

Council Business Meeting

January 16, 2018

Title: Infill Strategy Update and Ordinance Revisions
From: Maria Harris Planning Manager
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Summary:

This item is to update the Mayor and City Council on the infill strategy project and seek permission to initiate ordinance amendments based on the draft land use code revisions prepared by Fregonese Associates. The infill strategy aims to identify the factors that limit development and create incentives for additional housing and business development adjacent to the bus route which in turn, may result in increased transit ridership. The study area is referred to as the transit triangle and includes the area in the southeast part of the city comprised of the property adjacent to the bus route on Ashland St., Tolman Creek Rd. and Siskiyou Boulevard.



Fregonese Associates developed a package of draft code amendments to address zoning and land use standards that were identified in the first phase as affecting the market feasibility of development, particularly for projects including housing units. The amendments would apply to the Transit Triangle Overlay and include:

- deleting the maximum residential density
- using a maximum floor area ratio (FAR) to control building volume and intensity
- allowing additional building height and stories
- requiring a building step back above the second story or building articulation for 25 percent of building façade

- requiring housing units to be rental units and not allowing condominiums or travelers' accommodations
- reducing the parking requirement for housing units to one per 800 sq. ft. unit
- allowing some commercial floor area without additional off-street parking
- reducing the landscaping requirement in the R-2 and R-3 zones; and
- allowing limited floor area for commercial uses in the R-2 and R-3 zones.

The Planning Commission reviewed the draft amendments on October 24, 2016 ([meeting minutes](#)), an open house meeting was held on December 11, 2017 and a stakeholder meeting of developers, design professionals, real estate brokers and agency representatives was held on December 12, 2017. Project materials are available on the project web page at www.ashland.or.us/transit_triangle.

Actions, Options, or Potential Motions:

I move to direct the Planning Commission to initiate ordinance revisions to implement the infill strategy for the transit triangle study area.

Staff Recommendation:

Staff recommends moving forward with ordinance amendments to implement the draft land use code revisions developed by Fregonese Associates. The ordinance amendments are intended to create incentives for business and housing development adjacent to the bus route.

Resource Requirements:

The resources required for this project are budgeted within the current biennium. The contract with Fregonese Associates of \$38,320.00 was approved by the City Council on March 21, 2017.

Policies, Plans and Goals Supported:

The project addresses a variety of City Council goals and strategies as well as adopted City plans. The attached Draft Guiding Principles document details the applicable Council goals and policies including the following City Council goals for people and the environment.

People

Seek opportunities to enable all citizens to meet basic needs. (5)

5.2.a Pursue affordable housing opportunities, especially workforce housing. Identify specific incentives for developers to build more affordable housing.

- Adjust infill strategies in order to promote housing development along major transportation corridors.

Environment

Develop and support land use and transportation policies to achieve sustainable development. (13)

13.2 Develop infill and compact urban form policies.

- Update infill strategy along major transportation corridors to promote housing and business development, as well as alternative transportation choices.

The Transportation System Plan includes four projects in the transit triangle related to improving sidewalks, bus shelters and intersections enhancements for pedestrians including two projects for Ashland Street Streetscape Enhancements (R38 for Siskiyou Blvd. to Walker Ave. and R-39 for Walker Ave. to Normal Ave.), Ashland Street/Tolman Creek Road (R41) and the Walker Ave. festival street (R40).

The infill strategy project also relates to policies included in the Climate and Energy Action Plan (CEAP). Specifically, the plan includes strategies to address residential travel and the emissions associated with passenger cars and trucks. Common strategies for replacing residential travel trips in passenger cars and trucks include promoting land use development patterns that utilize existing public infrastructure and making using transit and alternate modes of transportation possible and even desirable.

Background and Additional Information:

Fregonese Associates has prepared an infill strategy for the transit triangle that includes three components – land use ordinance amendments, streetscape improvements and a vertical housing development zone (see attached Ashland Transit Triangle Infill Strategies Project, January 2018). A vertical housing development zone provides a 10-year property tax exemption for residential units developed above the ground floor in mixed-use, multi-story buildings.

The action item before the Mayor and City Council at this time is providing direction regarding the land use ordinance amendments. Future work would include working with the Public Works Department on the streetscape improvements in the transit triangle and developing the framework for a Vertical Housing Development Zone.

Fregonese Associates developed a package of draft code amendments to address zoning and land use standards that were identified in the first phase as affecting the market feasibility of development, particularly for projects including housing units. The implementation strategy includes removing existing housing density maximums to provide an incentive for the private market to build at a higher density with a focus on smaller unit sizes.

The draft land use ordinance revisions are attached. The recommended zoning changes include establishing a Transit Triangle Overlay, eliminating the Pedestrian Places Overlay and the following ordinance amendments.

- Allowing four-story buildings in the C-1 and E-1 zones and three-story buildings in the R-2 and R-3 zones. Currently, building height is limited to 40 feet with a five-foot parapet (i.e., three stories) in the C-1 and E-1 zones and 35 feet or 2.5 stories in the R-2 and R-3 zones.
- Buildings would be required to be stepped back at least 10 feet for any portion of the building over 25 feet in height (i.e., third and fourth stories). An alternative would be to have articulation for at least 25% of the building façade. The step back or articulation would be required on the front of the building or any building side that is within 25 feet of a residential zone. Step backs are not currently required.
- Delete the allowed units per acre and instead regulate building volume and intensity by a maximum floor area ratio (FAR). The recommended FAR is 1.5 for C-1 and E-1 zones and 1.25 for the R-2 and R-3 zones. Currently, 30 housing units per acre are allowed in C-1, 15 units per acre are allowed in E-1, 13.5 units per acre in the R-2

zone and 20 units per acre in the R-3 zone. In addition, there is no maximum FAR at this time.

- Residential units developed under the Transit Triangle Overlay option would be required to be rental units. Condominiums and travelers' accommodations would not be allowed.
- Reduce the off-street parking requirement to one space for residential units less than 800 square feet. Currently, one parking space is required for units less than 500 square feet.
- Additional parking would not be required for the first 1,250 square feet of commercial floor area in mixed use buildings (e.g., commercial and residential uses).
- Reduce the required landscape area to 20 percent in the R-2 and R-3 zones. Currently, the required landscape area is 35 percent in the R-2 zone and 25 percent in the R-3 zone.
- Allow limited floor area for commercial uses in the R-2 and R-3 zones.

The Planning Commission reviewed the draft amendments on October 24, 2016 ([meeting minutes](#)), an open house meeting was held on December 11, 2017 and a stakeholder meeting of developers, design professionals, real estate brokers and agency representatives was held on December 12, 2017. Project materials are available on the project web page at www.ashland.or.us/transit_triangle.

Approximately 30 people attended the open house meeting on December 11, 2017 and participated in a lively discussion. Some of the issues discussed and comments included objection to allowing additional building stories or residential units, support of additional stories along street or at intersections, support of additional building height with building step backs, concerns about additional traffic and requiring less parking, support for more affordable housing, and concerns about potential noise impacts from new mechanical equipment on adjacent residential neighborhoods. Approximately 900 invitations were sent by mail to properties located in and surrounding the transit triangle study area. The meeting was also posted on the City of Ashland web site news items.

The presentation at the open house meeting included building design options (e.g., number of stories, with or without a step back) and participants were asked to vote on their preferred design. As a follow-up to the meeting, a questionnaire was emailed to participants to gather the public's preferences regarding various building types and to collect information from community members about desired neighborhood and community characteristics. The questionnaire is available on the project web page <http://www.surveygizmo.com/s3/4064983/Ashland-Transit-Triangle-Survey>. At the time of writing, 24 questionnaires were completed. A summary of the results is attached (see Report for Ashland Transit Triangle Survey).

Twelve individuals attended the stakeholder meeting on December 12, 2017 including developers, design professionals, real estate brokers and representatives from Rogue Valley Transportation District (RVTD) and Jackson County Housing Authority. Some of the issues discussed included providing flexibility to the step back requirement to allow articulation through other architectural features, continuing rise of construction costs, providing bus passes and requiring less parking for affordable units, consider higher FAR and more stories because

helps with economies of scale, consider allowing development of residential units on ground floor that can be converted to commercial because there is limited commercial demand in Ashland, and the potential of car-sharing programs, smart car parking and self-driving cars to dramatically change the area required for parking. Thirty individuals were invited to the meeting.

The first phase of the project involved conducting a market feasibility analysis for a variety of building types incorporating land, construction and permitting costs and the physical attributes of buildings allowed by the zoning and land use standards. The analysis determined that the current market conditions and existing zoning of the area promotes building larger housing unit sizes and the projected rental rates exceed the amount a two-person household at median income can afford. The recommendations included making zoning changes such as eliminating the maximum density, slightly lowering the amount of parking required and lowering the amount of landscaping required.

Fregonese Associates and planning staff provided the City Council an update on the first phase and information about the findings of the market feasibility analysis at the December 19, 2016 City Council study session ([meeting minutes](#)). Council directed staff to move forward with the next steps and bring back a package of options for implementation. The Planning Commission reviewed this work at the October 11, 2016 and November 22, 2016 meetings. In addition, a developer roundtable was held on December 19, 2016 with developers, contractors and design professionals to review the market feasibility analysis. Interviews with development industry professionals were also used to verify the construction costs and rents used in the model.

The transit triangle is served by Rogue Valley Transportation District (RVTD) Route 10 with 20-minute service from 7am-5pm (Monday-Friday) and 30-minute service for the remainder of the day (5am-7am and 5pm-7pm, Monday - Friday). Route 10 also includes service on Saturdays at hour intervals. Route 10 provides the highest ridership in the RVTD system (50 percent of all RVTD riders) and the Bi-Mart stop on Tolman Creek Rd. is one of the most used stops system wide. RVTD has preliminarily identified service enhancements including expanded early morning and later evening service Monday through Friday and providing 30-minute service on Saturdays.

Other opportunities in the transit triangle include vacant and redevelopable land, well-established public facilities, and shopping, services and neighborhoods within walking distance. A challenge in the transit triangle is the transition between new development and existing residential neighborhoods.

Attachments:

Draft Guiding Principles, October 11, 2016

Ashland Transit Triangle Infill Strategies Project, January 2018

Draft Land Use Code Revisions, 18.3.12.070 Ashland Transit Triangle Overlay

Report for Ashland Transit Triangle Survey

ASHLAND TRANSIT TRIANGLE

Infill Strategies Project

Draft Guiding Principles

Throughout the process of developing infill strategies, the Planning Commission, property owners engaged in the process, consultant team and staff will reference the following guiding principles to help guide discussions about strategies identified.

- Update infill strategy along major transportation corridors to promote housing and business development, as well as alternative transportation choices (Council Goal 13.2).
- Conduct a Return on Investment (ROI) analysis on sample properties to examine the market feasibility of mixed use development within the project area.
- Consider changes to the land use ordinance that may be inhibiting redevelopment or new construction (Economic Development Strategy 7.3).
- Consider additions to the Site Design Standards and other land use ordinances to ensure that higher density buildings are compatible with their settings.
- Promote a development pattern that results in a balanced, multi-modal transportation system and that enhances opportunities for walking, bicycling or using transit in areas planned for transit service.
- Promote infill development along transit corridors to provide alternatives to, or delays the need for, expansion of the City UGB (RPS).
- Reduce emissions that contribute to climate change through changes to transportation or land use plans that reduce expected automobile vehicle miles traveled.
- Provide a strategy for implementation of project outcomes.

Applicable Council Goals and Policies

Environment

Develop and support land use and transportation policies to achieve sustainable development. (13)

13.2 Develop infill and compact urban form policies.

- Update infill strategy along major transportation corridors to promote housing and business development, as well as alternative transportation choices.

Regional Problem Solving Element of the Comprehensive Plan

The City of Ashland did not identify any Urban Reserve Areas (URAs) through the regional planning process. Therefore it is incumbent upon the City to increase efficiency in the use of land through concentration of housing in centrally located areas within the City UGB which are planned for future

urban development. Promoting infill development along transit corridors provides alternatives to, or delays the need for, expansion of the City UGB.

