

**TO: City of Lowell Planning Commission and City Council**

**FROM: Lowell Code Amendments Project Management Team**

**RE: Lowell Minimum Lot Size Reduction**

The intent of this memo is to provide an overview of key context, details and justifications for the proposed amendments to minimum lot sizes in the City of Lowell's R-1 and R-3 zones.

### **Background of Minimum Lot Size Proposal**

In the Summer of 2019 the City of Lowell City Council passed a resolution to request code assistance from Oregon's Transportation and Growth Management Program (a Partnership between ODOT and DLCD). The request was primarily motivated by the need for assistance to implement the recently adopted Lowell Downtown Master Plan, but also included a number of requests to address matters with City-wide applicability – including reducing minimum lot sizes. The City's request was accepted and the project began in late 2019. After a challenging attempt to continue through the early parts of the Covid pandemic, the project picked back up in earnest in late 2021, continuing to this point.

### **Local Policy**

A community's policy framework is contained and expressed within its Comprehensive Plan. Decision makers and staff are beholden to those policies as they administer, plan and justify their actions and decisions. The Project Team's earliest drafts of code amendment "concepts," to address the topics requested by the City, were rooted in Lowell's Comprehensive Plan. Some key policies with policies related to proposed housing amendments include the following:

#### **Section 9.941 (d) Housing Costs**

*The City will continue to seek means of reducing housing costs within the City.*

*...Reduced lot sizes, efficient planning, and inexpensive construction alternatives can be utilized to maintain housing within affordable limits.*

#### **Section 9.941 (e) Affordable Housing**

*Among the means at a City's disposal are Code provisions for smaller lots, the provision of multi-family zones in the community...*

### **GOAL 5.**

*To promote residential growth in order to create a more self-sustaining community.*

### **Housing Policies:**

*1. The City shall strive to provide all citizens of the community with the opportunity to live in sound housing, adequate to their needs, at reasonable cost relative to their income.*

*9. The City shall support a wide range of housing types and innovative residential design and planning concepts.*

### **Iteration on Minimum Lot Size Concept/Amendment**

The Project Team initially proposed an amendment to reduce Lowell's 7,000 sq. ft. minimum to 6,000 sq. ft. The Lowell Code Committee (made up of Lowell stakeholders) independently suggested that the

lot size be further reduce to 4,500 sq. ft. and this was the lot size proposal advanced in the first official draft of the code amendments.

The feedback received from the public open house and a combined Planning Commission and City Council work session in the Fall of 2022 revealed a need to further evaluate minimum lot size. The Project Team revisited the lot size assumptions, and proposed an adjustment up to 5,500 sq ft.

### **How does reducing Lot size improve anything?**

Smaller lots promote affordability. As noted within Lowell's Comprehensive Plan, reducing lot sizes is among a discrete set of actions that can be utilized to maintain housing within affordable limits.

Smaller lots are likely to be developed as smaller, more financially manageable, homes. This expands important ownership opportunities – which are growing increasingly less achievable even for households earning above median household incomes and particularly challenging for young households (students and young desiring to remain in town) and fixed incomes (those wishing to remain in their community after downsizing).

Smaller lots use fewer municipal resources. A street where lots are 200 feet wide uses nearly three times as much pavement, plowing, water mains, sewer mains, and so on than a street where lots are 70 feet wide. Large lot subdivisions often do not pay their own way in taxes over the long term. Instead, everyone's taxes and utility rates rise to cover the extra costs.

Finally, it's important to note that lowering minimum lot sizes expands individual private property rights. And, of course, minimum lot sizes are not a mandate. Large lots are still legal and developers have flexibility to pursue larger lot sizes.

### **What known risks are there in reducing the minimum?**

An increase in partitions is a common concern when reducing minimum lot size, because it presents a potential change to established neighborhoods. Lowell has processed a number of partitions over the last few years, but not a lot. There has been an average of one per year in the last six years. There are many lots in Lowell that can technically partition today due to their size. There are many reasons property owners do not partition. Key among these are a) lot and home configuration (partition would require demolition of all or part of an existing home), b) Covenants, Codes and Restrictions that may prohibit such a partition, c) the upfront cost of such an endeavor, and d) the simple lack of desire to alter one's property. Widespread increase in partitions within established neighborhoods is a very unlikely outcome of reducing lot sizes in Lowell.

New development is likely where an impact of reduced minimum lot size would be realized. Developers watch the market carefully and are typically inclined to realize maximum benefit from their investment in a new development. In Lowell, this could very well mean new subdivisions that have smaller lots and smaller houses. This would be a key aim of the minimum lot size reduction, and a meaningful step towards addressing the Lowell Comprehensive Plan's goals and policies around housing.

Most homes of this smaller type will still, unfortunately, likely be at a price point challenging for even many professional income and dual income households to afford. These would be homes that small business owners, school teachers and other public servants would still likely be cost burdened to purchase.