



**Work Session**

**WS**

**Milwaukie City Council**

**COUNCIL WORK SESSION**

Zoom Video Conference  
[www.milwaukieoregon.gov](http://www.milwaukieoregon.gov)

**AGENDA**

JUNE 15, 2021

**Video Meeting:** Council will hold this meeting through video conference. The public may watch live on the [city's YouTube channel](#), Comcast Cable channel 30 in city limits, or by joining the Zoom webinar. **Written comments** may be submitted by email to [ocr@milwaukieoregon.gov](mailto:ocr@milwaukieoregon.gov). Council may take limited verbal comments. **For Zoom webinar login information** visit <https://www.milwaukieoregon.gov/citycouncil/city-council-work-session-279>.

**Note:** agenda item times are estimates and are subject to change.

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|-------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>1. Construction Excise Tax (CET) Program – Update</b> (4:00 p.m.)<br>Staff: Kelly Brooks, Interim Community Development Director | <b>1</b>  |
| <b>2. Floating Code – Discussion</b> (4:25 p.m.)<br>Staff: Samantha Vandagriff, Building Official                                   | <b>21</b> |
| <b>3. Comprehensive Plan Implementation - Update</b> (4:45 p.m.)<br>Staff: Vera Kolias, Senior Planner                              | <b>33</b> |
| <b>4. Adjourn</b> (5:30 p.m.)                                                                                                       |           |

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## COUNCIL WORK SESSION

Zoom Video Conference  
www.milwaukieoregon.gov

## MINUTES

JUNE 15, 2021

**Council Present:** Councilors Lisa Batey, Angel Falconer, Desi Nicodemus,  
Council President Kathy Hyzy, and Mayor Mark Gamba

**Staff Present:** Kelly Brooks, Assistant City Manager  
Justin Gericke, City Attorney  
Vera Kolias, Senior Planner  
Ann Ober, City Manager  
Scott Stauffer, City Recorder  
Samantha Vandagriff, Building Official  
Laura Weigel, Planning Manager

**Mayor Mark Gamba** called the meeting to order at 4:01 p.m.

### 1. Construction Excise Tax (CET) Program – Update

**Brooks** explained the history of the Milwaukie CET program and its purpose, indicating that it incentivizes the kinds of housing the city wants to see. **Brooks** discussed the ways that CET revenues were spent on affordable housing and economic development projects. In response to a question from Council President Hyzy, **Brooks** and **Vandagriff** explained how portions of the funding went from the city to the state's housing assistance program each month.

The group discussed restrictions on the ways CET funds could be spent as well as project award criteria.

**Brooks** provided an update on the status of the progress and next steps of the CET program. **Brooks** stated that the public outreach around the CET program would begin in November 2021. The group discussed what this outreach might entail and how Council could be involved.

**Councilor Batey** asked about ways of ensuring that the CET-funded housing assistance went to people with true financial need, and whether the city wanted to enforce such limitations at all. **Brooks** answered that it was a difficult issue and described some ways the city could protect the funding.

**Councilor Falconer** expressed concerns about the program benefiting people with access to generational wealth and about displacing existing residents. The group discussed these issues with councilors broadly divided on whether to support more housing units at a market rate or fewer units with increased rental assistance.

### 2. Floating Code – Discussion

**Vandagriff** reported briefly on the development of a city building code for floating buildings. The group discussed potential problem areas, including the possibility that someone might try to build a floating structure on Johnson Creek.

### 3. Comprehensive Plan Implementation – Update

**Kolias** discussed the status of the Comprehensive Plan policy implementation project, noting that the project team was preparing to release draft housing code language in summer 2021.

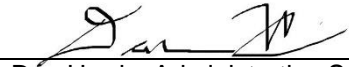
The group discussed aspects of the new code language, including how cottage clusters, mobile homes, and single-room occupancy units would be regulated.

**Kolias** provided a forecast of the Comprehensive Plan implementation timeline through the end of the year.

**4. Adjourn**

**Mayor Gamba** adjourned the meeting at 5:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dan Harris', is written over a horizontal line.

Dan Harris, Administrative Specialist II



# CITY OF MILWAUKIE

## Memorandum

**To:** City Council  
**From:** Kelly Brooks, Interim Community Development Director  
**CC:** Ann Ober, City Manager  
**Date:** June 10, 2021  
**Re:** Community Development Department Projects – City Council Update for June 15, 2021 Council meeting

Community Development/Economic Development/Housing	Planning	Building
<ul style="list-style-type: none"><li>▪ Covid-19-Related Business Relief</li><li>▪ ADU SDC Waiver</li><li>▪ Housing Update</li><li>▪ Rent Relief</li><li>▪ City Hall Blue Ribbon Committee</li><li>▪ Milwaukie Redevelopment Commission Community Advisory Committee</li></ul>	<ul style="list-style-type: none"><li>▪ Comprehensive Plan Implementation</li><li>▪ Planning Commission</li><li>▪ Design and Landmarks Committee</li><li>▪ Land Use/Development Review</li></ul>	<ul style="list-style-type: none"><li>▪ May in review to come.</li></ul>

### COMMUNITY DEVELOPMENT/ECONOMIC DEVELOPMENT/HOUSING

#### COVID-19 Related Business Relief

- Staff recently shared updates with Milwaukie businesses for the Business Oregon Operational Cost Assistance Grant Program. The Operational Cost Assistance Grant was designed for businesses with 100 or fewer employees that; 1. Offer the consumption of food and drink on premise, 2. Provide specified indoor physical exercise, recreation or family entertainment; or 3. Provide personal services; and that experienced financial hardships due to the COVID-19 pandemic in Oregon. Applications closed on June 6, 2021. Grant awards are based on number of employees and range from \$10,000 to \$100,000. Business Oregon states that the total amount available is approximately \$28 million and businesses will be selected via lottery. More information on [Business Oregon website](#).
- Staff have awarded Milwaukie Outdoor Seating Grants to 12 businesses totaling \$11,700. The grants will support new and improved outdoor seating areas including sidewalk seating, street seats, and patio seating. The purpose of the grants is to support businesses as they adapt to the ongoing COVID-19 pandemic and continued restrictions on business operations.

#### ADU SDC Waiver

- To date 10 applicants have completed waiver forms and are in line for the program that is scheduled to end on June 30, 2020. For anyone interested in potential future funding or other

ADU development news or resources they can email [econdev@milwaukieoregon.gov](mailto:econdev@milwaukieoregon.gov) or contact 503.786.7624 to receive updates.

### **Housing Update**

- Staff returned on June 1 with a resolution declaring an ongoing housing crisis and an ordinance making renter protections, permanent.
- Sparrow Site - Staff met with City Council on May 18 with an update on the site access study and zoning. City approved goals for the project at its June 1 meeting. The city purchased the site from TriMet for the purpose of land banking to support affordable housing. Staff plan to release an RFQ in alignment with the Comprehensive Plan Implementation zoning code update, to select a development partner for site design and remedial action plan work. Staff continue to reach out to nearby property owners, TriMet, and the Island Station NDA to share information.
- The city has contracted with two consultants to prepare program documentation for affordable housing development incentives utilizing construction excise tax funding. Staff are finalizing the program compliance protocol manual for income and rent restriction. Staff will meet with City Council on June 15 to provide an update on the CET for affordable housing program implementation phase.

### **Rent Relief**

- The city and NHA finalized an agreement for Round 2 of \$25,000 in rent assistance to be disbursed to City of Milwaukie residents by May 31. NHA is receiving referrals of households in need from the Clackamas County Coordinate Housing Access (CHA) hotline to provide this emergency assistance.

### **City Hall Blue Ribbon Committee**

- The city is hosting a second open house on Engage Milwaukie to ask the Milwaukie community for feedback on the draft goals. You can access the open house by visiting <https://engage.milwaukieoregon.gov/city-hall-open-house>. The open house will close for comments on June 18, 2021.

### **Milwaukie Redevelopment Commission – Community Advisory Committee**

- The Community Advisory Committee held its first meeting on April 22 via Zoom. Members were introduced to each other, and an overview of the committee purpose was discussed. The second meeting will be held on June 17 via a Zoom webinar. The public is welcome to join and public comments will be accepted. Dates, agendas and minutes for those meetings will be noticed on the Milwaukie meetings page at [www.milwaukieoregon.gov/meetings](http://www.milwaukieoregon.gov/meetings).

## **PLANNING**

### **Comprehensive Plan Implementation**

- CPIC met on May 20. The meeting included discussions about:
  - Results of the open house and online survey
  - Code adoption process over the next few months
  - Discussion about a collection of proposed code amendments
  - Flag lot standards
  - Proposed zoning map changes and related standards
  - Open discussion

- Next steps:
  - Prepare for June 17 and July 14 CPIC mtgs
  - Work session with Planning Commission on June 8
  - Work session with City Council on June 15
  - Final synthesis report of recommended code concepts and draft code language
  - Final draft of proposed Tree Code.
  - Submit draft code to DLCDD to close out the grant process
  - Staff presentations to NDAs
  - Prepare and post Open House #3 materials to Engage Milwaukie
  - Finalize code adoption process through December 2021.

### **City Council**

- A-2021-001: The property at 5800 SE Morris St has applied for an expedited annexation in order to connect to the City sewer (non-emergency). The required hearing with Council is scheduled for June 15, 2021.
- A-2021-003: The property at 9310 SE Wichita Ave has applied for an expedited annexation in order to connect to the City sewer (non-emergency). The required hearing with Council is scheduled for June 15, 2021.
- A-2021-004: The vacant lot at 5722 SE Front St has applied for an expedited annexation in order to obtain a building permit for new residential construction. The required hearing with Council is scheduled for June 15, 2021.

### **Planning Commission**

- DR-2021-001 (master file): The Type III application for redevelopment of the City-owned Coho Point site at 11103 SE Main St (ground-floor mixed use with 195 dwelling units) remains incomplete while the applicant team prepares a revised submittal.
- VR-2021-002: A Type III application has been submitted for a sign adjustment to allow an electronic readerboard sign at Milwaukie High School. The application went to Planning Commission on April 13. A 20-day public notice was sent out on Wednesday March 24. Planning Commission continued the hearing to May 11, 2021. At the May 11 Planning Commission hearing, six PC members attended the hearing and the vote was 3-3. Because resolution of the tie was unlikely given the nature of the issues presented, the PC recommended denial of the application. The appeal period ended on June 1, 2021. An appeal was submitted by NCSD on May 28, 2021 (file #: AP-2021-001). The appeal is to City Council and a date has not been set yet.
- DR-2021-003 (master file): The Type III application for redevelopment of the Kellogg Bowl site at 10306 SE Main St (178 multifamily units) was initially deemed incomplete. The applicant team has provided a revised submittal that staff is currently reviewing for completeness.
- VR-2021-006: A Type III building height variance, transition measures setback variance, and building step back variance for the proposed 5-story mixed use building on the vacant lot on the corner of Llewellyn and 34<sup>th</sup> Ave. The proposed building will have medical/clinic space and the additional floors will be affordable housing residential for seniors. This proposal is by Providence Supportive Housing. The application went before Planning Commission on May 11, 2021. A 20-day public notice was sent on April 21, 2021. At the May 11<sup>th</sup> hearing Planning Commission continued the hearing to May 25<sup>th</sup>. Planning Commission approved the proposal on May 25<sup>th</sup>. The appeal period ends on June 10, 2021.

- VR-2021-007: A Type III application for a variance to allow the spacing between an accessory structure and the primary dwelling to be less than the required minimum 5 ft was approved by the Planning Commission at the June 8 public hearing. The appeal period ends on June 24, 2021.
- VR-2021-008: A Type III application for a variance to build a 42' x 40' an accessory structure (shed) was approved by the Planning Commission at the June 8<sup>th</sup> public hearing. The appeal period ends on June 24, 2021.

### **Design and Landmarks Committee**

- The DLC's next regular meeting is tentatively scheduled for July 8, 2021, and will likely be utilized for design review of the Kellogg Bowl project.

### **Land Use/Development Review<sup>1</sup>**

<sup>1</sup> Only land use applications requiring public notice are listed

## **BUILDING**

**May 2021 in review to come**





# CITY OF MILWAUKIE

## Memorandum

To: City Council

From: Jennifer Garbely, Assistant City Engineer

Through: Kelly Brooks, Assistant City Manager

Date: June 14, 2021

Re: Engineering Dept. Projects – City Council Update for June 15, 2021

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### CAPITAL IMPROVEMENT PROJECTS:

#### **McBrod Avenue Improvements**

Summary: The city is improving pedestrian safety by building a sidewalk on the east side of McBrod Avenue, from 17<sup>th</sup> Avenue to Ochoco Street. The project also addresses much-needed repairs and upgrades to the water and stormwater systems, as well as the roadway pavement condition.

Update: Emery and Sons completed the reconstruction the southern driveway at 9800 McBrod Avenue to restore for semi-truck access. Emery and Sons also completed a water valve replacement at 1900 Milport Road. Main contractor has completed punch list and we are closing out the contract.