Energy and Infrastructure

Be proactive in using best practices in infrastructure management and modernization. (21)

21.2 Expand public transportation options.

Economy

Ensure that commercial and industrial areas are available for development. (19)

19.3 Use existing financial tools to support re-development.

19.4 Create predictable pathways for development of employment land.

Applicable Economic Development Strategies

6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands

6.5 Evaluate land availability for business expansion on lands on or adjacent to existing businesses

6.6 Determine feasibility and cost/benefit for public purchase of key industrial lands to make “shovel ready” for re-sale for business development

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community

7.3 Consider changes to Land Use Development Code that may be inhibiting redevelopment or new construction

Applicable Administrative Goals (Long-Range Planning Objectives)

Encourage responsible development of employment lands. (34)

34.3 Conduct pre development site expansion/growth evaluations for key employment lands within Ashland (Econ Dev Strategy action 6.5)

Investigate strategies that provide housing opportunities for the total cross section of Ashland’s population. (36)

36.2 Adjust infill strategies in order to promote housing development along major transportation corridors

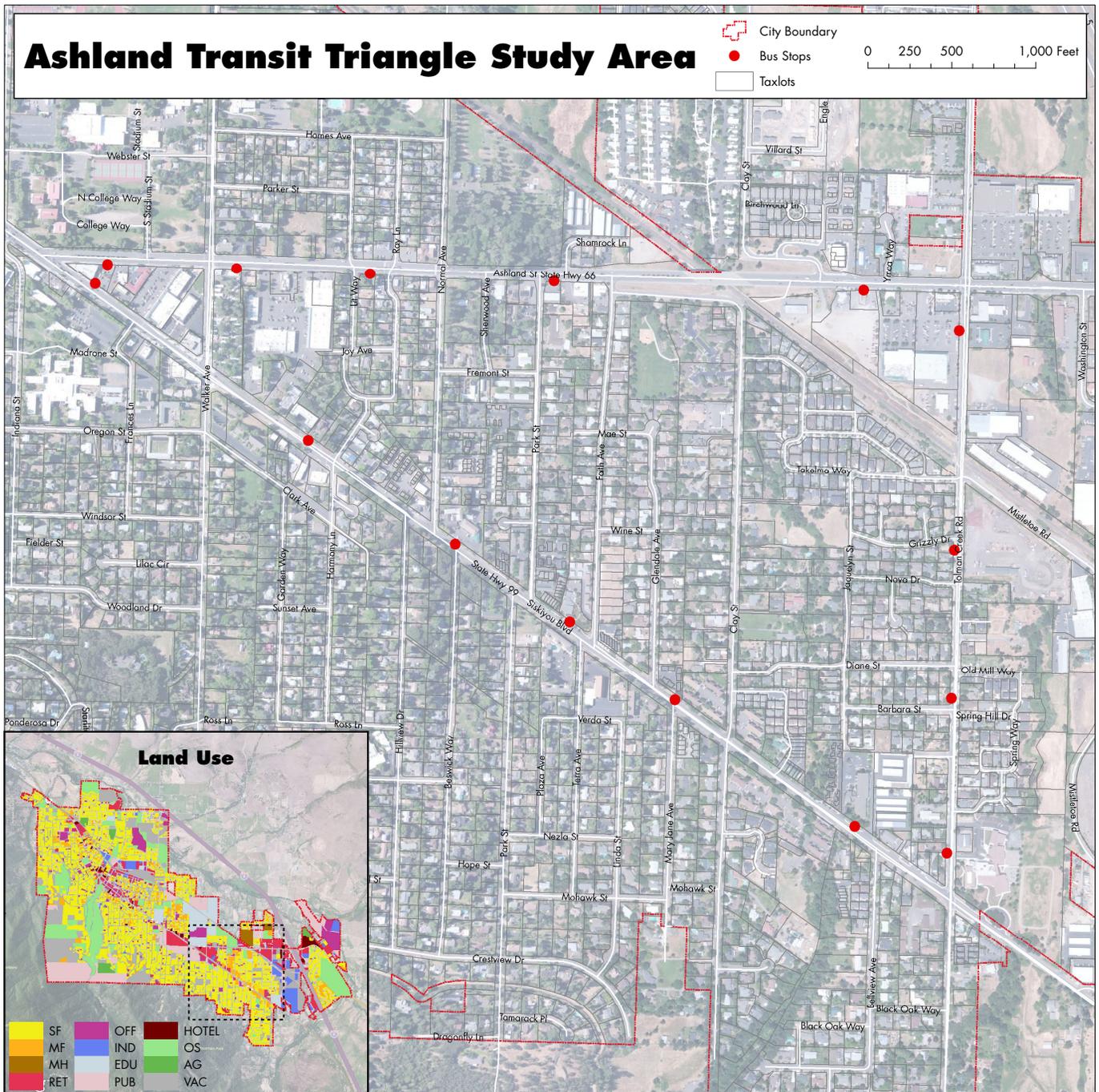
Ashland Transit Triangle

Infill Strategies Project



January 2018

Ashland Transit Triangle



What is the Transit Triangle?

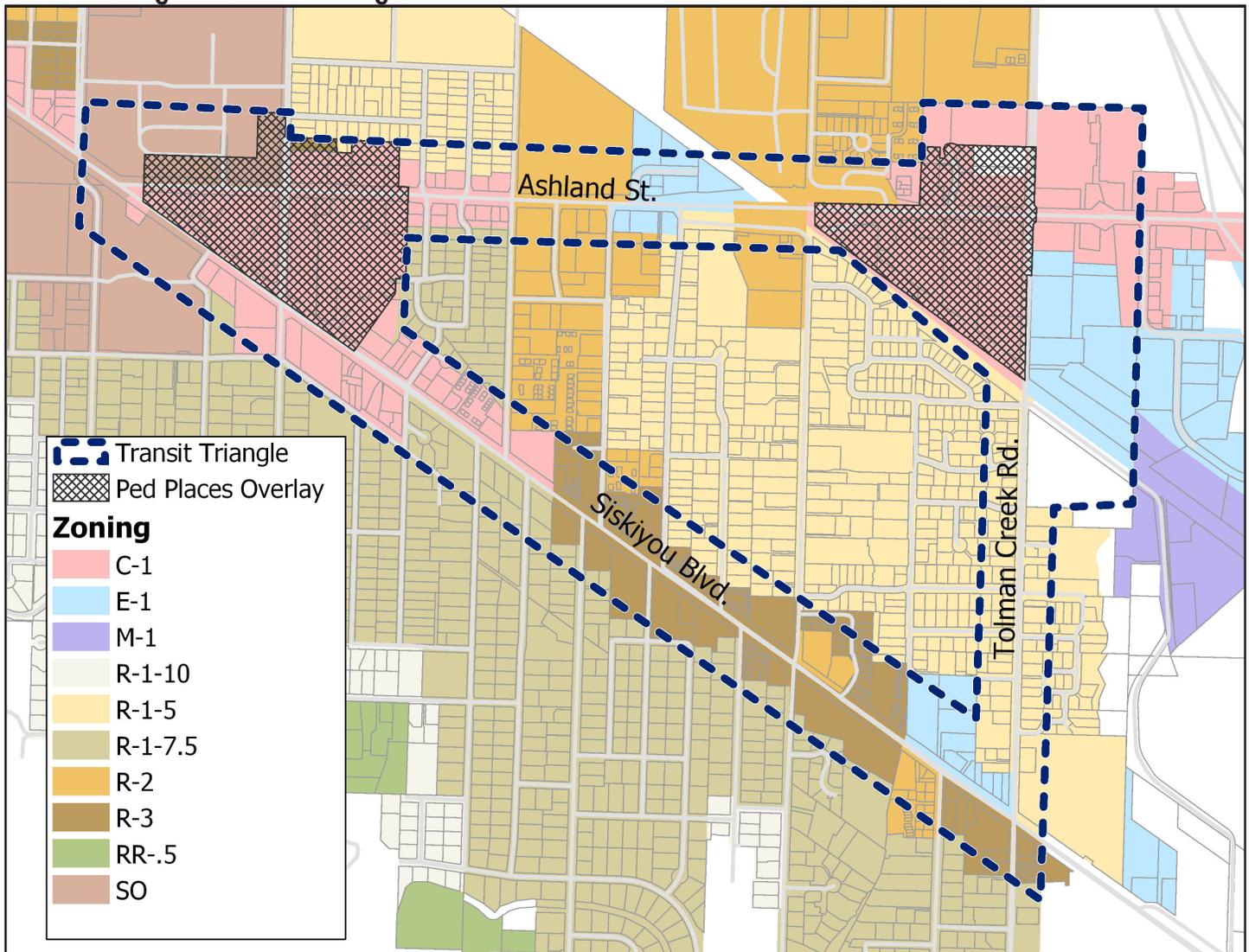
The Transit Triangle is comprised of Ashland Street along the north edge, Siskiyou Boulevard on the southwest side, and Tolman Creek Road on the eastern edge. This area includes opportunities for development of additional businesses and housing. Well established neighborhoods are within walking distance, and the area is served by the Rogue Valley Transportation District (RVTD).

Why is the Transit Triangle Important?

The City Council identified the Infill Strategies Project as one of three high priority long range planning projects in 2014. The project was described as:

“Create and analyze development scenarios accommodating varying levels of future employment and housing growth for the transit corridors in the southeast portion of the city. Identify strategies to encourage a concentration and mix of housing and jobs (i.e. transient-oriented development) and increase the desirability of the corridors for residential living.”

Current Zoning in the Transit Triangle



Previous Findings

Past developments adjacent to the bus route in the study area were primarily comprised of single-use, one story commercial buildings that did not include a residential component despite allowances in zoning allowing residential units.

To better understand why residential units were not being built, Fregonese Associates performed a return on investment analysis to examine the market feasibility of a variety of building types using the Envision Tomorrow model. The model incorporates land, construction and permitting costs, as well as the physical attributes of buildings allowed by the existing zoning and land use standards to produce achievable rents and sales prices for commercial space and residential units.

Issues

Several issues were found to exist under the current zoning and land use standards that limit commercial and residential development in the Transit Triangle, including:

- Projected commercial rents are too low to make new construction feasible.
- The residential unit rental rates are unfeasible because the rental rates exceed those of the current rental market.
- The projected dwelling units are primarily 1,000 square feet and larger.
- The rental rates exceed the amount a two-person household at median income can afford by 30 percent or more.

Further preliminary analysis determined that changes to land use and zoning standards, implemented in tandem with streetscape improvements, allowed for development that could feasibly achieve rents affordable to median income households.

Opportunities

Several opportunities exist in the Transit Triangle, making it an attractive area for future development and redevelopment. These opportunities include:

- RVTD Route 10 runs through the study area, providing convenient transit access.
- Vacant and redevelopable land.
- Well-established public facilities.
- Shopping, services, and neighborhoods within walking distance.

Existing Conditions in the Transit Triangle



Existing Goals, Strategies, and Plans

A variety of City Council goals and strategies, as well as adopted City plans, support the examination, discussion and consideration of a new approach to land use development and transportation systems in the Transit Triangle.

Applicable Council Goals:

13. Develop and support land use and transportation policies to achieve sustainable development.

13.2 Develop infill and compact urban form policies.

- Update infill strategy along major transportation corridors to promote housing and business development, as well as alternative transportation choices.

21. Be proactive in using best practices in infrastructure management and modernization.

21.2 Expand public transportation options.

Applicable Climate and Energy Action Plan (CEAP) Strategies

The CEAP includes strategies to address residential travel and the emissions associated with passenger cars and trucks. Strategies to reduce and replace these residential trips include:

- Promoting land use development patterns that utilize existing public infrastructure.
- Make using transit and alternate modes of transportation possible and desirable.

Applicable Economic Development Strategies

6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands.

6.5 Evaluate land availability for business expansion on lands on or adjacent to existing businesses.

6.6 Determine feasibility and cost/benefit for public purchase of key industrial lands to make “shovel ready” for re-sale for business development.

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community.

7.3 Consider changes to Land Use Development Code that may be inhibiting redevelopment or new construction.

Regional Problem Solving Element of the Comprehensive Plan

The City of Ashland did not identify any Urban Reserve Areas (URAs) through the regional planning process. Therefore, it is incumbent upon the City to increase efficiency in the use of land through concentration of housing in centrally located areas within the City UGB which are planned for future urban development. Promoting infill development along transit corridors provides alternatives to, or delays the need for, expansion of the City UGB.

