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REDMOND
oregon

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**JOINT WORKSHOP
REDMOND CITY COUNCIL /
URBAN AREA PLANNING COMMISSION**

October 19, 2021

Virtual Meeting • www.redmondoregon.gov/CityCouncilLive

**COUNCIL
MEMBERS**

George Endicott
Mayor

Jay Patrick
Council President

Jon Bullock
Councilor

Krisanna
Clark-Endicott
Councilor

Clifford Evelyn
Councilor

Ed Fitch
Councilor

Shannon Wedding
Councilor

OCTOBER 19, 2021

WORKSHOP AGENDA

6:00 PM

I. CALL TO ORDER

II. PRESENTATIONS

- A. Growth Management - Housing / Density / Design & Affordability (HB 2001 and Code Updates)

III. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.

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STAFF REPORT

DATE: October 19, 2021
TO: City Council
THROUGH: Keith Witcosky, City Manager
Kyle Roberts, Senior Planner
FROM: Deborah McMahon, Planning Manager
John Roberts, Deputy City Manager
SUBJECT: Growth Management - Housing / Density / Design & Affordability (HB 2001 and Code Updates)

Addresses Council Goal:

7. COMPREHENSIVE PLANNING: Enhance the quality of life through adoption of programs, policies, and standards that manage growth while maintaining Redmond's small-town feel.
- 7.A. Promote quality development.
- 7.D. Identify housing objectives, policies, and implementation strategies to diversify the range of housing choices.

Report in Brief:

This item is intended to serve as a policy level discussion between the Redmond City Council and the Urban Area Planning Commission (Planning Commission) regarding Development Code updates which are required for alignment with Oregon House Bill 2001 (HB 2001), which was passed during the 2019 Oregon Legislative Session. Topic areas include rule-making, opportunities, challenges, and other compliance-oriented changes.

Background:

City Council Growth Management Policy Worksessions

Over the course of calendar year 2021, the City Council has expressed an interest in and an appetite for tackling the key issues that will shape the future of the community. Staff responded to this by making the commitment to periodically bring forward a series of five different topics where Council input is needed:

- Parks Strategic Planning (presented October 12, 2021)
- Housing / Density / Design & Affordability (HB 2001 and Code Updates)
- Infrastructure Capacity and Investment (Water, Wastewater and Stormwater)
- Circulation / Traffic / East-West Connectors
- Urban Growth Boundary (UGB) Expansion

These topics are communitywide in scope and involve numerous stakeholders. This discussion focuses on housing, density and related code amendments.

Anticipated Outcome of Joint Worksession

This is a joint worksession between the Council and the Planning Commission.

Anticipated outcomes include:

1. Familiarize the City Council about how to align the Development Code with HB 2001.
2. Provide an opportunity for stakeholders (Central Oregon Builders Association/COBA and the Central Oregon Association of Realtors/COAR) to provide input on the proposed amendments and HB 2001.
3. Receive City Council direction regarding HB 2001, e.g., impacts on the community, Great Neighborhood Principles, livability.
4. Determine the timing and next steps for another joint meeting.

Attachments:

The staff report includes attachments.

- Exhibit A: Frequently Asked Questions (HB 2001).
- Exhibit B: City of Redmond Supporting Plans & Policies.
- Central Oregon Builders Association (COBA) letter: Dated October 8, 2021.
- COBA comments to planning commission and correspondence: Dated July 12, 2021

Important Definitions:

“Middle housing” types include: Duplexes, triplexes, quadplexes, townhouses and cottage clusters.

“Townhouses”: Means a dwelling unit constructed in a row of two or more attached units, where each dwelling unit is located on an individual lot or parcel and shares at least one common wall with an adjacent unit.

“Cottage clusters”: Means groupings of no fewer than four detached housing units per acre with a footprint of less than 900 square feet each and that includes a common courtyard.

Why is this important?

HB 2001 requires many Oregon communities to accommodate middle housing within single-family neighborhoods. The legislation requires more diversity in cities and counties and creates the potential for greater housing affordability. Currently, many residential areas in Oregon only allow the construction of new detached single-family homes. The effects of HB 2001 are considerable and will have far-reaching implications regarding how Redmond develops.

HB 2001 requires that all middle housing types be allowed:

- On every lot where single-family homes are allowed – Duplexes.
- In every zone where single-family homes are allowed – all other middle-housing types.
- HB 2001 applies to all residential areas.

