and/or rent separate properties while new construction is occurring. This option is currently allowed in some other cities and counties in Oregon, and other jurisdictions are currently considering this option.

At the August 19, 2021 Planning Commission work session, there was general support to allow this option, but there were some questions about the applicable provisions.

- Planning Commission members requested information about how other cities regulate these and how they address connection to services. Staff reviewed provisions from several cities and modeled the provisions most closely based on Prineville's approach. Staff contacted Prineville's Planning Director for additional information about their experience. ***The draft has been updated to clarify some provisions following that conversation.***
- There was also discussion about whether there should be a means of allowing an emergency extension for unforeseen circumstances. ***The draft has been updated to address this issue.***

Discussion:

Discussion items from the August 19, 2021 Planning Commission works session, and associated revisions incorporated into the draft proposal, are summarized in the background section above. Staff believes the updated draft incorporates revisions responsive to the issues where direction was provided at the work session.

Attachments:

- Exhibit A: Decision Document
- Exhibit B: Proposed Amendments

Fiscal Impact:

There is no immediate fiscal impact to the City of McMinnville with this action.

Recommendation:

Staff recommends the Planning Commission recommend the proposed code amendments to the McMinnville City Council for adoption.

“THAT BASED ON THE FINDINGS OF FACT, THE CONCLUSIONARY FINDINGS FOR APPROVAL, AND THE MATERIALS SUBMITTED BY STAFF, THE PLANNING COMMISSION RECOMMENDS THAT THE CITY COUNCIL APPROVE THE PROPOSED ZONING ORDINANCE AMENDMENTS PRESENTED IN DOCKET G 2-21.”

Attachments:

Exhibit A – G 2-21 Decision Document

Exhibit B – G 2-21 Proposed Code Amendments



**CITY OF MCMINNVILLE
PLANNING DEPARTMENT**
231 NE FIFTH STREET
MCMINNVILLE, OR 97128

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**DECISION, CONDITIONS OF APPROVAL, FINDINGS OF FACT AND CONCLUSIONARY FINDINGS
FOR THE APPROVAL OF LEGISLATIVE AMENDMENTS TO THE MCMINNVILLE CITY CODE,
TITLE 17, DOCKET G 2-21, RELATING TO HOUSING AND AMENDING CHAPTERS 17.33, 17.54,
17.60, 17.63, AND ADDING CHAPTER 17.66**

DOCKET: G 2-21

REQUEST: The City of McMinnville is proposing to amend the Zoning Ordinance to (a) add provisions allowing existing single-family dwellings and duplexes as permitted uses in the C-3 zone, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot. The amendments would affect the following Chapters, as summarized in more detail in **Exhibit B**.

Amend:

- Chapter 17.33, C-3 General Commercial Zone
- Chapter 17.54, General Regulations
- Chapter 17.60, Off-Street Parking and Loading
- Chapter 17.63, Nonconforming Uses

Add:

- Chapter 17.66, City Center Housing Overlay Zone

LOCATION: N/A, Multiple. This proposal includes some provisions which amend standards and some provisions which would apply within a designated City Center Housing Overlay Zone shown in the Staff Report and in the proposed Chapter 17.66.

ZONING: N/A, Multiple

APPLICANT: City of McMinnville

STAFF: Tom Schauer, Senior Planner

HEARINGS BODY: McMinnville Planning Commission

DATE & TIME: September 16, 2021, 6:30pm. Meeting held virtually via Zoom meeting software:
<https://mcminnvilleoregon.zoom.us/j/88033487320?pwd=SzY5d3A2SDRlVU9VTnVPeHRHZZB1UT09>

Zoom ID: 880 348 7320

Zoom Password: 947797

DECISION-MAKING

BODY: McMinnville City Council

DATE & TIME: TBD

PROCEDURE: The application is subject to the legislative land use procedures specified in Sections 17.72.120 - 17.72.160 of the McMinnville Municipal Code.

CRITERIA: Amendments to the McMinnville Zoning Ordinance must be consistent with the Goals and Policies in Volume II of the Comprehensive Plan and the Purpose of the Zoning Ordinance.