#### **22<sup>nd</sup> Avenue & River Road SAFE Improvements**

Summary: The 22<sup>nd</sup> Avenue and River Road improvements included constructing sidewalks and ADA accessible curb ramps, adding new crosswalk markings and pedestrian refuge islands, remarking bike symbols in bike lanes, repaving both streets for a smoother surface, relocating a water pressure control valve, connecting water service lines to the water main installed in the 1990s while disconnecting the old water main, and adding a new storm line and catch basins. JLA was involved with community engagement which included a project open house, community survey, weekly emailed project updates, webpage updates, and responding to emails from citizens regarding specific questions and concerns about the project.

Update: Construction is complete.

#### **42<sup>nd</sup> Avenue & 43<sup>rd</sup> Avenue SAFE Improvements**

Summary: The combined 42<sup>nd</sup> and 43<sup>rd</sup> Avenues SAFE project will install measures to increase safety for bikes and pedestrians. Some utility work is included in the scope.

- 42<sup>nd</sup> SAFE: Reconstruct portions of the sidewalk and many sidewalk ramps for ADA accessibility. Install curb islands and other improvements to slow vehicle speeds and

increase pedestrian and bicyclist safety. Water system improvements include transferring existing services from the 4" main to the existing 12" main. Sewer pipe replacement between Fieldcrest Avenue and Olsen Street.

- 43<sup>rd</sup> SAFE: Install a combination of sidewalks and shared bike/pedestrian paths along 43<sup>rd</sup> Avenue from King Road to Howe Street. Install sidewalks and shared bike/travel lane markings along Howe Street from 43<sup>rd</sup> Avenue to 42<sup>nd</sup> Avenue. Replace a problematic sanitary sewer line along 43<sup>rd</sup> Avenue from Rockwood Street to Covell Street.

Update:

- 42<sup>nd</sup> SAFE: Plans are ready for advertisement for bid with 43<sup>rd</sup> SAFE.
- 43<sup>rd</sup> SAFE: Project will go out to bid in June after all easements and right-of-way have been completed.

### **Lake Road Improvements**

Summary: The Lake Road Improvements Project includes full depth reconstruction of the roadway from 23<sup>rd</sup> Avenue to Guilford Drive. The road will also be widened to accommodate the existing lane configuration and provide bike lanes in each direction for the full length. This project will install pervious pavement, stormwater planters, traffic signal upgrades at Lake Road and Oatfield Drive, and school zone flasher upgrades. Twelve curb ramps will be upgraded as part of this project.

Update: One-way westbound temporary traffic control will be in place on Lake Road until both sides of the roadway installation have been completed. Work is progressing on the South side of Lake Road, new stormwater pipeline is almost complete. Contractor is preparing south side for the full dept repair of the roadway. Soon traffic will be moving to the south side still traveling westbound.

### **Linwood Avenue SAFE Improvements**

Summary: Shared bike/ped path on both sides of Linwood Avenue from just north of Harmony Road to Monroe Street. Permanent improvements will be made to the temporary diverter at the Monroe/Linwood intersection.

Update: PGE has completed transfer of overhead lines, and cable companies are nearing completion of their transfers. Curbs and driveway accesses are underway, and most storm piping and retaining walls have been installed. The speed limit from Monroe to Harmony has been reduced to 20 mph temporarily.

### **Meek Street Storm Improvements**

Summary: Project was identified in the 2014 Stormwater Master Plan to reduce flooding within this water basin. The project was split into a South Phase and a North Phase due to complications in working with UPRR.

Update: Meek North Phase is moving slowly with getting property and easement documents to move forward with the purchase from the Railroad.

### **SAFE & SSMP FY 2021 Improvements (Home Ave, Edison St, Wood Ave)**

Summary: Project includes the Home Avenue and Edison Street SAFE/SSMP improvements and the Wood Avenue SSMP improvements.

- Home Avenue: Construct sidewalk on one side of Home Avenue from King Road to Railroad Avenue. Full road reconstruction and installation of four inches of pavement from King Road to Railroad Avenue. Replace sewer pipe to improve lift station capacity on Harrison Street from 47<sup>th</sup> Avenue to Home Avenue, and on Home Avenue from Harrison Street to Monroe Street)
- Edison Street: Construct sidewalk on the north side of Edison Street from 35<sup>th</sup> to 37<sup>th</sup> Avenue. Full road reconstruction and installation of four inches of pavement from 35<sup>th</sup> Avenue to 37<sup>th</sup> Avenue and install stormwater treatment systems.
- Wood Avenue: Full road reconstruction and installation of four inches of pavement Railroad Avenue to Park Street.

Update: Home Avenue and Wood Avenue will be full road reconstructions with installation of four inches of pavement, rather than the originally planned grind and inlays or pavement overlays. Full road reconstruction triggers stormwater treatment requirements. Re-review of 60% design drawings with the added scope of work will occur in early summer.

- Home Avenue: A 60% online open house June 24<sup>th</sup> will coincide with the launch of the Home Avenue Engage Milwaukie page.

### **Harvey Street Improvements**

Summary: Project includes water service improvements on Harvey Street from 32<sup>nd</sup> Avenue to 42<sup>nd</sup> Avenue, on 42<sup>nd</sup> Avenue from Howe Street to Harvey Street, as well as 33<sup>rd</sup> Avenue and 36<sup>th</sup> Avenue. The project also includes sidewalk construction and roadway paving on Harvey Street from 32<sup>nd</sup> Avenue to 42<sup>nd</sup> Avenue.

Harvey Street: Topographic survey is complete and under review. In-house design schedule is TBD.

### **FY 2021 Wastewater Improvements**

Summary: Project includes replacement of old or high maintenance sanitary sewer mainline at 3 locations: Kent Street, 37<sup>th</sup> Avenue, Washington Street.

Update: In-house design is at a 30% level and when design is complete staff will advertise for bid.

### **Ardenwald North Improvements**

Summary: Project includes street and sidewalk improvements on Van Water Street, 32<sup>nd</sup> Avenue, and Roswell Street. The stormwater system will be replaced on Van Water Street, the water system will be upsized on 29<sup>th</sup> Avenue, 30<sup>th</sup> Avenue, 31<sup>st</sup> Avenue, and Roswell Street, and there will be wastewater improvements on 28<sup>th</sup> Avenue, Van Water Street, 29<sup>th</sup> Avenue, and 31<sup>st</sup> Avenue to address multiple bellies and root intrusion to reduce debris buildup.

Update: Project scope is in progress.

### **Milwaukie Bay Park**

Summary: Provided grant support letters for two state grants. Worked with NCPRD to contract for the dock to be removed and repaired.

Update: NCPRD is in the process of reviewing CMCG Contractor proposals.

### **Waverly Heights Sewer Reconfiguration**

Summary: Waverly Heights Wastewater System Reconfiguration was identified in our 2010 Wastewater System Master Plan. The existing sewer collection system is in a residential neighborhood within the City of Milwaukie; some 3,700 feet of pipe may need replacing.

Update: Project delayed until FY 2023.

### **Monroe Street Greenway**

Summary: The Monroe Street Greenway will create a nearly four-mile, continuous, low-stress bikeway from downtown Milwaukie to the I-205 Multi-Use path. Once complete, it will serve as the spine of Milwaukie's active transportation network connecting users to the Max Orange Line, Max Green Line, Trolley Trail, 17<sup>th</sup> Avenue Bike Path, I-205 path, neighborhoods, schools, and parks. Funding grants through ODOT and Metro will allow the city to complete the 2.2 miles of our section of the Monroe Greenway from the Trolley Trail to Linwood Ave in the next five years.

Update: Project Prospectus for segments D&E (East of SE 37<sup>th</sup> Avenue) has been submitted to ODOT and comments have been received back. Project Prospectus is essential to establish an IGA with ODOT in order to disburse RFFA funding and issue a design RFP. The city is also working with ODOT in other segments to effectively leverage state funding in conjunction with the OR 224 signal upgrade project.

### **Kellogg Creek Dam Removal**

Summary: Project to remove the Kellogg Creek dam, replace the bridge, and improve fish passage.

Update: In April and May the city has supported state and federal funding requests submitted by North Clackamas Watershed Council.

## TRAFFIC / PARKING PROJECTS, ISSUES

### RIGHT-OF-WAY (ROW) PERMITS (includes tree, use, construction, encroachment)

#### **Downtown Trees and Sidewalks**

Summary: A downtown business owner applied for a permit to remove 5 trees at 10909 SE Main Street. Peter and Steve met with the applicant to propose retaining the trees by allowing for larger tree wells and raising the sidewalk to allow more space for roots under them. The city has offered to demolish and reinstall the curb; but the property owner will be responsible for replacement of the sidewalk and all future maintenance of sidewalks. Owner expressed concerns that any changes with sidewalk elevation may allow storm runoff to shed towards the front doors of the businesses.

Update: The sidewalk has been surveyed and the city has contracted with Tetra Tech engineering to design a solution.

### PRIVATE DEVELOPMENT – PUBLIC IMPROVEMENT PROJECTS (PIPS)

#### **Monroe Apartments - 234 units**

Update: Johnson Development notified the city that they are dropping the project due to high cost of construction materials. Another developer has made inquiries into the project and they are currently working through their due diligence.

#### **Railroad Estates Subdivision – 6 lot subdivision at Railroad Ave. & 56<sup>th</sup> Ave.**

Update: The pre-construction meeting for this project has been scheduled for June 2.

#### **Walnut Addition Subdivision – 9 lot subdivision at Roswell St. & 33<sup>rd</sup> Ave.**

Update: While the subdivision was platted some 40 years ago, it was never fully constructed. Staff has reviewed and commented on construction plans submitted for the project; revised plans were resubmitted this week and staff will work on reviewing them.

#### **Elk Rock Estates – 5 lot subdivision at 19<sup>th</sup> Ave & Sparrow St.**

Update: Construction plans have been approved. Waiting on developer to request a pre-construction meeting and for a performance bond and insurance certificate to be submitted.

#### **32nd & Olsen – 4-story, 18 unit mixed use building**

Update: Plans have been received; first set of redline comments have been returned to the developer. Waiting on revised plans to be submitted.

## DOCUMENT ADMINISTRATION

### **Master Plans**

Summary: Water and Wastewater System Master Plans are under contract and are being managed by Peter Passarelli.

Update: Review draft chapters in the master plans.

### **DEQ Stormwater Report**

Summary: The Department of Environmental Quality (DEQ) requires an annual update report documenting how the City of Milwaukie is meeting the MS4 DEQ Permit requirements. This report is submitted annually by Public Works.

Update: Engineering is tracking CIP and PIP stormwater work to be included in the annual report.

## **COUNCIL STAFF REPORT**

**To:** Mayor and City Council  
Ann Ober, City Manager

**Date Written:** June 6, 2021

**Reviewed:** Justin Gericke, City Attorney

**From:** Kelly Brooks, Interim Community Development Department Director

**Subject:** **Construction Excise Tax for Affordable Housing Program Update**

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### **ACTION REQUESTED**

The Milwaukie Housing Affordability Strategy (MHAS) called for development of a construction excise tax (CET) to support affordable housing funds. Council is asked to receive an update on the CET for affordable housing grant program and provide feedback.

### **HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

[November 21, 2017:](#) Council adopted the CET for affordable housing; see Ordinance 2154.

[July 17, 2018:](#) Council adopted the MHAS, Goal 1.1 of which calls for developing “incentives/funding program(s) for affordable housing through the existing construction excise tax.”

[January 21, 2020:](#) Council heard an update from staff on the proposed criteria from the CET Oversight Group and plans for the distribution of CET funding.

### **ANALYSIS**

#### **CET Overview**

The development and retention of affordable housing is one of the city’s priorities referenced in the Milwaukie Community Vision, the Comprehensive Plan, and the MHAS. To support this effort, Council established a CET, enabled by State Senate Bill 1533, and dedicated revenue to support the development of new affordable housing units in the city. The CET affordable housing grant program is designed to help offset the cost of developing new housing so that it can remain affordable. Over the last year, staff have been implementing the program components to prepare for a request for proposals (RFP) process. The next step is for the city to issue an RFP to solicit grant applications for the development of income and rent restricted housing units.

#### **Revenue**

Since adoption of the CET, the city has collected approximately \$500,000 in total CET revenue. The funds drawn from residential and commercial development are allocated in ways specified by state law and Milwaukie’s local enabling ordinance.

State law governs what the city can do with revenue collected on residential development. Revenue collected from this source can be used for housing that will serve people earning up to 80% of the median family income (MFI). The funds must be allocated as follows:

1. 50% to incentives for the development and construction of affordable housing for those earning up to 80% MFI.
2. 15% funding goes directly to the Oregon Department of Housing and Community Services to fund programs for down-payment assistance in Milwaukie.
3. 35% goes to programs and activities related to affordable housing.

The net revenue from tax on commercial improvements is set by the city's ordinance and is intended to support housing that will serve those earning up to 120% of median family income. This funding source must be allocated as follows:

1. 50% for incentives for the development and construction of affordable housing for those earning up to 120% of MFI.
2. 50% to economic development programs designated as eligible by the city. Currently, the city's eligible plans include the Central Milwaukie Land Use and Transportation Plan, Downtown and Riverfront Land Use Framework Plan, the Milwaukie Urban Renewal Plan, the Economic Development Strategic Plan, and the North Milwaukie Innovation Area (NMIA) Plan. In response to the adverse economic conditions caused by the COVID-19 pandemic, the city supported a business relief fund utilizing \$50,000 from this fund to provide three rounds of small grants to Milwaukie businesses during 2020.

