

Eugene Review Panel

Report 4: Review of Middle Housing Draft Code & Affordability Considerations

Completed by the Panel April 22, 2021

The following report was created for the City of Eugene by the Panelists of the 2020–21 Eugene Review Panel on Housing.

The primary mandate of this Panel was to advise the City on the implementation of HB 2001. This report represents the last of three reports that fulfill that mission:

- *Report 1, December 2020: Guiding Principles*
- *Report 2, February 2021: Review of Middle Housing Concepts*
- *Report 4, April 2021: Review of Middle Housing Draft Code*

The Panel also provided general public engagement advice to the City, which is the subject of Report 3.

In preparing this report, the Panel reviewed the "Summary of Draft Code Amendments," prepared by City consultants Kate Rogers and Matt Hastie of Angelo Planning Group and released April 19. The Panel heard presentations by and asked questions of the Summary's authors and City staff. During its April 20 and 22 meetings, the Panel used the Summary's topline recommendations (or "Key Decision Points") as a framework in evaluating the report's contents. Due to the length and complexity of the Summary, half of the Panel was randomly assigned to assess its recommendations in relation to duplexes and cottage clusters, while the other half assessed them in relation to triplexes, fourplexes, and rowhouses. All Panelists were also encouraged to offer general feedback to the recommendations, regardless of housing type. Each half of the Panel was split into two groups, who reviewed each others' work.

Finally, the Panel heard a presentation on April 22 by Tyler Bump of ECONorthwest related to housing affordability, an area of particular concern to the Panel since its first report. The Panel then briefly evaluated the City's code work through the specific lens of increased affordability.

All text in this report consists of recorded comments made by Panelists, with the exception of headings and explanatory text in italics. Small group moderators recorded Panelist comments as close to verbatim as possible and confirmed them with Panelists on screen in real time. Due to the limited time of these sessions, the text in this report was not further proofed or edited by Panelists. In accordance with our policy of never editing any Panelist content, neither Healthy Democracy nor City staff have made any deletions, additions, or edits before publication. This portion of the process prioritized content over proofing. We hope you'll join us in doing the same when reading this report.

This project is a partnership between the City of Eugene (Oregon) and Healthy Democracy. The Review Panel prepared this report as advice to City staff. Panelists were randomly selected from across Eugene (including unincorporated areas within the city's Urban Growth Boundary), to reflect a microcosm of the city in terms of age, gender, race/ethnicity, geographic location of residence, disability status, renter/homeowner status, and educational attainment.

For more information on the Panel, please visit: healthydemocracy.org/eugene.

Key Decision Point 1

**(From the Summary of Draft Code Amendments document.)*

Question*	<i>Which approach to code writing should Eugene use overall, recognizing there may be some variation among specific standards? ALLOW, ENCOURAGE, INCENTIVIZE?</i>
Draft Recommendation*	<i>There has been overwhelming support for landing between the ENCOURAGE and INCENTIVIZE levels of implementation from the Planning Commission as well as from the online survey, Healthy Democracy, and the Roundtable meetings. The Project Team generally recommends the ENCOURAGE approach, plus INCENTIVIZING middle housing near transit corridors with a few key standards—such as lot size and parking.</i>

Key to Panelist Notes
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No emphasis = Other comments by individual Panelists

Groups 1 & 2: General Feedback & as Applied to Duplexes & Cottage Clusters

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p><u>Accessibility to transit.</u></p> <p><u>Environmentally friendly because it encourages less driving.</u></p> <p><u>Affordability.</u></p> <p>Prioritizing housing over parking.</p> <p>(see Principle 40: Be bold planners, and Principle 18: Make code less restrictive.) The City has done a good job in writing up the code to encourage/incentivize. It will make the implementation process easier and it aligns with what the panel desired to encourage/incentivize middle housing.</p> <p>It makes it easier to implement middle housing (incentivizing) lot size and parking.</p>	<p>(See Principle 35: Encourage inclusive and diverse neighborhoods with equal access, and Principle 26: Build for future, age & demographics are changing.)</p> <p>If they limit current transportation options this is not as desirable. They should be thinking about how to make other neighborhoods more transit friendly.</p> <p><u>They should be thinking about other corridors, not just the existing ones.</u></p> <p>(See Principle 24): The City should keep in mind when they are allowing middle housing that there needs to be amenities for people in the area to have access to (grocery stores, clinics, etc.).</p>	<p><u>The City should begin incentivizing middle housing along future transit corridors.</u></p>
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Groups 3 & 4: General Feedback & as Applied to Triplexes, Fourplexes & Rowhouses

