OSU Policy Analysis Laboratory (OPAL)

Cottage Cluster Housing in Corvallis, OR
Report Prepared for:
The City Club of Corvallis

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1. Executive Summary

In the fall of 2017, the Corvallis City Club requested that the OSU Policy Analysis Lab (OPAL) investigate opportunities and/or barriers to the development of cottage cluster housing (CCH) in Corvallis, Oregon. Although Corvallis has land development code language (LDC) in place to allow for the development of cottage cluster housing, few projects have been proposed for this type of development. Through our research, we were able to identify several factors affecting CCH development in Corvallis.

To begin, there is limited land currently available for development in Corvallis; however, demand for housing continues to rise, increasing both the cost of buildable land and the desire for builders to develop and sell quickly. Building and selling new units is considered easier for single-family homes than for cottage clusters, so CCH projects are not often included in new development plans. Furthermore, when demand is high and supply is low, prices within the housing market drastically increase, raising the desirability of housing options beyond Corvallis city limits which provide both affordability and diverse housing options (Moorefield, 2017). This is an important factor when considering early- and mid-career professionals who move to Corvallis for work, but are forced to find housing in neighboring towns.

Our research also identified the concept of Missing Middle as a factor in local CCH development. Missing Middle is a term used in economic development discussions, referring to a specific economic status and the group of people to whom the status applies. Missing Middle housing is similar to CCH in many respects, but it focuses on the aspect of walkability within the community, and targets young professionals, new families, and aging adults. While Missing Middle increases the diversity of housing options, it requires more land for development, which exacerbates the barrier of low land availability in the current housing market.

Overall, CCH will have a minimal impact on current housing needs in Corvallis, but it can enhance housing diversity while making use of irregularly-shaped lots that are not otherwise suited to single-family housing development. CCH development is driven primarily by community appeal, developer interest, and City support, and will require coordination among all three stakeholder groups in order to facilitate this type of development locally. Explicit land development codes and zoning modifications can encourage CCH development projects, and incentives such as density bonuses, fee waivers, and expedited permit processing can accelerate the path to completion to help alleviate current housing needs in Corvallis.
2. Methods

This report was developed through an extensive content analysis of literature, websites, and reports in addition to interviews with developers, community members, and city employees. Thirteen interviews of housing developers, city employees, and community representatives from nonprofits were conducted in person or conference call. Those who were interviewed were asked to suggest other relevant experts in the field to be interviewed for the report.

Developer interviews focused on familiarity with cottage cluster housing, barriers to development, and possible incentives for development. A significant influence and barrier to cottage cluster housing, especially in Corvallis, is the limited amount of available residential land. Even when residential land is available, many developers are faced with complicated and lengthy land development codes that may not support cottage cluster developments and reduced profitability compared to single family housing developments. Housing developers explained that successful cottage cluster homes have niche residents, walkability, and social interactions that foster a sense of community. Finally, in order to have more cottage cluster development, housing developers suggested coding incentives to encourage developers.

Interviews with city employees focused on technical questions on land development codes, barriers to cottage cluster development, and general housing issues in Corvallis. Similarly to housing developers, city officials claimed that there is limited developable land available in Corvallis. City officials also noted that there are differences in profitability opportunities for cottage cluster housing compared to single family housing.

Nonprofits were asked about their knowledge on cottage cluster housing and housing issues in Corvallis. Leaders from nonprofits discussed that land development codes are complicated and approval for housing projects are time consuming. Interviews with nonprofits touched upon the approval by annexation process, which they consider a barrier for many projects. Cottage cluster housing is viewed as an option to increase housing supply but Corvallis first needs to address how Oregon State University students are impacting the housing market. All significant themes from interviews of housing developers, city officials, and community representatives are expanded on following sections of the report.

3. Background

3.1 Housing

The Corvallis housing market is more strained in comparison to neighboring cities. The shortage of available housing is driving up costs of existing houses, directly impacting the ability of people to both work and live in Corvallis. This jobs-housing imbalance was noted in a recent study conducted by ECONorthwest which found that over 18,000 people work in Corvallis, but live elsewhere.1 Of those

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1 ECONorthwest, Corvallis Housing Survey: Attitudes of Individuals Who Work in Corvallis and Live Outside the City Limits, August 2014. [https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/48891](https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/48891)
18,000 people commuting into Corvallis, 76% identified housing costs as the primary barrier.²

Fig. 1 ECONorthwest Report: Inflow and Outflow of Workers, 2014

ECONorthwest found that approximately 40% of survey respondents working - but not living - in Corvallis reported interest in moving into the city.³ However, the report identified several housing barriers that influence the commuting trend into Corvallis. In the study, 76% of commuters who considered moving to Corvallis and 79% of commuters who did not consider moving to Corvallis listed high housing costs as a significant barrier.⁴ This report demonstrates the interest that commuters have in living in Corvallis; however, prices to buy or rent within the current housing market prove too high to justify moving.