Between September and December of 2019, the city convened a community oversight group to help advise and assist the city in developing criteria for how CET revenues should be allocated. The group met over a four months period to discuss programming options and discuss priorities for using the CET revenue.

The city budgeted \$100,000 for the 2021-2022 biennium that may be used for this CET for affordable housing grant program.

### **CET for Affordable Housing Grant Program Components**

This grant program includes and will be implemented through the following seven components:

1. Overview and Guidelines
2. Request for Proposal and Application Form
3. Evaluation Tools
4. Restrictive Covenant to Record with Deeds (may not be required in all cases)
5. Memorandum of Agreement
6. Inspections
7. Compliance and Monitoring

#### **1. Program Overview and Guidelines**

The CET for affordable housing grant program provides funding to encourage the development of affordable housing. Staff created a two-page program overview flyer (Attachment A) that explains the goals of the program, its parameters, and general funding availability. The flyer will be shared on the city's webpage and with prospective developers. The preferred criteria described in the overview and RFP are designed to highlight projects that accomplish the following:



- Service to historically underserved communities, and families with children.
- Project concepts and designs that include maximized onsite trees and minimized need for onsite surface parking, close proximity to schools, parks, commercial areas, public transportation, services and jobs, and demonstration of cost-effective sustainability and energy-efficiency measures.
- An increased number of affordable units with longer periods of affordability, requiring a minimum commitment of five years.
- Service to people with lower incomes based on the following scale with preference given to projects that provide housing to lower income levels: 0-30%, 30-60%, 60-80%, 80-100% and 100-120% AMI.
- Verified financing in place at time of application and project readiness with estimated construction to begin within 12 months.

## 2. RFP and Application Form (Attachment B)

The RFP will include the program overview, a description of the total available funding and guidelines on how the funding may be used, an evaluation criteria and scoring overview, appendixes for applicant reference, and an application form to standardize requests.

Staff plan to launch the RFP immediately following the adoption of an updated housing code. The RFP asks for a letter of intent but will accept proposals if a letter of intent is not submitted in order to not limit access to the application process. The letter of intent or a phone call with staff to determine initial eligibility (non-binding) has been included in the RFP to help guide Milwaukie homeowners through the program requirements, documents, and overall expectations of the program before inviting the applicant to move forward with a full proposal.

A draft timeline for the RFP is below:

RFP Issued	Housing Code Adoption
Letter of Intent Due	+ 1 month
Proposals Due	+ 2 months
Evaluation Period	+2 weeks
Council Meeting	+2 weeks
Notice of Award Decisions	+1 week
Funding Awarded	+ 2 weeks from Council meeting

## 3. Evaluation Tools –

The city is working with a consultant to create a tool that will help us consistently and equitably calculate the appropriate CET grant award based on level of benefit provided to the program. Staff will come back to council with more information on this item during our next update.

## 4. Restrictive Covenant to Record with Deeds

The city will have language drafted that may vary based on the size and scope of the project to include on the property deed to ensure units that utilize CET funding, even with a transfer of ownership, are guaranteed to maintain income and rent restricted terms for the entire period of affordability agreed to in the RFP grant agreement. Restrictive covenants

recorded on the property deed, or other acceptable documentation, will state that the unit must be rented pursuant to terms listed in the city's CET for Affordable Housing RFP Grant Agreement. If the city finds that units are no longer in compliance with these terms, the covenant and agreement will serve as a mechanism to require the owner to pay back funds previously awarded.

## **5. Memorandum of Agreement**

Each project will be required to sign a grant agreement provided by the city as a condition to receive funding. The grant agreement will include terms for:

- adherence to compliance manual requirements,
- reporting expectations,
- clauses for termination, enforcement, and repayment in full,
- the general terms of the levels of affordability provided including the number of years of income restriction, number of units that are rent restricted, and percentages of the maximum area median income for each,
- the city's right to publish information about awarded projects,
- a description of the project schedule, and
- the grant award amount.

## **6. Inspections**

Initial inspections will occur prior to an owner receiving a certificate of occupancy and will be triggered when the applicant submits for their building permit. Any property improvement or new construction that would result in the development of a new affordable unit under this program will require a building permit. Ongoing inspections will occur. The timeline for inspections will be developed with the city's building official. The city and its applicants will be following standards within the Oregon Structural Specialty Code and Federal Housing and Urban Development (HUD) standards for the second and any subsequent inspections. If the city finds units are not maintained in a satisfactory manner by HUD checklist standards (see compliance manual for details) or through annual owner certification reports, the city will find the applicant in noncompliance with the grant agreement and may seek the return of grant funds that were previously awarded.

## **7. Compliance and Monitoring**

Staff have been working with a consultant to develop a compliance manual that outlines the requirements of the program. See Attachment B for the current draft.

## **NEXT STEPS**

Next steps will include incorporating any Council feedback, launching the RFP, evaluating proposals, awarding grants, and administering the ongoing monitoring and compliance of income and rent restricted units.

- **RFP launch.**
- **Marketing.** A marketing plan will be developed to advertise funding availability. Information on the funding availability will be shared through the Pilot newsletter, the city website, social media, and with mission-driven organizations that provide or support fair housing.
- **Grants awarded as funding is available.**
- **Ongoing compliance and administration.**

**BUDGET IMPACT**

Funds from the CET will be distributed based on availability. The city may need to contract with a third-party consultant to assist with the compliance and evaluation component of this program on an as-needed basis.

**WORKLOAD IMPACT**

Recent changes in staffing within the community development department have impacted the progress of the program in the near term.

**CLIMATE IMPACT**

None.

**COORDINATION, CONCURRENCE, OR DISSENT**

The city attorney and finance director have been engaged to develop appropriate compliance tools and validate financial assumptions.

**STAFF RECOMMENDATION**

Not applicable.

**ALTERNATIVES**

Not applicable.

**ATTACHMENTS**

1. Program Fact Sheet
2. Draft Compliance Manual

### **Affordable Housing CET Grant Program Overview**

The development and retention of affordable housing is one of the City's top priorities. To support this effort the Milwaukie City Council passed a Construction Excise Tax (CET) and dedicated revenue to help support the development of new affordable housing units in the City. The CET Affordable Housing Grant Program is designed to help offset costs of developing new housing so that it can remain affordable. The city aims to partner with developers by providing financial incentives to clear the path for building more income-restricted housing units. Goals for this grant program are to:

- Create new affordable housing units,
- Ensure equitable and sustainable outcomes, and
- Serve individuals in the most financial need.

### **What Is Eligible?**

New construction or improvements that create new affordable units or multi-unit projects that create income-restricted housing.

**Apply for a grant through one of two funding buckets:**

#### **Funding Bucket 1:**

For building multi-unit (3 or more attached units) income-restricted housing for residents earning no more than 80% AMI. These grants can be used to cover system development charges, impact fees, tax exemptions or other costs related to development. These grants are tied to what is allowed by state law in Senate Bill 1533 (2016 Oregon Laws Chapter 59)

Other development types may apply. Contact [econdev@milwaukieoregon.gov](mailto:econdev@milwaukieoregon.gov) for more information.

#### **Funding Bucket 2:**

These grants provide financial incentives for accessory dwelling units, duplexes, and other middle housing types and multi-unit developments. For building homes for residents earning no more than 120% AMI. Preferred projects will be 80% or less of Area Median Income.

### **Requirements:**

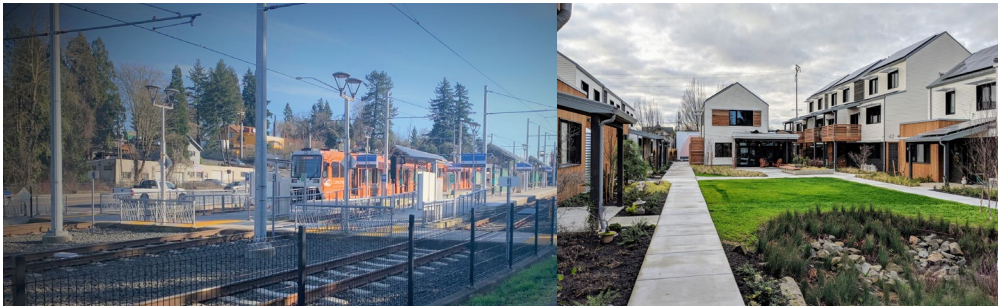
**Availability and Amount of Funds:** Grant awards are subject to CET revenue availability, and number AMI restricted units proposed. To provide the most benefit among the widest range of funding recipients, awards may be limited to one per applicant or property during a five-year period.



- **Project Readiness.** Documentation to demonstrate financial feasibility. This can be in the form of preapproved loans, list of other financing structures in place, a budget for proposed development, a list of project staff and preliminary designs or plans prepared to complete the units.
- **Financial Need.** Provide a description of a financing gap that includes funding sources or demonstrates budget constraints that limit the ability to pay or finance projects for affordable housing construction, maintenance, and rents or mortgages.

### Preferred Project Criteria:

- **Missing Middle Housing.**
- **Guaranteed Income-Restricted Affordability Period of five or more years.**
- **Located Near Public Transit**
- **Service to underserved populations or organizations that aim to affirmatively further fair housing**



### Application, Approval and Award Process:

1. Contact Economic Development staff for more information and initial eligibility.
2. The city Community Development Director (CDD), or designee, will determine approval of proposed projects and confirm completed work.
3. Meet any applicable conditions as determined and regulatory approvals.
4. Complete grant agreement.
5. Grant recipient to submit records of completed work and funding will be disbursed along with completed project milestones.

### General Conditions Upon Awards:

- Grant recipient maintains the property in good working and habitable condition and agrees to compliance procedures including inspections and income qualified recertifications, as scheduled.
- Grant recipient will complete a W-9 for disbursement of funds.
- Grant recipient will keep and make available when requested, records detailed within the grant agreement for City of Milwaukie auditing purposes.
- Grant recipient understands that the grant agreement is legally binding serves to enforce penalties or fees for noncompliance with conditions of a grant.

For additional questions, please contact the City of Milwaukie Economic Development Department at [EconDev@milwaukieoregon.gov](mailto:EconDev@milwaukieoregon.gov).

## CONSTRUCTION EXCISE TAX GRANT PROGRAM COMPLIANCE MANUAL

Introduction

Funding Award Requirements

Physical Standards

Rent Restrictions

- Applicable Rent Limits

- Utility Allowances

Qualifying Households

- Income Restrictions

- Tenant Eligibility Requirements

  - Application

  - Wait Lists

  - Household Composition

  - Questionnaire

  - Supporting Documents

  - Initial Certification

  - Annual Recertifications

    - Income over the applicable limit at recertification

Lease Requirements

- Term of lease and other details

Annual Reporting to the City

## INTRODUCTION

The development and retention of affordable housing is a high priority for the City of Milwaukie. To support this effort, on November 1, 2017, the Milwaukie City Council passed the Construction Excise Tax (CET) which specifically dedicated revenue to assist in the development of new affordable housing units within the City. The CET Affordable Housing Grant Program (AHGP) is designed to help offset costs of developing housing so units are affordable to households earning no more than 80% or no more than 120% of Area Median Income, adjusted for family size, as determined by the applicable funding Option. The City's goal is to partner with developers by providing financial incentives that clear the path for building more income and rent-restricted housing units.

Funds are available for new construction or improvements to existing properties that create new income and rent-restricted housing.

## FUNDING AWARD REQUIREMENTS

The City will accept and evaluate applications on an annual basis. The evaluation will include a determination of the proposed project's appropriateness for the program. Requirements include:

**Project Readiness.** Documentation demonstrating financial feasibility is required to be awarded funding. Acceptable documentation includes pre-approved loans, list of other financing structures in place, a budget for the proposed development that identifies the sources and uses of funding, a list of project staff and preliminary designs or plans prepared to complete the proposed units.

**Financial Need.** The applicant must provide a description of a financing gap that includes funding sources or demonstrates budget constraints that limit the ability to pay or finance the subject project's construction, maintenance, and rents or mortgages.

In addition to the standard requirements noted above, the City, in order to meet its goals to increase the affordable housing stock, places higher priority on projects that meet the Preferred Project Criteria:

- Missing middle housing (Projects between single-family and large multi-family, i.e. – townhomes, garden apartments, cottage clusters.)

- Guaranteed income and rent-restricted affordability period of five or more years.
- Located near public transit
- Service to underserved populations or development non-profit organizations that aim to affirmatively further fair housing

Criteria will be provided with the application. Applications can be obtained at [EconDev@milwaukieoregon.gov](mailto:EconDev@milwaukieoregon.gov).