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p>Seems like they listened to feedback.</p> <p>Affordable rentals and ownership (see Principle 14).</p>	<p>Does this go against Principle 31? Middle housing near transit – may be inequitable.</p> <p>Need a diverse range or location.</p> <p>Middle housing is needed in lower priced locations.</p> <p>Affordability issues – transit corridor land is more expensive (see Principles 1, 2, and 3).</p> <p>We need to be careful about what is being incentivized.</p> <p>Middle housing supports families – near transit areas may not be favorable neighborhoods (see Principle 36).</p> <p>Tendency on major corridor routes tends to be a lot of commercial space – ¼ mile is a lot of commercial area (refers to the 2nd paragraph of this recommendation).</p>	<p>We need to explore creating future new corridors.</p> <p>How is the city keeping the focus on affordability for more people (see Principles 1, 2, and 30).</p> <p>Are they building enough housing for seniors? Are they going to be accessible enough?</p> <p>Ensure there isn't too much crowding.</p>
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Key Decision Point 2

**(From the Summary of Draft Code Amendments document.)*

Question*	<i>Which approach should the City use for lot sizes and base zone development standards such as lot coverage, height, setbacks, parking, etc.?</i>
Draft Recommendation*	<i>As noted above, the Project Team generally recommends the ENCOURAGE approach for most base zone development standards such as minimum lot size, lot coverage, and height. However, for some standards (such as minimum setbacks), the team recommends the ALLOW approach, which would keep existing standards for middle housing. In addition, the Team recommends the INCENTIVIZE approach to promote middle housing development near transit corridors by relaxing certain key standards in those areas—lot size, height, and minimum parking. More detail about specific recommended standards is provided below.</i>

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Groups 1 & 2: General Feedback & as Applied to Duplexes & Cottage Clusters

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p>Good job changing what they could with cottage clusters considering they present more rigid design limitations.</p> <p>Accessibility to transit.</p> <p>Environmentally friendly because it encourages less driving.</p> <p>Affordability.</p> <p><u>Prioritizing housing over parking.</u></p> <p>(see Principle 40: Be bold planners, Principle 18: Make code less restrictive) The City has done a good job in writing up the code to encourage/incentivize. It will make the implementation process easier and it</p>	<p>We need to look towards the future.</p> <p>(See Principle 4: Incentives/tax breaks). There is nothing specifically related to affordability, which was a very popular Principle (for example, it doesn't address the cost of building materials, such as wood).</p>	<p>For the City to address how they are thinking about tax breaks and incentives (see Principle 4). With rising costs, the City needs to address how this affects building costs. Tax breaks may be the only way to actually ensure that this housing is built.</p> <p>We need to keep in mind building costs and an open mind as to the materials used. Think about innovation.</p> <p>Other ways to fund middle housing should be explored. Partnering with charitable groups or individual contribution or government (all).</p> <p>People should be given the opportunity to have the benefit of sweat equity (working</p>
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<p>aligns with what the panel desired to encourage/incentivize middle housing</p> <p>Not being so restrictive will help with current existing structures (see Principle 32). This will ensure that we are not being unreasonable with cost. Because in Q2 they keep existing standards for current housing, hopefully this will prevent tearing down existing housing (see Principle 32).</p> <p>The current standards and recommendation addresses affordability and environmental impact is being considered (see Principles 28 and 16).</p>		<p>on buildings, such as painting). Habitat for Humanity uses this concept – e.g., 100 hours of labor instead of money.</p>
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Groups 3 & 4: General Feedback & as Applied to Triplexes, Fourplexes & Rowhouses

In what ways does this recommendation meet your Principles?

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What should be added to or changed in this recommendation?

