



# PLANNING COMMISSION MEETING MINUTES

September 28, 2022 at 6:00 PM

City Hall Council Chambers & Remote Video Conferencing

---

*Draft PC Minutes were reviewed and approved at the November 16, 2022 PC Meeting.*

## CALL TO ORDER - ROLL CALL

A regular meeting of the Wilsonville Planning Commission was held at City Hall beginning at 6:00 p.m. on Wednesday, September 28, 2022. Chair Heberlein called the meeting to order at 6:02 p.m., followed by roll call. Those present:

Planning Commission: Ron Heberlein, Kamran Mesbah Andrew Karr, and Breanne Tusinski. Jennifer Willard, Aaron Woods, Olive Gallagher were absent.

City Staff: Miranda Bateschell, Daniel Pauly, Georgia McAlister.

## PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

## CITIZEN'S INPUT

This is an opportunity for visitors to address the Planning Commission on items not on the agenda. There was none at this time.

Chair Heberlein confirmed the Planning Commission would take public comment after the presentation.

## WORK SESSION

### 1. Frog Pond East and South Master Plan (Pauly)

**Dan Pauly, Planning Manager**, introduced the work session, noting tonight's discussion would be focused on land use, particularly housing policy, and not going through detailed tables or the actual text of the Development Code, which would come in due time. He began presenting the continuing work on the Frog Pond East and South Master Plan via PowerPoint, noting the immediate goal for tonight's work session was to put implementation policies into the Master Plan document to guide Development Code work for both residential and commercial pieces. The project team sought clear guidance from the Commission on the language that should be in the Master Plan to direct what should happen with the Development Code. Tonight's discussion would eventually influence the clear and objective standards needed for the Development Code, as well as the guidelines, purpose statements, and intents that would be crucial if developers elected to go through the discretionary review alternative, which the City allowed.

- He highlighted the timeline of the Master Plan process, noting the public hearing would be held on November 16<sup>th</sup>. The Commission would focus on the Development Code the first half of 2023, and other implementation policies, such as the details of infrastructure funding mechanisms, as well as some public works standards around stormwater and other detailed standards.
- He noted the current colors shown on the map on Slide 5 did not represent different types of units or establish density, but represented the urban form, the look and feel of the area, the distance between buildings and from the streets, minimum lot size etc. In the end, the Zoning Map would show all these as one color, since it would be zoned the same.

**Joe Dills, MIG**, noted the clear and objective standards requirement in State law and being reinforced by the courts had a new emphasis, so tonight's policy discussion would focus on directing clear and objective standards by going from the policy intent to some of the potential details, but as stated, a discretionary review alternative would be in between and provide flexibility. Some of the specificity in tonight's presentation had that particular lens of thinking all the way through the clear and objective standards.

**Miranda Bateschell, Planning Director**, noted the project team had a number of questions to get input from the Commission, so tonight would involve much more dialogue and discussion than presentation. The Commission's feedback would help the project team get moving on what was needed in the Master Plan and also to bring something back to the Commission in the near future for the Development Code. She thanked the Commission for meeting a second time this month, knowing two meetings were also scheduled for next month.

**Mr. Dills** continued with the PowerPoint presentation, highlighting the Residential Policies the project team sought to confirm and receive further feedback on from the Commission. Key concepts reviewed included housing types, minimum density requirements, urban form standards, and how to achieve fine-grained variety standards.

The Commission provided feedback on the Residential Policies as follows with responses to questions by project team as noted:

- The full spectrum of housing being permitted for all the areas within Frog Pond East and South going forward should be shown as it would help realize the intent in planning the area.
- **Mr. Dills** understood manufactured housing was required to be allowed in all residential zones, but perhaps, only in single-family residential zones. The law passed in 1975.
  - **Mr. Pauly** added the City could still apply architectural standards, so it would blend in. He noted cottage cluster housing could be pre-fab homes.
- **Mr. Dills** explained a definition for cohousing was written in the Development Code as part of the Frog Pond Area Plan work. Cohousing was generally where there were shared facilities in a master planned unit of land. He was uncertain if not having individual lots was required, however, the cohousing projects built in the Portland area were one ownership, individual residential units, either attached or detached, with common facilities for cooking or communal rooms, etc.
- It was highly unlikely the full spectrum of housing types would be seen in the East and South, regardless of the City having them available, since it was still up to the builder to determine what they wanted. (Slide 9)
  - **Mr. Pauly** agreed, adding the project team would talk more about that.

