Making the Most of Our Urban Lands

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Moderator: Samuel Goldberg



Joseph Briglio City of Milwaukie Michael Andersen Sightline Institute

Becky Hewitt ECOnorthwest



SPARROW SITE (Brownfield Development)

Housing Land Advocates Conference March 8, 2024

Joseph Briglio Community Development Director City of Milwaukie





Milwaukie

Mostly Developed

Older Infrastructure

Future Housing – Infill and Redevelopment

Climate Friendly Equitable Communities (CFEC) and Middle-Housing Legislation Helps

- Island Station Neighborhood District
- Adjacent to Trolly Trail and Max Orange Line

00002

Sparrow Site - Context





Background

<u>2014</u>

1.4 Acre Site

Trimet Owned

Construction Staging for Orange Line & Trolley Trail

> Brownfield – Soil Contamination



Background

<u>2016</u>

Construction Complete

Sparrow Site - Photos



Entrance - looking north



Falconer



Gamba

Sparrow Site - Timeline

06/2022 2024 03/2019 02/2020 06/2021 02/2023 03/2021 Resolution Surplus Draft Project **Purchased** Site Access Project Goals Purchased to Acquire Property Adopted Auxiliary Lot Main Lot Goals Study Auxiliary Lot Hearing 06/2021 2017-2019 Access Study Due Results Diligence

- Metro Grant Phase I and II Environmental
- Developability Conversations
- Purchase & Sale Agreement Negotiations

City Council Project Goals

- Affordable Income Restricted preference for 30% and below AMI, but no more than 60%
 Unit Size 2 to 3 bedroom
- **3. Minority / Women Business Enterprise Contracting** Good faith efforts to assemble a development team that encompasses minority and/or women owned businesses
- 4. Tree Preservation Minimize impacts to the tree canopy
- **5. Sustainable Design** Use sustainable and energy efficient design methods and construction materials
- **6. Affirmative Outreach** Ensure diverse marketing efforts are provided to persons of all racial, ethnic, and orientations
- **7.** City Financing Minimize the need for City funding for delivering project goals
- 8. Project Delivery Pick a team that can do it as fast as possible



• Density

- Zoned Moderate Density Residential (R-MD)
- Upzone would be challenging
- CFEC/Middle Housing Code will help developability
- RFQ/P planned to shed more light on feasibility

• Brownfield

- Metro Brownfield Program Environmental Phase I & II
- Soil removal and/or surface capping will be incorporated to the future site plan (Remedial Action Plan)

• Access

 2021 Site Access Study found that expansion of the right-of-way is required to provide access to any future proposed development

Sparrow Site - Access

"Sparrow Auxiliary Lot"

- 12302 SE 26th Ave
- 2021 Site Access Study
- Purchased from Trimet in 2023



Sparrow Site - Photos



Entrance – looking south



Sparrow Site - Photos

SE 26th Ave looking south from SE Sparrow St

Sparrow Site - Access

Sparrow Auxiliary Lot

 2021 Site Access Study found that acquiring lot 5100 will be required for access/ROW improvements to support future development at the main Sparrow Site





SCALE: 1" = 40'





• Purchase & Sale Agreement Negotiations

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Sparrow Site - Next Steps

2024

- City Council Hearings
 - Surplus Hearings
 - RFP Authorization

• Release RFP

2025

- Developer/Owner Selection
- Public Engagement
- Site Design
- Remedial Action Plan

2026

- Permitting
- Access/ROW Improvements
- Brownfield Mitigation
- Construction



Thank You!