Demographics

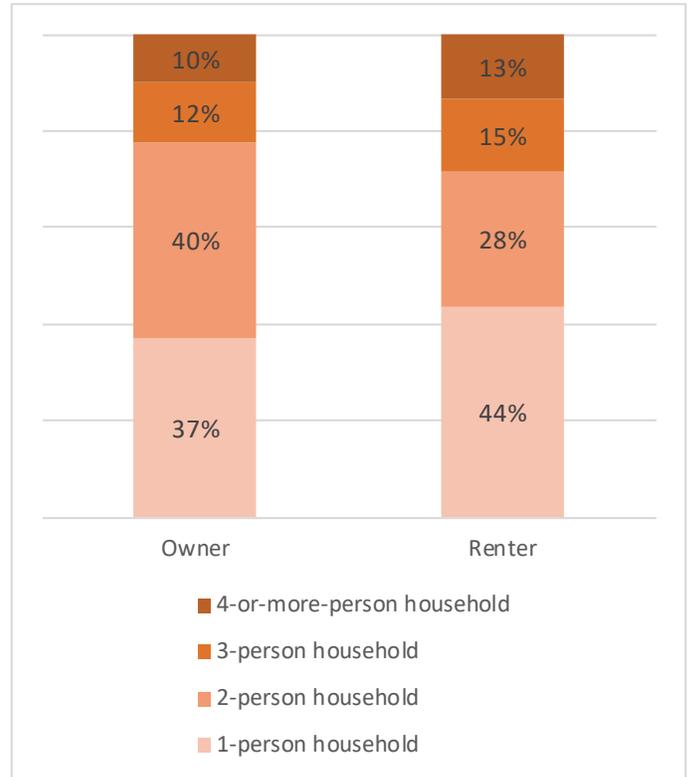
Ashland is changing, and certain segments of the current housing market are not well served by the existing housing pattern, which is predominantly single family. Notably, one- and two-person households, such as students and aging Boomers, comprise a large and growing segment of the housing market today.

Generational Housing Preferences

Ashland's population is largely comprised of young people and older adults. The population pyramid resembles an hourglass more so than a pyramid, reflecting a sizable proportion of people in their teens and early 20s, as well as those in their late 50s and 60s.

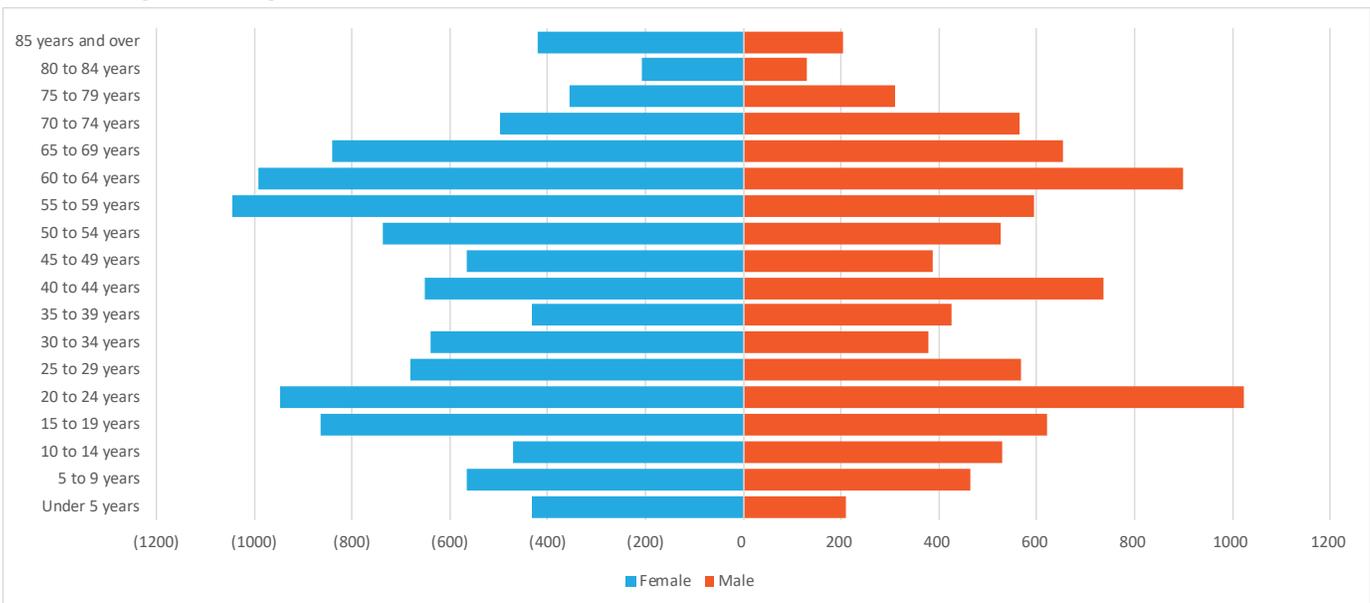
Similar to national trends, households in Ashland today are largely comprised of one and two people. This is reflective of the major population groups – young people and older adults without children. This is a long term national trend that is changing housing demand. Demand for smaller units, including compact single family, townhomes and apartments, is increasing.

Persons per Household by Tenure



Source: US Census, 2015 ACS (5-year Estimates)

Ashland Population Pyramid



Source: US Census, 2015 ACS (5-year Estimates)

Housing Affordability

It is possible to provide the capacity to produce market rate units that are affordable to persons at the median income or below. Fregonese Associates analysis showed that apartments are feasible, without subsidy, at rents of \$1,270 - \$1,295 per month, affordable to the median income household, as defined in Table 1. Units that are affordable below that rate would require an incentive or subsidy, though there are several tools the State has made available that could be used in Ashland for increased affordability, as discussed on page 13.

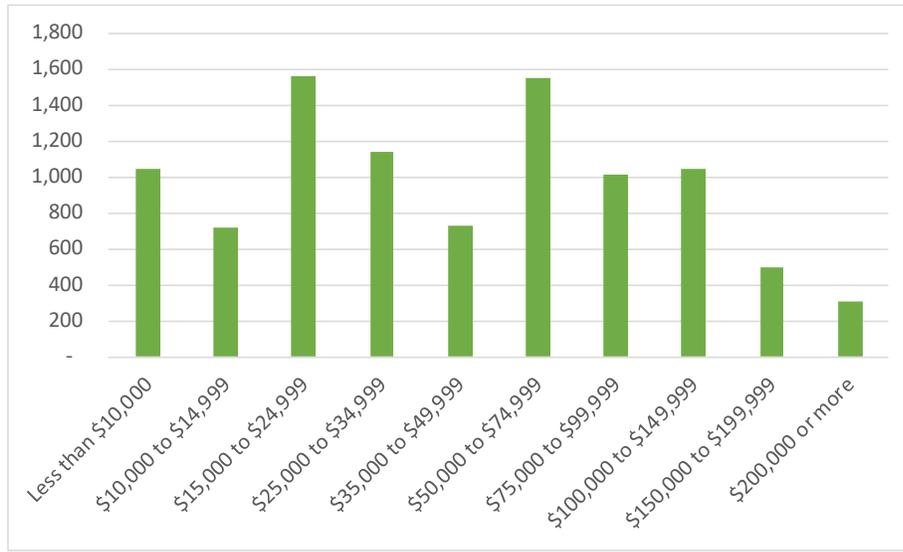
Table 1: Affordable Housing Income Limits by Family Size

Income Level	Number of Persons in Family							
	1	2	3	4	5	6	7	8+
Extremely Low Income (30%)	\$12,060	\$16,240	\$20,420	\$24,600	\$28,780	\$31,100	\$33,250	\$35,400
Low Income (50%)	\$18,800	\$21,450	\$24,150	\$26,800	\$28,950	\$31,100	\$33,250	\$35,400
Income at 60% of Median	\$22,560	\$25,740	\$28,980	\$32,340	\$34,740	\$37,320	\$39,900	\$42,480
Moderate Income (80%)	\$30,050	\$34,350	\$38,650	\$42,900	\$46,350	\$49,800	\$53,200	\$56,650
Median Income (100%)	\$37,600	\$42,900	\$48,300	\$53,600	\$57,900	\$62,200	\$66,500	\$70,800
Income at 120% of Median	\$45,120	\$51,480	\$57,960	\$64,320	\$69,480	\$74,640	\$79,800	\$84,960
Income at 130% of Median	\$48,880	\$55,770	\$62,790	\$69,680	\$75,270	\$80,860	\$86,450	\$92,040

Source: City of Ashland Affordable Housing Income Limits, May 2017 - May 2018

Demographics

Ashland Household Income

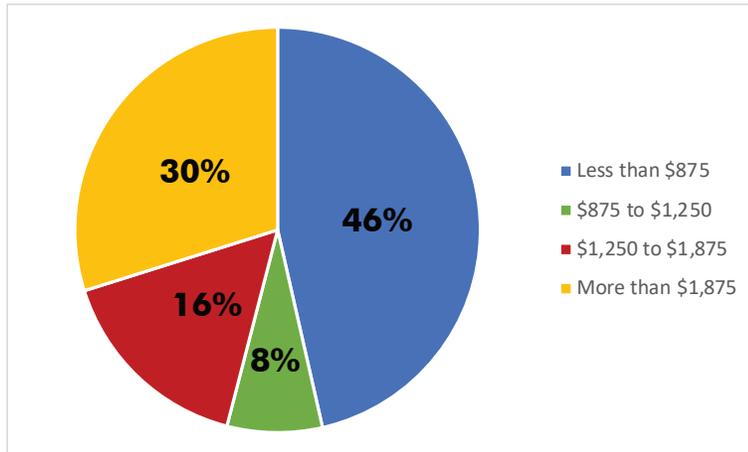


Source: US Census, 2015 ACS (5-year Estimates)

Median Income Comparisons

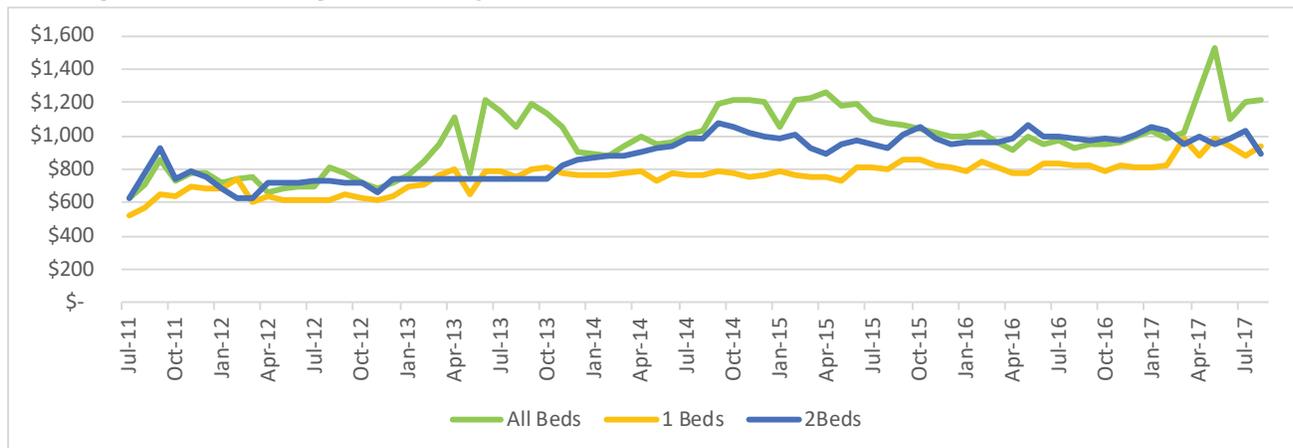
Ashland	\$45,704
Jackson Co.	\$44,028
Portland	\$55,003
Oregon	\$51,243

Ashland Household Incomes Converted to Affordable Monthly Rents (30%)



Source: US Census, 2015 ACS (5-year Estimates)

Monthly Rent Trends (July 2011 - August 2017)

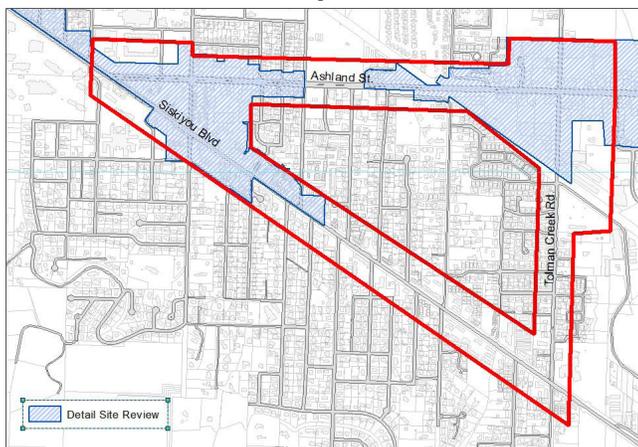


Source: Rent Jungle

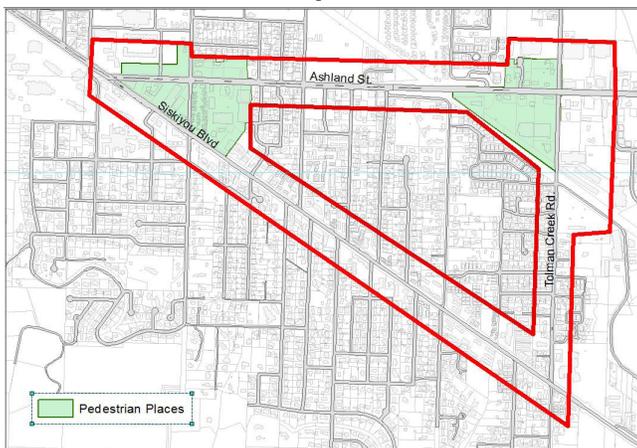
Zoning in the Transit Triangle

The transit triangle area is comprised of a variety of zones, but the primary (re)development opportunities are adjacent to the main roadways and are in the Commercial (C-1), Employment (E-1), High Density Multifamily (R-3) and Residential (R-2) zones. Most of Ashland Street and a portion of Siskiyou Boulevard and Tolman Creek Road are located in the Detail Site Review overlay. The areas surrounding the intersections of Ashland Street and Walker Avenue, and Ashland Street and Tolman Creek Road are also located in the Pedestrian Places overlay.