## PHYSICAL STANDARDS

Projects utilizing CET funds must maintain the property in decent, safe, and sanitary condition. The City uses the Oregon Specialty Codes. City inspections will occur initially as a condition required in order to obtain a certificate of occupancy from the City's Building department. The second inspection will occur after 5 years from the initial certificate of occupancy issue date, unless an incident concerning the condition of the property calls for the inspection to occur sooner. After the second five-year inspection, the frequency of subsequent inspections will be at the discretion of the City. Subsequent inspections will utilize standards set by the Uniform Physical Condition Standards (UPCS) to measure compliance. UPCS evaluates properties in five inspectable areas: Site, Building, Exterior, Building Systems, Common Areas, and Unit. Each of the five inspectable areas includes specific inspectable items and "observable deficiencies". Not all areas of inspection will apply to all projects, particularly smaller projects. A comprehensive checklist of inspectable areas can be found at: [https://www.hud.gov/sites/documents/DOC\\_26481.PDF](https://www.hud.gov/sites/documents/DOC_26481.PDF)

Vacated units must be made rent ready within a reasonable period of time. A reasonable timeframe is generally defined as 30 days. If any unit is not made rent ready within 30 days, an explanation shall be provided to the City within the annual reporting. Should a unit not be rent ready within 30 days due to casualty loss, the owner must provide insurance documentation or repair receipts and photographs when all physical issues have been remedied and the date the unit was ready for occupancy.

## RENT RESTRICTIONS



➤ Rent Limits

Rents limits are published by HUD annually. Rents are calculated using an imputed household size of 1.5 people per bedroom, with a rent burden of 30% (spending 30% of monthly income on rent). Studio rents are based on the one-person income limit. The rent limit percentage will be restricted to the corresponding income limit, depending on the funding option awarded. Rent levels for funding option 1 are held at or below 80%, adjusted by the applicable utility allowance, and rent levels for funding option #2 are held at or below 120%, adjusted by the applicable utility allowance. 2021 HUD rent limits can be found at [https://www.huduser.gov/portal/datasets/home-datasets/files/HOME\\_RentLimits\\_State\\_OR\\_2021.pdf](https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_RentLimits_State_OR_2021.pdf)

Example – Calculation of 1-Bedroom Rent

One-person income limit at 80% = \$51,600

Two-person income limit at 80% = \$58,960

Average the income limits for a one-person and two-person household to arrive at a 1.5 person income limit:

$$51,600 + 58,960 = 110,560 / 2 = 55,280$$

The income is divided by 12 months and multiplied by 30% (rent burden percentage):

$$55,280/12 \times 30\% = 1,382 - \text{Maximum Rent}$$

➤ Utility Allowances

An allowance for the cost of any utilities the tenant is obligated to pay, other than phone, cable/satellite, and internet service must be considered in the rent calculation. Tenant rent plus the applicable utility allowance yields “gross rent”. The gross rent must never exceed the maximum rent for the unit size.

Owners can choose between two methods to determine the appropriate utility allowances:

- The local Public Housing Authority (PHA) schedule (<https://www.clackamas.us/housingauthority/section8.html>)
- An Energy Consumption Model (through third-party analysis of utility data – at the Owner’s expense)

Whichever source is used, the utility allowances must be reviewed annually. When utility allowances reflect a change, the change(s) must be implemented within 90 days. It is recommended the Owners using the PHA schedule check for changes on a quarterly basis to avoid overcharging rent.

Source documentation must be kept and made available for City compliance reviews.

Tenants must be provided appropriate notice of changes in the utility allowances and the corresponding adjustment to rents, if applicable.

The current Clackamas County Housing Authority Utility Allowance Schedule can be found at:

<https://dochub.clackamas.us/documents/drupal/e94b93b6-29dc-457f-838b-f3d28fad110e>

This Utility Allowance Schedule applies to projects built in 1996 or later. This schedule would also apply to earlier built projects that have had significant rehab work completed that includes energy efficiencies.

## **QUALIFYING HOUSEHOLDS**

### **Income Restrictions**

The income restrictions applied are dependent on which funding option is utilized for the project.

Funding Option #1 is for the construction of multi-family housing of 3 or more attached units. The income restriction for resident households in this category is 80% or less of the Area Median Income (AMI), as adjusted for family size.

Funding Option #2 is reserved for building homes for resident households with income at or below 120% of AMI, as adjusted for family size.

The applicable income and rent limits are published by HUD annually. Milwaukie is within the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA). A chart based on Portland MSA data is provided in the current RFP announcement.

### **Required Tenant Eligibility Documentation**

#### ➤ Tenant Application

A rental application must be obtained. The application should contain adequate information to make an initial determination of income.

Components of the application include, but may not be limited to:

1. Applicant's name and date of birth;
2. All additional household members' name(s) and date(s) of birth;
3. Sources and amounts of current and/or anticipated income to be received in the first 12 months of occupancy (see Income section for definitions);
4. Current assets and income derived from assets (see Asset section for definition of assets);
5. Signature of applicant and date of completion; and
6. Signature of management and date of receipt; time should be noted to ensure applicants are being housed in a first-come, first-served fashion during times of high volume interest.

#### ➤ Wait Lists

Wait lists are not required, but are encouraged. If a wait list is kept, it must list applicant households in the order applications are received. It must contain basic information such as household name, date of application, number in household, contact information, and notes of each contact made, including date and unit number of placement or date of rejection/denial.

#### ➤ Household Composition

Household composition must be established in order to place the applicant household in an appropriate size unit and to determine the required income limit. Household composition is determined through

review of the application and through any additional information gathered that includes the anticipated applicants.

➤ Household members include:

- The head of household (HOH)
- Spouse, co-head, or other adult members (including foster adults)
- Dependents (including foster children)
- Unborn children

**Note:** Live-in aides are not household members. The presence of a live-in aide can be considered for determining appropriate unit size, but would not be taken into consideration for determining the appropriate income limit.

➤ Tenant Eligibility Questionnaire

A fully completed Tenant Eligibility Questionnaire is required from each adult member of the household. The Tenant Eligibility Questionnaire provides information detailing current circumstances that may need to be considered in the qualification process.

➤ Income and Assets

The CET Grant Program follows HUD programs income and asset inclusions and exclusions.

(<https://www.hud.gov/sites/documents/43503c5HSGH.PDF>)

Annual income is the amount of income that is used to determine a family's eligibility for the Program. Annual Income is defined as:

1. All amounts, monetary or not, that go to or are received on behalf of anyone in the household, with some exceptions.
2. All amounts anticipated to be received from a source outside the family during the 12-month period following move-in or annual recertification effective date.

Assets are defined as items of value that can be turned into cash, excluding necessary personal property. See [HUD Handbook 4350.3](#), which summarizes the items that are considered assets and those that aren't.

Income from assets is added to regular income to determine the eligibility of a household. Total value of assets and any applicable income derived from the assets must be obtained from the applicant/tenant.

➤ Income and Asset Verification Methods

Acceptable verification of Income includes:

- Most recent year tax return (for all adult household members);
- Pay stubs;
- Award letters;
- Third-party verification, if none of the previous methods are available; or
- Any combination of the above-listed documents available to determine all income sources and amounts for the household.

Acceptable verification of assets:

- Self-certification of asset values and income from assets.

➤ Calculating Income

Tax Returns

- Use line 9 on the 1040 form. If self-employed, include all applicable Schedules. The income listed at line 9 is the appropriate figure to transfer to the Tenant Eligibility Certification.

<b>1</b>	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>1</b>	
<b>2a</b>	Tax-exempt interest . . . . .	<b>2a</b>	
<b>3a</b>	Qualified dividends . . . . .	<b>3a</b>	
<b>4a</b>	IRA distributions . . . . .	<b>4a</b>	
<b>5a</b>	Pensions and annuities . . . . .	<b>5a</b>	
<b>6a</b>	Social security benefits . . . . .	<b>6a</b>	
<b>7</b>	Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . . <input type="checkbox"/>	<b>7</b>	
<b>8</b>	Other income from Schedule 1, line 9 . . . . .	<b>8</b>	
<b>9</b>	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> . . . . . <input type="checkbox"/>	<b>9</b>	

Pay Stubs

- Obtain the most recent pay stub along with a self-affidavit from the applicant detailing their start date with the employer, whether any tips are earned that aren't reflected on the pay stub, and whether there is any anticipated change

in the rate of pay or job title in the 12 months following certification. Annualize income from the gross year-to-date earnings accordingly.

Example: Applicant provides a pay stub that shows she's making \$20.50/hour, is paid bi-weekly, worked a total of 80 regular hours and 2 hours of overtime. The Year-to-Date earnings are listed at \$10,655. The end date of the pay period listed on the stub is 03/26/2021. The applicant indicated she started working at the company on 01/02/21. The calculations are as follows:

$$20.50 \times 80 \times 26 = \$42,640.00$$

$$30.75 \text{ (OT rate)} \times 2 \times 26 = \$1,599.00$$

$$42,640.00 + 1,599.00 = \$44,239.00$$

YTD time frame is 01/02/2021 to 03/26/2021 = 12 weeks

$$10,655.00 / 12 \times 52 = \$46,171.68$$

The YTD earnings annualized is the higher of the two calculations and it provides a broader view of the applicant's income. The annualized YTD earnings should be used as the employment income on the TEC.

#### Award Letters

- For benefits, such as Social Security or VA pensions, annualize the gross benefit from the letter. If the annual Cost of Living Adjustment (COLA) has been published, include the increase in the calculation of income.
- COLAs are typically published in October, effective in December, but not paid until January. Any calculation that includes the COLA should reflect the appropriate number of months left at the old rate and the remaining months at the new increased rate.
- The Veterans Administration uses the same COLA and same effective date as the Social Security Administration.
- Many pensions are subject to COLAs as well. However, pensions don't follow the same schedule. For example, the

Public Employee Retirement System (PERS) in Oregon typically applies a COLA in July.

**Example excerpt from an annual Social Security benefit letter:**

Use the **GROSS** benefit, not the Net after the figure has been rounded.

Beginning December 2018, the full monthly Social Security benefit before any deductions is \$ 791.20.

Yes

We deduct \$0.00 for medical insurance premiums each month.

The regular monthly Social Security payment is \$ 791.00.  
(We must round down to the whole dollar.)

No

**Third-Party Verification (employment)**

- The verification form must ask for the current rate of pay, frequency, additional types of pay (overtime, shift differential, bonuses, commissions, tips) with frequency of each type, year-to-date earnings to include the timeframe in which the amount was earned, and whether or not each additional type of pay is included in the year-to-date figure. Annualize income from the YTD information. Also, calculate income based on the regular and additional types of pay figures. Compare the two totals and use the greater of the two.

**Example excerpt from an employment verification:**

### For Employer Only

The above-named applicant/employee has applied for rental housing that operates under a City of Milwaukee program that requires verification of income. The information you provide will remain confidential and will only be used to determine your employee's eligibility to reside at this property. Please mark each item below. If not applicable, please mark "N/A".

Is the above-named applicant currently employed?

☒ Yes ☐ No

What was the date of hire? 10/1/2015

If no longer employed, end date? \_\_\_\_\_

Regular pay: \$ 27.00

Frequency: ☒ hourly ☐ weekly ☐ bi-weekly ☐ semi-monthly ☐ annually

Average hours/week: 32

Overtime rate: \$ 40.50

Average OT hours/week: .5

Shift differential rate: N/A

Average SD hours/week: N/A

Commissions/Bonuses: ☒ Yes ☐ No

Describe commissions/bonus schedule: ANNUAL CHRISTMAS BONUS - \$1,600 AVERAGE

Tips/week: \$ N/A

Gross Year-to-Date Earnings: \$ 15,017.67

Earned from: 12/27/20 to 4/24/21

Are there any changes in the employee's wages in the next 12 months? ☐ Yes ☐ No

Describe change: 3% ANNUAL RAISE

Effective date: 10/1/21

### Calculations assuming a move-in date of 05/15/2021:

#### Based on hourly rates

$$27.00 \times 32 \times 52 = 44,928.00$$

$$40.50 \times .5 \times 52 = 1,053.00$$

$$\text{Annual Bonus} = 1,000.00$$

$$27.00 \times 3\% = .81$$

$$.81 \times 32 \times 32.1 \text{ weeks (from 10/01/2021 to the end of the certification year - 5/14/2022)} = 832.03$$

$$1.215 \text{ (raise in OT rate)} \times .5 \times 32.1 = 19.50$$

$$44,928.00 + 1,053.00 + 1,000.00 + 832.03 + 19.50 = \$47,832.53$$

#### Based on YTD

$$12/27/2020 - 04/24/2021 = 119 \text{ days} = 17 \text{ weeks}$$

$$15,017.67 / 17 \times 52 = 45,936.44$$

$$45,936.44 + 832.03 \text{ raise} + 19.50 \text{ OT raise} + 1,000 \text{ Christmas bonus} = \\ \$47,787.97$$

Use the higher end figure of the two calculations as the income on the TEC.

### ➤ Tenant Eligibility Certification



A summary of all income, assets and income from assets must be provided to the applicant household for review. The household confirms the accuracy by executing a Tenant Eligibility Certification. The certification must be signed on or before the move-in date by all adult members of the household. Signature shall be obtained no more than 7 calendar days in advance of the move-in.

➤ Annual Recertification

Tenants must recertify their household income annually no later than the anniversary date of the move-in. Recertification can be done using a self-certification of income and assets. Supporting documentation is not required after the move-in certification is completed.

Increases in income at recertification do not disqualify a household from continuing to live in the rent restricted unit but changes in rent level may be required.

Should household gross income exceed 140% of area median income at recertification, rent will no longer be restricted as it was at move-in (80% or 120%, depending on the funding option for the project). Rent shall be increased to 30% of the gross household income.