3.2 Transportation

A consequence of increased commuting into and out of the city is increased traffic congestion. The transportation sector is one of the leading contributors to greenhouse gas emissions, and heightened traffic congestion can lead to increased air pollutants and degraded local air quality.⁵ Overall, increased vehicle use can lead to additional air pollutants including carbon monoxide, carbon dioxide, volatile

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² ECONorthwest, Corvallis Housing Survey: Attitudes of Individuals Who Work in Corvallis and Live Outside the City Limits, August 2014. https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/48891
³ ECONorthwest Housing Report https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/48891
⁴ ECONorthwest Housing Report https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/48891
⁵ https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4243514/
organic compounds, hydrocarbons, nitrogen oxides, and particulate matter.6
According to ECONorthwest, a majority of commuters travelled 19 miles or less to
Corvallis and more than 80% did so by personal car, truck, or van.7

3.3 Demographics

An important aspect to consider when addressing housing needs is the
population for which units are built. Corvallis is home to a wide range of individuals
with respect to age, employment, and income, which suggests that housing
development cannot be addressed through a “one type fits all” approach. In order to
effectively address all aspects of the current housing crisis, it is critical that
developers stay mindful of the entire spectrum of individuals for whom they are
building. Included along this spectrum are students and low-income residents, as
well as young professors and mid-to-late career professionals. Addressing the
housing needs of such a broad population will by no means be simple, but it will be a
positive first step toward boosting the local housing market and supporting the
longevity of the Corvallis community.

In order to meet the needs of early or mid-career professional, one proposal
is to develop cottage cluster housing units that have the potential for being
affordable and providing access to public transportation for jobs in Corvallis. In the
City of Corvallis Housing Development Task Force Recommendations: Tools and
Policies to Expand Housing Development in Corvallis (2016), Concept M7 aimed to
encourage ‘cottage-cluster’ housing, noting that LDC modifications in 2012 would
allow for ‘cluster-cottage’ in zones RS-5, RS-6, RS-9 and RS-12.8

4. Cottage Cluster Housing

Per the McMinnville Affordable Housing Task Force Report on proposed
cottage development codes, a cottage cluster development is a grouping of at least
four small, single-family dwelling units centered around a common area, such as a
courtyard or garden.9 The term ‘cottage cluster’ stems from the idea of pocket
neighborhoods - clustered groups of houses built around a shared space - developed
by Ross Chapin, an architect based in Washington.10 The main reason for developing
such spaces is to support higher population density housing locally, and in ways that
preserve community characteristics while increasing housing options. Furthermore,
cottage cluster development offers a compact and discreet solution to saturated
residential areas in their ability to nestle into existing neighborhoods of detached,
single-family homes. They can be found in urban, suburban, or rural areas, and

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60–4 as seen on https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4243514/
7 ECONorthwest Housing Report https://olis.leg.state.or.us/liz/2015R1/Downloads/CommitteeMeetingDocument/48891
8 City of Corvallis Housing Development Task Force Recommendations (2016)
https://www.corvallisoregon.gov/cd/page/community-development-publications
9 McMinnville Affordable Housing Task Force Report, March 15, 2017
http://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/mcminnville_affordable_housing_task_force/meeting/
packets/6661/mahft_meeting_packet_03.15.17_2.pdf
10 For more information on Pocket Neighborhoods see http://pocket-neighborhoods.net/whatisaPN.html
range in both the size of cluster development and the number of units found within the cluster. Examples of cottage cluster housing are seen below. Source: Ross Chapin Architects [http://rosschapin.com/projects/pocket-neighborhoods/]

There is not a specific set of requirements used when developing cottage cluster housing spaces; however, many of them share a set of common characteristics. A few of the shared characteristics are discussed here. To begin, the dwelling units maintain a compact nature, typically ranging from 1,000 to 1,500 square feet. Residents share several spaces within the cluster, including courtyards, parking lots, and other communal facilities. Construction of such living spaces is designed to meet ample quality expectations while remaining relatively inexpensive, as the idea of cottage cluster housing is to provide a reasonably-priced housing option. Additionally, cottage cluster communities promote sustainable living by using alternative methods of travel and keeping public spaces clean and attractive.