- The financial or economic feasibility of some of the housing types was not going to pencil out, and the type of housing was being left to the developer; however, the project team had some analysis of what would be feasible.
- **Mr. Pauly** said that was right, noting cohousing had been explored for one property in Frog Pond West, but it did not get built. He expected all the other housing types could be built, though he was uncertain manufactured homes would be what the Commission had in mind. He could see a manufactured cottage or something like that easily coming into the mix, or alternative building methods. The line between townhouses, duplexes, triplexes, and quadplexes was kind of gray with some of the other laws at play, but for all intents and purposes, they would likely be built. Cluster housing cottages were a probability, and definitely multi-family and ADUs.
- He confirmed the City was allowing all of the housing types and that some had a higher probability of being built than others, so the housing types would not likely be evenly distributed. He noted the requirements would be categorized so there would be multiple ways to meet one requirement with different unit types.
- Minimum densities should be required and using the urban forms was supported, though the devil would be in the details as to how to make that happen.

**Mr. Dills** continued the PowerPoint presentation, reviewing housing variety policy, which was new, noting its purpose and the key intended outcomes of its implementation with additional comments from Mr. Pauly. The three-step approach for delivering housing variety was described. The project team had had a good discussion about whether to incentivize versus require the percentages of housing categories and, being doubtful that suggesting or incentivizing would result in housing variety, the project team received guidance to include some minimum category requirements.

Discussion and feedback from the Planning Commission was as follows with responses by project team to Commissioner questions as noted:

- The allowable housing types (Slide 9) included manufactured and cohousing, but neither were included in the Venn diagram. (Slide 17)
  - **Mr. Pauly** noted there were many different ways to classify housing types. Manufactured housing could be an ADU, cottage cluster, detached, single-level home, etc. It was allowed, but that was not how it was categorized to get at the housing variety policies; same for cohousing homes.
  - **Mr. Dills** added they would have to have a home in some category. He agreed manufactured and cohousing would need to be added as the full spectrum of housing varieties was represented in the categories.
- As housing types, manufactured and cohousing should be categorized as well.
  - **Mr. Pauly** believed cohousing fits into that; however, manufactured homes could be several different unit types.
- Putting a note at the bottom was suggested if there were exclusions. If there was a reason why a type was not put into the categories, it should be noted, such as “Manufactured homes could be in any of the categories”.
- **Mr. Pauly** confirmed the specific definition of manufactured housing was based on State statute and rules.

- The components of a house could be manufactured in a specific design in a factory and assembled on site. It was not mobile homes like manufactured housing used to be, just stamping out the same thing. These days, manufactured housing was very high-quality.
  - **Mr. Pauly** added that technology could change and improve during the lifetime of the Master Plan.
- If including the definition of manufactured housing, the Master Plan would be saying that new technology was available to all categories, which would be a good asterisk or footnote. Cohousing needed to have a home.
  - Including a reference to the State definition or having a definition in the Master Plan for both a cohousing and manufactured home would be helpful as it was a more ambiguous housing type.
    - **Mr. Pauly** noted a lot of the definitions came from the Development Code and suggested adding a glossary in the Master Plan indicating where the definitions came from.
- **Mr. Dills** noted the point was very well-taken about modern-day practices and manufacturing components to homes, suggesting they look at the definitions through that current lens.
  - He offered another policy perspective given the market was strong at a couple of ends of the spectrum. The townhouse, multi-family, detached single-family, ends of the spectrum were strong, and if the project team knew those were likely to be delivered in Frog Pond East and South, perhaps the system should be set up so the requirements get at a little more than that, which was where the green and blue bubbles came in and the Commission's choices about how many categories get required in the Development Code. (Slide 17)
  - **Mr. Pauly** noted the requirements had to have a market feasibility reality to it as well, so that how much was required was reasonably absorbable by the market.
- If the City strongly believed a housing type was needed ~~there~~ in a particular area and there was no demand for it, it might be okay for the City to wait for that property to develop. The City did not have to build it now, if it was not the right product or the right time.
  - **Ms. Bateschell** agreed that was a policy choice the Commission should discuss. From what she had heard, it was not synonymous demand and market feasibility either, as there was a lot more to what the market was producing that was not just about demand. Part of that was ~~that~~ some of the green types had been less traditional or traditional at a certain point in history, but not currently. There were also market economies or scales of economies that developers took advantage of that could play into their market feasibility, but not necessarily equate to the fact that there was no demand for certain housing types; there likely was demand for these housing types.
- **Mr. Pauly** clarified the housing variety requirements for large properties could be by subdistrict, but properties smaller than a subdistrict would probably be by property. There was some feasibility when implementing the requirements as it was hard to do the math across property lines if the requirement applied to only a portion of what was being developed.
- If it was not economically feasible to build a needed housing type, and the City could wait, did that mean the property owner was going to wait? The concern was that the property owner would have to develop whatever required subcategory was left in that particular geographic area, and if they were not willing to build that type, the City would not allow them to develop their property.
  - **Mr. Pauly** said the project team had thought about how to avoid such situations and would discuss it more in the course of the work session.