The City is required to adopt code changes which comply with HB 2001 by June 30, 2022. If the City takes no action, then the law requires the State Model Code to be applied. The Model Code is a generic concept and limits local jurisdictions' discretion on siting and design criteria. The Model Code also does not address the Redmond 2040 Vision or guiding principles contained in the recently adopted Comprehensive Plan 2040 or the City's Great Neighborhood Planning Principles contained in both the Comprehensive Plan and Development Code.

Why implementation at the local level and not model code?

Jurisdictions that take a constructive and proactive approach can use HB 2001 as an opportunity to advance local housing, economic development and sustainability goals. Middle housing and additional residential density allowances can help support goals like increased transit ridership, access to commercial services and the efficient use of land and existing infrastructure. As such, higher density nodes were discussed in conjunction with the Comprehensive Plan 2040 Update land use scenario planning and Cascades East Transit regional transit and fixed route opportunities.

Background:

The City Council and Planning Commission regularly update the Development Code to keep current with law and to address the needed changes of a growing community. The majority of Planning Commission meetings conducted in 2019 through 2021 were dedicated to updating the Development Code.

The last update to the Development Code was adopted by the City Council in November 2020 and was in synch with the adoption of the Redmond Comprehensive Plan 2040. The code amendments allowed the Development Code to account for many of HB 2001 requirements. Examples of the significant updates include:

- Revisions to encourage cottage and cluster development.
- Clear and objective development path for all housing.
- Flexibility in parking standards.
- Removal of barriers to HB 2001 housing types. E.g., allowing most middle-housing in all residential zones.
- Clarity in where daycare can be located and streamlined land use review.

The current code update is intended to finalize the remaining HB 2001 requirements and changes to improve

administration of the Development Code. These include changes to create a more diverse mix of housing and better implementing the Great Neighborhood Principles. In 2021, the Planning Commission held one worksession and ten public hearings on the amendments. Exhibit B identifies the recently adopted plans and policies that serve as a foundation and basis for the code amendments.

HB 2001's Key Requirements and Provisions:

- Cities with populations greater than 25,000 must amend their zoning codes by June 30, 2022 to allow:
 - Duplexes on each lot or parcel where a single-family home is allowed. Duplexes can be subject to siting and design standards as long as those standards are reasonable and do not create excessive cost or delay.
 - Middle housing in all areas that are zoned for residential use and allow single family homes (duplexes, triplexes, quadplexes, townhouses and cottage clusters).
- Clarifies limits on reasonable local regulations relating to siting and design for Accessory Dwelling Units (ADUs); cities may not apply 'owner-occupancy' requirement of either the primary or accessory structure or requirements to construct additional off-street parking to ADUs, unless they will be used as vacation rentals.
- Makes Contracts, Covenants and Restrictions (CC&Rs) put in place after the effective date for the legislation that preclude middle housing types or ADUs unenforceable.
- Establishes exceptions for land zoned for primarily non-residential use and unincorporated land with a holding zone or that lacks sufficient urban services. Cities may apply for an extension for specific areas where infrastructure is significantly deficient but must establish a plan of actions to address the deficiency.
- Requires jurisdictions to also "consider ways to increase the affordability of middle housing" at the time that they adopt regulations or amend their comprehensive plan to comply. Jurisdictions must consider measures such as waiving or deferring system development charges, property tax exemptions or property tax freezes, or a construction excise tax.
- Requires that the Department of Consumer and Business Services (DCBS) create an alternate approval pathway for internal conversions of existing homes. This would make it easier for a detached single-family residence to be converted into a duplex or triplex and require approval within 15 days.
- Jurisdictions that do not apply by June 30, 2022, must apply the model code developed by the Department of Land Conservation and Development (DLCD).

Discussion:

HB 2001 does not restrict jurisdictions from continuing to allow detached single-family structures in single-dwelling zones but requires jurisdictions to allow middle housing types in single-family zones.

Key areas of local determination include "siting and design" regulations, as long as those regulations do not discourage all middle-housing types through unreasonable costs or delays. Cities can regulate middle housing based on locally identified siting or design criteria, provided that those regulations pass the following test:

- Every lot that allows a single-family home also allows a duplex.
- At least one type of middle housing is allowed in all locations that allow single-family housing.
- All middle housing types are allowed somewhere within zones that allow single-family housing.
- Middle housing types are not subject to regulations that create unreasonable costs or delay.

Essentially, every middle housing type must be allowed somewhere, and everywhere that allows single-family homes must allow some middle housing. The additional middle housing types (other than duplexes) do not have to be allowed on every lot or parcel that allows single-family homes.