There are many components to cottage cluster development that foster community and neighborhood interaction while balancing individual privacy and security. These components include a shared open space and common buildings, periphery parking areas, connection and contribution to the neighborhood, and layers of personal space. To begin, shared common spaces are what binds the cluster development community together and, thus, necessitates the management and care of such spaces by surrounding residents. Theses interactions within and oversight of common areas enhances a sense of security and identity within the development.11

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11 McMinnville Affordable Housing Task Force, March 15, 2017 [http://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/mcminnville_affordable_housing_task_force/meeting/packets/6661/mahf_meeting_packet_03.15.17_2.pdf]
Cottage Cluster Housing Report

Cully Grove Portland, OR
In Portland, Cully Grove is an example of cottage cluster housing utilizing 1.8 acres of land in an urban setting. This development by Orange Splot places 16 homes, a shared common house, and green space for its residents. Cully Grove residents primarily own the homes, which is encouraged versus renting to secure owner-occupant mortgage financing. This development utilizes many green or environmentally practices such as solar powered water heating, green ecoroofs on carports, and community gardens.

Photo: https://cullygrove.org/

Cottage cluster developments are designed to create a sense of community and social interaction but are able to balance privacy for residents. Additionally, they are marketed towards several niche markets. Specifically, niche communities include aging populations, new families, and young professionals. This housing type is a great option for aging populations who are looking to downsize, live in a single story home, and have a sense of community. Young professionals and new families with young children are interested in cottage cluster housing because of the community aspect and the shared outdoor space that can provide a safe area for children.

In areas that have successfully built cottage cluster homes, several characteristics helped shape the development, such as architecture, varied ownership options, and lot density. An important consideration for cottage cluster housing is the "livability quotient" - a term used by Ross Chapin to describe how...
liveable a room is by featuring concepts like built in desks or reading nooks.\textsuperscript{12}
Cottage cluster housing offers attractive and unique developments for a range of homeowners and renters.

Table 1. Cottage Cluster Characteristics

<table>
<thead>
<tr>
<th>Cottage Clusters- Typical Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Form</strong></td>
</tr>
<tr>
<td>· 4-14 detached homes situated around shared open space</td>
</tr>
<tr>
<td>· Home sizes under 1,000-1,200 square feet</td>
</tr>
<tr>
<td>· Deep porches, kitchens facing courtyards, and bedrooms tucked in the back or upstairs.</td>
</tr>
<tr>
<td>· Parking is either not required on-site or located along the site perimeter</td>
</tr>
<tr>
<td><strong>Ownership</strong></td>
</tr>
<tr>
<td>· Fee simple lots</td>
</tr>
<tr>
<td>· Single-lot planned development (e.g. condominium-style ownership)</td>
</tr>
<tr>
<td><strong>Density</strong></td>
</tr>
<tr>
<td>· Variable; up to 225% of single-dwelling densities</td>
</tr>
</tbody>
</table>

Source: DEQ, \url{http://www.oregon.gov/LCD/TGM/docs/Space_Efficient_Housing_NoApp.pdf}

5. Case Study: City of Adair Village

A local example of cottage cluster development can be seen in the City of Adair Village, which is championed by landowner Timothy Cornelius who also developed the adjacent development called Creekside. The proposed development was designed by Ross Chapin Architects and will incorporate traditional pocket neighborhood characteristics. The homes will range in between 800 to 1200 sq ft, share a common house, and certain models will have personal garages. Cornelius is interested in the cottage cluster developments because of the community aspect.

that is not found in most housing developments. The 5 acres of land that Cornelius is planning to develop into cottage cluster housing is currently outside the Urban Growth Boundary in County land near farmland and wetlands. Expanding the UGB has been a debated topic in the City of Adair for several years. In 2010, the city expanded the UGB by 127 acres for residential land in a several year process that was challenged by residents.\textsuperscript{13} Santiam Christian School recently put 66 acres of land for sale that are within that annexed land and can be used for residential development.\textsuperscript{14}

Due to the project being outside the UGB, an expansion has to be approved through public hearings. Pat Hare, one of the leaders in this project, described the long process of waiting for the development to be approved. Cornelius explained the process to expand the UGB and approve his development as time intensive and expensive. He has been in the development process for over a year and half and does not expect to have an approval decision until the end of the year. One of the barriers Cornelius faces in developing cottage cluster housing are the associated costs with development. His estimated costs thus far are approximately $50,000 and the process has yet to be approved. These costs include application fees, consultants, designs by Ross Chapin Architects, and wetland mitigation efforts.