APPEAL: The Planning Commission will make a recommendation to the City Council. The City Council's decision on a legislative amendment may be appealed to the Oregon Land Use Board of Appeals (LUBA) within 21 days of the date written notice of the City Council's decision is mailed to parties who participated in the local proceedings and entitled to notice and as provided in ORS 197.620 and ORS 197.830, and Section 17.72.190 of the McMinnville Municipal Code.

DECISION

Based on the findings and conclusions, the McMinnville Planning Commission recommends **APPROVAL** of the Zoning Ordinance legislative amendments (G 2-21) to the McMinnville City Council.

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DECISION: APPROVAL
////////////////////////////////////

City Council: _____
Scott Hill, Mayor of McMinnville

Date: _____

Planning Commission: _____
Roger Hall, Chair of the McMinnville Planning Commission

Date: _____

Planning Department: _____
Heather Richards, Planning Director

Date: _____

I. APPLICATION SUMMARY

This application is a proposal initiated by the City of McMinnville to amend the Zoning Ordinance to (a) add provisions allowing existing single-family dwellings and duplexes as permitted uses in the C-3 zone, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.

The staff report provides more detailed background information regarding each of three topics. See **Page 1 of Exhibit B** for a summary of the Sections amended. See the remainder of **Exhibit B** for the proposed amendments,

II. ATTACHMENTS

- Exhibit B. Proposed Amendments.

III. FINDINGS OF FACT – GENERAL FINDINGS

1. Docket G 2-21 is a legislative package of City-initiated proposed zoning ordinance amendments related to housing. The proposal is intended to increase housing opportunities and remove regulatory barriers associated with provision of housing, consistent with the Comprehensive Plan.
2. On August 19, 2021, city staff hosted a work session with the Planning Commission to review the draft proposal. **Exhibit B** reflects some revisions from the initial draft, resulting from discussion and input at the August 19, 2021 Planning Commission work session.

IV. FINDINGS OF FACT - PROCEDURAL FINDINGS

1. Notice of the application and the September 16, 2021 Planning Commission public hearing were provided to DLCD on August 5, 2021.
2. Notice of the application and the September 16, 2021 Planning Commission public hearing was published in the News Register on Wednesday, September 8, 2021, in accordance with Section 17.72.120 of the Zoning Ordinance.
3. On September 16, 2021, the Planning Commission held a duly noticed public hearing to consider the request.

V. CONCLUSIONARY FINDINGS:

The Conclusionary Findings are the findings regarding consistency with the applicable criteria for the application.

Zoning Ordinance

The Purpose Statement of the Zoning Ordinance serves as a criterion for Zoning Ordinance amendments:

17.03.020 Purpose. The purpose of the ordinance codified in Chapters 17.03 (General Provisions) through 17.74 (Review Criteria) of this title is to encourage appropriate and orderly physical development in the city through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, adequate

community facilities; and to provide assurance of opportunities for effective utilization of the land resources; and to promote in other ways public health, safety, convenience, and general welfare.

FINDING: SATISFIED. The proposed amendments achieve these purposes as further articulated in the Comprehensive Plan, addressed in more detail below. Further, the City Center Housing Overlay provisions further achieve these goals in a manner which carries out some of the action items in the City Center Housing Strategy.

On May 11, 2021, City Council adopted the City Center Housing Strategy Final Report by Resolution 2021-27. This was the culmination of work through a public process that began in 2019, guided by the McMinnville Urban Renewal Advisory Committee (MURAC) and an 18-member Project Advisory Committee, with a recommendation from both entities to City Council.

The purpose of the project was to create a strategy to potentially increase and incentivize more housing within the city center area and the surrounding higher density residential zones where there may be capacity for additional housing opportunities.

Comprehensive Plan

As described in the Comprehensive Plan, the Goals and Policies of the Comprehensive Plan serve as criteria for land use decisions. The following Goals and Policies from Volume II of the McMinnville Comprehensive Plan are applicable to this request:

CHAPTER IV. ECONOMY OF MCMINNVILLE

GOAL IV 4: TO PROMOTE THE DOWNTOWN AS A CULTURAL, ADMINISTRATIVE, SERVICE, AND RETAIL CENTER OF McMINNVILLE.