Joseph Briglio Community Development Director City of Milwaukie briglioj@milwaukieoregon.gov



Additional Background Slides



Affordable Housing Need

Housing Authority of Clackamas County – Annual Plan 2021-2022

• 1504 households on waitlist for affordable housing

Clackamas County Affordable Rental Housing need forecast for next 20 years (2019-2039)

- All of Clackamas County 10,000 units
- Milwaukie 697 units
 - 256 Extremely Low Income (<30%)
 - 167 Very Low Income (30%-50%)
 - 274 Low Income (50%-80%)

North Clackamas School District – Oregon Department of Education (2019-2020)

- 331 homeless youth or 1.92 % of the entire NCSD enrollment

North Clackamas School District – Oregon Department of Education (2019-2020)

- 331 homeless youth or 1.92 % of the entire NCSD enrollment
 - 33 were "sheltered" residing in private or public shelters intended for use by homeless individuals and families
 - 260 were "doubled-up" sharing the housing of others, whether relatives or friends, due to loss of housing, economic hardship, domestic violence or similar reason
 - 18 were unsheltered residing in cars, trailers, parks, abandon buildings, or other settings not designed as regular sleeping accommodations, and
 - 20 were living in hotels or motels

Sparrow Site - Constraints

- Staff review of development scenarios under current and future zoning
- Significantly fewer units than the 45-50 preferred by 0-30% AMI housing developers

Income restricted rental units

- Challenging to finance 0-30% AMI projects that are less than 50 units
- Hard to compete for LIHTC financing with larger (150-180 unit) projects
- At the 0-30% AMI level, projects typically have on-site resident services (45 units is the low end to finance on-site resident services)
- Less long-term operating income in the deeply affordable 0-30% AMI projects

Income restricted homeownership units

 0-30% AMI homeownership is not common. For example, a 25-unit Habitat for Humanity project will have 15 units for <60% AMI and 7-8 units at 60% - 80% AMI

Sparrow Site - Constraints



Sparrow Site - Predev Budget

Predevelopment Budget	City of Milwaukie		Business Oregon Grant		Total	
Sparrow Land Acquisition	\$	33,287	\$	-	\$	33,287
Prospective Purchaser Agreement with DEQ	\$	1,831	\$	7,323	\$	9,154
Site Access Study	\$	25,600	\$	-	\$	25,600
Site Design	\$	6,800	\$	36,677	\$	43,477
Community Engagement	\$	4,200	\$	-	\$	4,200
RAP Development based on Site Design	\$	2,600	\$	10,400	\$	13,000
Contaminated Media Management Plan	\$	1,400	\$	5,600	\$	7,000
Total	\$	75,718	\$	60,000	\$	135,718
Site Access Alternative 1		SQFT	\$/	per SQFT	E	stimated Cost
12320 SE 25TH ROW		3,204	\$	20	\$	64,080
12320 SE 25TH Appraisal					\$	2,500
12302 SE 26TH AVE Aquistion		12,686	\$	7	\$	84,000
Alternative 1 Construction Estimate					\$	171,110
Total					\$	321,690
						·
		COLT	ė		E	stimated
Site Access Alternative 2		SQFT	/ڊ	per SQFT		Cost
12302 SE 26TH AVE Aquistion		12,686	\$	7	\$	84,000
Alternative 2 Construction Estimate					\$	190,130
Total					\$	274,130



Re-legalizing apartments in Oregon

A problem and a possible solution

Michael Andersen, Sightline Institute Housing Land Advocates conference Friday, March 8, 2024

These slides are online at bit.ly/apartmentsHLA



Who am I and what is Sightline's deal?

Sightline Institute is a regional sustainability think tank



Map drawn by Cynthia Thomas on the basis of forest data in Conservation International, Ecotrust, and Pacific GIS, "Coastal Temperate Rain Forests of North America," Portland, 1995. See also David D. McCloskey, "Cascadia," Cascadia Institute, Seattle, 1988.

Sightline



Who am I and what is Sightline's deal?