Cornelius described the lengthy process as a time intensive and is a barrier for himself and other developers looking to develop similar housing types. The complicated process has many delays that make development risky for developers. Another significant barrier to cottage cluster housing is a general lack of awareness around the type of housing. Cornelius has found that many neighbors around the proposed cottage cluster site have expressed concerns with increasing density near their homes.

Currently the land is zoned by the planning committee as R2, which does not allow for the required density needed for cottage cluster housing. Cornelius is in the process of having it zoned as R3, which has the necessary density for cottage cluster housing. If the land remains as R2, only about 23 homes will be allowed on the land but if this land is zoned as R3 it would increase the amount of homes on the land to about 33 homes. Cornelius believes that people are concerned with the R3 zoning because they instantly associate high density with apartment complexes. If the zoning doesn’t change to R3, it will be a difficult for the homes to remain at a lower price and maintain the same design.

Other local examples that can be found in Corvallis include CoHo Ecovillage, Seavey Meadows veterans housing, and Camas Commons. However, while these local examples look like cottage cluster housing, they are not zoned as cottage cluster developments. CoHo Ecovillage fosters the community aspect of cottage cluster housing but was originally classified as multi-family housing before construction began and changed classification to condominiums after construction. CoHo is now classified as attached single family housing on fee simple lots. Seavey

\textsuperscript{13} Hall, B. Preparing for Takeoff. http://www.gazettetimes.com/albany/news/local/preparing-for-takeoff/article_a8f62065-01b4-5ebe-b5ae-022beb958ff5.html

\textsuperscript{14} Hall, B. Preparing for Takeoff. http://www.gazettetimes.com/albany/news/local/preparing-for-takeoff/article_a8f62065-01b4-5ebe-b5ae-022beb958ff5.html
Meadows veterans housing and Camas Commons are affordable housing properties owned by Willamette Neighborhood Housing Services. Seavey Meadows veterans housing is designated as multi-family units and Camas Commons are classified as either single family detached or attached housing on separate lots.

6. Missing Middle

The phrase “Missing Middle housing” is often used when describing cottage cluster housing. An important distinction should be made between the two such that missing middle is cottage cluster housing, but cottage cluster housing is not exclusive to middle-income households. Missing Middle is “a range of multi-unit clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.” In the United States, income is arranged by households, families, married couple families, and nonfamily households. The median income for these groups in the country for 2015 was $53,889, $66,011, $79,956, and $32,298 respectively. Comparatively, the median income for these groups in Corvallis in 2015 was $44,896, $76,389, $86,586, and $23,762. Similar to CCH, Missing Middle housing attracts young professionals, new families, and aging individuals.

One of the most important characteristics of Missing Middle housing is having a walkable context. To achieve this, housing needs to be built near urban areas that have convenient access to recreation, services, and employment. Missing Middle housing promotes having a neighborhood that is more walkable, less reliant on personal vehicles, and supports public transportation. Unlike other housing options, Missing Middle tends to provide only one parking space per unit and limited off-street parking for residents. One of the goals of Missing Middle housing is to create a sense of community by having units share community spaces such as a courtyard.

Missing Middle housing is characterized by having medium density, between 16 dwelling units per acre (DU/A) to 35 DU/A, with small footprints and blended housing types to create a lower perceived density. Dwelling units per acre are the amount of residential units that are designated for an acre of land and is used as a density measurement. The units in Missing Middle housing are smaller but are better designed to enhance comfort and space. Missing Middle housing is not a solution to increase the amount of affordable housing available but are more affordable options compared to larger single family homes. Developers are able to make significant profits due to the number of smaller units on one parcel of land.

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15 Missing Middle is sometimes synonymous with Workforce Housing, or housing for police, teachers, nurses, etc. This report uses Missing Middle and Workforce Housing interchangeably. However, it should be noted that other definitions of Workforce Housing include a wider array of incomes (including low and middle incomes).