Example:

A two-person household recertified in 2020 with gross total income of \$104,000, which was over 140% AMI. They are no longer eligible to benefit from a reduced rent but they may remain in the unit so long as rent is adjusted to 30% of the household income:

$104,000 / 12 \text{ months} \times 30\% \text{ rent burden} = \text{\$2,600 rent}$  (the appropriate UA would be deducted from this figure)

Removing the benefit of the rent reduction is intended to incentivize the household to move to conventional housing, making the rent restricted unit available for a household more in need of the reduction.

See Rent Restrictions section for more detail on rents and utility allowances.

## LEASE REQUIREMENTS

Qualified households shall be required to execute a 12-month initial lease. Renewals can be for any period of time allowed by state or local law. The lease should include:

- The parties to the lease
- All occupants of the rental unit
- The term
- The rent and any fees/deposits

Owners may also want to include language regarding the requirement to recertify income on an annual basis and the Owner's right to release confidential information to the City during the inspection and review process.

## REPORTING REQUIREMENTS

Grant recipients are responsible for reporting to the City by submitting an Annual Owner's Certification (AOC). The Owner must also submit tenant file documentation upon the City's request. The AOC is designed to gather data relative to both the physical condition of the property as well as the eligibility of the tenants.

See **Exhibit \_\_\_\_** - Annual Owner's Certification.



# Construction Excise Tax

Program Update - 6/15/2021

Kelly Brooks, Interim Community Development Director

# Milwaukie Construction Excise Tax

- 1% Tax Levied on Both Residential and Commercial Construction
- Established in 2017
- Program Goals:
  - Develop New Income Restricted Units
  - Create Equitable Outcomes
  - Serve Populations in Financial Need



## Area Median Income (AMI)

Milwaukie is part of the Portland Metropolitan Statistical Area

Calculated by using the U.S. Census Bureau American  
Community Survey (ACS) Data

2021 Median Family Income for a Family of Four in the  
Portland-Vancouver-Hillsboro MSA is \$96,900

### 2021 INCOME LIMITS

#### CET AFFORDABLE HOUSING GRANT PROGRAM

Restriction %	Household Size							
	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
80%	\$54,160	\$61,920	\$69,680	\$77,360	\$83,600	\$89,760	\$96,000	\$102,160
120%	\$81,240	\$92,880	\$104,520	\$116,040	\$125,400	\$134,640	\$144,000	\$153,240
140%	\$94,780	\$108,360	\$121,940	\$135,380	\$146,300	\$157,080	\$168,000	\$178,780

## Rent Limits

Published annually by HUD (Housing and Urban Development)

Calculated by using a household size of 1.5 people per bedroom, with a rent burden of 30%.

### 2021 RENT LIMITS

Restriction %	Unit Size					
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
80%	\$1,354	\$1,451	\$1,742	\$2,012	\$2,244	\$2,477
120%	\$2,031	\$2,176	\$2,613	\$3,018	\$3,366	\$3,715
140%	\$2,369	\$2,539	\$3,048	\$3,521	\$3,927	\$4,334

# Construction Excise Tax Funding Pots

## Residential Development

Up to 80% AMI

- Affordable Housing: Dev Incentives to build housing (50%)
- Affordable Housing: Program (35%)
- Oregon Housing & Community Services: Ownership Assistance (15%)
- Must be three or more units.

\*Set by state law.

## Commercial Development

120% AMI - 80% Preferred

- Affordable Housing: Developer Incentives to build affordable housing (50%)
- Economic Development (50%) –This pot funded business relief during COVID.

\*Set by city ordinance.

# Project Criteria and Requirements

## Preferred Project Criteria

- Missing Middle Housing
- Guaranteed Income  
Restricted for 5 or more Years
- Located Near Public Transit
- Serves underserved  
populations or organizations  
that further fair housing

## Project Requirements

- Project Readiness
- Financial Need



## Fund Balances – As of Today

Residential	Commercial
\$287,000	\$278,000

# Next Steps From Last Update

Multifamily Exemption



Program Development and Operationalization

75%

Marketing

Taxing District Conversations

# Schedule

[illegible]

# Schedule – Public Actions

Action	21-Nov	21-Dec	22-Jan	22-Feb	22-Mar	22-Apr
Marketing for Round 1						
Housing Code Adopted						
Application Period for Round 1 Opens						
Letters of Intent Due						
Proposals Due						
Council Check-in						
Notice of Award Decisions						
Funding Awarded						

**COUNCIL STAFF REPORT**

**To:** Mayor and City Council  
Ann Ober, City Manager

**Reviewed:** Kelly Brooks, Assistant City Manager

**From:** Samantha Vandagriff, Building Official

**Subject:** **Floating Code, Section 15.40**

**Date Written:** May 24, 2021

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**ACTION REQUESTED**

Council is asked to consider the proposed new Milwaukie Municipal Code (MMC) Section 15.40 Floating Code and provide feedback.

**HISTORY OF PRIOR ACTIONS AND DISCUSSIONS**

January 1, 2020: the state amended the Oregon Structural Specialty Code (OSSC) and omitted a list of items leaving enforcement to the discretion of each jurisdiction.

[February 4, 2020](#): Staff discussed the list of items left to the discretion of each jurisdiction with Council to determine which the city would enforce.

**ANALYSIS**

The OSSC is the commercial code that the state adopts for enforcement throughout the state. In 2020, changes were made to the administration of the state code leaving a variety of items up to the discretion of the local jurisdiction. During the Council discussion on February 4 Council indicated an interest in regulating floating structures.

The city does not currently regulate the construction of floating structures. Staff prepared a new code section, 15.40 Floating Code, for this propose and have attached it for Council consideration and discussion.

Staff reviewed floating codes from the cities of Portland, Oregon City, and St. Helens while preparing the attached base document for use in Milwaukie.

Building department staff worked with Clackamas Fire District #1 (CFD1) and the city's engineering department to ensure that code references to items governed under their authority were correct. This new code will ensure that any future structures proposed in the water ways within the city limits will meet minimum safety standards for protection of life and safety.

**BUDGET, CLIMATE, & WORKLOAD IMPACTS**

None.

**COORDINATION, CONCURRENCE, OR DISSENT**

The engineering flood plain manager, a representative of CFD1, and the city attorney assisted in preparing the draft code.

**ATTACHMENTS**

1. Proposed Floating Code language 15.40
2. MMC 15.40 floating code list of sections

Floating code 6/4/21

### **15.04.240 Floating Structures**

#### **15.40.010 Statement of Purpose**

It is the purpose of this chapter is to promote the public's health, safety, and welfare through the regulation of new and existing floating structures and their appurtenances. These regulations recognize that waterborne structures, by their very nature, confront different environmental factors than do structures located on land. It is also recognized that waterborne structures have distinctive design requirements such that strict adherence or application of the land-oriented Building Specialty Codes are not always appropriate, and that modifications or exceptions should be made in appropriate circumstances in the application of those codes.

#### **15.40.020 Scope**

The provisions of this chapter apply to construction, location, relocation, use and occupancy of all floating structures, including but not limited to walks, ramps, buildings, and any associated moorage. This moorage and floating structures code does not apply to vessels and unoccupied floating structures that are not in conflict with the purpose of the code as determined by the Building Official.

#### **15.40.030 Definitions**

For the purposes of this chapter, the following definitions will apply:

"Addition" means an increase in the floor area or height of a structure or building.

"Alteration" means any change or modification of existing construction.

"Berth" means the mooring of a boat alongside a bulkhead, pier, or between piles. See also 'Slip'.

"Bull rails" means wood running along structures to tie up vessel.

"Boathouse" means a covered floating structure used primarily for the wet or dry storage of a boat.

"Combo" means a boathouse-floating home combination.

"Dangerous Structure" means any structure which has conditions or defects as described in MMC 15.04.230 to the extent that life, health, property, or safety of its occupants or the public are endangered.

"Dock" see "Pier"

"Engineer of Record" means either the engineer or architect of record.

"Fire Apparatus Access Roads" means roads providing the driving surface for fire department vehicles responding to an emergency, extending from a public right of way to a point nearest a moorage or marine gangway or pier.

"Floating Home (Liveaboard)" means a floating structure used primarily as a dwelling unit.

"Floating Structure" means a structure supported by a floatation system and held in place by piling and mooring devices, including but not limited to boathouses, floating homes, liveaboards, marinas, and walkways.

"Gangway" means a variable slope structure intended to provide pedestrian access between a fixed pier or shore and a floating structure.

"Houseboat" means a self-propelled boat designed for use as a temporary dwelling. Any houseboat moored in one location and used as a dwelling for more than 10 days of any 30-day period is classified as a 'liveaboard'.

"Liveaboard" means a boat moored in one location and used as a dwelling for more than 10 days in any 30-day period. See 'Floating Home'.

"Marina" means floating structures(s) used primarily for the service, and/or repair, sale or moorage of boats in berths, but may include other occupancies.

"Moorage" means a site used for the mooring of one or more floating structures of boats, including the piling, mooring connectors, piers, ramps, gangways, walkways, and the land area used in conjunction therewith.

“Moorage site” means a site within a moorage which is designed to be used for the mooring of a vessel, boathouse, houseboat, or any occupiable floating structure.

“Moored or Mooring” means the attachment of a boat or floating structure in one location temporarily or permanently to piles, walkways, gangways, piers, or other structures.

“Mooring Connectors” means a connection between a floating structure, floating home, liveaboard, boathouse, berth, or marina, and a pile, pier, walkway, gangway, or other structure, with the capability to hold the structure in place under reasonably expected conditions.

“New Construction” means a new building or structure or an addition to an existing building or structure.

“Pier” means a structure extending over the water and supported on piles (fixed) or with floatation and secured by piles or anchors (floating).

“Reasonable or reasonably” in reference to conditions means within all provisions of normal climate up to a 1 in 5 year storm as determined by the State of Oregon.

“Ramp” means a fixed sloped structure providing pedestrian access between portions of a moorage which are at different elevations.

“Repair” means the reconstruction or renewal of any part of an existing structure for the purpose of its maintenance.

“Sewage” means all water carrying waste discharged from sanitary facilities.

“Specialty Codes” is code of regulation adopted under MMC 15.04.070.

“Sound or Soundness” means substantially free from flaw, defect, decay, or deterioration.

“Tender House” means a non-habitable, floating accessory structure.

“Transient Tie-up” means a floating home structure providing access to and around a floating home.

“Vessel” means a watercraft, barge, boat, or ship, of any size used primarily for transportation or conveyance.

“Walk” means a fixed portion of a floating house structure providing access to and around a floating home.

“Walkway” means a covered, or open floating structure used for the ingress or egress to a mooring site.

There are three types:

- A. Fingerfloat: means a fingerlike floating structure, usually attached perpendicular to a main walkway, which physically defines a berth and provides direct pedestrian access to and from a berthed boat or floating home.
- B. Main Walkway: means a floating structure to which several fingerfloats are attached, thereby providing direct pedestrian access between the berths and marginal walkways or shore.
- C. Marginal Walkway: means a floating structure which provides pedestrian access between two or more main walkways and shore.

“Waste” Means garbage, litter, or sewage including kitchen, bath, and laundry waste.

#### **15.40.040 Administration and Enforcement**

- A. Floating structures and moorages must comply with these specific regulations and all the applicable specialty codes and regulations of the city, county, state, federal government and the Army Corp of Engineers regarding floating structures.
- B. Plans for marina fire-protection facilities must be approved by the fire marshal prior to installation. The completed work is subject to final inspection and approved after installation. Existing floating structures moved to the fire district must comply with the Oregon Fire Code as though they were new construction.
- C. The State of Oregon Marine Board is responsible for enforcing pleasure boat rules and regulations pertaining to operation and carriage requirements, and issuance of a certificate of title, identifying number plate, and disposition of all abandoned floating homes, combos, liveaboards and boathouses.
- D. The State of Oregon Department of Environmental Quality is responsible for enforcing violations, pertaining to the dumping of waste into the waters of the city.
- E. Nothing in this chapter is intended to displace, conflict or exempt any structure from any other relevant federal, state statute, rule or regulation.

- F. Floating structures and moorages must comply with this chapter and any applicable Specialty codes, and all other applicable regulations of the city, county, state, federal government and the Army Corp of Engineers regarding floating structures. Where conflicts exist between applicable rules or regulations, the most restrictive shall apply.