Detail Site Review Overlay



Pedestrian Places Overlay



Commercial (C-1)

The C-1 zone allows a range of commercial and residential uses, heights of up to 45 feet, including parapet, and residential densities of 30 dwelling units per acre.

Employment (E-1)

The E-1 zone also allows a range of commercial and residential uses, as well as light industrial uses, heights of up to 45 feet, including parapet, and residential densities of 15 dwelling units per acre.

High Density Multiple Family Residential Zone (R-3)

The R-3 zone allows single family and multi-family developments, heights up to two-and-a-half stories and residential densities of 20 units per acre. Like the other residential zones, uses such as parks, religious institutions and schools are also accommodated in the R-3 zone. Offices are allowed in the R-3 zone through the Conditional Use Permit (CUP) process.

Low Density Multiple Family Residential Zone (R-2)

The R-2 zone allows single family and multi-family developments, heights up to two-and-a-half stories and residential densities of 13.5 units per acre.

Zoning

Current Zoning Issues

Current zoning in the Transit Triangle was evaluated to determine if it can produce economical housing and mixed-use developments. The production of such housing is not feasible in any of the zones analyzed, based on existing zoning standards (Table 2). The current code encourages the development of large apartments, townhomes and condominiums at low density, contrary to the realities of developing mixed-use infill housing in a city that has the costs found in Ashland.

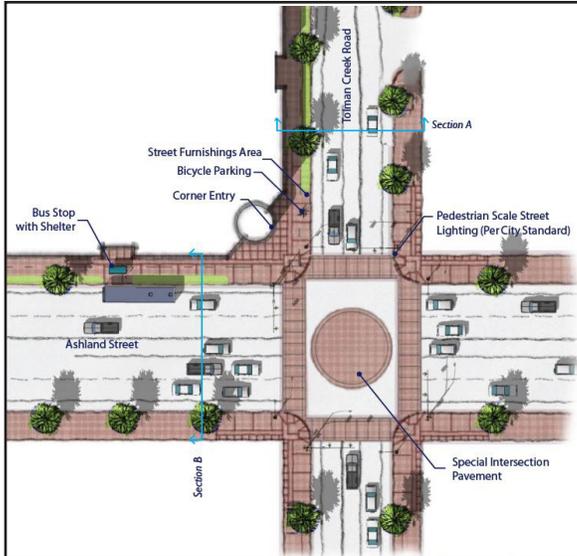
Table 2: Current Standards for Zones within Transit Triangle

Current Zoning	R-2	R-3	E-1	C-1
Height	35 ft or 2.5 stories	35 ft or 2.5 stories	45 ft	45 ft
Parking Requirements	1-2 per unit	1-2 per unit	2 per 1,000 sq ft (office)	2.8 per 1,000 sq ft (retail)
Allowed Residential Density	13.5 DU/Acre	20 DU/Acre	15 DU/Acre	30 DU/Acre
Landscape Area	35%	25%	15%	15%
Lot Coverage	65%	75%	85%	85%

Source: City of Ashland Land Use Ordinance

Streetscape and Transit Improvements

Proposed streetscape improvements to Ashland Street & Tolman Creek Road



Streetscape Improvements

Streetscape improvements within the Transit Triangle, such as traffic calming, safer and shorter crossings, bike lanes, on-street parking, and street lights and trees, would increase walkability, desirability and safety in the area. Increased desirability translates into increased demand from a wider demographic cross section, and this increased demand leads to higher achievable rents and expanded investment opportunities.

These improvements are just some of the many urban amenities that increase the value of nearby housing, along with retail, parks, transit, and bike facilities. Streetscape enhancements should be implemented alongside land use and zoning standard updates to achieve the feasible rents demonstrated by Fregonese Associates analysis.

RVTD Route 10



Transit Improvements

The Transit Triangle is served by Rogue Valley Transportation District (RVT) Route 10. RVT recently made service enhancements and, as a result, Route 10 now provides 20 minute service from 7am-5pm (Monday-Friday) and 30 minute service for the remainder of the day (5am-7am and 5pm-7pm, Monday - Friday). Route 10 also includes service on Saturdays at hour intervals. Route 10 provides the highest ridership in the RVT system (50 percent of all RVT riders) and the Bi-Mart stop on Tolman Creek Road is one of the most used stops system wide.

The State of Oregon recently passed a \$5.3 billion transportation bill, which will, in part, be used to improve transit service and access across the state. RVT has developed a number of proposals that will dramatically improve transit service in Ashland. The City should be proactive in partnering with RVT to determine new routes and stops as transit improvements are made.

Building Solutions

Fregonese Associates created and modeled a mixed-use building prototype for an existing property at the corner of Park Street and Ashland Street. This study reveals what a specific project would look like on a real site.

- **Height** – The building represents a modern three-story building, which would permit up to a 42 foot height for a building with three floors. This height is permitted because the first floor in modern mixed-use buildings is often very high - 14 to 16 feet. The roof may also have a parapet, which allows the roof to be used for outdoor facilities, such as a deck or even a small pool.
- **Landscaping** – 20% landscaping.
- **Unit limit** – No unit limit (determined by FAR rather than unit count)
- **Parking** – One parking space per unit; No parking required for the on-site retail up to 1,250 square feet.
- **Unit size** – The building has 650 to 700 square foot apartment units and a small amount of retail on the Ashland Street frontage.

An analysis was conducted with three, four and five story buildings. Tables 3 and 4 illustrate the results for the height experiment as they pertain to dwelling units per acre and average rents.

The height increase adds density - up to 35% more units per acre. There is no change in monthly rents between the stepback design and the standard design. However, research indicates that buildings with stepbacks are more expensive and complex to construct because of load bearing issues. This additional cost is not reflected in the model.

The three-story development, with stepback, would be suitable in R-2 and R-3 zones, and the four-story (50 ft. maximum height) development would be suitable in the C-1 and E-1 zones. These four-story developments will have a stepback only when adjacent to a residential zone. Due to concerns about a cost increase associated with constructing a stepback, articulation may be used in lieu of a stepback to reduce building mass.

Table 3: Dwelling Units per Acre

Stories	DU/Acre with Stepback	DU/Acre without Stepback
3	44.5	48.7
4	51.1	55
5	56.2	60

Table 4: Average Monthly Rents

Stories	Average Monthly Rent (with and without Stepback)
3	\$1,295
4	\$1,282
5	\$1,270

Original Ross Johnson site



Visualization of three-story building with stepback on Ross Johnson site



Implementation

Recommended Zoning Changes

Current zoning issues can be addressed through the implementation of an Ashland Transit Triangle Overlay for the area, supplanting and extending the existing Pedestrian Place Overlay. The provision would allow the more economical development styles that were modeled.

The Ashland Transit Triangle Overlay would be intended to direct and encourage development of small, walkable nodes that provide concentrations of gathering places, housing, businesses, and pedestrian amenities, situated and designed in a way to encourage walking, bicycling, and transit use.

Example of a three-story building with stepback



Example of a three-story building with articulation



The following changes would be instituted:

In the R2 and R3 zones:

- 1) Allow 3 story buildings with stepback or articulation
- 2) Reduce landscaping to 20%
- 3) Limit building intensity by FAR regulation to 1.25, rather than units per acre
- 4) Allow limited mixed-use
- 5) Reduce parking for apartments less than 800 sq. ft. to 1 space per unit
- 6) Do not require parking in mixed use buildings for the first 1,250 square feet of commercial use

In the C1 and E1 zones:

- 1) Allow 4 story buildings with a stepback or articulation if adjacent to residential zones
- 2) Landscaping remains at 15%
- 3) Limit building intensity by FAR to 1.5 FAR
- 4) Encourage mixed-use
- 5) Reduce parking for apartments less than 800 sq. ft. to 1 space per unit
- 6) Do not require parking in mixed use buildings for the first 1,250 square feet of commercial use

In addition, require new supplemental design standards to build a more walkable street environment.

For details, see the attached draft ordinance.

Articulation vs. Stepbacks

While stepbacks are an effective method of reducing building mass, they are often expensive to implement, due to higher construction costs. Articulation is an alternative design approach that also reduces building mass, with the added benefit of being more feasible while accomplishing the same goal.

Providing Affordable Units in the Ashland Transit Triangle

As part of changing the zoning in the Ashland Transit Triangle, the City should adopt a Vertical Housing Development Zone (VHDZ) within the area. A VHDZ is designed to encourage the private sector to build higher-density mixed-use development in targeted areas of a city, and provides a partial tax exemption on increased property value for qualified projects. We are recommending that Ashland implement a VHDZ with a tax exemption only available to developments with at least 20 percent of units affordable at 80 percent median family income.

Qualified new development projects within a VHDZ are eligible to receive a 10-year property tax exemption on the value of new construction or rehabilitation for 20 percent per residential floor for the floors above ground floor commercial, as permitted by zoning. Total property tax abatement of the new construction is limited to no more than 80 percent.

The City of Milwaukie recently adopted a VHDZ to incentivize higher density, mixed-use development in their core and near transit, to increase the number of residents and businesses in the downtown area, and to increase housing affordability and access to affordable housing. The first project eligible for the Vertical Housing Tax Credit will break ground in Downtown Milwaukie in March 2018.

Other cities that have successfully implemented a VHDZ include Oregon City, Forest Grove, Grants Pass, Roseburg, and Hillsboro.

In addition to the VHDZ, many new affordable housing tools were made available by the State in the 2016 legislative session.

The tools include:

- 1) Inclusionary units can be 20% of units for projects of 20 units or more.
- 2) The income standard is 80% AMFI.
- 3) The City must provide the developer an option to pay a fee-in-lieu of the affordable units.
- 4) The City must offer one of the following financial incentives:
 - a. Fee waivers*
 - b. SDC waivers*
 - c. Finance based incentives
 - d. Property tax exemptions
- 5) The City can offer a series of zoning incentives:
 - a. Density adjustments*
 - b. Expedited service for local permitting processes
 - c. Modification of height, floor area or other site-specific requirements
 - d. Other incentives as determined by the city or county

The legislation also allows the City to impose a 1% construction excise tax to fund affordable housing, which is a tax on the permit value of new construction. Additionally, some exemptions can be made, including exemptions for affordable housing development.

**City currently provides these incentives*

Community Outreach

Public Involvement

Community engagement and input has been an essential part of the Transit Triangle planning process. The public involvement process has included:

- Several rounds of stakeholder and developer interviews
- Developer roundtables
- A Community Open House
- Online outreach and surveys (full survey results may be found attached to this report)
- Four Planning Commission briefings
- A City Council work session

The community's participation during the planning process helped shape the overarching vision and community values for the Transit Triangle, which ultimately guides the recommended strategies in the Plan.

Many posters, including those below, provided information for attendees at the Community Open House.

VISUALIZING THE FUTURE

ASHLAND VET SITE

Before  After 

ROSS JOHNSON SITE

Before  After 

TOLMAN CREEK RD. & ASHLAND ST. SITE

Before  After 

RECOMMENDED ZONING CHANGES

The Ashland Transit Triangle Overlay is intended to direct and encourage development of small, walkable nodes that provide opportunities of gathering places, housing, businesses, and amenities, situated and designed in a way to encourage walking, bicycling, and transit use.