18 Congress for the New Urbanism, https://www.cnu.org

19 Congress for the New Urbanism, https://www.cnu.org

Finally, Missing Middle housing is marketable when they are comparable to single-family homes in terms of scale and living experience.21

A key difference between Missing Middle housing and CCH is that Missing Middle is not confined to the cottage cluster design. Missing Middle housing can consist of townhomes, duplexes, courtyard apartments, multiplexes, and live/work homes.22 This range of housing types are different than cottage cluster in terms of size and density. Missing Middle housing often requires Form Based Coding, which allows for a variety of housing types and densities.23

7. Supportive CCH Policy Components

The first step in developing cottage cluster housing in any municipality is to establish a concise definition of cottage cluster dwelling. As previously mentioned, a cottage cluster development is typically described as a group of small, single-family dwelling units positioned around a common area; however, there are two variations of this where individual units are either placed on their own, smaller lots or the entire cluster of units is placed on a single plot of land. This variation sometimes leads to the classification of apartment buildings as cottage cluster developments, as is the case in the Benton County Assessor’s office, although apartment buildings do not support the same idea of community and communal space among them.

Two particular stipulations within the current Corvallis LDC permit the development of CCH. First, the definition of residential, single-detached structures, features language that extends the definition to situations where this building type is combined with another building type on a single lot. Second, development standards for minimum lot area and lot width for residential zones take into consideration combinations of multiple units on a single lot.

8. Corvallis CCH Examples

There are current examples of CCH in Corvallis. Residential housing units located on NW Tyler and NW 10th and on the corner of NW Harrison and NW 14th embody several characteristics included in modern descriptions of CCH. These characteristics included residing on a single lot, having some shared common space, and, possessing a high degree of walkability due to a central location.

It is important to note that the dwelling located on both lots were constructed prior to the adoption of the current Corvallis LDC.24 As such, these units are exempt from present dwelling classifications and zoning code development restrictions. Under the current Corvallis LDC, both lots are located in RS-9 zones.25

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22 http://missingmiddlehousing.com/
23 http://missingmiddlehousing.com/about/how-to-regulate/
Cottage cluster houses on the corner of NW Tyler and NW 10th, Corvallis

Cottage cluster houses on the corner of NW Harrison and NW 14th, Corvallis

9. CCH Development Barriers

There are four primary barriers to CCH in Corvallis: ambiguous LDC policies, limited land supply, local resistance, and developer costs. Moreover, evidence
suggests that the greatest impediment to CCH stems from the conversion of all four barriers.

9.1 **LDC Policies**

As previously mentioned, the Corvallis LDC does permit the development of CCH. However, this is not explicitly stated within the LDC. Moreover, the LDC does not provide a concise definition of CCH, nor does it classify cottage cluster dwellings as a distinct Building Type, rendering the CCH development process more difficult. The ambiguous language within the LDC creates a degree of uncertainty regarding resource requirements, process timelines, and the profitability of proposed projects. As a result, risk averse developers may be deterred from pursuing CCH development within Corvallis.

9.2 **Limited Land Supply**

An impediment to CCH development is a limited supply of available residential land. After conducting a GIS analysis of the Corvallis housing market using 2016 data, we find that the majority of residential areas are zoned for low-density housing (43.21%). The second most common type of residential housing is medium-density, comprising 10.43% of total residential land. Roughly 5% of residential land is used for medium- to high-density housing, with a little over 3% dedicated to only high-density housing. A small amount of this land (0.12%) is deemed as mixed-use spaces, in which residential, commercial, and recreational uses collectively occupy the land in ways that are functionally and physically integrated. A map displaying residential zones in Corvallis is available in Appendix A (number of bedrooms per residential building/total square footage of residential buildings).

When considering the use of residential land specifically for cottage cluster housing, there is a large discrepancy between acreage dedicated to low-density developments and acreage dedicated to high-density developments. The total amount of land occupied by low-density housing is 3,315 acres, compared to the 1,450 acres occupied by medium, medium-high, high, and mixed-use zones, combined. However, 500 acres of the land within low-density residential zones are vacant and 331 of these acres are classified as planned development areas - a type of building design in which multiple land uses are contained in one development. Of the land classified as medium, medium-high, high, and mixed-use zones, 228 acres are vacant, with 166 of these acres available for planned development. These numbers indicate that a decent amount of land is available for residential use in Corvallis; however, not all of this land is suitable for housing development. For example, some of the land is divided into flag lots, and while these irregular lots might be less desirable for single-home projects, they are ideal for CCH development (see Appendix D). Although, additional factors also hinder the ability to develop

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27 City of Corvallis. Summary of Vacant Lands (by zone, through December 31, 2016). Table 12a.

parts of this land. For example, areas that contain wetlands or riparian zones, as well as areas with severe elevation gradients, hinder development plans by requiring additional infrastructure and/or rendering the land useless for development purposes.