#### **15.40.050 Permit and Inspections**

- A. It is unlawful for any person, firm, or corporation, to erect, construct, enlarge, alter, repair, relocate, move, improve, remove, or convert any structure regulated by this chapter, except as provided by this code, or cause the same to be done without first obtaining a separate permit for each structure from the City building department as required by this chapter or the specific state specialty code.
- B. Exemption from the permit requirements of this chapter does not deem to grant authorization for any work to be done in any manner in violation of the provisions of this chapter for any other rules or regulations of the city, county, state, federal government or the Army Corp of Engineers regarding floating structures.
- C. Failure to comply with the terms of this chapter is subject to penalty as provided in MMC 15.04.200.
- D. Unless otherwise exempted, separate plumbing, electrical, and mechanical permits are required for any work performed that is covered by this chapter.
- E. Permits and Inspections are required for the following:
  - 1. New construction or alteration of floating homes, liveaboards, or combos.
  - 2. The new construction of an addition of habitable space to a floating home, liveaboard, or combo.
  - 3. Existing floating homes, new floating homes, or combo's moved into the city.
  - 4. New construction, remodel, or addition of public and private floating structures such as, but not limited to, moorages, marinas, yacht clubs, places of assembly, living quarters, marine service stations and repair facilities, and the associated piling, mooring connectors, piers, ramps, gangways, walkways, land structures, roadways and parking areas.
  - 5. Relocation of boathouses, floating homes, liveaboards, combos or other floating structures within a moorage or between separate moorages within the city.
  - 6. Construction, alteration, or repair of individual boathouses, swim or ski floats.
  - 7. Construction, alteration, or repair, of tender houses.
  - 8. Any new and/or alteration to any electrical, plumbing, or mechanical installation on a floating structure, including a wood stove.
- F. Permits and inspections are not required on the following:
  - 1. Replacement of piles provided the replacement piles are like material, installed in a like manner and total less than 25 percent of the piles supporting the structure.
  - 2. The attachment or reattachment of flexible water and sewer connections to an individual floating home, liveaboard, or boathouse.
  - 3. Other exceptions allowed pursuant to the various specialty codes.
- G. Permits and inspections for projects constructed outside of the city, but intended to be used in the city, are to be coordinated with the Building Official prior to the commencement of construction.
- H. It is the owner/contractors responsibility to request inspection prior to proceeding with the next phase of work.
- I. Fees must be paid prior to issuance for all permits and prior to any inspections as required by this and other chapters of this code.
- J. Appeals: Right of appeal: A person aggrieved by a requirement, decision, or determination arising out of this chapter, may appeal through the appeals process as noted in MMC 15.04.220.
- K. Penalties and Enforcement: The Building Official may enforce this code under the provisions of ORS 455.895 and MMC 15.04.200.
- L. The Building Official will administer the provisions of MMC 15.04.230 with regard to dangerous structures.
- M. Existing floating structures moved to the city must comply with this Code as though they were new construction.



**15.40.060 Maintenance**

All floating structures and supporting structural systems, electrical, plumbing, and mechanical installations and devices regulated under this chapter must be maintained in good serviceable condition.

**15.40.070 Regulations pertaining to repairs of floating structures.**

- A. Except as specified in subsection B of this section, no building or structure regulated by this code will be erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished unless a separate permit for each building or structure has first been obtained from the Building Official.
- B. Regulations pertaining to alterations and additions to floating structures.
  - 1. Additions must be made in accordance with the provisions for new construction and will require that the existing structural system support all existing and new loads and comply with new floatation requirements.
  - 2. All repairs to floating structures must maintain spacing as required in MMC 15.40.100(5) for new construction.
  - 3. All repairs made must maintain skirting on all sides that extends from the deck to 6 inches below the waterline. The skirting will provide a barrier to flammable liquids floating on the water. This skirting will be composed of pressure treated plywood or other material approved by the Building Official.

**15.40.080 Moorages**

- A. All moorages will be provided with identification as follows:
  - 1. All moorages must be identifiable by name and address from the street on which they front or near the point of emergency vehicle access.
  - 2. The head of the gangway providing access to the moorage must be obviously identifiable from the point of emergency vehicle access. In the case of a secondary access road, the moorage must be identified from the shore end of the access road, or the facility needs to be signed as required to provide clear identification.
  - 3. The location and identification of all floating structures must be obvious from the head of the gangway or a sign must be provided indicating the layout of the moorage and the walkway and structure identification method.
  - 4. The walkway and structure identification must be logical and obvious.
- B. Access to moorage sites must be by fire apparatus access roads having all weather driving surface is capable of supporting a 40 ton load. Roads must be a minimum 20 feet wide with not less than 15 feet 6 inches overhead clearance. They must be provided from the nearest public way to the head of the gangway.
- C. A minimum of 2 exit ramps are required when the most remote floating structure at a moorage site is more than 250 feet from the point of fire department setup. This distance is measured along the route of travel.
- D. The following described fire protection standpoint system will be required at all moorages. standpipe system must comply with The Oregon Fire Code (OFC), the OSSC, the NFPA, and this chapter.
  - 1. Have a water supply that complies with the following:
    - a. The OFC.
    - b. A fire hydrant within 250 feet from the closest point of fire department access to a moorage site exit ramp.
  - 2. Have a fire department connection located within 150 feet of the fire apparatus set up.
  - 3. Have pipe sized to provide 250 gallons per minute at one hundred pounds per square inch (psi) pressure to any single outlet with a maximum input pressure of 150 psi.
  - 4. Have adequate drain valves installed to ensure complete drainage.

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5. Have gate valve outlets made of noncorroding metal, 2 and a 1/2 inch interior diameter (ID) with national standard threads spaced a distance apart as follows:
  - a. For moorages having marine services stations, floating homes, liveaboards, or other types of structures having permanent living quarters, valves are to be every 100 feet and within 50 feet of the end of walkways.
  - b. For moorages serving only boathouses, valves are to be every 150 feet within 75 feet at the end of the walkways.
  - c. For moorages having only open moorages of pleasure boats, standpipes will only be required along the marginal walkway with valves required only at intersection Maine walkways, or not less than every 200 feet and 100 feet from the end of the marginal walkways not having intersecting main walkways.
6. All fire protection standpipe systems must obtain a permit from the City building department.
7. Standpipe system must be tested in accordance with the OFC. The building department will be notified at least 24 hours in advance of all tests, and tests will be done in the presence of the Building Department and the Fire Department.
8. An annual service test may be conducted by the Fire Department to assure that continuity of the system upon the signing of a waiver of liability and submitting the established hourly inspection fee for each test.
- E. One approved fire extinguisher must be installed at each end of appear and bulkhead that exceeds 50 feet in length, and on peers exceeding 100 feet in length, and placed so that not more than 100 feet separates extinguishers.
- F. Moorage must be equipped with skirting on all sides that will extend from the deck to 6 inches below the waterline. This skirting provides a barrier to the flammable liquids floating on the water. This skirting will be composed of pressure treated plywood or other materials approved by the Building Official.
- G. Permits for the repair of moorages are required for:
  1. Repairs requiring the replacement of 25% or more of the pilings in any 12 month period. These repairs must be made in accordance with the provisions for new construction.
  2. The repairing of any portion of a moorage in a like manner to the original construction. Plans must show that the resulting repair or replacement does not cause an unsafe are overloaded condition.
  3. The following repairs of existing walks are allowed without permit or inspection by the City:
    - a. Replacement of the decking, stringers, and flotation logs, like for like.
    - b. Repair or replacement of up to 25% of the concrete portions of a concrete float.
    - c. Repairs requiring replacement less than 25% of the pilings within any 12 month period and made with like materials in a like manner.

#### **15.04.090 Private piers (docks)**

- A. The following shall apply to all private piers.
  1. Total area of the pier on the water may not exceed 144 square feet in total with the width not to be over 6 feet and the length not over 24 feet. The pier may not include any part that is covered or enclosed, such as but not limited to boat houses, sheds, fish cleaning stations, hot tubs and benches.
  2. Piers should have at least 50% of the float surface composed of grating containing at least 60% open space surface.
  3. Ramps and their attendant docks should not extend out into the stream more than 10% of the width of the stream (measured from Ordinary High Water).
  4. The ramp/gangway out to the dock should be 100% grated to allow light to pass through. Ramp width should not exceed 5 feet. Ramp square footage is not included in the total dock area square footage.
  5. Treated wood should not be used in the construction materials for docks or ramps.

**15.40.100 New Construction**

A. The following are minimum standards by which moorages and floating structures are to be designed and built. All construction in the floodway will be required to meet MMC 18.20.010.

B. Materials and Installations:

1. Structural members and connectors within 18 inches of the water must meet the following requirements.
  - a. Must be fabricated of material or be coated or treated so that the material will resist deterioration due to the proximity to the water except logs used for flotation and steel pilings.
  - b. Framing lumber must be pressure treated with an approved preservative,
  - c. Framing connectors must be hot-dipped galvanized or noncorrosive metal except for anchoring chain and pins.
  - d. Plywood must have exterior type adhesive.
  - e. Exposed plywood must be exterior grade.
2. The exterior building envelope of the floating structure including exterior walls, floors, roofs, doors, windows, and skylights as well as the mechanical, electrical, and plumbing systems for the structure shall comply with the energy efficiency requirements of the State of Oregon Building Code, as defined in Oregon Revised Statutes Section 455.010 based on the occupancy of the building. Thermal insulation which may be subject to moisture, such as main floor underfloor insulation, shall be of a type approved for damp locations.
3. Under floor areas of enclosed floating homes, combos, liveaboards, or boathouses with wood construction systems must be ventilated in accordance with the applicable building code.

C. Conventional construction methods and materials for floating homes and walkways using log support systems.

1. The logs and stringers forming the floats under floating homes and living portions of the combo will conform to these provisions.
  - a. The structure on the float cannot be larger than the float, except for decks.
  - b. Raft logs are to be 16 inches minimum diameter at the tip and must be spaced no greater than 18 inches between tangent points.
  - c. Bearing walls should align over stringers or center line of logs. When not feasible, adequate support for bearing walls must be provided.
  - d. If the completed log raft is found to be insufficiently stable for the intended structure, additional measure may be required to the stringer layout to create a more rigid frame. Measure may include, but are not limited to, the addition of side chords, fixed joints, or cross bracing.
  - e. Logs must be Douglas fir, Sugarpine, Lodgepole pine, Alaska yellow cedar or Sitka spruce. Logs must sound and be free of all bark above the waterline.
  - f. In a floating home foundation float, at least 75% of all logs must be full length. Segmented logs must be alternated between full length logs. All outboard logs must be full length.
  - g. Logs must be notched so as to provide sufficient bearing for the stringers. The seat of the knot must be a minimum of 4 1/2 inches above the water level.
  - h. Stringers must be a minimum of 4 inches by 10 inches for one story construction and 6 inches by 10 inches for two story or higher construction and must be pressure treated.
  - i. Stringers inside of bearing walls must be placed on the logs not more than 4 feet on center fixed to the logs with a headed steel rods a minimum of 5/8 inches in diameter and a minimum of 20 inches long. Pins are to penetrate the log at least 10 inches. Outside log connections are to have 2 pins.
  - j. The wood construction below the joist is to be inspected for proper construction and soundness of logs, including bearing connections, prior to installation of joists.
2. Floating walkway supports may consist of pressure treated 6 inch by 6 inch stringers not more than 6 feet on center or 4 inch by 6 inch stringers not more than 5 feet on center anchored to the logs with headed steel rods a minimum of 5/8 inches in diameter and a minimum of 20 inches long. Single headed steel rods may be used at interior logs. Maximum joist spacing is 2 feet on center.

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3. Floating homes need only have adequate flotation to maintain a clearance above the water that will result in the lowest floor being dry under all normal loading conditions.
4. Mooring connectors will be provided to construction to adequately keep the moorage in place under all reasonable load conditions. In some instances, it may be necessary for the builder to provide additional measures.
  - a. Floating home must be anchored with connections to the logs. There must be a minimum of two attachment points to the logs and these points must be a minimum of one foot from each end.
  - b. The connections must consist of a steel bracket or other approved connection. The bracket is to be a minimum of 3/8 inch thick and an adequate in size to support the pins. Pins are to be a minimum of 4 inches apart.
  - c. The bracket must be fixed with a minimum of 3 steel headed rods a minimum of 5/8 inch in diameter and penetrate the log at least 10 inches.
  - d. The connections from the bracket to the walkway or piling must consist of chain with a minimum link wire diameter of 1/2 inch. If attached to walkway logs, the boom chain must be looped around the second log or most secure log of the walkway. Walkways must be adequately secured to piling.
  - e. Bumpers or impact absorbing cushions must be attached to foundation float near anchorage connection points and there must be a minimum 2 per float.
5. Floating structures of new construction, or existing construction moved from one moorage to another, must be spaced a minimum of 10 feet apart between the nearest exterior walls and 8 feet apart at the nearest roof projections without additional protection. When the wall to wall separation is less than 10 feet, but more than 8 feet, or the roof to roof separation is less than 8 feet but more than 6 feet, the structure being moved or added to must be equipped throughout with the complete automatic sprinkler system installed in compliance with NFPA 13 or all of the following:
  - a. All windows in the affected wall or wall must be a minimum of 1/4 inch thick, fixed, wire glass in a minimum 16 gauge steel frame, or Underwriters Laboratory (UL) listed (or other nationally recognized testing lab) wood frame. If this requirement negates natural ventilation requirements, a manually activated mechanical ventilation system providing a minimum of 2 air changes per hour with 20% outside air will be provided.
  - b. All doors in the affected wall or walls must be a minimum of a 20 minute fire rated. Door lights are limited to 25% of the door area and be a minimum of 1/4 inch thick, fixed wire glass in a minimum 16 gauge steel frames.
  - c. A fire alarm system consisting of 110 volt rate of rise detectors placed on the outside of the exterior wall, or walls in question, and smoke detectors throughout the building interior must be provided.
  - d. All detectors are to be interconnected to an interior and exterior alarm. The number and placement of detectors will be as determined by the Building Official. The exterior alarm must be capable of being heard for a distance of 150 feet.
6. A covered boat well and a floating home, enclosed on more than 2 sides must be separated from the habitable space by a wall having 5/8 inch thick exterior gypsum type 'X' board on the boat well side.