Downtown Development Policies:

36.00 The City of McMinnville shall encourage a land use pattern that:

- 1. Integrates residential, commercial, and governmental activities in and around the core of the city;*
- 2. Provides expansion room for commercial establishments and allows dense residential development;*
- 3. Provides efficient use of land for adequate parking areas;*
- 4. Encourages vertical mixed commercial and residential uses; and,*
- 5. Provides for a safe and convenient auto-pedestrian traffic circulation pattern. (Ord.4796, October 14, 2003)*

FINDING: SATISFIED. The proposal is consistent with the applicable Goal and Policies of Chapter IV of the Zoning Ordinance. The proposed amendments include provisions to help achieve integration of residential use and development in the core, allow dense residential development, and provide more efficient use of land as the in addressing parking provisions.

CHAPTER V. HOUSING AND RESIDENTIAL DEVELOPMENT

GOAL V 1: TO PROMOTE DEVELOPMENT OF AFFORDABLE, QUALITY HOUSING FOR ALL CITY RESIDENTS.

General Housing Policies:

58.00 *City land development ordinances shall provide opportunities for development of a variety of housing types and densities.*

Housing Rehabilitation Policies:

62.00 *The maintenance, rehabilitation, and restoration of existing housing in residentially designated areas shall be encouraged to provide affordable housing.*

FINDING: SATISFIED. The proposal is consistent with Goal V.1 and associated policies of the Zoning Ordinance. The proposed amendments include City Center Housing Overlay provisions to help encourage retention of existing housing in the Overlay area, and to allow for retention, utilization, and restoration of existing housing in core areas.

GOAL V 2: TO PROMOTE A RESIDENTIAL DEVELOPMENT PATTERN THAT IS LAND INTENSIVE AND ENERGY-EFFICIENT, THAT PROVIDES FOR AN URBAN LEVEL OF PUBLIC AND PRIVATE SERVICES, AND THAT ALLOWS UNIQUE AND INNOVATIVE DEVELOPMENT TECHNIQUES TO BE EMPLOYED IN RESIDENTIAL DESIGNS.

Policies:

68.00 *The City of McMinnville shall encourage a compact form of urban development by directing residential growth close to the city center, to designated neighborhood activity centers, and to those areas where urban services are already available before committing alternate areas to residential use. (Ord. 5098, December 8, 2020)*

69.00 *The City of McMinnville shall explore the utilization of innovative land use regulatory ordinances which seek to integrate the functions of housing, commercial, and industrial developments into a compatible framework within the city.*

70.00 *The City of McMinnville shall continue to update zoning and subdivision ordinances to include innovative land development techniques and incentives that provide for a variety of housing types, densities, and price ranges that will adequately meet the present and future needs of the community.*

Multiple-family Development Policies:

86.00 *Dispersal of new-multi-family housing development will be encouraged throughout the City in areas designated for residential and mixed-use development to encourage a variety of housing types throughout the community and to avoid an undue concentration of multi-family development in specific areas of the community leading to a segregation of multi-family development in McMinnville from residential neighborhoods. Dispersal policies will be consistent with the Great Neighborhood Principles*

In areas where there are the amenities, services, infrastructure and public facilities to support a higher density of multi-family development, and the area is commensurate with a higher concentration of multi-family development without creating an unintended segregation of multi-family development, such as McMinnville's downtown, the area surrounding Linfield University and Neighborhood Activity Centers, a higher concentration of multi-family development will be encouraged. (Ord. 5098, December 8, 2020)

- 87.00 *Residential developments at densities beyond that normally allowed in the multiple-family zone shall be allowed in the core area subject to review by the City. These developments will be encouraged for (but not limited to) the provision of housing for the elderly.*
- 90.00 *Greater residential densities shall be encouraged to locate along major and minor arterials, within one-quarter mile from neighborhood and general commercial shopping centers or within neighborhood activity centers, and within a one-half mile wide corridor centered on existing or planned public transit routes. (Ord. 5098, December 8, 2020; Ord. 4840, January 11, 2006; Ord. 4796, October 14, 2003)*

FINDING: SATISFIED. The proposal is consistent with Goal V.2 and associated policies of the Zoning Ordinance. The proposed amendments remove barriers and promote efficient residential use within the City Center Housing Overlay, helping to provide opportunities for a variety of housing types, densities, and price ranges.