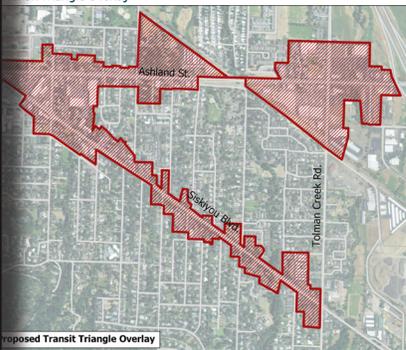
CI and EI zones:

- 1. Allow 4 story buildings with a setback if adjacent to residential zones.
- 2. Landscaping remains at 15%.
- 3. Limit building intensity by FAR to 1.5 FAR.
- 4. Encourage mixed-use.
- 5. Reduce parking for apartments less than 800 sq. ft. to 1 space per unit.
- 6. Do not require parking in mixed use buildings for the first 1,250 square feet of commercial use.

In the C1 and EI zones:

- 1. Allow 4 story buildings with a setback if adjacent to residential zones.
- 2. Landscaping remains at 15%.
- 3. Limit building intensity by FAR to 1.5 FAR.
- 4. Encourage mixed-use.
- 5. Reduce parking for apartments less than 800 sq. ft. to 1 space per unit.
- 6. Do not require parking in mixed use buildings for the first 1,250 square feet of commercial use.

Transit Triangle Overlay



Proposed Transit Triangle Overlay

AFFORDABLE HOUSING

Changing zoning in the Ashland Transit Triangle, the new affordable housing tools the state made available in the 2016 legislative session.

The new zoning allows for a mix of units that can be 20% of the area median income (AMI) or less, up to 20 units of more. The standard is 80% AMFI. The new zoning also provides the option to pay a fee-in-lieu of parking for affordable units. The new zoning also offers one of the following incentives:

- Density bonuses*
- Fee-in-lieu of parking incentives
- Exemptions from certain fees
- A series of other incentives.
- Density adjustments*
- Fee-in-lieu of parking service for local businesses
- Density bonuses
- Specific requirements for affordable housing as determined by the city
- The new zoning also allows the City to waive the construction excise tax to encourage affordable housing.

The new zoning provides these

The Orchards - Affordable Housing in Hillsboro, OR



Stellar Apartments - Affordable Housing in Eugene, OR



Little Deschutes Lodge II - Affordable Housing in La Pine, OR

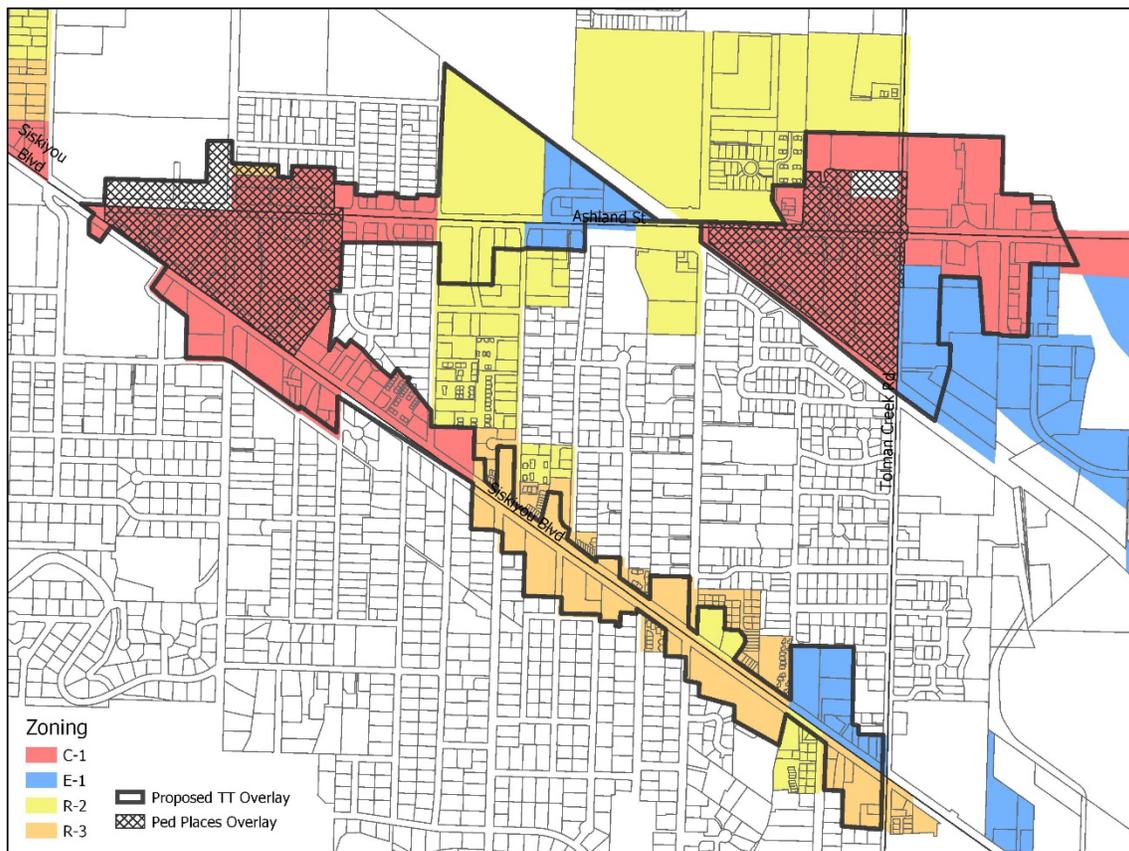


18.3.12.070 Ashland Transit Triangle Overlay

A. Purpose. The Ashland Transit Triangle Overlay is intended to direct and encourage development of small walkable nodes that provide concentrations of gathering places, housing, businesses, and pedestrian amenities situated and designed in a way to encourage walking, bicycling, and transit use.

B. Applicability.

1. This section applies to properties designated as Transit Triangle overlay on the Site Design Zones map, as included below:



2. Review Procedure. The Ashland Transit Triangle Overlay requirements apply to proposed development located in the Ashland Transit Triangle Overlay that requires a planning application approval, and involves development of new structures or additions other than single-family dwellings and associated accessory structures and uses. The provisions of the

Ashland Transit Triangle Overlay supplement those of the applicable base zoning district and other applicable ordinance requirements.

3. Standards for buildings in the Transit Triangle Overlay.

All buildings and uses require Basic, Detail Site Review and Large Scale Development Site Design and Use Standards shall be applicable in accordance with Chapter 18.4 except as provided in this section

C. Development Standards. The following standards shall apply to development in the Ashland Transit Triangle overlay in addition to all applicable provisions of this ordinance.

1. Building Setbacks. The solar access setback in chapter [18.4.8](#) Solar Access applies only to those lots abutting a residential zone to the north.

2. Plazas and Landscaping Ratio. Outdoor seating areas, plazas, and other useable paved surfaces may be applied toward meeting the landscaping area requirements in chapter [18.4.4](#) Landscaping, Lighting, and Screening, but shall not constitute more than 50 percent of the required area.

3. Parking for Residential Dwellings. Residential dwellings in the Ashland Transit Triangle Overlay of less than 800 square feet are required to provide one off street parking space per unit, rather than the parking required in Section 18.96

D. Development Standards in R-2 and R-3 Zones. The following standards apply to development located in the Transit Triangle Overlay and a R-2 or R-3 zone, in addition to all applicable provisions of this ordinance.

1. Special Permitted Uses. In addition to the permitted uses in the underlying residential zone, the following uses and their accessory uses are permitted subject to the requirements of this section.

- a) Professional, financial, business and medical offices, and personal service establishments.
- b) Stores, shops, and offices supplying commodities or performing services.
- c) Restaurants.

2. Parking. No parking is required for the first 1,250 square feet of retail or restaurant use per acre of development site.

3. Development Standards and Limitations.

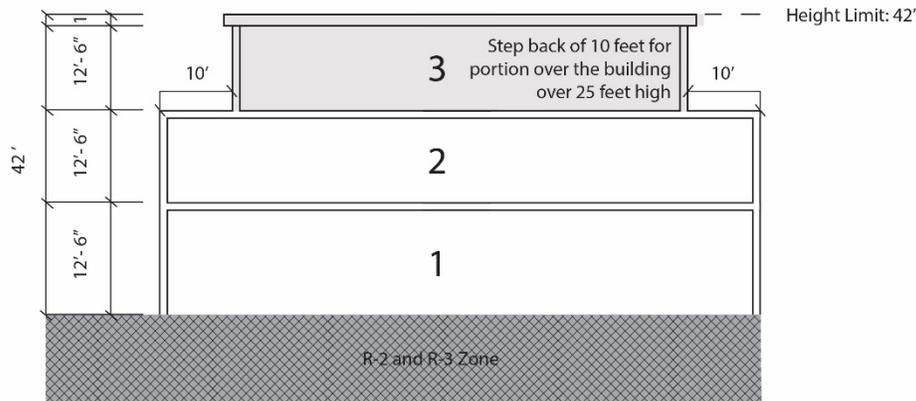
- a) The maximum gross floor area occupied by a special permitted use shall be 60 square feet for every residential dwelling unit developed on the site.
- b) Special permitted uses shall be allowed in a building or in a group of buildings including a mixture of businesses and housing. At least 50 percent of the total gross floor area of a building, or of where there is more than one building on a site, 50 percent of the total lot area including accessory uses such as parking, landscaping and public space, shall be designated for residential uses.
- c) The development shall meet the minimum housing density requirements of the underlying zone.
- d) Mixed-use buildings shall be setback not more than five feet from a public sidewalk unless the area is used for pedestrian activities such as plazas or outside eating areas, or for a required public utility easement.
- e) Mixed-use developments shall have a minimum Floor Area Ratio (FAR) of .50. Plazas and pedestrian areas shall count as floor area for the purposes of meeting the minimum FAR. Projects including existing buildings or vacant parcels of a half an acre or greater in size shall achieve the required minimum FAR or provide a shadow plan (see graphic) that demonstrates how development may be intensified over time to meet the required minimum FAR.

E. Development density standards in R-2 and R-3 zones

1. For the R-2 and R-3 zones the following standards.

- a) Maximum height permitted in 42 feet, and no more than 3 stories.
- b) Attention needs to be given to scale, massing, and facade design so as to reduce the effect of large single building masses. Reduction of building mass can be accomplished through a step back of 10 feet for that portion of the building that is over 25 feet high.
- c) In lieu of a stepback, articulation, offsets, setbacks, angles or curves of facades may be used. Articulation is required to include at least 25% of building frontage, with at least 10 feet of offset.





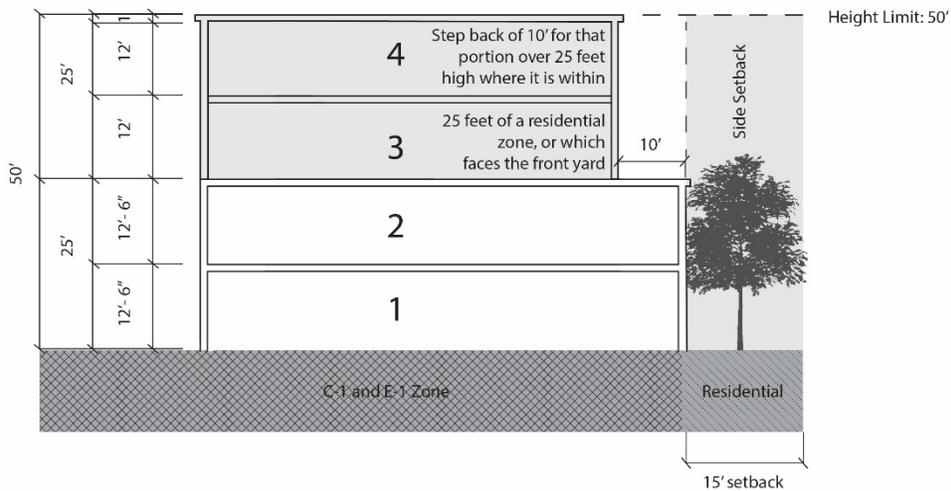
- d) Maximum Floor Area Ratio (FAR) of 1.25
- e) Minimum FAR is 1.0 in the Transit Triangle Overlay
- f) A least 20% of the site is required to be landscaped according to the standards of the Ashland Land Use Ordinance.
- g) No parking required for the first 1,250 square feet of retail or restaurant (per acre) if in a mixed use building.
- h) Any residential units developed under this section shall be long term rental units only (greater than 30 day lease). Condominiums and short term rental of units built under this section are not permitted.

F. Development Standards in C-1 and E-1 Zones. The following standards apply to development located in the Transit Triangle Overlay and a C-1 or E-1 zone, in addition to all applicable provisions of this ordinance.

1. Parking. No parking is required for the first 1,250 square feet of retail or restaurant use per acre of development site.