<p>Lowering parking requirements helps middle housing be built in more cramped areas.</p>	<p>Concern about the size of windows – desire more windows not less, light issues (see Principles 19 and 20: sustainability).</p> <p>Parking is an important issue – public transportation is not where it needs to be to replace the need for parking.</p> <p>Parking is a necessary evil. Incentivize means parking will be taken away – not sure that is a good idea. Can become a safety issue when people are fighting over a parking space (see Principle 35).</p>	<p>Concern regarding the height of ceilings and the need to keep homes efficient, fire hazards. Pitched roof may not be the best idea – cost of heat controlled.</p> <p>More clarification on the square footage and use of vertical height (see Principle 15: a unit needs to be livable). Should square footage minimums be specified.</p> <p>The incentivizing near transit areas is textbook economic racism.</p>
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	<p>Not friendly to pedestrians – walking through areas without parking. Impacts young families and children.</p> <p>Reducing the minimum lot sizes and not removing the setbacks will make small houses.</p>	
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Key Decision Point 3

**(From the Summary of Draft Code Amendments document.)*

Question*	<i>Which approach should the City use for design standards (outside of Special Area Zones) –apply the Model Code or be less restrictive?</i>
Draft Recommendation*	<p><i>In general, the Project Team recommends applying standards adapted from the Model Code. The Model Code includes a modest set of design standards that are already fairly flexible. Therefore, the team does not recommend relaxing the standards much further. Doing so likely would have very few impacts on where middle housing would be located and very limited impacts on financial feasibility or affordability.</i></p> <p><i>Relative to the existing code, adapting Model Code design standards would add requirements in some places (e.g., articulation standards for rowhouses), but would remove requirements in other places (e.g., removing the alley access requirement for rowhouses, and subjecting triplexes and fourplexes to less restrictive standards compared to the current the Multi-Family standards). However, areas where design standards could be even further relaxed, if desired, are identified below.</i></p>

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Groups 1 & 2: General Feedback & as Applied to Duplexes & Cottage Clusters

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p>It emphasized affordability similar to the Principles.</p> <p>Implementing more incentivize-based code.</p> <p>We acknowledge the efforts of the City to maximize the likelihood of middle housing.</p>	<p>We are skeptical of the extent to which the Model Code will realistically provide affordable/accessible middle housing.</p> <p>City is moving in a less incentivizing way than the panel voted (see Principle 3: Incentivize the construction of middle housing).</p> <p>Balance between promoting middle housing and making sure it becomes affordable.</p>	<p>How exactly would we add restrictions or relax them?</p>
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	<p>(See Principle 18: Make the code less restrictive/remove barriers.) This will make housing more affordable, whereas following the Model Code may make things more restrictive.</p> <p>(See Principle 40: Be bold planners.) Keeping things the same is not bold.</p>	
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Groups 3 & 4: General Feedback & as Applied to Triplexes, Fourplexes & Rowhouses

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p>Zoning could be different around public transportation</p>	<p><u>Parking seems to be an issue – could be related to Principle 26.</u></p> <p>Relaxing principles, concerned that they are doing this because it's cheaper for the developer and not the good of the renter/owner (see Principle 30).</p> <p>Accessibility – are suitable for only a portion of the people (see Principle 30).</p>	<p>Instead of building four – can you eliminate one in order to have enough parking space for homeowners or renters and <u>visitors</u>.</p>
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Key Decision Point 4

**(From the Summary of Draft Code Amendments document.)*

Question*	<i>Should the City permit detached plexes?</i>
Draft Recommendation*	<i>Pursuant to the ENCOURAGE approach, the Project Team recommends allowing both attached and detached duplexes, triplexes, and fourplexes. This would promote maximum flexibility while also encouraging preservation of existing single-family detached homes by allowing detached units to be added to a lot.</i>

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Groups 1 & 2: General Feedback & as Applied to Duplexes & Cottage Clusters

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p>It aligns because people are concerned with ADUs and renovation. Allowing for detached duplex aligns with Principles. (See Principle 34.) Agree with Encourage because it also preserves single-family homes while having flexibility. (See Principle 14.) By allowing detached units it opens up more opportunities for developers to build. This can bring costs down.</p>		<p>Changing the wording to “pursuant to the Incentivize approach” would be more in line with our Principles.</p>
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Groups 3 & 4: General Feedback & as Applied to Triplexes, Fourplexes & Rowhouses

In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p>Meets the principles because it promotes maximum flexibility.</p>	<p>Falls short of Principle 14. Are we losing efficiency of scale?</p>	
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<p>(See Principle 12.) ADUs being allowed.</p> <p>Options are important.</p> <p>Smaller houses are easier to maintain (see Principle 27).</p> <p>Renovation of smaller houses may be supported (see Principle 33) – prevent tear down.</p>	<p>Detached units fall short of the environmental concerns (see Principle 19).</p>	
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Key Decision Points 5a & 5b

5a. For Groups 1 & 2: Question Re: Cottage Clusters

**(From the Summary of Draft Code Amendments document.)*

Question*	<i>Should the City allow cottages on individual lots?</i>
Draft Recommendation*	<i>Also pursuant to the ENCOURAGE approach, the Project Team recommends allowing both single-lot and individual-lot cottage cluster development. Allowing cottages on individual lots provides opportunities for more affordable fee-simple homeownership, while allowing cottages on a single lot provides opportunities for both rentals and condominium ownership.</i>

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In what ways does this recommendation meet your Principles?