CHAPTER VI. TRANSPORTATION SYSTEM

GOAL VI 1: TO ENCOURAGE DEVELOPMENT OF A TRANSPORTATION SYSTEM THAT PROVIDES FOR THE COORDINATED MOVEMENT OF PEOPLE AND FREIGHT IN A SAFE AND EFFICIENT MANNER

PARKING

Policies:

- 126.00 *The City of McMinnville shall continue to require adequate off-street parking and loading facilities for future developments and land use changes.*
- 127.00 *The City of McMinnville shall encourage the provision of off-street parking where possible, to better utilize existing and future roadways and rights-of-way as transportation routes.*
- 128.00 *The City of McMinnville shall continue to assist in the provision of parking spaces for the downtown area.*

FINDING: SATISFIED. The proposal is consistent with applicable Goal and Parking Policies of Chapter VI of the Zoning Ordinance. The proposed amendments provide opportunities for more efficient utilization of land for parking within the City Center Housing Overlay.

TRANSPORTATION SUSTAINABILITY

- 132.37.00 *Through implementation of the TSP and the Comprehensive Plan, the City of McMinnville will, to the extent possible, seek measures that simultaneously help reduce traffic congestion, pollution, crashes and consumer costs, while increasing mobility options for non-drivers, and encouraging a more efficient land use pattern. (Ord. 4922, February 23, 2010)*

FINDING: SATISFIED. The proposal is consistent with applicable Goal and Transportation Sustainability Policies of Chapter VI of the Zoning Ordinance. The proposed amendments provide opportunities to increase mobility options for non-drivers, as well as increased opportunities for some trips by other modes in the City Center area, and a more efficient land use pattern.

CHAPTER VIII. ENERGY

ENERGY CONSERVATION

GOAL VIII 2: TO CONSERVE ALL FORMS OF ENERGY THROUGH UTILIZATION OF LAND USE PLANNING TOOLS.

179.00 *The City of McMinnville shall amend pertinent ordinances to allow for design techniques which increase the efficient utilization of land and energy. Areas to examine shall include, but not be limited to:*

1. *The zoning ordinance requirements, including density, lot areas, and setbacks to increase utilizable space in lots, while maintaining health and safety standards.*
2. *The geographic placement of various uses (commercial, industrial, residential) on the Comprehensive Plan Map to encourage energy-efficient locations.*
3. *The zoning ordinance and planned development provisions to allow for cluster developments, individually owned, common-wall dwellings, and other design techniques that increase utilizable space and offer energy savings.*
4. *The subdivision and zoning ordinances to encourage energy-efficient design such as proper landscaping for solar heating and cooling, solar orientation of dwellings and other site design considerations.*
5. *The building codes to encourage energy-efficient residential, commercial, and industrial building design and construction techniques.*

FINDING: SATISFIED. The proposal is consistent with applicable Goal and Energy Conservation Policies of Chapter VIII of the Zoning Ordinance. The proposed amendments provide opportunities for more efficient use of land within the City Center Housing Overlay and core area.

CHAPTER X. CITIZEN INVOLVEMENT AND PLAN AMENDMENT

GOAL X 1 TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMINNVILLE.

FINDING: SATISFIED. The proposal is consistent with applicable Goal of Chapter X of the Zoning Ordinance. The proposed amendments implement action items in the City Center Housing Strategy, developed through public engagement including work with the McMinnville Urban Renewal Advisory Committee (MURAC) and a Project Advisory Committee, both of which recommended the final report to City Council. The final report was adopted by City Council.

The McMinnville Affordable Housing Committee also recommended that land use proceedings be initiated for the package of proposed amendments.