- Sightline Institute is a regional sustainability think tank
- I'm a policy writer and researcher, focusing on housing and transportation



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Sightline



Who am I and what is **Sightline's deal?**

- Sightline Institute is a regional sustainability think tank
- I'm a policy writer and researcher, focusing on housing and transportation
- Sightline thinks people should get to live close to each other if they want to



Map drawn by Cynthia Thomas on the basis of forest data in Conservatio International, Ecotrust, an Pacific GIS, "Coastal Temperate Rain Forests of North America Portland, 1995. See also David D. McCloskey. "Cascadia," Cascadia Institute Seattle, 1988

D





Source: Comparing High and Low Residential Density: Life-Cycle Analysis of Energy Use and Greenhouse Gas Emissions. J. Normaln, H. Maclean, C. Kennedy. Journal of Urban Planning & Development, 2006.



My premise today:



My premise today:

Four-story apartment buildings are awesome





NAYA's Mamook Tokatee, 56 homes on 0.4 acres in Portland. Photo: Steven Tonthat for OPB.





Clara Flats, 30 homes on 0.11 acres in Camas. Photo: Catie Gould.




The Dahlia, 69 homes at 111 NW 2nd Ave., Canby. Photo: Google Street View.





19 homes on 0.26 acres at 800 E. 2nd St., Newberg. Photo: Michael Andersen.





Source: Holtzclaw et al., 2002.





Source: Holtzclaw et al., 2002.





Source: Ericksen and Orlando, 2021.





Photo: Uladzimir Zuyeu.





Rendering: Midjourney.





Survey estimate of total homes in 2020 and 2021

Sources: U.S. Census of Housing (1940-2010), American Community Survey (2010-2021)





Survey estimate of total homes in 2020 and 2021

Sources: U.S. Census of Housing (1940-2010), American Community Survey (2010-2021)



A problem:

Oregon builds very few apartment buildings



New homes permitted in 5+ unit buildings per year, 2010-23 By county in Oregon





A possible reason:

A lot of Oregon's apartment zones are unusable





















MIXED-USE VILLAGE CENTER DEVELOPMENT STANDARDS											
STANDARD	MUC	WF	HD	DMU	СВ	LE	PB	MS	ES	MUR	
Minimum Lot Size or Area Requirement (sq.ft.) (3) (21) (24)											
Single-Dwelling Unit detached (20)(21)	None	None	None	None	None	N/A	N/A	N/A	5,000	None	
Townhouse, Per lot (21)	None	1,600	N/A	None	None	N/A	N/A	None	None	None	
Duplex (21)	None	3,600	N/A	None	None	None	N/A	N/A	7,000	None	
Triplex and Fourplex	None	N/A	N/A	None	N/A	None	N/A	None	None	(22)	
Cottage Cluster (21)	None	N/A	N/A	7,000	N/A	N/A	N/A	N/A	N/A	7,000	
Multiple-Dwelling Unit (21)	None	1,600/u	N/A	None	None	None	1,600/u	1,600/u	3,300/u	1,600/u	





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An exercise: defining a "real apartment zone"



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An exercise: defining a "real apartment zone"

Let's say:

- at least 45' height
- at least 3.5 FAR
- 150-200+ units/acre
- mandatory parking below 0.75/unit







It is illegal to build a four-story apartment building almost anywhere in greater Portland.

Share of all residential and mixed-use land (Oregon cities over 20,000 population in the Portland metro area)

Sightline





In greater Portland, nearly 25% of land zoned for four-story apartments is dangerously close to freeway pollution.

Share of all residential and mixed-use land (Oregon cities over 20,000 population in the Portland metro area)







Land zoned for 4-story apartments is 4.5 times likelier to be dangerously close to freeway pollution.

Share of each zone category that sits within 300 meters of a freeway (Portland metro area)



Source: Analysis by Ian Crozier for Sightline of Metro RLIS generalized zoning data





Eugene: 8%



Eugene: 8%

Albany: 0%



Eugene: 8%

Albany: 0%

Medford: 0%



Eugene: 8%

Albany: 0%

Medford: 0%

Redmond: 0%



A possible solution:

State zoning standards



The middle housing model



Photo: Michael Andersen for Sightline.