Recent efforts by the City of Corvallis have worked to address these land availability concerns, spurred by a state requirement to add 12 acres of land for high-density housing development. The City defined high-density housing as an area with up to 20 units/acre, often consisting of apartments or townhomes.\(^{29}\) The top places identified as potential, future high-density development areas are as follows:

- South Corvallis, specifically along the Highway 99W (SW 3rd St.) corridor and along the Willamette River near the Hollingsworth & Vose plant
- “Rural” OSU property south of Harrison Blvd
- The “south farm” area between Philomath Blvd and Brooklane Dr
- Industrial land near Republic Services plant on Walnut Blvd
- Land parcels surrounding Crescent Valley High School
- Land west of the Hewlett-Packard campus
- Other options near Avery Park and Downtown Corvallis

The locations for these options can be viewed in Appendix C. Furthermore, the City is aware of the growing student body at OSU and the impacts it has on housing availability in Corvallis. They will continue to develop more detailed area profiles of the indicated sites and present the information at future council meetings.\(^{30}\)


One primary factor impacting the land supply in Corvallis is the annexation policy included in the city’s charter. Under Chapter Ten, Section 53, the charter stipulates, “Unless mandated by State law, annexation, delayed or otherwise, to the City of Corvallis may only be approved by a prior majority vote among the electorate.” This mandate ultimately restricts the government ability to expand the Corvallis incorporated land boundary as needed to account for population growth. However, voter annexation is currently under legal review and in February, City Council members “voted 7-1 to stop sending annexation requests to the voters.”

Source: City of Corvallis

9.3 Local Resistance

Beginning with land annexation and extending through the approval of building permits, any level of community opposition has the potential to impede development efforts at every stage of the process. Research indicates that two specific factors play a role in local resistance and opposition to local development: urban/rural classification and rapid expansion in OSU enrollment.

9.4 Urban/Rural Classification

Local resistance to community development projects, including CCH, can also be attributed to misconceptions about the urban classification of Corvallis. Specifically, notions that Corvallis is a suburban residential area, or a community zoned primarily for low-density, single-family dwellings, run contrary to state law. Under Oregon Revised Statute (ORS) 197A, with features language on comprehensive land use planning, Corvallis is considered an urban city because its local population exceeds 10,000.33 Similarly, Corvallis is considered as an urban area by Benton County development code standards.34 Thus, in accordance with state and county, the Corvallis municipality uses this urban classification when making land-use policy decisions.35 Furthermore, the urban classification provides justification for future action taken by the municipality to increase land zoned for high-density residential mix-use. Looking forward, misconceptions concerning urban classification, as well the rationale behind the classification, may hinder city efforts to address local housing issues.

9.5 Rapid Expansion in OSU Enrollment

As OSU has experienced substantial growth in enrollment over the past decade, many single-family housing units, which were formerly occupied by permanent residents, have been converted into student housing. It is estimated that between 3000 and 4000 OSU students now occupy residential housing units within Corvallis.36 Permanent residents report that the influx of OSU students into residential neighborhoods has negatively impacted the overall livability of Corvallis. Specifically, reduction in available on-street residential parking, increased partying and noise complaints, and a decline in community cohesion, have substantially damaged neighborhood dynamics. In result, many permanent Corvallis residents may be resistant to development proposals, including efforts to increase high-density residential zones.

35 Interview notes, Jason Yaich, City of Corvallis. 2017
36 Interview notes, Karyle Butcher, League of Women Voters Corvallis. 2018
9.6 Developer Costs

A barrier that developers face in developing CCH is the profitability difference between CCH and single family housing. According to several of the housing experts interviewed, CCH is more expensive to build compared to single family housing. Jim Moorefield from Willamette Neighborhood Housing Services explained,

*Price per square foot is less for big house. Builders build what they know and what it will be appraised for, making it easier to secure bank loans.*

There are fixed costs associated with building homes, such as sewage and plumbing, regardless of home size. This can cause CCH to be more expensive to build and while potentially being less profitable for developers. Appraisal is determined by comparative market analysis (CMAs) which compares equivalent homes that are listed for sale or prior selling price to provide estimates of prices for new housing. Lacking equivalent comparisons is challenging for cottage cluster in Corvallis. By default then:

*Developers specialize... (they) do something to scale, and repeat, knowing how to build to make a profit.* (Moorefield Interview)

Further, it should be noted that some interviewees expressed frustration at the time it takes to secure a building permit and of the challenges in interpreting the LDC. A study by the Oregon Department of Environmental Quality (DEQ), finds that

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37 Oregon State University, Enrollment Summary
http://institutionalresearch.oregonstate.edu/enrollment-and-demographic-reports#enroll-sum
Oregon zoning codes favor large, single-family home in residential neighborhoods. The report outlines clearly the difference between cottage cluster being allowed versus encouraged via development codes. Examples of limiting codes include:

- Offer no increase in density;
- Require who cluster to be on a single tax lot, or
- Require the creation of multiple lots through a subdivision;
- Establish large lot size minimums (e.g., 21,000 sf) for cottage clusters that rule out many possible development sites;
- Allow only in a special overlay district or in particular residential zones; and
- Require one or more off-street parking spaces per home.