The Planning Commission held a work session in August to review and discuss the draft amendments, and the proposal incorporates input from the Planning Commission.

The public hearing process provides further opportunity for consideration of citizen involvement and input and associated deliberation.

G 2-21. City of McMinnville Proposed Zoning Ordinance Amendments

- **City Center Housing Overlay Zone**
- **Existing Single-Family Dwellings in the C-3 Zone**
- **Temporary Use of an RV as a Residence During Home Construction on Same Lot**

Proposed amendments to the McMinnville Zoning Ordinance to (a) add provisions allowing existing single-family dwellings and duplexes as permitted uses in the C-3 zone, (b) establish a City Center Housing Overlay Zone and associated provisions, and (c) add provisions allowing temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot, as follows:

- Amend **Chapter 17.33, C-3 General Commercial Zone**, as follows:
 - Amend Section 17.33.010 to allow existing single-family dwellings and duplexes as permitted uses in the C-3 zone based on the adoption date of this amendment.
 - Amend Section 17.33.010(3) to specify that the density provisions of the R-4 zone don't apply to residential use in the C-3 zone within the City Center Housing Overlay District.
 - Amend Section 17.33.020(F) to specify that residential use in the C-3 zone within the City Center Housing Overlay District which exceeds the density provisions of the R-4 zone is a permitted use in the C-3 zone under Section 17.33.010(3), not a conditional use.
- Amend **Chapter 17.54, General Regulations**, as follows:
 - Add a new Section 17.54.065, adding provisions to allow temporary use of an RV as a residence during construction of a permanent dwelling(s) on the same lot.
- Amend **Chapter 17.60, Off-Street Parking and Loading**, as follows:
 - Amend Section 17.60.050 regarding the location of off-street parking for residential use within the City Center Housing Overlay Zone. Off-street parking need not be on the same property as the residential use if it is located not farther than 500 feet of the building with the residential use, subject to a binding parking agreement.
 - Amend Section 17.60.100 to establish a modified minimum off-street parking standard for residential use within the City Center Housing Overlay Zone as 1 parking space per dwelling unit.
 - Allow for further parking reduction for multi-family residential use within the core area of 0.75 parking spaces per studio or 1 bedroom unit.
 - Add provisions to allow shared driveways subject to a shared access agreement.
- Amend **Chapter 17.63, Nonconforming Uses**, to specify that the limitation on the number of units applicable to replacement of a nonconforming multiple-family structure doesn't apply on property zoned C-3 in the City Center Housing Overlay Zone, when the nonconformity is relative the referenced setbacks of the R-4 zone, but the structure complied with the setbacks of the C-3 zone, and provided the replacement doesn't increase the extent of nonconformity relative to development standards.
- Add a new **Chapter 17.66, City Center Housing Overlay Zone**, to the Zoning Ordinance, establish a boundary for the Overlay Zone, and incorporate standards that apply to residential use within the City Center Housing Overlay Zone.

Note: Additional land-use actions in the City Center Housing Strategy will be considered for adoption at a future date.

Chapter 17.33

C-3 GENERAL COMMERCIAL ZONE

[...]

17.33.010 Permitted Uses. In a C-3 zone, the following uses and their accessory uses are permitted.

[...]

2. Existing lawfully established single-family dwellings built and occupied prior to [insert adoption date], 2021.

a. Lots for these uses will be limited to their current sizes and cannot be expanded.

b. If the single-family dwelling is not occupied for more than a year as a residential use, it is no longer considered a permitted use.

c. Short-term rentals and resident-occupied short-term rentals will be considered a continued residential use for this code provision.

3. Existing lawfully established two-family dwellings built and occupied prior to [insert adoption date], 2021.

a. Lots for these uses will be limited to their current sizes and cannot be expanded.

b. If the two-family dwelling is not occupied for more than a year as a two-family dwelling, it is no longer considered a permitted use.

24. Condominiums subject to the provisions of the R-4 zone, except that within the City Center Housing Overlay Zone designated in Chapter 17.66, density limitations of the R-4 zone shall not apply, and any special development standards of the Overlay Zone shall supersede those of the R-4 zone.