State clearly defines compliance



- State clearly defines compliance
- State sets clear deadline



- State clearly defines compliance
- State sets clear deadline
- Consequences are predictable & proportional

- State clearly defines compliance
- State sets clear deadline
- Consequences are predictable & proportional
- Technical help & funding





100% compliance



- 100% compliance
- No meaningful repeal effort



- 100% compliance
- No meaningful repeal effort
- Dozens of similar bills around the country, several successes



Fitting this into the

Oregon Housing Needs Analysis























These slides are online at **bit.ly/apartmentsHLA**

michael@sightline.org





@mikeyouwish

Overcoming Infrastructure Barriers for Infill Development

Housing Land Advocates Conference

Becky Hewitt, Project Director

March 8, 2024





How Infrastructure Needs Affect Development





- Frontage improvements can be expensive for smaller developments
 - Middle housing feasibility analysis for Washington County showed cost of frontage improvements reduced potential development, esp. on corner lots
 - Developers told us:
 - For a 5-lot, 10-unit development, improving 250ft of street frontage will cost \$135k
 - For a 4-lot subdivision a few years ago, spent about \$325k on streets





- Gaps in urban infrastructure can create barriers for infill
 - Exploring development potential for an infill site:
 - Cost to extend sewer estimated at ~\$150k
 - ♦ Local street fees ~\$81k
 - Current zoning allows only 6 units, even with middle housing





"Constructability Analysis" for Newport

• Example infill area (7):

- Capacity estimate: 23 units
- Major infrastructure needs: Local street extensions, water and sewer line extensions, culvert for stream (\$780k)
- Could be financially viable, but fragmented ownership makes absorbing costs harder
- Higher density didn't help given local market conditions





- Water pressure / fire flow limitations can constrain infill
 - Newburg <u>deferred middle</u> <u>housing implementation in 2</u> <u>areas</u> due to fire flow limitations
 - Another jurisdiction told us:
 - Some neighborhoods have water pressure limitations. A capital project should address that, but currently it's a constraint. Developers have to do a workaround (private lift station - not usually cost effective) or wait.





Shared infrastructure can be a meaningful cost difference for middle housing

Developers told us:

- Shared utility connections having a separate line to the street for each unit creates a huge cost.
- Requirement for every unit needing individual sewer connections out to the street added tens of thousands to project costs, lots of design challenges.
- Not having to build public street in front of every house saves a lot of money. It takes thoughtful design, but saves on infrastructure.





What Can Jurisdictions do?





Strategies Vary by Scale

- Small-scale, distributed infill
 - Smaller costs make a difference when borne by few units
 - Often localized issues improvements may serve a limited area
 - Addressing broader existing deficiencies requires public intervention
 - Limits of rough proportionality can be a challenge

- Targeted redevelopment areas
 - Costs can be substantial
 - Multimodal improvements to support higher density (e.g., wider sidewalks, bike lanes) can add value for development and jurisdiction
 - Often require public-private partnerships and developers interested in major projects
 - Require political will & strong leadership



Potential Strategies to Support Small-Scale Infill

Calibrate Required Improvements

- Portland Local Transportation Improvement Charge alternative to frontage improvements for certain local streets
- Allow shared laterals for middle housing where possible

Support Key Investments

- Consider Local Improvement Districts to address localized deficiencies
- For broader constraints, consider Capital Improvement Program priorities

Align Fees

• Review System Development Charge (SDC) rate structure – are rates appropriate for infill projects & smaller units?



Infill and Redevelopment on a Larger Scale







....

Spread the Costs

Spreading fixed costs across more units can make costs easier to absorb

Test Value of Density

Higher density can help, but isn't always more viable—depends on local market



Costs May Be Passed On

If costs can't be spread effectively, rents/prices may have to push top of market



Allow What Works

Aligning regulations with viable development can make costs bearable