- **Mr. Dills** added the team believed the solution was to set up the system so that individual properties have their required number of categories for that ownership, clearly and objectively stated in the Development Code.
  - The best example was the South neighborhood. The majority of homes on the east side of 60<sup>th</sup> Ave were 5 and 10 acre lots, so the system needed to be set up so that any individual property could go forward without having to rely on the adjacent property, and not be in the shell game of who has consumed how many categories elsewhere. The East neighborhood is different as it had larger ownerships, and the subdistrict mapping and good quality master planning by those owners and developers could deliver the system, too, and plan where to do the units they wanted to bring in first, which in some cases was a matter of the sewer's location. What product would come in to the market first and second, or maybe two markets would hit at the same time; all those things were in play for a master planned, larger developer situation, so the Master Plan needed to anticipate incremental development of that area where small, medium, and big projects would be happening.
- **Mr. Dills** agreed the South neighborhood could be exclusively categorized by property and East potentially by a mix of subdistricts because it was part of a large parcel, or by property if an individual area necessitated that.
- In a subdistrict with small properties, how would the City ensure the first property owner did not get all the good stuff and leave the rest for the property owners?
  - **Mr. Dills** replied the project team learned a lot by laying out the sewer system. At the south end of 60<sup>th</sup> Ave there was a lift station, which meant a line had to be brought south, which was where the gravity went, into lift station where it was then forced up to the gravity system of Advance and Boeckman Roads. Installing that line would open up all of those properties to the south, at least from a sewer perspective, so they could come in at the owner's timing once the infrastructure was in place.
- Though the City was not in the practice of having temporary lift stations as part of the development, it was technically possible. The City's main would be built as it went down/south, with a temporary lift station a quarter way down that pumped up and when the next quarter was ready, the City would basically move the lift station down and continue to build as that was more accessible to the main street and so forth. It was a more phased approach.
- The assignment of housing types to properties from the get-go was great because one of the alternatives was to allow property owners to start trading if they wanted something different, as long as in the end, everyone had the housing types that the City wanted.
  - **Mr. Pauly** replied it was a matter of getting it at the right geography so that smaller geographies, whether by subdistrict or property, could get variety at that granular level rather than having it more segregated, which the project team heard was clearly not wanted.
- Would it be possible to make sure that these housing categories and mixes were built all together as opposed to having all the single-family built first?
  - **Mr. Pauly** clarified each development would have to propose a mix, resulting in a mix occurring throughout.
  - **Mr. Dills** added the timing of the construction would be up to the developer.
  - **Mr. Pauly** noted the land use approvals would be done.
- **Commissioner Mesbah** noted the land use had also been approved in Villebois before the fires. He did not want the Planning Commission to have done all the work and not thought through all of that, allowing the first comers to burn the bridges, which would be an unfair way to

develop this area. If the City of Wilsonville was going into this development with a vision, it was important to make the vision stick, and not have it derailed by popular demand later on.