HB 2001 requires the City to allow greater housing choices and other housing options on single family lots. While the new law "allows" these choices, it does not require them. For example, it is unlikely single-family homeowners will rush to add three more units to their properties. More likely, middle housing and additional density will be gradual since not all lots can accommodate new units and meet the setback requirements.

For new units, the city's architectural design standards and setbacks could be used to help retain Redmond's neighborhood values, such as the "small town feel" as embodied in the Comprehensive Plan 2040 vision and The Great Neighborhood Planning Principles.

In addition, other code changes are needed to advance neighborhood design and manage density. The Planning Commission has been evaluating if it is reasonable to allow greater density when developers provide enhanced design, a full range of housing types, usable open spaces, and creative lot arrangement. Specifically, if the use of Planned Unit

Developments (PUDs), master plans or variance are a viable tool to manage density.

The Central Oregon Builders Association (COBA) is generally supportive of many of the proposed Development Code amendments. For example, changes related to removing barriers to development and improving processes. However, COBA has communicated concerns regarding the discussions surrounding density, lot size, setbacks and the use of PUD, master plan or variances. COBA has been a regular participant throughout this process and has been invited to speak at the joint meeting on October 19.

Next Steps

There are two additional steps in the code amendment process. These include: 1) an analysis of the HB 2001 comparison matrix prepared by staff, and 2) an audit of the Development Code by a land use consultant.

Comparison Matrix

Staff has prepared a table that compares the existing Development Code to: i) the proposed Development Code language, ii) HB 2001 Oregon Administrative Rules (OARs), and iii) the DLCD Model Code. The table provides context and allows existing code, key changes and approaches used to address HB 2001 to be evaluated.

Staff seeks direction from the City Council and the Planning Commission on these and other draft work products.

Note - The Planning Commission is meeting on Monday, October 18 to continue the dialogue and discussion on certain aspects of the code amendments; specifically the density table. The Council will receive an update on the outcome of that meeting on October 19.

Fiscal Impact:

HB 2001 creates an unfunded mandate related to costs to update the Development Code and will also lead to a need to align the City's infrastructure with the results of densification.

The City has received a direct grant of \$15,000 from DLCD and has budgeted \$10,000 more for a total of \$25,000 to be used for a code audit and recommendations on other code changes for determining compliance with HB 2001.

Alternative Courses of Action:

N/A

Recommendation / Suggested Motion:

After conducting the joint worksession: Provide direction to the Planning Commission on any issues related to HB 2001.

Related per HB 2001, the Council will also be required to increase the affordability of middle-housing (waiving or deferring system development charges, adopting or amending criteria for property tax exemptions or property tax freezes, and assessing a construction excise tax). Staff will evaluate these tools as part of ongoing policy discussions with the Council.

Exhibit A

FREQUENTLY ASKED QUESTIONS (HB 2001):

What is Middle Housing?

- Middle housing means Duplexes, Triplexes, Quadplexes, Cottage Clusters, & Townhouses.

What areas of Redmond will be impacted?

- HB 2001 will impact areas in the city that are zoned residential and/or allow detached single-family dwellings. This includes all Residential Zones and portions of the commercial and mixed-use zones. Anywhere a single-family home is allowed, HB 2001 applies.

Can I still build a single-family detached dwelling?

- Yes. HB 2001 does not prohibit single-family detached dwellings or make it more difficult to build single-family detached dwellings where they are currently allowed, rather it allows middle housing types like duplexes, triplexes, quadplexes, cottage clusters and townhomes to be built in the same residential areas where single-family detached dwellings are allowed. No one is *required* to build middle housing on single-family zoned land.

Some properties have CC&Rs (Covenants, Conditions, and Restrictions) or other agreements between private parties that do not allow for the construction of multiple units or certain types of units. Does HB 2001 override CC&Rs?

- While HB 2001 does prohibit the creation of new CC&Rs that conflict with HB 2001, it does not affect existing CC&Rs. The City of Redmond does not enforce CC&Rs or other such private agreements.

Will new middle housing be affordable?

- There is a difference between true “Affordable Housing” and housing that is “affordable by design.” Affordable Housing is housing directly subsidized by an organization or the government. This housing usually has waitlists and serves people with specific income ranges and housing needs. Redmond cannot require middle housing to be sold or rented at a particular price or to be affordable housing. Sellers set sales and rental prices based on their development costs and what they estimate people will pay. Newly built middle housing will probably be sold or rented at market rates, but some may be more affordable by design. Living units in middle housing are often smaller than the typical detached house. Because price often increases as square footage increases, smaller homes can be less expensive. Operating and maintenance costs can be lower for dwelling units as well. We know many people struggle to pay monthly housing costs and that affordability is an important community issue.