2. Development Standards and Limitations.

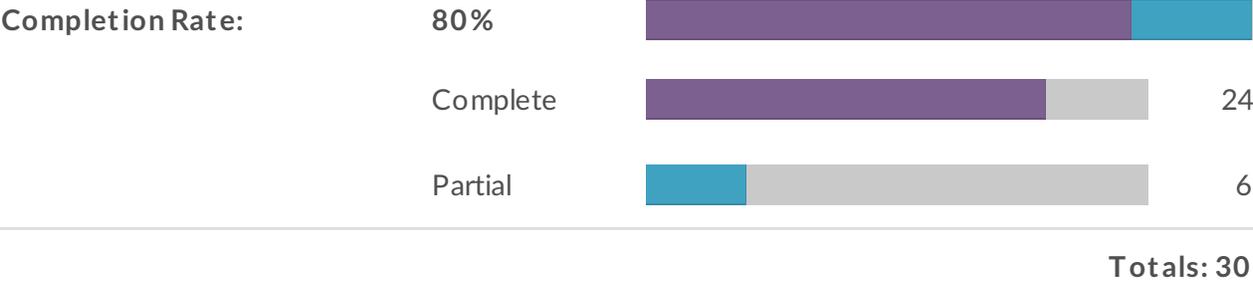
- a) Maximum height of 50 feet permitted, and no more than 4 stories
- b) Attention needs to be given to scale, massing, and facade design so as to reduce the effect of large single building masses. Reduction of building mass can be accomplished through a ground-floor setback of 15 feet, and a step back of 10' for that portion over 25 feet high where it is within 25 feet of a residential zone, or which faces the front yard.
- c) In lieu of a setback, articulation, offsets, setbacks, angles or curves of facades may be used. Articulation is required to include at least 25% of building frontage, with at least 10 feet of offset.



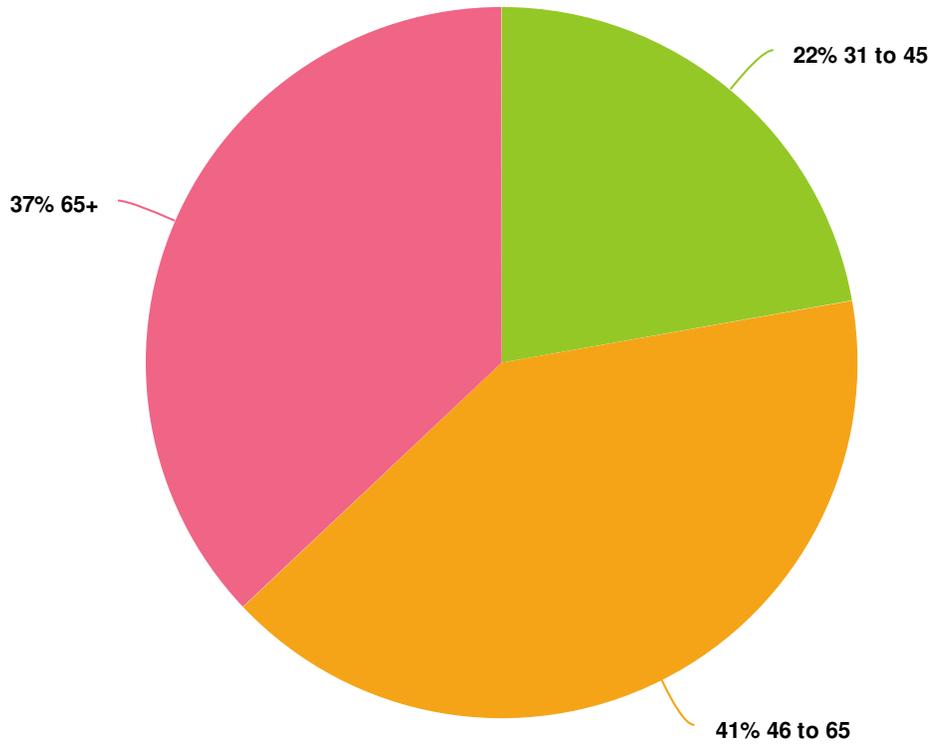
- d) A maximum density of 1.5 FAR is permitted.
- e) A least 15% of the site is required to be landscaped according to the standards of the Ashland Land Use Ordinance.
- f) No parking required for the first 1,250 square feet of retail or restaurant (per acre) if in a mixed use building.
- g) Any residential units developed under this section shall be long term rental units only (greater than 30 day lease). Condominiums and short term rental of units built under this section are not permitted.

Report for Ashland Transit Triangle Survey

Response Counts



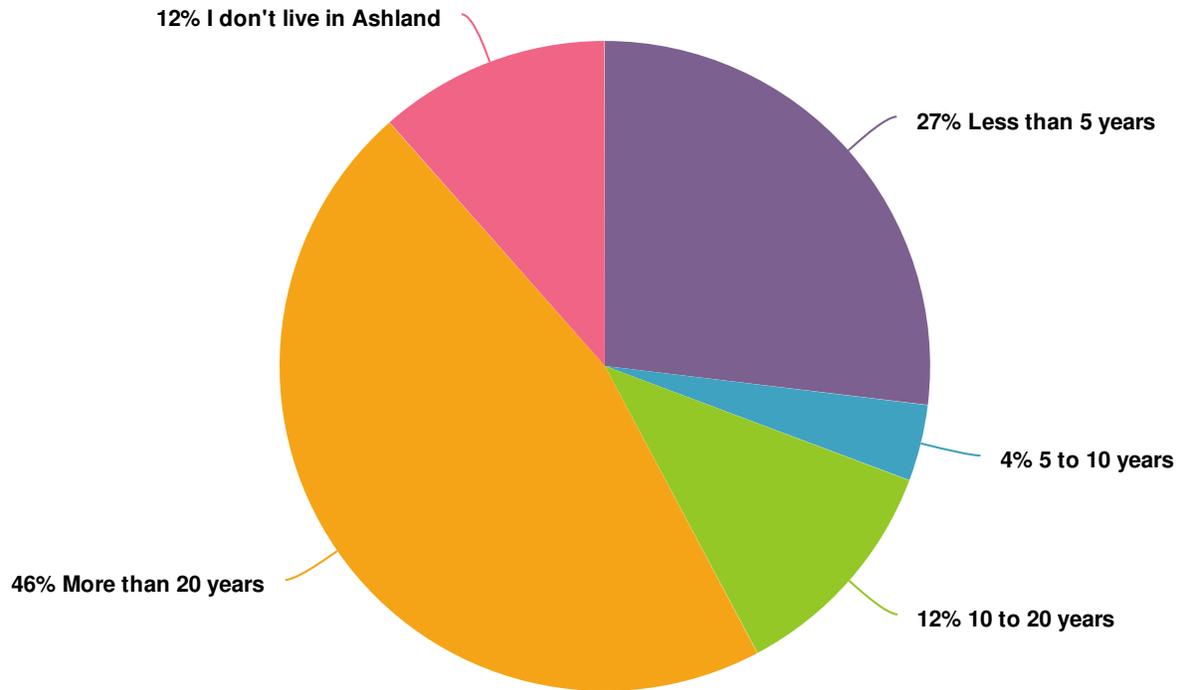
1. How old are you?



Value	Percent	Responses
31 to 45	22.2%	6
46 to 65	40.7%	11
65+	37.0%	10

Totals: 27

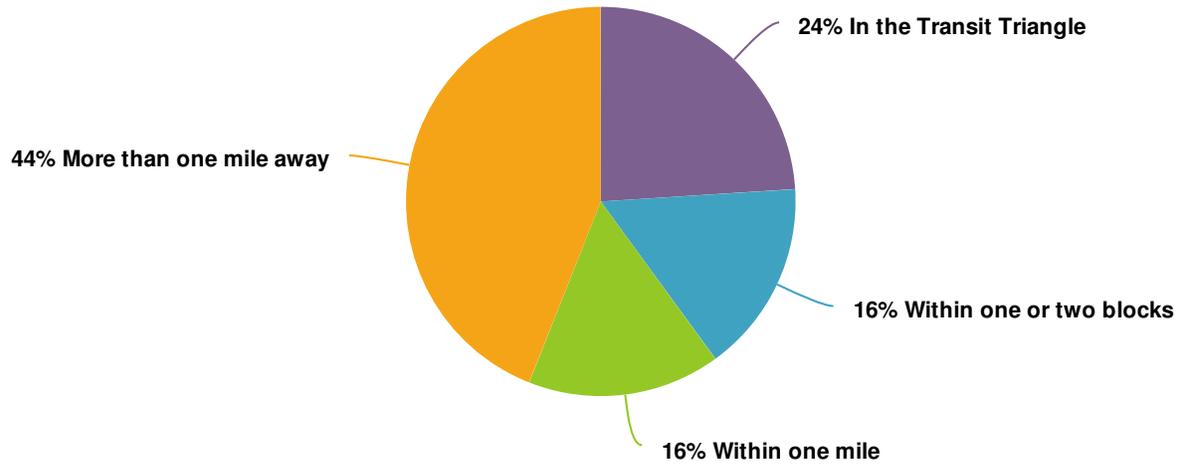
2. How long have you lived in Ashland?

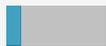


Value	Percent	Responses
Less than 5 years	26.9%	7
5 to 10 years	3.8%	1
10 to 20 years	11.5%	3
More than 20 years	46.2%	12
I don't live in Ashland	11.5%	3

Totals: 26

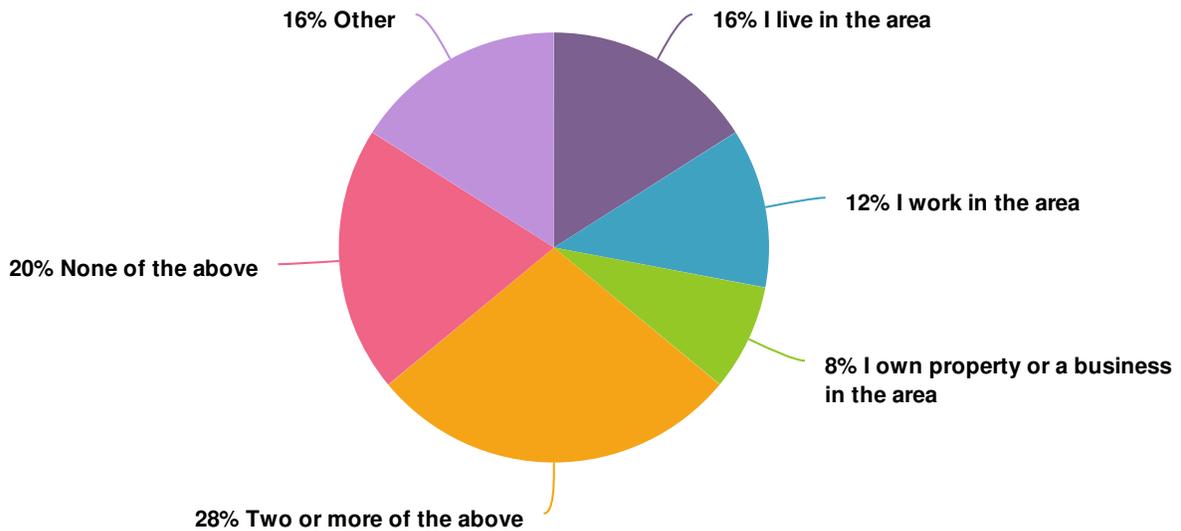
3. How close do you live to the Transit Triangle?