- **Ms. Bateschell** agreed that was an important point, and as the project team worked through the discussion tonight, the remaining choices, policy options, and feedback from the Commission, might influence some of the Commission's thoughts. Tonight's discussion was to help formulate what the housing variety policy would look like. Feedback on whether to require the housing mix; and if so, how and at what level; what were the maximum or minimum percentages, etc. would help better meet that objective, depending on what the Planning Commission decided.
- **Chair Heberlein** believed some of it would come down to the City communicating the intent better when those developments came forward to DRB, making sure that the community was aware of the process that was gone through to get to that point, as some of it was just a lack of knowledge. People needed to know DRB review was not the first step, but step thirty in the process.
- **Commissioner Mesbah** agreed with communicating the vision clearly, effectively, and continually, but also the values behind the vision. People complained about beautiful areas being developed but did not know the land use plans for the area. People need to know the values behind it. The City was trying to create these categories for variety because variety was what was going to strengthen the city and its supply of housing, residents, manpower, effective governance, etc. It becomes a moral imperative for the City to maintain that value through the vision and through realizing it and building it.

**Mr. Dills** continued the presentation, discussing the basic percentages and metrics to guide how the housing categories were applied to geographies. He described reasons for the proposed maximum net area for each housing category, minimum net area for any target category, and minimum middle housing mix as well as how and each could be accomplished.

**Mr. Dills** confirmed the Commission was comfortable with the notion of housing categories and that there would be categories per subarea with the preference of being on a tax lot basis, so properties did not get isolated.

Discussion and feedback about regulating questions with regard to Housing Variety Policy was as follows with responses to Commissioner questions as noted:

- Middle housing was part of the Variety and Affordability category and the Variety, Affordability, and Accessibility categories. Was the project team talking about specifying a minimum percentage of net area for those categories, but then adding a minimum requirement of middle housing within that category as well?
  - **Mr. Pauly** clarified it would actually be an overlap; for example, a unit could be in two different categories and also meet the middle category requirement.
  - **Ms. Bateschell** added the unit could meet multiple standards and objectives at the same time.
    - She confirmed it could be its own category, but it had not been because through the process, the City had heard that middle housing was not necessarily always the ultimate goal to having a housing variety policy, but to also have a variety of housing, so places did not have all the same housing type, and to provide for the various needs and wants in the community; not everyone wanted the same house type. There was also interest in having the housing variety policy address the affordability question. Moving forward, housing

would be getting more expensive and less affordable, and the project team's analysis revealed a huge pocket of that would have to be subsidized. The City had the ability to meet some demand within the 80% to 120% area medium income brackets, with housing types that were more affordable than the standard, single-family detached home. The category was more about that than what the form of the house was necessarily. It was about whether it was a more affordable housing type. Similarly, the City heard it was important moving forward to have homes that were accessible to people with limited mobility issues. Those had been the drivers behind a lot of the input heard from Planning Commission, City Council, and the community, which was why the project team chose to categorize the types as presented.

- Some middle housing as built, addressed those categories, values, and objectives behind the City's policies, but some did not. Middle housing in and of itself did not necessarily address that policy objective. The project team chose to place middle housing in multiple categories because it could sometimes meet those policy objectives and not at other times.
- The other question about middle housing regarded not only the City's compliance with House Bill 2001, but also the value at the State level that these housing types were clustered for a reason, and those middle housing types had been of interest to City Council in helping to achieve first-time home buyer opportunities and not necessarily in the form of a multi-family residential condo project. This led to the secondary question about whether that was also a policy objective, and if so, did the Commission want to have a minimum number of types. She noted the Commission caught on very quickly that middle housing was basically duplicated within the Venn diagram. The City could require a developer to build two housing types and to meet the percentages for Variety & Affordability and for Variety, Affordability, and Accessibility and they could pick two middle housing types to achieve that. Building townhomes and cottage clusters, or a single-level, accessible middle housing type, would meet both the standards for minimum percentages as well as the middle housing requirement.
- One subdistrict was going to have multiple property owners, potentially, so would individual property owners be able to adhere to the guidelines by multi-tiering it or would it hamstring them in what they could build?
  - **Mr. Pauly** responded the table concept Mr. Dills alluded to was important because the City was going to look at the Development Code at that property level, see what property was going to develop together.
    - He confirmed the districting would be at the property owner level, and then the City's guidelines would be either at the larger subdistrict on the East or the properties in South. That sub districting would not be done on smaller properties because each individual property did not need a green focal point, so other policies played into the subdistricts.
  - **Ms. Bateschell** noted the Commission could choose at what level those standards applied. Given the conversation around policy, the minimum number of middle housing types could be applied at a different scale than the minimums and maximums, which had been discussed as being per development, but the minimum middle housing could be applied differently.
  - **Mr. Pauly** added it could be applied at a higher level, for example, per subdistrict in the South, which would tend to happen anyway.
  - **Mr. Dills** added, or it could be only for properties over X acres that had the flexibility and would be doing more categories anyway. The project team did not have the specific answer to the