34. Multiple-family dwellings subject to the provisions of the R-4 zone, except that within the City Center Housing Overlay Zone designated in Chapter 17.66, density limitations of the R-4 zone shall not apply, and any special development standards of the Overlay Zone shall supersede those of the R-4 zone.

[...]

17.33.020 Conditional Uses. In a C-3 zone, the following uses and their accessory uses may be permitted subject to the provisions of Chapters 17.72 and 17.74.

[...]

F. **Outside of the City Center Housing Overlay Zone, a** A multiple-family dwelling **or condominium** constructed to a higher density than normally allowed in the R-4 multiple-family zone provided that the following conditions are met. It is the applicant's burden to show that the conditions have been met:

[...]

Chapter 17.54

GENERAL REGULATIONS

[...]

17.54.065 Use of Recreational Vehicle (RV) As Temporary Residence During Residential Construction.

A recreational vehicle (RV) may be authorized as a temporary residence during construction of a new residential structure on the same lot or parcel if found to comply with the following conditions.

- a. Only one RV shall be allowed on a lot or parcel. The RV shall only be placed on a lot or parcel for which a building permit for a site-built dwelling(s) or a placement permit for a manufactured dwelling meeting the standards of the applicable zone has been obtained.**
- b. The RV shall only be placed on a vacant lot, or a lot on which any existing dwellings will be demolished or removed. If any existing dwellings on the lot are to be demolished, the RV shall only be allowed on the lot prior to demolition if a demolition permit is issued concurrently with the building permit or placement permit for the new home. Demolition of any site-built home shall begin, or removal of any manufactured home shall occur, within 30 days of placement of the RV.**
- c. The RV shall only be occupied by future residents of a dwelling under construction on the same lot. If the occupants are not the property owner, written authorization from the property owner shall be provided prior to placement of the RV.**
- c. The RV shall not be occupied concurrently with any dwelling on the lot, either prior to demolition or removal of any existing dwelling or upon completion or placement of a new dwelling.**
- d. The RV shall only be occupied during a period in which satisfactory progress is being made towards the completion of the site-built dwelling or placement of the manufactured dwelling for which a permit has been obtained, and in no case shall the time period exceed 18 months involving a site-built dwelling or 6 months involving a manufactured dwelling, including any applicable demolition or removal. The Planning Director may grant one or more emergency hardships extensions provided the building permit or installation permit remains active and upon finding continued progress toward completion.**
- e. The RV shall cease to be used as a temporary residence not later than one month following the completion of a new site-built dwelling or placement of a manufactured dwelling, as applicable.**
- f. Except in the case of a self-contained motorized RV, connections to public sewer and water or any authorized on-site systems shall be provided, as well**

as electric power. Any on-site connections shall require applicable permits and approvals.

g. There shall be no parking of a self-contained, motorized RV or any vehicles on any portion of the site which is not paved or improved with a compacted dust-free gravel surface.

h. The Planning Director may revoke authorization for use of the RV as a temporary residence upon finding noncompliance with the provisions of this Section, including evidence of unsatisfactory progress on construction or placement of the permanent dwelling unit(s).

i. Nothing in the Section is intended to preclude any other lawful use of an RV as otherwise authorized in the McMinnville Municipal Code, such as the Safe Overnight Parking Program.

[...]

Chapter 17.60

OFF-STREET PARKING AND LOADING

[...]

17.60.050. Spaces – Location.

~~Except for one or two upper-story residential dwelling units above a non-residential use, off-street parking spaces for dwellings shall be located on the same lot with the dwelling.~~

A. Except as provided below, required off-street parking spaces for dwellings shall be located on the same lot with the dwelling. For the following residential uses, off-street parking shall be located not farther than five hundred feet from the building or use they are required to serve, measured in a straight line from the building.

1. Off-street parking for one or two upper story residential dwelling units above a non-residential use

2. Off-street parking for residential uses in the City Center Housing Overlay Zone designated in Chapter 17.66

B. All other required parking spaces shall be located not farther than two hundred feet from the building or use they are required to serve, measured in a straight line from the building.