#### **15.40.110 Gangways, Ramps, Walkways, and Walks**

- A. Gangways, ramps and walkways must be illuminated by lights designed, constructed and maintained to provide a minimum average of 1 foot candle of light per square foot at the walking surface. This does not apply to recreational boat launching and transient tie up facilities.
- B. Gangways and ramps must have a maximum slope of 1 vertical to 2.5 horizontal and must have a nonslip walking surface, or surface cleats, securely fastened in place with a maximum spacing center of 1 and 1/2 feet.
- C. Gangways must have a minimum unobstructed width of 5 feet when a single gangway is required, and 4 feet when more than one gangway is required and must be provided with guardrails and handrails as required by the current applicable building code. Intermediate landings will not be required for gangways. Gangways serving and occupant load less than 10 and gangways serving

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recreational boat launching and transient tie up facilities may be reduced to a minimum of 4 feet in width.

- D. Walkways must have a minimum unobstructed width of 6 feet, except for finger walkways, which may be 3 feet in width. Cleats, bull rails, mooring connections, utility stands, and similar appurtenances may project into the required width of main and marginal walkways.
- E. A 4 foot wide walk must be provided on at least 2 sides of all floating homes.

#### **15.40.120 Engineered Construction**

##### **A. General**

1. Except those structures conforming to conventional construction methods and materials, the minimum structural design of floating structures and moorages must be in conformity with all applicable sections of the applicable state building code and the requirements of this chapter. The piling, mooring connectors, gangway, and the flotation system for all floating structures must have an engineer of record.
2. The engineer of record is responsible for establishing the design criteria, and preparing and certifying complete construction drawings and calculations for structural strength and flotation. The design criteria must be substantiated by the engineer of record and noted on the first sheet of the construction drawings

B. If any engineer(s) or architect(s) other than the engineer of record is engaged to design a portion of the project the engineer of record must:

1. Verify that the other engineer(s) or architect(s) have used design criteria (loads, load combinations, etc.) that were established by the engineer of record.
2. Verify that compatibility of the portion's design with the design of the complete project.
3. Verify the design of the structural connections between the portion(s) of the project design by the other engineer and the portions designed by the engineer of record.
4. Place review approval stamp on all drawings and calculations prepared by the other engineers showing that the above items have been accomplished.

##### **C. Loading**

1. All floating structures, pilings, mooring devices, and gangways, must be designed and constructed to sustain all applicable loads specified in the current applicable state building code and this chapter.
2. Loads must be calculated based on maximum current anticipated at the location of the structure.
3. Wave and wake load must be calculated based on the maximum possible wave and/or wake that can be expected at the location of the structure.
4. Impact loads from boats, debris, and other objects must be considered with a minimum velocity of 2 feet per second.
5. Gangway loading.
  - a. Gangways not more than 6 feet wide must be designed to sustain a live load of 50 per square feet (psf) except those serving public recreational boat launching in transient type facilities may be designed to sustain a live load of 40psf.
  - b. Gangways 6 feet wide and wider, or serving an occupant load of 30 or more, must be designed to sustain a live load of 100psf.
6. All floating structures, pilings, mooring connectors, gangways, and ramps must be designed and constructed to resist lateral forces produced by the reasonable combination of expected wind, current, wave/wake and impact loads at the location.

#### **15.40.130 Mooring Connectors**

A. Every floating structure must be moored with connectors having the capacity to hold the structure in place under reasonably expected conditions.

B. Whatever structure the mooring connectors are attached to, whether it is a walkway, piling, or other, must be designed to withstand the loads from the mooring connectors. The engineer of record's design

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criteria for the project must include the maximum dimensions of the floating structures as these determined the loads on the mooring connectors and their supports.

#### 15.40.150 Floatation

A. Floating structures must be constructed and maintained to provide a flotation system that complies with the requirements of this chapter.

1. The flotation devices must be structurally sound and securely attached to the framing for the superstructure, except that foam flotation blocks may be held in place by friction only.
2. Floating homes, boathouses, liveaboards and combos must have adequate floatation to maintain clearance above water under all applicable conditions.
3. The flotation system must provide support adequate to provide a level and safe walking surface under all reasonable load conditions.

B. The clearance above water as measured from the water line to the top of the lowest point on the floor or deck under usual dead load conditions, must not be less than 1 foot for walkways and not less than 1 foot 8 inches for all other floating structures.

C. In addition to dead loads, the floatation system must be adequate to support the maximum condition of the following minimum live loads: (Depending on the use, higher loads may be more appropriate).

1. 25psf applied to the gross area; or,
2. A concentrated load of 600 lbs.; or,
3. 25psf applied to the gross, main floor area plus 10psf on each upper floor or loft; or,
4. For nonresidential occupancies, the live load required by the OSSC for the particular nonresidential occupancy.
5. Pedestrian walkways or ramps serving an occupant load of 10 or more 40psf; all others 25psf.
6. Pedestrian walkways or structures serving boat launching or transient tie up facilities only 20psf.
7. At locations where live loads are transmitted from gangways to floating structures, the live load may be reduced 50 percent on the gangway for purposes of calculating the reaction only. Additional floatation may have to be provided to compensate for this reaction on the floating system to maintain the prescribed clearance above the water.

D. Floating structure when subjected to either short term off-center loading or wind loading must not exceed the following limitations:

1. The maximum angle of list cannot exceed 4.0 degrees, or the clearances above water when measured from the water line to the top of the first floor or deck will not be less the 1/3 of the normal clearance above the water, whichever is the more restrictive.
2. The ratio of resisting moment (Mr) to applied moment (Ma) must be equal or greater than unity:

$$\frac{Mr}{Ma} > 1$$

The resisting moment due to buoyancy (Mr) must be computed about a longitudinal axis passing through the center of gravity at a list of angle of not more than 4.0 degrees.

3. The minimum off-center loading must be considered as applicable to the completed structure and must be considered in addition to all dead loads. It must consist of a minimum live load of 100 pounds per lineal foot of floor length at the first floor and 50 pounds per lineal foot of floor length at each additional floor or loft. If the width of the floor or loft exceeds 20 feet then the load must consist of 5 pounds times the width of the floor per lineal foot of floor length at the first floor and 2.5 pounds times the width of the floor per lineal foot of floor length at each additional floor or loft. These uniform live loads are to be applied halfway between the center of the gravity and the outside edges the floors. The overturning moments resulting from the off-center loading (Ma) must be computed about both sides of the center axis of gravity.
4. Other appropriate eccentric or off-center loading due to wind, snow, live loads, or combinations of these must also be considered.

#### 15.40.160 Plumbing

Floating code 6/4/21

- A. All plumbing installation must be designed and installed in accordance with the Oregon Plumbing Specialty Code(OPSC) and this chapter. Permits and inspections are required for all work.
- B. Flexible connectors for water lines must be approved by the National Sanitation Foundation and be of the type approve for mobile home installations or marine uses.
- C. Piping materials must be as specified in the OPSC.
- D. Continuously running water through the moorage supply line is an acceptable alternative to pipe insulation to avoid pipe refreezing.

**15.40.170 Electrical**

- A. All electrical work must be designed and installed in accordance with the Oregon Electrical Specialty Code (OESC) and this chapter. Permits and inspections are required for all work.
- B. Transformer pads cannot be located closer than 8 feet to combustible services and 2 feet to vertical noncombustible services.
- C. Overhead power drops must be installed and maintained a minimum of 12 feet above walking surface and/or the ordinary high-water line.
- D. Electrical installations within 2 feet of the water are considered to be in a wet environment, except that insulations inside a structure and not exposed to the water may be considered to be in a dry environment.

**15.40.180 Mechanical**

- A. All mechanical work including but not limited to heating, air conditioning, ventilating, gas piping and wood stoves, must be designed and installed in accordance with the Oregon Mechanical Specialty Code (OMSC) for commercial and the Oregon Residential Specialty Code (ORSC) for residential and this chapter. Permits and inspections are required for all work.

Chapter 15.40 Floating Structures Code

15.40.010 Statement and Purpose

15.40.020 Scope

15.40.030 Definitions

15.40.040 Administration and Enforcement

15.40.050 Permits and Inspections

15.40.060 Maintenance

15.40.070 Regulations Pertaining to Repairs of Floating Structures

15.40.080 Moorages

15.40.090 Private Piers (docks)

15.40.100 New Construction

15.40.110 Gangways, Ramps, Walkways, and Walks

15.40.120 Engineered Construction

15.40.130 Mooring Connectors

15.40.140 Piling

15.40.150 Floatation

15.40.160 Plumbing

15.40.170 Electrical

15.40.180 Mechanical



## COUNCIL STAFF REPORT

**To:** Mayor and City Council  
Ann Ober, City Manager

**Date Written:** June 7, 2021

**Reviewed:** Kelly Brooks, Interim Community Development Director, and  
Laura Weigel, Planning Manager

**From:** Vera Kolias, Senior Planner

**Subject:** **Comprehensive Plan Implementation Update: Code and Adoption Process**

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### ACTION REQUESTED

The purpose of this staff report is to review the Comprehensive Plan code adoption process with the Council.

### HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

- [December 1, 2020](#): Staff provided Council with a project update.
- [January 19, 2021](#): Staff provided Council with a project update
- [February 16](#): The Council packet included a project update.
- [April 6](#): Staff provided Council with a project update.
- [April 20](#): Staff led a discussion with Council about flag lots and the minimum lot size approach.
- [May 11](#): Staff led a study session discussion about Oregon House Bill (HB) 2001 and the model code, parking code recommendations, and standards in the proposed consolidated residential zones.

### ANALYSIS

This update and discussion relate to the draft code and the proposed code adoption process.

#### Project Background

Creating and supporting housing opportunities, primarily middle housing options in all neighborhoods, has been a key goal for Council and the community. The adopted Comprehensive Plan (Plan) policies call for expanded housing opportunities throughout the city and HB 2001, passed by the state legislature in July 2019, requires the expansion of middle housing options in single dwelling zones. In November 2019, Council discussed how to proceed with code amendments after the updated plan was adopted, setting the stage for the recently initiated implementation project.

The focus of this phase of plan implementation is housing, but it also includes related changes to parking requirements in residential areas and tree protection and preservation related to private residential land. The outcome will be code amendments that balance the city's goal for a 40% tree canopy and implementation of the housing policies outlined in the plan that comply with the requirements of HB 2001.

The scope of work for this project includes the following tasks:

1. Public Engagement

2. Map and Code Audit and Analysis
3. Detailed Code Concepts Development
4. Community Review and Testing
5. Draft Code Changes and Map Amendments
6. Code and Map Review and Reconciliation
7. Final Code and Map Changes and Adoption

## Project Schedule

Project overview and timeline – Part 1			
September 2020	January – April 2021	March – May 2021	May - June 2021
<b>Code Audit</b> Identified existing policies and regulations that prevent implementation of the Comprehensive Plan.	<b>Code Concepts</b> Based on the code audit findings, described six multi-faceted approaches for amending Milwaukie's implementing ordinances.	<b>Selected Proposed Code Amendments</b> Specifically identifies which code sections will be amended to remove barriers associated with building middle housing, and residential parking.	<b>Milestone: Adoption-ready draft amendments</b> Presentations to NDAs Open House #3
Code Adoption Process			
July – Aug 2021	September 2021	Oct - Nov 2021	December 2021
<b>Planning Commission work sessions</b> Engage Milwaukie Written comments–tracked in spreadsheet	<b>Revised draft code and maps</b> 35-day public notice Code posted Social media; postcards; Engage Milwaukie	<b>Planning Commission public hearings</b> Public testimony Spreadsheet tracking written comments <b>Final Draft Code and Maps</b>	<b>City Council public hearings</b> Public testimony Spreadsheet tracking written comments <b>Adopted Code and Maps</b>

A key element in the proposed schedule is the adoption-ready draft amendments – this is a requirement of the grant the city received from DLCD. Staff and the consultants are preparing this draft set of amendments to submit to DLCD by June 18 to close out the grant and provide draft code that is compliant with HB 2001. The submittal package also includes the draft tree code for residential property. Staff sees this draft code package as a milestone in the project timeline – not the end product.

As shown in the timeline above, from this milestone forward is the code adoption process, which will include work sessions with the Planning Commission in July and August that will result in a refined code amendment package for public hearings in October. This will then result in a recommendation package for Council hearings in December. Throughout this adoption process, staff has built in a public comment and engagement process to ensure that the public has access to

the draft code discussions and can provide written comment as the Planning Commission works through the details prior to the hearings.

Staff is confident that this process will result in code that both implements housing policies found in the comprehensive plan and complies with HB 2001 while providing significant opportunity for public review and comment.

The presentation at the June 15 work session will include key highlights from the draft code submitted to DLCD.

*Does Council have any questions about the proposed code adoption process?*

### **Next Steps**

- Draft code language that is HB 2001 compliant
- Finalize detailed code adoption process schedule
- Draft tree code
- June 17 CPIC meeting
- July 14 CPIC meeting
- Project updates to the city's neighborhood district associations (NDAs)

### **BUDGET IMPACT**

The active consultant contract runs through July 31, 2021.