In contrast, examples of supportive codes include:

- Provide density bonus in exchange for unit size caps;
- Allow property to be divided into fee-simple lots, including ownership of the land, or have multiple homes on a single lot (that could be rented out or sold as condominiums);
- Establish overall site size minimums (~6,000 sq) that allow for small, infill clusters;
- Allow outright in all residential zones;
- Allow building coverage to exceed single-unit dwelling requirement;
- Allow a range of sizes;
- Allow both attached and detached homes; and
- Common open space requirement.

Many people interviewed for this project stated that developers are inherently risk averse. Perceived barriers will be avoided in order to stay on time and on budget. Thus, encouraging cottage cluster homes will require the City to provide the opportunity to reduce barriers.

10. Opportunities

In order to encourage certain types of development, incentive strategies are sometimes utilized. These incentives include: density bonuses (coupled with unit size caps), fee waivers, and expedited approvals. Broadly speaking, all of these strategies provide incentives for developers in exchange for public amenities, low-income housing, or some other public benefit.

Density bonuses allow developers to build more units per site (DU/A), have a larger Floor Area Ratio (FAR), or greater height limits than zoning laws normally allow. Density bonuses are sometimes desirable as they can provide value to the development project and help facilitate planning goals:

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42 Inclusionary Housing https://inclusionaryhousing.org/designing-a-policy/land-dedication-incentives/density-bonus/
“Density bonuses are a way to harness strong housing markets to construct affordable housing and other necessary public benefits...This tool tends to work well if market rents or home prices are high, land values are high, and development capacity is artificially constrained...(However) If developers can easily develop market-rate housing at lower densities, the density bonus will not likely be used often.”

Density bonuses paired with home size caps can further provide incentives for a developer because it provides a financial incentive for building smaller homes: “With a suitable density bonus, builders can spread the fixed cost of land across more units, allowing them to build smaller homes and compete successfully with land buyers who would construct larger homes.”

However, overall multiple units cost more to build and potentially would need to be paired with other incentives like fee waivers and expedited approvals to make them effective in enticing developers. (There is also the potential for legal challenges to density bonuses as “takeings” of property).

Other incentive zoning tools like fee waivers and expedited approvals can reduce the overall cost of building permits and the time it takes to secure necessary permissions to begin construction. Both fee waivers and expedited approval can help establish expected timelines and upfront costs that can ameliorate upfront concerns about time commitments to the project and fees for each housing unit within a cottage cluster development.

11. Recommendations

11.1 Development Incentives

Multi-dwelling zones were common practice before single-dwelling zones were introduced to Oregon municipalities in the late 1950s. Today, however, multi-dwelling zones occupy a much smaller portion of residentially-zoned land throughout Oregon. To put this into perspective, single-dwelling residential zones account for almost 50% of all land area and roughly 75% of all residentially-zoned land area across the 25 cities comprising the Portland Metro Urban Growth Boundary. To combat this, the Oregon Department of Environmental Quality (DEQ), suggests two strategies to support development of smaller, less expensive homes. The first suggestion is for municipalities to designate more land area for multi-dwelling development. The second is to create additional flexibility within municipal single-dwelling housing zones. There are two other ways to achieve

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43 Puget Sound Regional Council https://www.psrc.org/density-bonuses
45 Inclusionary Housing https://inclusionaryhousing.org/designing-a-policy/land-dedication-incentives/density-bonus/
development of cottage cluster housing in Corvallis. One is by expanding the city limits of Corvallis through annexation, although this would increase the overall commute time for those living on the outskirts of town (see Appendix B). A second option is to identify the pockets inside current residential zones, where zoning could accommodate cottage development (see Appendix C).

In lieu of modifying existing development codes (that already allow for cottage cluster), the city could make building CCH more desirable to builders by providing clear guidelines and timelines for the administrative process (see example from Snohomish County, Appendix E). In areas, like the flag lots, developers could be incentivized to build CCH if timelines were clear and the permit process expedited.