question, but it was a good critique. The team needed to figure out how 3C married up with 3A and 3B. It could be if 3A and 3B were satisfied, then 3C would also be achieved. He suggested that team work on that and return with ideas.

- It seemed the Commission agreed that minimums and maximums were wanted to control the variety, and now it had to come up with what could be put into a policy.
  - **Mr. Pauly** stated 3A and 3B were kind of the drivers, and if 3C fit into 3A and 3C that would probably go in the Code.
  - **Ms. Bateschell** suggested the Commission talk more about 3A and 3B to see if it became more clear whether 3C was met, as the Venn diagram had categories that did not have middle housing.
  - Apply 3A and 3B to the parcels in the development to see if it worked would very quickly reveal whether 3C was needed or not. Having 3A, 3B and 3C was fine, the question coming up was whether that would be practicable with all the available parcels or would they not end up being applied on smaller parcels. If it was applicable at the parcel level, 3A, 3B, and 3C were fine.
  - Policy could not be made that was not applicable to individual properties. It could inadvertently create conflict between the properties.
- The Planning Commission confirmed it was comfortable with the minimums and maximums platform.
  - A minimum might be needed for middle housing if it was going to be too tempting to work around it, resulting in no middle housing, which was needed.
  - It would be nice if 3A and 3B drove 3C.
  - In running the scenarios, if developers were able to skirt middle housing easily, then that would indicate a need for a middle housing minimum. If middle housing happened anyway, that was easy; but how could the City make sure the housing types that did not in the short term, did happen eventually and to ensure middle housing was not built because it was more difficult, too inconvenient, etc.
  - That also needed to be analyzed across individual properties to avoid making one development overpower another in the same subdistrict and prevent a "First builder in wins, the last builder is stuck with all the middle housing" type of scenario.
- **Mr. Pauly** gathered that the Commission was comfortable with the provided percentages. The project team had referenced the affordable housing analysis, which essentially said that market aside, 50% single-family and 50% middle housing would tend to be built. Even with some multi-family, it would still be around 50% detached single-family, which signaled to the project team that 50% not only met the variety, but it was also what the market would tend to do anyway.
- Visual examples showing how the percentages would look on a block were requested to give the Commission a feel for what a 50% mix might look like, for example.
  - **Mr. Pauly** noted he was uncertain the project team had the bandwidth, but that could possibly be explored when getting into the details of the Development Code. Going back to the urban form, he noted the team anticipated the middle housing design standards would continue to apply and would tend to make the townhouse or multi-family building look more like a large, single-family in terms of asymmetry or symmetry, door locations etc. Those were existing standards the City did not plan to change, but those architectural standards were still at play and would tend to help different unit types be more complimentary to each other. He believed design would help address the feel issue.



- Using Frog Pond West or an area of Villebois was suggested to get an example of what those areas would look like with certain categorizations and percentages. Finding a place with the same percentages would be helpful in looking and walking around it to see if it felt right.
  - **Mr. Pauly** added even taking a development like Morgan Farm, for instance, and indicating which units would be townhouses rather than single-family given certain percentages would be fairly simple to do or pulling some areas of Villebois that have a variety and show the percentage.
- **Commissioner Karr** noted the percentages he had given for housing types at a previous meeting had come from driving around Villebois and visualizing how to replicate something like that in Frog Pond. Pictures speak a thousand words.
- It could be fixed through architectural design as well, so the City had to make an allowance for that.