Value		Percent	Responses
In the T ransit T riangle		24.0%	6
Within one or two blocks		16.0%	4
Within one mile		16.0%	4
More than one mile away		44.0%	11

Totals: 25

4. What is your connection to the Transit Triangle?

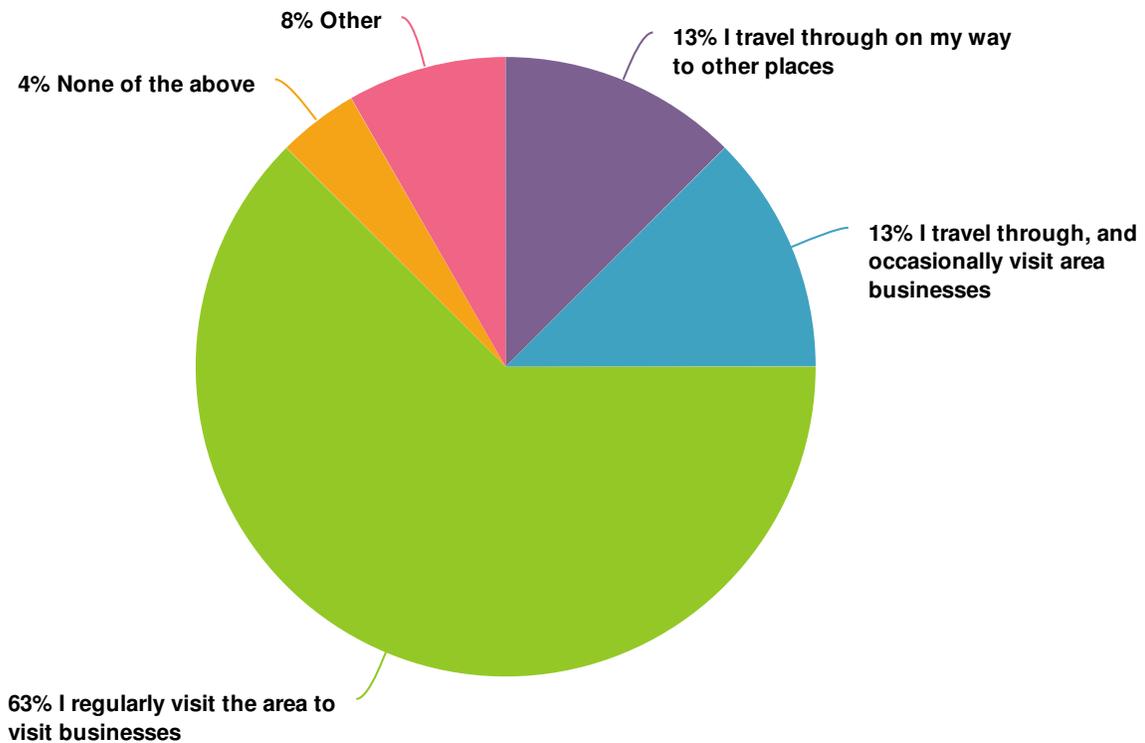


Value	Percent	Responses
I live in the area	16.0%	4
I work in the area	12.0%	3
I own property or a business in the area	8.0%	2
Two or more of the above	28.0%	7
None of the above	20.0%	5
Other	16.0%	4

Totals: 25

Other	Count
I sit on the Housing and Human Service Commission and am interested in policy and planning issues that affect those living in Ashland.	1
Local Architect	1
Planning Consultant; family lives adjacent to transit triangle	1
Totals	3

5. How do you use the Transit Triangle area?



Value	Percent	Responses
I travel through on my way to other places	12.5%	3
I travel through, and occasionally visit area businesses	12.5%	3
I regularly visit the area to visit businesses	62.5%	15
None of the above	4.2%	1
Other	8.3%	2

Totals: 24

Other**Count**

University Staff

1

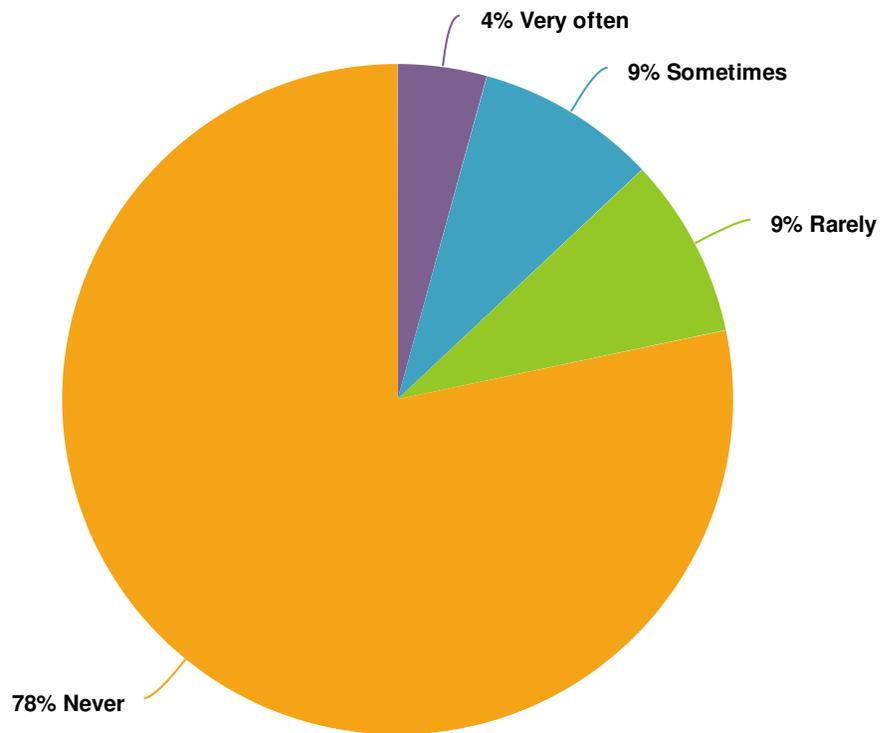
own undeveloped property in triangle

1

Totals

2

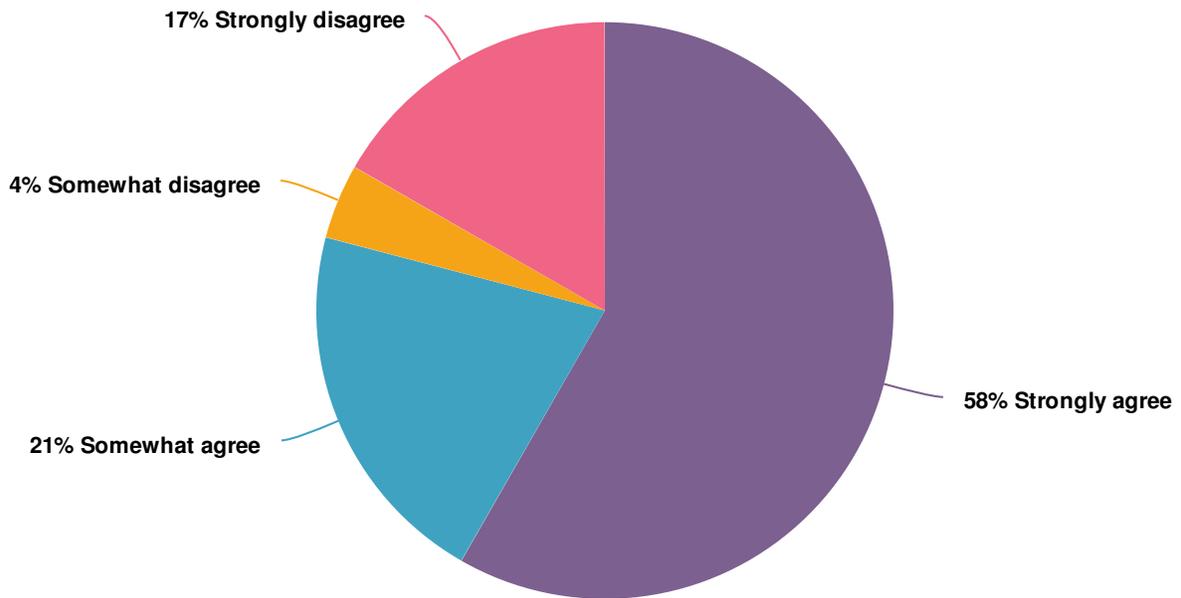
6. How often do you use RVTD Route 10?



Value		Percent	Responses
Very often		4.3%	1
Sometimes		8.7%	2
Rarely		8.7%	2
Never		78.3%	18

Totals: 23

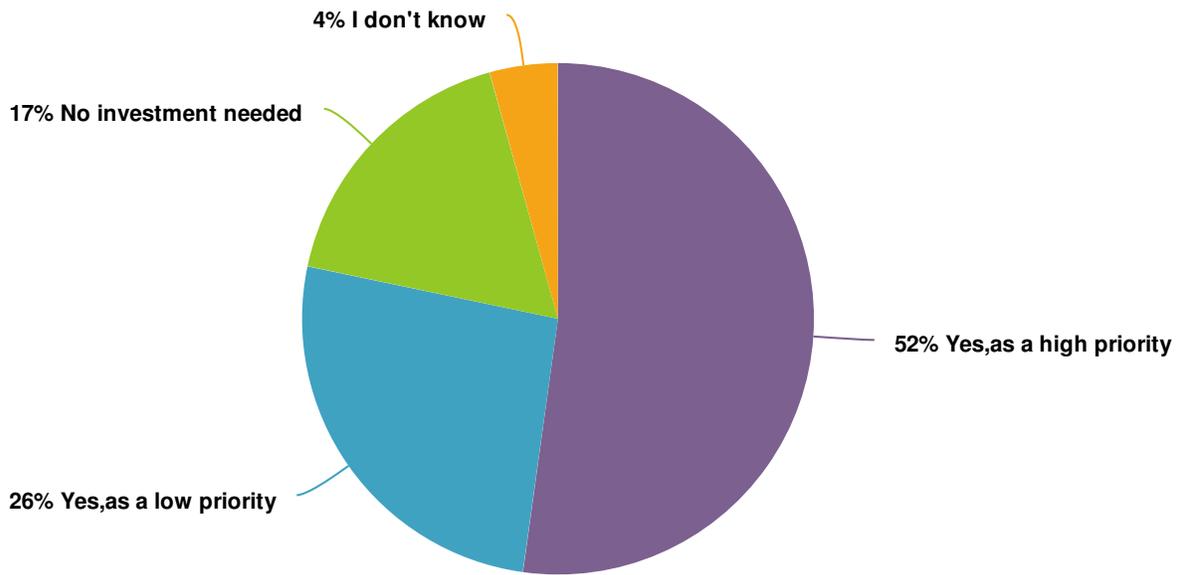
7. The Transit Triangle is a good place for more businesses and other destinations



Value	Percent	Responses
Strongly agree	58.3%	14
Somewhat agree	20.8%	5
Somewhat disagree	4.2%	1
Strongly disagree	16.7%	4

Totals: 24

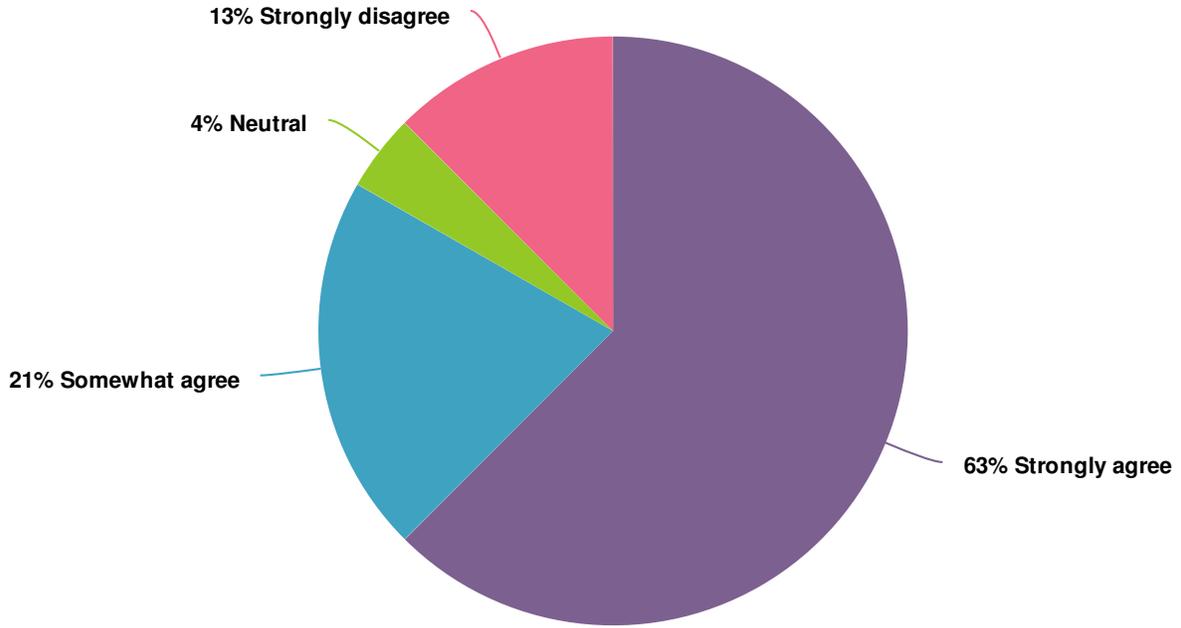
8. Should we invest in sidewalks, bike routes, and more crossings to improve safety in the Transit Triangle?