In what ways does it fall short of your Principles?

What should be added to or changed in this recommendation?

<p><u>This is a great option for 1st time home buyers to build equity.</u></p> <p><u>(See Principle 14: Allow greater than 2 units/lot.)</u></p> <p><u>(See Principle 26: Building for changing demographics.) Will benefit those who want smaller spaces, or rentals.</u></p> <p><u>(See Principle 39: Zoning codes should serve the needs of the general population.)</u></p> <p><u>By having more housing options this will invite more developers to build here.</u></p> <p><u>(See Principle 27: Smaller houses are easier to maintain and are more eco-friendly.)</u></p> <p><u>Intrinsic community value, neighborly quality. This can provide a level of</u></p>	<p>(See Principle 34: Incentivize renovation over new development.) How this is written may imply that new development is being incentivized, particularly for duplexes.</p>	<p>Specifically address Principle 32: Refrain from tearing down affordable housing and replacing it with more expensive housing.</p> <p>Consider fitting more people in smaller areas by having clusters. Instead of building more housing, increase occupancy limits.</p>
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accountability/support that comes come sharing common spaces.

Encouraging the development of this housing on individual lots provides the opportunity for ownership and creative housing types.

5b. For Groups 3 & 4: Question Re: Rowhouses

**(Drafted by City staff for consideration by the Panel.)*

Question* *Currently, rowhouses are more feasible to build in Eugene than triplexes and fourplexes. Should the City's approach be to Encourage/Incentivize housing types across the board or "level the playing field" by giving a boost to certain housing types over others?*

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Do your Principles support an "Encourage/Incentivize" approach across the board?

Do your Principles support boosting certain housing types over others in order "to level the playing field"?

How should the City answer this question?

Yes, we want accessible housing with variety (see Principle 28).

We need to incentivize other types so that more tri and quads can be built in neighborhoods where that might better fit.

The **property type should dictate the options, and we need variety.**

Give people options.

Keep development in the flavor of the neighborhood, but keep costs low (see Principle 14).

It seems situational. The environment should dictate what housing is built.

Good idea to level the playing field. Rowhouses aren't accessibility friendly, so if

		<p>we only get rowhouses or more rowhouses, single-family houses are harder to get (especially for seniors and people with physical impairments).</p> <p>Rowhouses take away unique charm that a city could have. (They can sometimes be done well, but probably no cute cobblestone here, like in Ireland).</p>
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Affordability Considerations

Following the housing affordability analysis presented by Tyler Bump of ECONorthwest, all members of the Panel considered two final questions in small groups.

These notes represent the raw feedback of individual Panelists across all small groups. Each group also identified key points of agreement within the group, which are noted here in **bold**.

Question 1

Looking at your Principles and considering the economic analysis you just heard about, how well do you feel the City has addressed affordability in its HB2001 recommendations?

- There was not much overall difference between allow/encourage/incentivize. Splitting cost between units actually has a large impact.
- Townhouses are not necessarily rentals; oftentimes folks purchase these.
- **The City has done well in taking our recommendations regarding affordability. However, the places that they want to add middle housing are in the places that have high land values. They are compromising because these options are still not affordable overall. They can do better.**
- If they want to add more middle housing along the transit corridors (ie busy roads) this is already high cost land. Adding middle housing on lower cost land would result in overall more affordable housing.
- It doesn't do us any good to have housing built, if it isn't affordable.
- I am curious about the reality of what we are talking about. How does building small square footage actually appeal to folks outside of the downtown core?
- They haven't addressed affordability. It is more a matter of getting more units into smaller spaces. This doesn't necessarily translate into real life.
- There wasn't anything about promoting low income housing. **Counterpoint: Addressing middle housing takes pressure off of low income housing.**
- The City seems to be trying to keep their options open by creating a more flexible code and this can directly impact affordability by encouraging more housing variety.
- They're doing about as much as we can realistically expect them to. Par for the course, if not better.
- **It's great they've considered the average income and made policy around it. Would love it to be cheaper. Know there aren't a lot of great paying jobs in Eugene – wonder where these numbers are from and how the pandemic has affected average income.**
- **There would be more housing for middle class workers. People working for minimum wage and people working under the table – they are left out.**
- Interesting how specific the feasibility data was – indicated that they care
- Wish they could show the data in more ways. Neighborhood breakdown was great, but it is all gibberish to me. Wish we had seen more real world examples – how this would be implemented in neighborhoods. Like visual style. Shows examples of what housing would work best in what neighborhood and why – give more info or a photo. Better interpretation of data for a Panel of regular people!
- **The recommendations are not as bold as we wanted them to be (p40)**