**Mr. Dills** continued the PowerPoint presentation, describing the Commercial Main Street streetscape components and noting the policy related questions for the Commission as follows:

*Should the City be flexible to allow commercial or vertical mixed use?*

*Should the City base the design standards on the Town Center main street code?*

The project team addressed questions from the Commission, which also provided additional comments as follows:

- Staff clarified a four-story building height was being considered for the Commercial Main Street and that Town Center had a range for building height. Each Town Center subdistrict had a different target, the higher end being five stories, which could go higher if certain waiver criteria were met.
- Three-story multi-family would be allowed in a residential area and four-stories in commercial, but a Type 1 could go up to four-story multi-family. Three-story building heights were pretty much allowed everywhere within the city.
- **Mr. Pauly** noted if there was interest in vertical mixed use resulting in four-plus stories, then maybe it makes sense to allow three story broadly. The team agreed that having kind of the Type 2 along Stafford Rd made sense for the most part, but the space in the image was across from a green space, so given the relationship, maybe having that little block as Type 1 could make it taller and mix better with a vertical mixed use product on Brisband St. At the street, there would be a transition to allow for a more subtle transition. The developer had expressed interest in doing that and having a more consistent look rather than going four-story all the way down the two sides of the street. Similarly, on the south side, the land use shown would be updated on the next version as constraints were revealed at that corner of Stafford and Advance Rds following wetland studies.
- The concern was having a four-story building next to a cottage cluster; an overpowering feeling of a big building with a small building next to it. However, being able to move or specify types would give it more of a smoother transition.
- A spot in Villebois had the mixed use with three-story, single-family homes next door, and it worked pretty well for that area. Mixed use with apartments or condos, etc. above was really trendy right now, and there was market demand for it.

- **Mr. Pauly** noted in terms of urban form, single-family houses, even though they were detached, were very much a bulky product, close to the street with limited setbacks that would fit more into that Type 1 category.
- The project team should make sure the image represented what it envisioned the Main Street area would look like. A three-story scale looked about right, but the idea of four-story buildings seemed a bit much.
  - **Mr. Dills** clarified he had not heard how many stories the team intended to represent in the Main Street diagram, whether it was a three- or four-story product.
    - **Mr. Pauly** noted there were some economies of scale to make construction feasible.
- **Commissioner Karr** liked the idea of the Main Street somewhat conforming or scaling down to the Town Center, giving the town a feel of continuity.
- **Chair Heberlein** stated he was supportive of both questions in terms of using the Town Center code.

Following a brief discussion, Staff confirmed the Commission wanted vertical mixed use for the Commercial Main Street area and that the project team should ensure there was no abrupt transition from any vertical mixed use on Brisband St.

**Ms. Bateschell** agreed understanding whether mixed use would be feasible from a developer's perspective was important, as that had been part of the challenge in Villebois.

The Planning Commission took a brief recess at 7:31 pm and reconvened the meeting at 7:37 pm.

**Chair Heberlein** called for public testimony.

**Sparkle Anderson** confirmed via phone with Staff that she could not hear the meeting via Zoom and that she had no public comment at this time.

**Mimi Doukas, AKS Engineering**, representing West Hills Development, which was working on the Azar property which comprised about half of the land within Frog Pond East, so West Hills had a very strong interest with how the development plan moved forward. Staff was aware of and had alluded to things the developer wanted to adjust in the land plan itself. West Hills did have a vision for what could happen in the Azar property, and had heard quite loudly from the City Council, Planning Commission, Staff that housing variety was a very important goal. West Hills shared that goal. Real estate worked better if there was a variety of housing as everything sold faster, looked better, and got more market share. The Azar property within the City's land plan had the most Type 1, the only Commercial Main Street zone, as well as Type 2 and Type 3, so West Hills had an urban design spectrum for that intensity would be. West Hills planned to build single-family detached and attached homes, multi-family, garden style apartments, and the vertical mixed use for the town center. Vertical mixed use was one of the trickier components and yes, West Hills was a bit concerned about how much commercial was viable in that location. West Hills knew vertical housing had a real opportunity, but the presented main street concepts were different from the garden style walk-ups West Hills was thinking of for Type 1 to help transition around the Town Center that would be a more affordable multi-family type.