C. When parking is provided on a different lot than the use it is required to serve, the applicant shall provide evidence of a binding parking agreement for use of the property for off-street parking consistent with the provisions of this Chapter for as long as the parking is required to serve the property. If the property is in different ownership or subsequently conveyed to a different owner, the parking agreement shall be recorded.

[...]

17.60.100. Reduced requirements for certain area.

A. In the area bounded by Adams Street, Ford Street, and Seventh Street, required off-street parking spaces for commercial establishments may be one-half the number stated for the particular use in Section 17.60.060 (see special parking requirements map below).

B. Except as provided in Subsection (C), within the City Center Housing Overlay Zone designated in Chapter 17.66, minimum required off-street parking spaces for residential uses shall be one space per dwelling unit.

C. Within the areas described in Section 17.60.060 and 17.60.100 and depicted in the “Reduced Parking Requirements” map, minimum required off-street parking spaces for multi-family residential uses shall be 0.75 space per dwelling unit for studio and 1-bedroom dwellings.

[...]

17.60.125. Shared access. When it is in the public interest, a shared driveway and circulation subject to a shared access easement and agreement may be authorized by the Planning Director when it would achieve one or more objectives of the Comprehensive Plan or this ordinance, such as reducing access points onto access-managed streets or reducing the amount of land required for access to parking spaces. Except where otherwise provided in this ordinance, a shared driveway to access parking spaces shall not replace the requirements for street frontage or other provisions of this code. The Planning Director may require that a shared driveway be located on the common property line between properties in certain circumstances, such as a situation where access is shared, but parking is not.

Chapter 17.63

NONCONFORMING USES

[...]

17.63.060 Structure—Destruction.

- A. If a nonconforming structure or a structure containing a nonconforming use in the industrial land use category is destroyed by any cause to an extent exceeding sixty percent of the assessed structural value as recorded in the County Assessor's records at the time of destruction, a future structure or use of the property shall conform to the provisions of this ordinance;
- B. If a nonconforming structure or a structure containing a nonconforming use in a residential, commercial, or public land use category is destroyed by fire, accident, or an act of God, the structure may be rebuilt to the same size (square footage before destruction) and may be occupied by the use which occupied the structure at the time of destruction.
- C. In the case of a destruction of a nonconforming multiple-family residential structure, the structure, if rebuilt, may not contain more living units than existed prior to the destruction; **except, however, in a C-3 zone within the City Center Housing Overlay Zone, this limitation shall not apply to a multiple-family structure that is nonconforming relative to the referenced setbacks of the R-4 zone, but meets the setbacks of the C-3 zone and which does not otherwise increase nonconformity relative to other development standards.** (Ord. 4128 (part), 1981; Ord. 3380 (part), 1968).

[...]

Chapter 17.66

CITY CENTER HOUSING OVERLAY ZONE

Sections:

- 17.66.010 Establishment
- 17.66.020 Purpose and Intent
- 17.66.020 Applicability and Exemptions
- 17.66.030 Guidelines and Standards
- 17.66.040 Procedure

17.66.010 Establishment. The City Center Housing Overlay Zone is hereby established. The City Center Housing Overlay Zone boundary is shown in Figure 17.66.1.

17.66.020 Purpose and Intent.

17.66.030. Applicability and Exemptions. Provisions of this Chapter apply to residential development within the City Center Housing Overlay Zone boundary, including new development, and development that increases the square footage or number of existing dwelling units.

The provisions of the Chapter modify the provisions of other Chapters of the Zoning Ordinance as specified herein.

In addition, other Chapters of this Ordinance may specify that certain provisions of those respective Chapters are modified for properties within the City Center Housing Overlay Zone boundary, as specified in those Chapters.

The provisions of this Chapter do not apply to routine maintenance of residential development within the City Center Housing Overlay Zone.

17.66.040. Guidelines and Standards. [Reserved for future use].

17.66.050. Procedures. [Reserved for future use].

Figure 17.66.1. City Center Housing Overlay Zone Boundary