Value	Percent	Responses
Yes, as a high priority	52.2%	12
Yes, as a low priority	26.1%	6
No investment needed	17.4%	4
I don't know	4.3%	1

Totals: 23

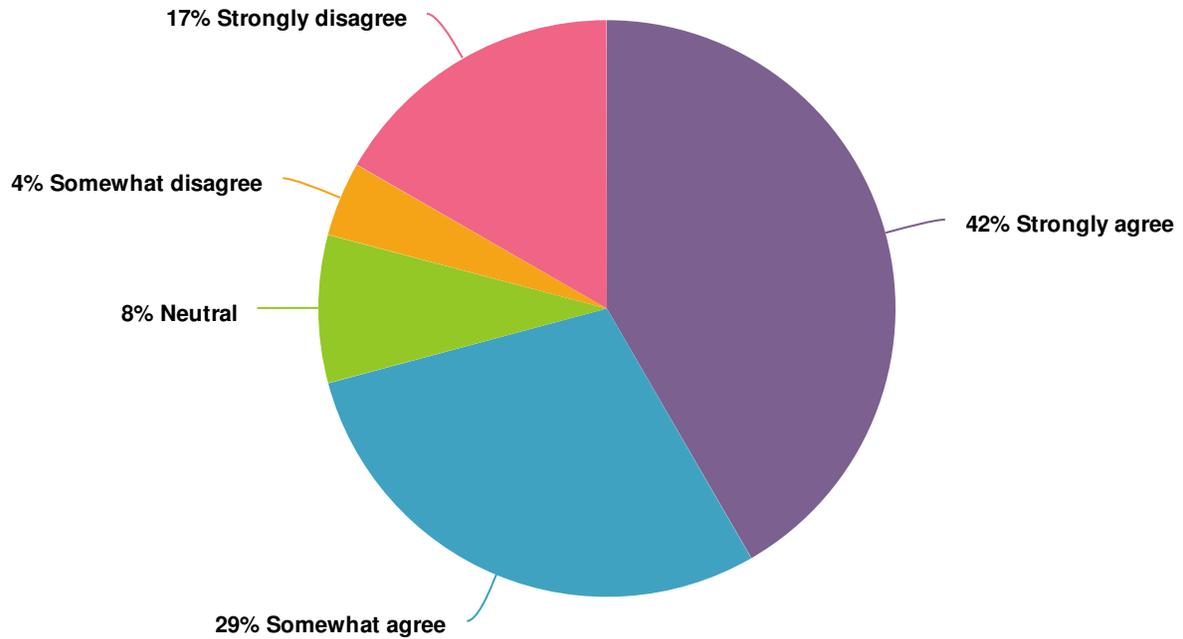
9. The Transit Triangle is a good place for more housing



Value		Percent	Responses
Strongly agree		62.5%	15
Somewhat agree		20.8%	5
Neutral		4.2%	1
Strongly disagree		12.5%	3

Totals: 24

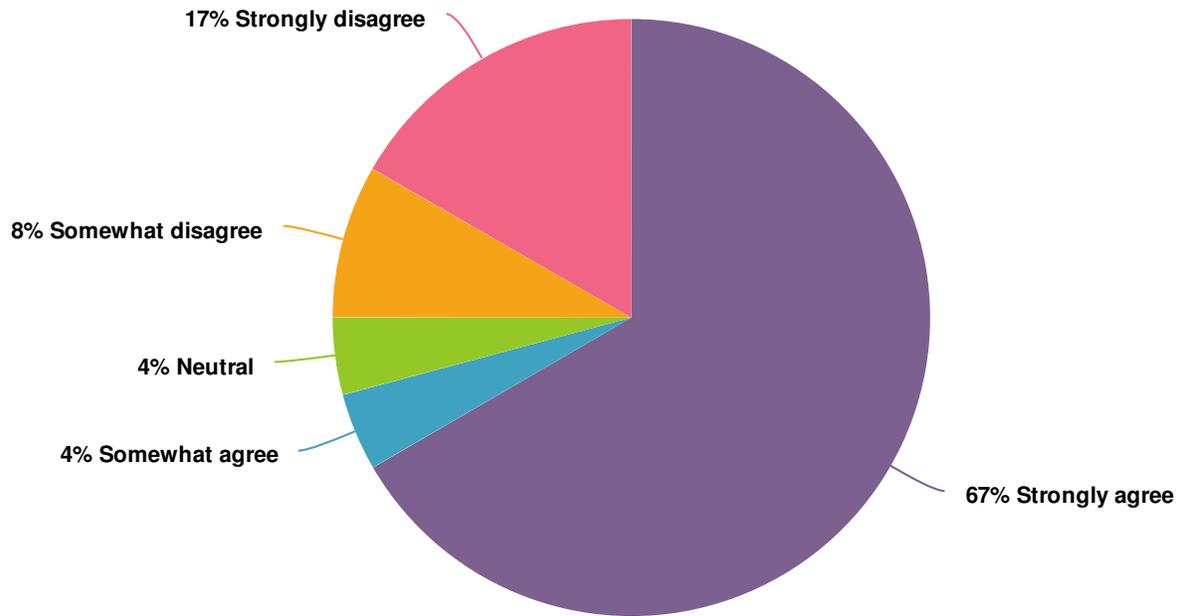
10. It is important to provide affordable housing in the Transit Triangle



Value		Percent	Responses
Strongly agree		41.7%	10
Somewhat agree		29.2%	7
Neutral		8.3%	2
Somewhat disagree		4.2%	1
Strongly disagree		16.7%	4

Totals: 24

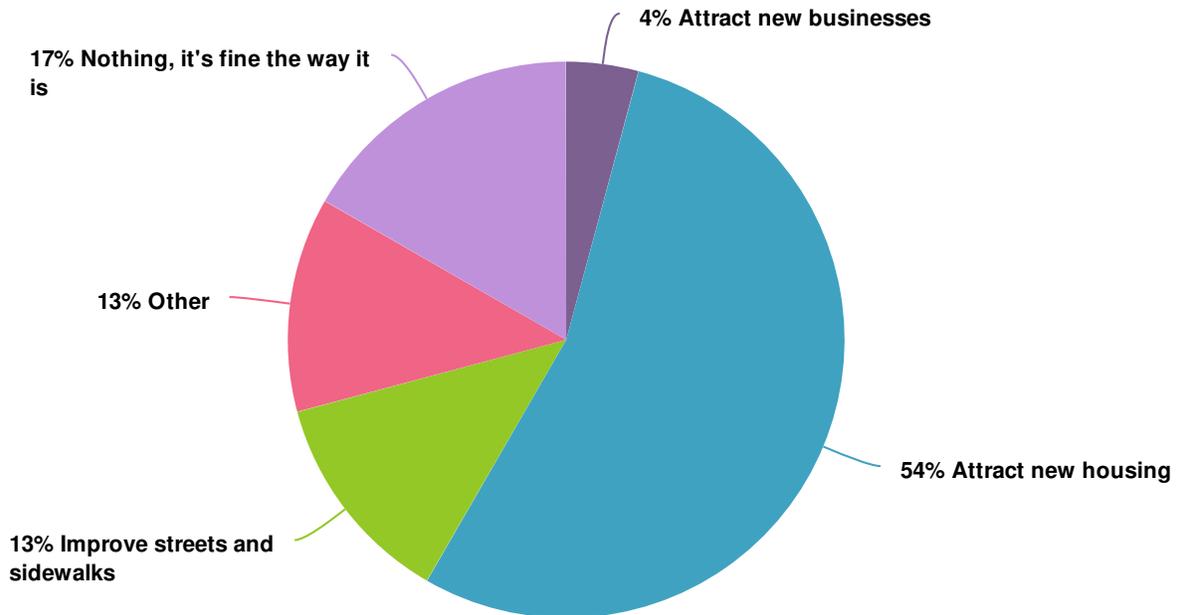
11. Are you in favor of 3-4 story, mixed-use development in the Transit Triangle?



Value	Percent	Responses
Strongly agree	66.7%	16
Somewhat agree	4.2%	1
Neutral	4.2%	1
Somewhat disagree	8.3%	2
Strongly disagree	16.7%	4

Totals: 24

12. If you could do just one thing for the Transit Triangle, what would be your top priority?

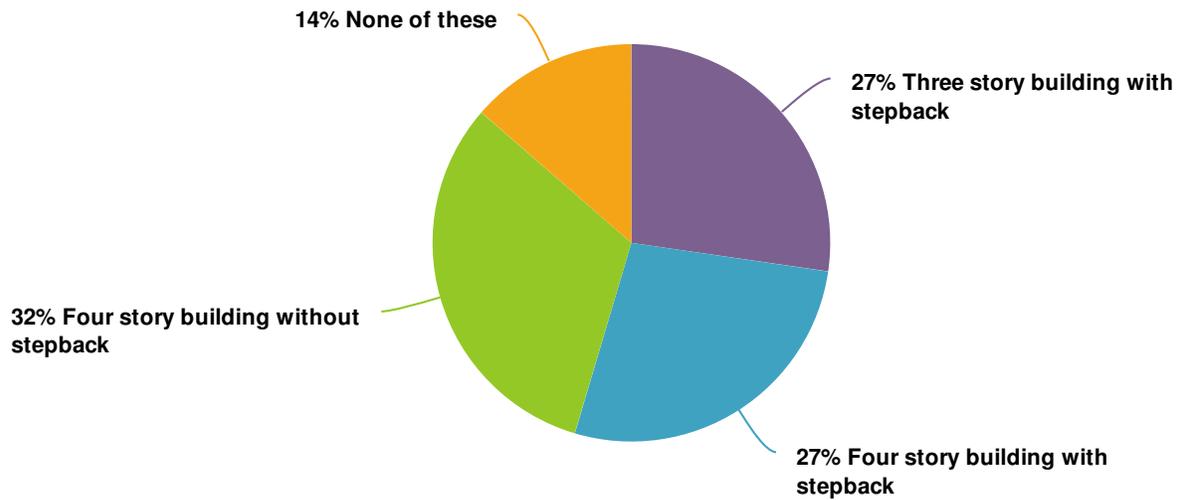


Value	Percent	Responses
Attract new businesses	4.2%	1
Attract new housing	54.2%	13
Improve streets and sidewalks	12.5%	3
Other	12.5%	3
Nothing, it's fine the way it is	16.7%	4

Totals: 24

Other	Count
Attract new businesses and housing	1
Improve infrastructure including streets, sidewalks and utilities with City financing so developers can focus on site development.	1
Mixed Use, housing over Commercial	1
Totals	3

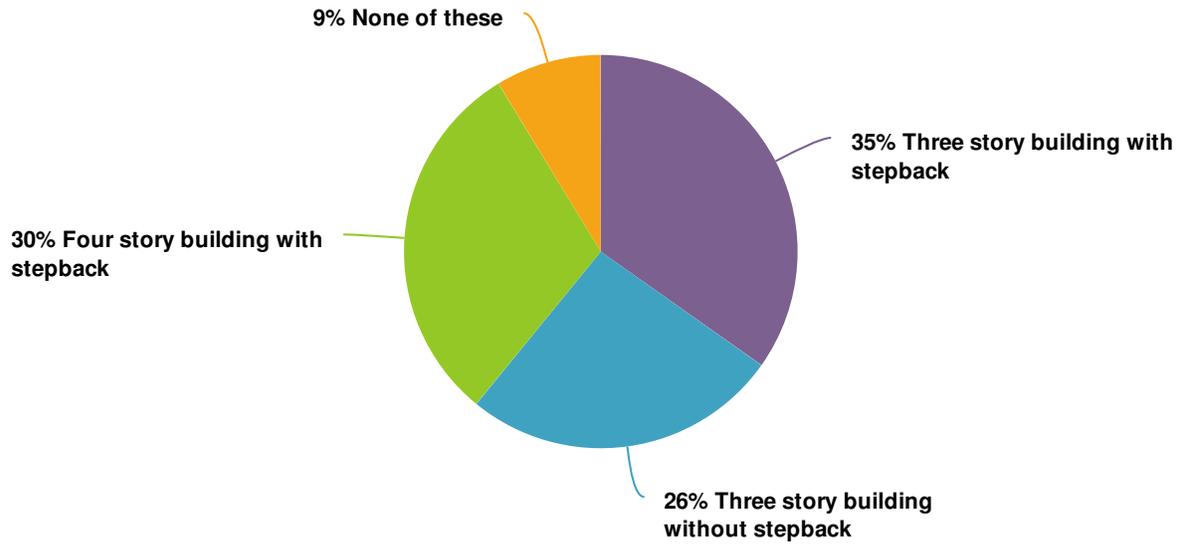
13. Which image do you like BEST?



Value	Percent	Responses
Three story building with stepback	27.3%	6
Four story building with stepback	27.3%	6
Four story building without stepback	31.8%	7
None of these	13.6%	3

Totals: 22

14. Which image do you like BEST?



Value		Percent	Responses
Three story building with stepback		34.8%	8
Three story building without stepback		26.1%	6
Four story building with stepback		30.4%	7
None of these		8.7%	2

Totals: 23