- The vertical mixed use being discussed for the town center would need elevators and was a different type of development and price point. West Hills wanted and was striving for that type of variety but was concerned the level of complexity going into the regulations discussed tonight would

make development very challenging on implementation. The single-family detached and townhouses in Types 1, 2, and 3 would all be different housing types. A detached home in Type 3 was not the same as a detached home in Type 1, so there would be a variety of each of those housing types across the different urban design categories. Some of the City's concerns about housing variety would be addressed in the urban design overlay, which was why she cautioned against putting too many additional layers on top, which would break West Hills' implementation at some point.

- She was also concerned about how the percent requirements for housing variety were placed either by tax lot or by subdistricts. The subdistricts AKS and West Hills had to work through on Frog Pond West were challenging. Densities were assigned on subdistricts that did not match the number of units approved relative to the development standards; they did not quite line up. There were real problems on the implementation side. She advised being careful on how subdistricts were done and how that percentage was applied.
- Her main message was to be careful with how much calculus was put into the Development Code. The City was going to get variety with some basic controls. The 50% maximum of a single housing type was a good, straight forward regulation.
- She noted 3C middle housing was already covered in 3A and 3B for housing variety. Small lot, single-family detached and townhomes could be middle housing, or not middle housing. Again, too much calculus risked breaking the system.
- While the Commission did not want to be driven by market viability, it did want a plan that worked and market realities factored into what could get financing, what could attract a developer, and what could attract buyers, so market viability should not be ignored. She believed 3A and 3B made sense, but she would not add 3C on top.
- From West Hills' perspective, applying the housing variety percentages across the entire tax lot rather than the subcategories of colors across the tax lot was recommended. West Hills' site could end up with nine different categories, and maybe more if done by subcategory and by tax lot. That was a lot to deal with, particularly when townhomes or small lot, single-family detached houses could mean different things depending on size; small or big, the City would get variety regardless.

**Chair Heberlein** thanked Ms. Doukas for her comments, noting it was important for the Commission to hear some of the reality, so it did not get lost in the idealism of it all.

**Commissioner Mesbah** believed only a headcount was needed to make sure 3C was covered in 3A and 3B, it was not an added requirement but there to ensure 3C was covered. He asked if West Hills saw some other angle on that.

**Ms. Doukas** clarified her struggle was she was not 100% sure what middle housing was ~~versus~~ and was not. What was a small lot detached home versus a middle housing home, or an exploded duplex versus a middle housing duplex. There were traditional homes that would check the box on middle housing, and she did not know how to draw that bright line.

**Ms. Bateschell** clarified the City would do it based on the State law definitions.

**Ms. Doukas** replied she still did not think that was a bright line.

**Mr. Pauly** added, especially when it came to cluster housing.

**Ms. Doukas** noted cluster housing was a completely different housing type that West Hills did not build as that category did not match what West Hills builds. It built masters on the main and there was probably potential for ADUs, but mostly, it was a variety of sizes of detached homes, townhomes, garden apartments, and vertical apartments and middle housing was probably in that mix of things.

**Chair Heberlein** noted one challenge Ms. Doukas raised was some of the issues in terms of the Frog Pond West implementation. Were there were things the City could learn to make sure it did not repeat the same mistakes in East and South?

**Mr. Pauly** stated he agreed 100% about not doing subdistricts like Frog Pond West in the way it was addressed per property, and as experienced in Villebois, implementing regulations over two different developments added difficulty to the calculus. He believed in keeping it at the right scale and continuing to have that lens as the project team got into the details of the implementation.

**Dan Grimberg, West Hills Land Development**, stated West Hills had been involved in six different UGB expansion areas, including six projects in Frog Pond West with three that had been developed and three more that had been annexed into the city and had DRB and zoning approval. West Hills was very excited about its opportunity in Frog Pond East with the Azar property and was trying to get plugged in with the planning process, which was moving so fast that West Hills could not catch up and that was concerning. When the Master Plan was finally approved, West Hills would have to make it work with all the different percentages and definitions.