Lastly, research strongly indicates that community support is an absolute necessity for increasing the feasibility of developing any type of structure within Corvallis, including CCH. Beginning with land annexation and extending through the approval of building permits, any level of community opposition has the potential to impede development efforts at every stage of the process. Henceforth, bridging information gaps between the municipality and local residents is a necessary step towards solving housing issues within the community. Specifically, when making decisions concerning land use and zoning policies, city officials should explicitly state that Corvallis is classified as an urban area, opposed to being considered as either rural or suburban, and provide the state and county policies that mandate that this classification be given. By providing residents with the holistic rationale behind policy decisions, the city has the potential to mitigate current, and prevent future, opposition to urban, high-density development projects.

12. Conclusion

Ross Chapin, one of the architectural pioneers of modern cottage cluster housing, finds that in cases where cottage cluster housing was successful, several factors were at play:

*It was the result of involvement of people on every level who paved the way: a forward thinking state government, a pro-active planning director, an innovative architect, a sensitive developer, an enlightened banker, and a supportive community.* - Ross Chapin

Encouraging cottage cluster development in Corvallis will probably necessitate some incentives for developer in the form of density bonuses, fee waivers, and an expedited permit process. Further, the city may want to write explicit cottage cluster supportive codes so that the LDCs provide clear guidance.

This study finds that while cottage cluster offers diversity of housing options in Corvallis, it may not offer affordable housing for entry to mid-level professionals working in Corvallis. It is likely that cottage cluster would in fact be desirable for many people looking for housing in Corvallis, which would ultimately drive the cost of each unit up and potentially out of the price range for entry and mid-level

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49 Snohomish County, WA, [https://snohomishcountywa.gov/3461/Cottage-Housing](https://snohomishcountywa.gov/3461/Cottage-Housing)

50 Chapin, R. [http://rosschapin.com](http://rosschapin.com)
professionals. In order to truly create housing for this segment of people working in Corvallis, housing diversity needs to be paired with adequate supply so housing costs stay at an affordable rate.

From a market perspective, an increase in land supply will enable developers to more adequately satisfy the housing needs of the community. For example, while a community may benefit the most from the development of a diverse array of housing unit types, developers may choose only to construct single-family housing units because they are more profitable. With a healthy supply of residential land, developers have greater incentive to build a more diverse range of housing unit types to better satisfy different demand markets.

Further, limited developable land combined with high demand, developers want to maximize their profits, minimize their risk, and optimize their time. Cottage cluster can reduce profits, increase their risk, and take more time than building a single family home. Market analysis of single family homes also provides ease of financing and in the current housing market in Corvallis, a quick turn-around for the developer.
13. Appendix

A. City of Corvallis Residential Zones by Density
B. City of Corvallis Land Annexations
C. Land Available for Future Development in Corvallis
D. Flag Lots in Corvallis
E. Snohomish County

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Single Family Detached Units (SFDU) and Cottage Housing Submittal Checklist
Pursuant to Chapters 30.41F or 30.41G SCC

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PROJECT FILE NUMBER: __________________________
PROJECT NAME: ______________________________

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In addition to required paper copies of submittal plans and documents listed below, please provide an electronic copy of all application materials in Portable Document Format (PDF).

_____ A. Master Use Permit Application (original plus 3 copies) filled out in its entirety with the notarized signatures of the applicant and owner(s) of the property.

_____ B. Site Plan Sheet(s)* - 7 full size copies (minimum 18”x24”), 5 reduced size copies (11”x17”) shall be drawn at a horizontal scale, which will clearly portray all of the required information. Site Plans shall include all of the following (*if required pursuant to item D, below, see supplemental URDS checklist for additional requirements):

_____ Title Block
____ Date drawing was prepared or revised
____ Project Name
____ File No.
____ Section, Township, Range
____ Site street address
____ Tax Account number(s)
____ Name, address, e-mail address and phone number of the applicant
____ Names, addresses, e-mail addresses, and phone numbers of all individuals involved in the site plan
____ Legal description
____ Zoning classification
____ Comprehensive Plan Designation
____ Total site area (acreage and square footage)
____ Total number of units proposed
____ Minimum net density calculations pursuant to SCC 30.23.020
____ Total lot coverage
____ Average unit size (COTTAGE HOUSING PROJECTS ONLY)
____ Number of parking spaces provided
____ Amount of common and private open space provided (show calculations)

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C-3116, SFDU-Cottage Housing Checklist
Eff. October 18, 2007 - Rev. March 31, 2017

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