### **WORKLOAD IMPACT**

Staff from the community development, planning, and public works departments have been assigned to work on this project. Coordination began in March 2020 and will continue through fall and winter 2021.

### **CLIMATE IMPACT**

The objective of the implementation project is code amendments that will support a variety of housing opportunities throughout the city, including middle housing, and an updated tree code that will help the city achieve its stated goal of a 40% tree canopy.

### **COORDINATION, CONCURRENCE, OR DISSENT**

Community development, planning, engineering, city manager's office, and public works staff are working on this project.

### **ATTACHMENTS**

None.

**WS 3. 6/15/21 Presentation**

# **COMPREHENSIVE PLAN IMPLEMENTATION PROJECT - UPDATE**

City Council Worksession

June 15, 2021

Vera Kolias, Senior Planner



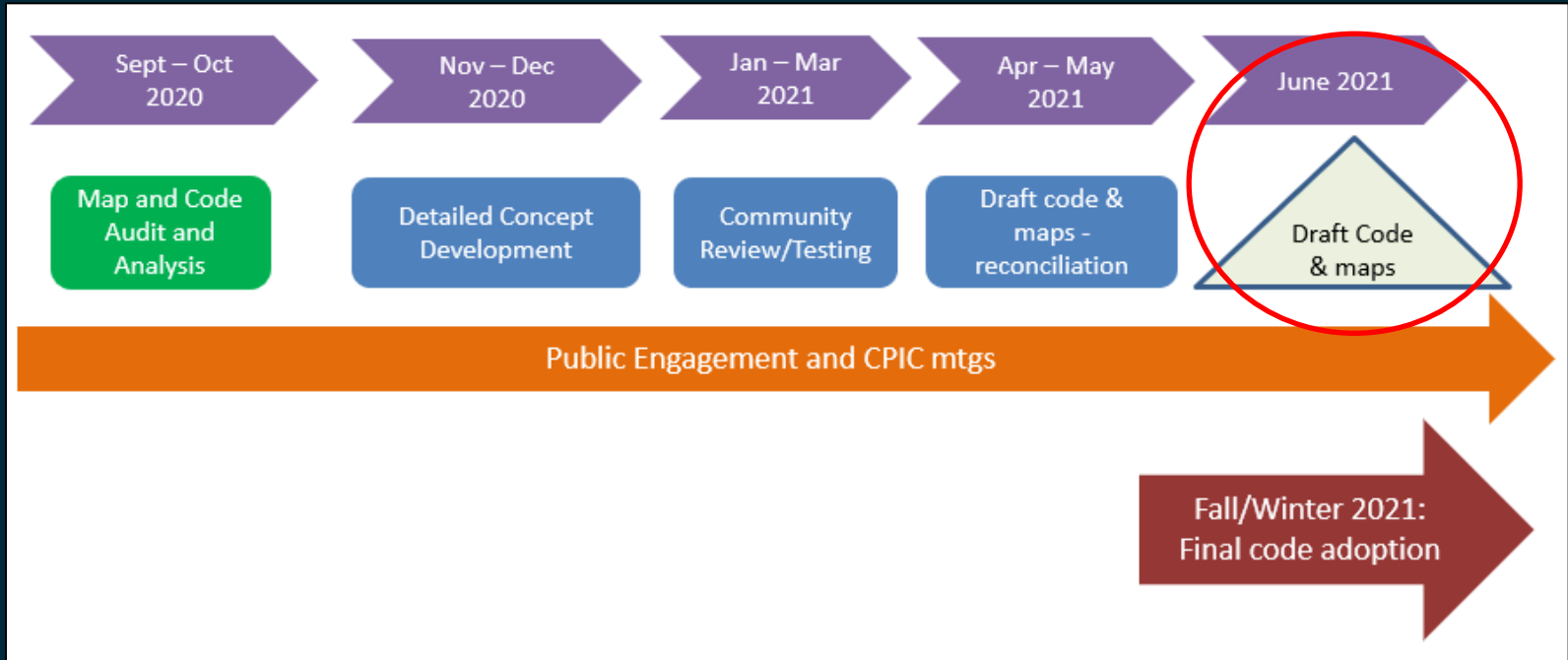
# COMPREHENSIVE PLAN - POLICY MANDATES

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- Increase supply of middle housing; provide housing choice
- Increase the tree canopy and preserve existing trees
- Manage parking to enable middle housing and protect trees

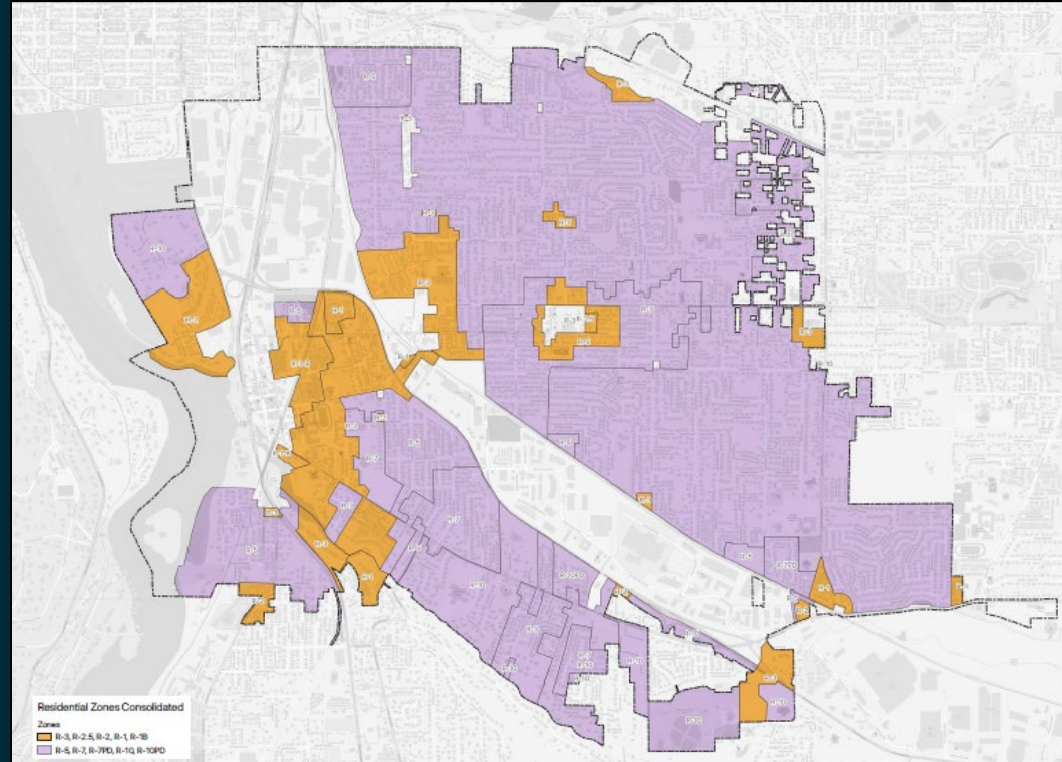


# PROJECT SCHEDULE



# KEY CODE AMENDMENTS – ZONING

- Consolidate 8 residential zones to 2 zones
- Comp Plan policy: equitable distribution of housing choices



# KEY CODE AMENDMENTS – HOUSING

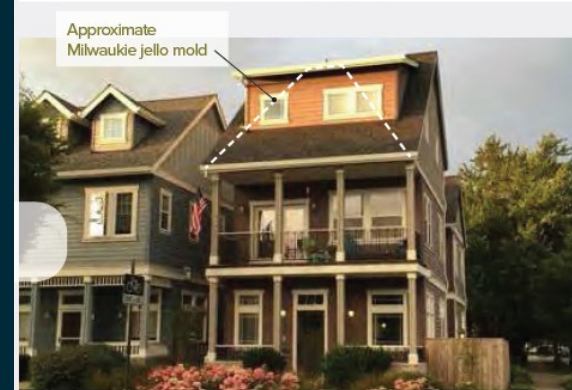
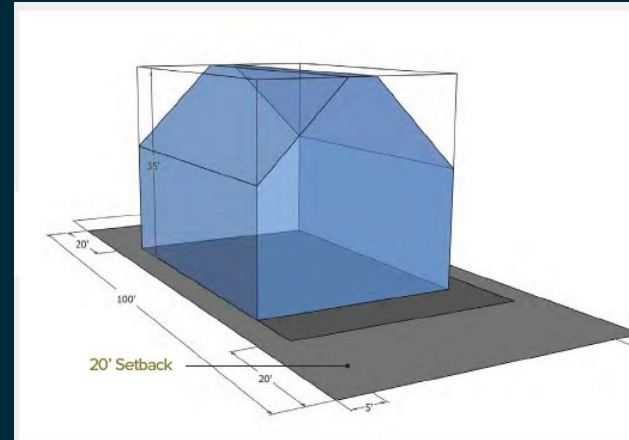
Lot Size	Permitted Housing Types	Current Zoning Code
1,500 sq ft	<ul style="list-style-type: none"><li>• Rowhouse (townhouse)</li></ul>	<ul style="list-style-type: none"><li>• N/A</li></ul>
3,000 sq ft – 4,999 sq ft	<ul style="list-style-type: none"><li>• Detached single dwelling</li><li>• Detached single dwelling + ADU</li><li>• Duplex</li></ul>	Detached single dwelling if a lot of record
5,000 sq ft – 6,999 sq ft	<ul style="list-style-type: none"><li>• Detached single dwelling</li><li>• Detached single dwelling + ADU</li><li>• Duplex</li><li>• Triplex</li></ul>	Detached single dwelling with an ADU
7,000 sq ft or greater	<ul style="list-style-type: none"><li>• Detached single dwelling</li><li>• Detached single dwelling + ADU</li><li>• Duplex</li><li>• Triplex</li><li>• Quadplex</li><li>• Cottage Cluster</li></ul>	<ul style="list-style-type: none"><li>• Detached single dwelling with ADU</li><li>• Duplex if lot is 10,000 sq ft or greater</li></ul>





# KEY CODE AMENDMENTS – HOUSING

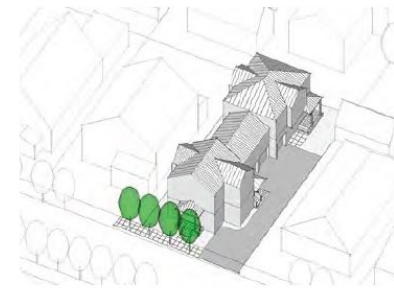
- Middle housing types permitted as **attached or detached** units
- **Development standards**
  - Maximum lot coverage
  - Minimum landscaping
  - Minimum setbacks
  - Maximum building height
  - Side yard height plane



# KEY CODE AMENDMENTS – HOUSING



EXAMPLE NEIGHBORHOOD



## Triplex

Lot size: 5,000 square feet

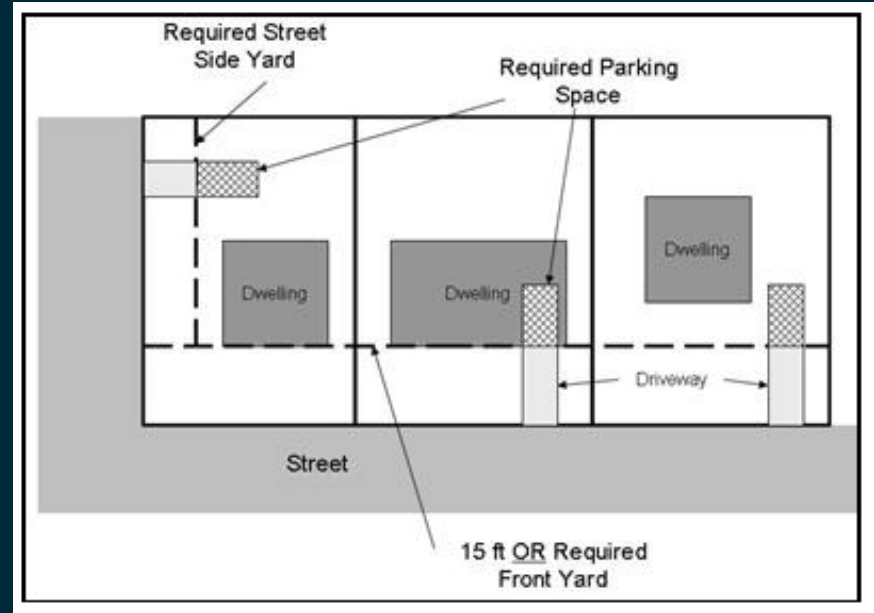
Number of units: 3

Other: Some parking is accommodated on street; 20-foot rear setback is maintained



# KEY CODE AMENDMENTS – PARKING

- **1 space** per unit required
- Parking space can be in the **driveway or setback**
- Allow alternatives to parking location
  - Parking modification process



Existing code requirements



# KEY CODE AMENDMENTS – TREES

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- **Residential Development Projects**
  - Tree preservation and protection required
  - Tree planting/replacement required
- **Non-development tree removal**
  - Permit required
  - Replacement or mitigation required
    - Some exemptions



# NEXT STEPS