- West Hills had a great opportunity and wanted to develop all of the Azar property, then move on. The developer supported housing variety to a certain point, but it had to make sense in the market. West Hills did not create the market, it produced for a market. All those housing types could be done, though there could be a few it would choose not to do in Frog Pond East because there was no market. Adding 10% because someone would eventually want it did not work because West Hills could not develop part of a property. West Hills invested millions of dollars buying entire properties and could not afford to buy properties to develop parts of it 20 years later; streets, utilities, etc. all had to be put in for the entire property and it all needed to work. West Hills was good at blending different housing types, but each one had to be viable; banks did not lend on maybes.
- The City was doing a good job and West Hills would like to have more input. West Hills had a plan for the Planning Commission to understand what the developer was talking about and see how those percentages would look which could get the planning locked in. If West Hills could not make the planning work, development would not happen, nor would variety and no one got anything.
- West Hills pioneered the market and made Frog Pond West work with the large lot and eventually that became successful, but it was not easy earlier on. Frog Pond East was going to be more affordable, and West Hills wanted to provide more affordable housing as there was more of a market for it. West Hills was not trying to not do what the Commission wanted, but West Hills might just do it a little differently. The developer wanted to share its vision with the Commission which he believed was close to the Commission's. He was concerned about number being locked in because that may or may not work.

**Commissioner Karr** noted he liked that West Hills had a plan and was interested in seeing it. He also wanted to understand whether those plans could be applied to smaller parcels as he was concerned only one type of house would be built unless minimums and maximums existed. He did not want them

to be onerous or break somebody's plan, but the rest of Frog Pond needed to be protected, not just East, but also South where the property areas were much smaller.

**Mr. Grimberg** responded Frog Pond West was a good example as those were all small parcels. West Hills typically combined smaller parcels into 10- to 20-acre parcels, which was how Frog Pond West was primarily developing. The developments could have a variety of lot sizes, and now West Hills was excited about the new middle housing component. It was playing around with that on a lot of its opportunities as it provided another type of housing. With middle housing as a possibility, West Hills believed it could be made compatible and a lot of variety could be created through good architecture as done in Villebois. Frog Pond West was zoned for the overall area, not per property, and that was one way to get a variety of housing; one property got medium housing and the 5 to 10 acres next door got the small lot, and there was variety within that. A lot of variety could be created by combining different types of housing, but different design would also create great variety. Housing variety could be created on any size development, it just might not be as varied because it was smaller.

**Chair Heberlein** stated he was uncertain how the Commission could interact with the developer and asked Staff to decide what was feasible. It would be great to understand what Frog Pond East could look like conceptually to get a feel for how this type of development could look with West Hills' plan.

**Ms. Bateschell** noted the City has had several conversations with West Hills through the process in terms of keeping them engaged as a stakeholder along with other property owners in Frog Pond East and South to make sure they were aware and had opportunity to provide input along the way. It was a fast-moving master plan project compared to other master plans Staff has done, so she understood the feeling that the communication had not been as slow or extensive as on other projects. The City had seen proposals from West Hills and were working with them in thinking through that as Staff had these conversations with the Commission.

- Regarding the concern about a lot of percentages, she reiterated the project team was really trying to understand where it might go to make sure the intent was framed correctly in the Master Plan. What would move forward in October and November would be around the policies and the intent that would go in the Master Plan itself and adopted into the Comprehensive Plan. Work on some of the details around percentages and what would go into the Development Code would continue into the new year. Staff was also open to and planning on having more conversations with stakeholders and developers about what that Development Code would look like as the project team started bringing the Master Plan back to the Planning Commission and City Council.

**Mr. Pauly** added West Hills was welcome to submit any documents into the record for Staff to share with the Planning Commission.

**Chair Heberlein** understood variety was important to the Commission and the City needed to have all of those different types, the only question being how to ensure it happened.

**Commissioner Karr** added that both variety and affordability drove how to build or develop the Master Plan.

## **ADJOURNMENT**

The meeting was adjourned at 8:06 pm.

Respectfully submitted,

By Paula Pinyerd of ABC Transcription Services, LLC. for  
Mandi Simmons, Planning Administrative Assistant