- We had multiple principles (1,30) on affordable housing and the research that was just presented shows if they incentivize all the way, it gets us closer to affordability. There are other sources of feedback beyond this group. We learned about issues before recommendations.
 - **The value is equal for the group (with learning) and those who filled out surveys (without learning) despite hours spent. So group voice of incentivize might be minimized by outside of group voices who lean towards allow.**
 - How much is the city giving value to the results/efforts of this group? Weight for survey vs. dedicated thoughtful process?
 - City should give more privilege to this group as it was thoughtful and representative of demographics in the city.
 - They attempted to strike a happy medium. The recommendations were aggressive and bold but the recommendations were less so.
 - **Affordability was not mentioned anywhere in the memo. It is not used in the pursuit of affordability. Term affordability was not actually defined. So a level of skepticism is maintained in response.**
 - The skew is towards townhouses and the brackets show its higher than lower income levels we focused on. Creating inventory that is more profitable for townhouses than multi units, you will have the same problem. All of this is speculation at this point. We don't know if land values will change, transportation corridors will change.
 - A review later on is important to see where this process has gone. Has it been effective after years passed.
 - **Affordability means how to bring cost down. In the recommendations, they failed to articulate how the options bring down the cost.**
 - P. 41 - I don't think the city really approached really low income people. The city's recommendation should include the people who cannot even really
 - Seems the city has been more conservative than the panel's desire - what is the barrier or reason to not incentivize
 - The data appeared not to be that affordable - surprised!
 - Principle #22 - will there be subsidies for tiny homes and homelessness
 - Seems like this favors townhomes, but this is not the most affordable
 - This feels a bit disheartening because the expensive market
 - Perhaps more needs to be done to incentivize - maybe parking, garages are luxuries
 - The potential middle housing lots available was challenging - showed the reality of what can be
 - Principle #41 - **how does that fit with what was presented - affordability for the average person**
 - Affordable Middle Housing - how is this affordable
 - Principle # 30 - rentals need to be affordable
 - Principle # 1 - the prices are not affordable
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Question 2

Now, thinking beyond implementation of HB2001, what did this process miss, related to housing affordability? What haven't we addressed?

- Parking has become a very contentious issue. Density could create an abundance of conflict.
 - People want affordable housing and a place to put all of their belongings, and accessibility (i.e. convenient parking proximity).. Size of home and affordability seem to be in direct conflict.
 - Concern that this development can encourage large scale road development in lieu of tree lined streets, Increased density could change the neighborhood feel.
 - Growth is inevitable. Our only option is to increase density within the City limits. This is a double-edged sword.
 - While we talked about the environmental impact and the history of racism in housing, we did not talk about environmental racism. Building in areas that have poor air quality is going to disproportionately affect BIPOC communities.
 - **Most of the focus has been on home ownership, even though most of the financial burden is on people who rent. Wider conversation to be had that caters to lower income people, specifically renters.**
 - Current code says only 5 unrelated people can live in a house together. This is completely unrealistic – it prevents people from having community, having affordable housing, living in areas where they could have roommates. I've lived in two houses with 7 people – only reason they could afford it.
 - **Incentives for loans for people who are trying to get out of the renting situation - especially families. Can we raise that conversation? Also providing resources in multiple languages to get a first time home owner loan. Needs to be a greater degree of awareness for first time home buyer's credit programs that currently exist to help people find housing. If you're not informed, it's hard to make those kinds of decisions and know you're eligible. Give information without too much jargon – things everyday people can understand.**
 - Homelessness – support programs and housing initiatives - making code so that some areas are designated for poor/houseless populations specifically. A lot of NIMBYism now. There was an eviction moratorium for a while to keep people in their homes - this could be an easy solution to lessen the homeless population.
 - Housing affordability. See first question.
 - **Housing prices are too high for the people who need affordable housing**
 - Living Wage
-