Exhibit A

Can new middle housing developments allowed by HB 2001 be used as Short-Term Rentals?

- HB 2001 is intended to provide more opportunities for a variety of housing types in traditionally single-family neighborhoods and to increase the overall housing supply in and around cities. To ensure duplexes, triplexes, quadplexes as well as accessory dwelling units (ADU) provide needed housing, the upcoming code amendments propose short-term rental applications will not be allowed for new middle housing units. Housing our existing population is deemed to be a priority.

Who makes the final decision about what code amendments will be implemented in Redmond?

- Because this project will result in changes to the Redmond Comprehensive Plan and Development Code (which requires a legislative process), the Redmond City Council will be the decision-maker after considering the recommendation from the Redmond Planning Commission.

The formal adoption process for any new or changed land use regulations includes a public hearing before the Planning Commission, who will make a recommendation to City Council. Following this recommendation, City Council will hold a public hearing and make the final decision. If approved or approved with changes the final work product will then be sent to the Department of Land Conservation and Development (DLCD) for approval/acknowledgement.

What if there are concerns with the requirements of HB 2001 and other new rules?

- HB 2001 was passed in 2019 by the Oregon Legislature and is now Oregon law. Changes to the language of HB 2001 can only be made by the Oregon Legislature. The City of Redmond must comply with HB 2001 and the other newly adopted Bills such as SB 8 (greater flexibility to develop affordable housing in commercial zones), SB 458 (allows for middle housing development to be divided into new lots) and HB 2003, which is not mandated for Redmond until 2027, but we will start the process in 2025 (Housing Production Strategy).

When and how will the City involve the general public?

- There are ongoing opportunities for the public to learn more about HB 2001, etc. and provide input on the proposed amendments for Redmond through workshops and public hearings. The various proposed code amendments have been in workshops or public meetings for over a year. To learn all of the details about HB 2001, you may visit the [State of Oregon's HB 2001 webpage](#) which provides excellent in-depth information about the bill's requirements.

Exhibit B

Chapter 8 Development Code Amendments & HB 2001 City of Redmond - Existing Plans and Policies

Exhibit B identifies and outlines the supporting plans and policies recently developed and adopted by Council. These plans or policies serve as a basis for the code amendments and foundation for discussions with the planning commission.

Applicable plans and accompanying policies included herein:

- Redmond City Council Goals 2021/2022
- City of Redmond Housing Needs Analysis, June 2019
- Redmond Comprehensive Plan 2040

Redmond City Council Goals 2021/2022

(***)

6. COMMUNITY ENHANCEMENT AND PARTICIPATION

Create an image and identity that generates community pride and ensures a high level of livability.

...

B. Improve the quality and amenities of Redmond neighborhoods.

...

E. Beautify and improve the major transportation corridors within the city.

F. Plan, promote and develop bicycle and pedestrian facilities.

G. Strive for an interconnected parks and open spaces.

- i. Collaborate with community partners to ensure Redmond residents have access to parks and open space amenities.

...

7. COMPREHENSIVE PLANNING

Enhance the quality of life through adoption of programs, policies, and standards that manage growth while maintaining Redmond's small-town feel.

A. Promote quality development.

- i. Use the City Code and other tools, to incorporate the Great Neighborhood Principles for both new and infill development.
- ii. Review and drive livability goals for design requirements in residential and commercial development in Redmond.

Exhibit B

B. Support orderly annexation from Urban Growth Boundary.

...

D. Identify housing objectives, policies, and implementation strategies to diversify the range of housing choices.

- i. Assess the need for lower income housing units throughout the community and propose tools to City Council to address these needs.

City of Redmond Housing Needs Analysis, June 2019

Exhibit 1. Net Density by Structure Type and Plan Designation, Redmond, 2008 through 2018

Source: City of Redmond Permit Database.

Plan Designation	Single-Family			Multifamily			Combined, Total		
	Units	Net Acres	Net Density	Units	Net Acres	Net Density	Units	Net Acres	Net Density
Residential									
Limited Residential	1,361	288	4.7	38	4	8.5	1,399	292	4.8
General Residential	1,820	293	6.2	172	17	9.9	1,992	311	6.4
High Density Residential	134	16	8.6	86	9	9.8	220	24	9.0
Commercial, Industrial, Agricultural									
Central Business District Commercial	6	0	26.1	-	-		6	0	26.1
Strip Service Commercial	6	1	5.0	-	-		6	1	5.0
Light Industrial	31	5	6.9	68	6	11.1	99	11	9.3
Agriculture	68	17	4.1	-	-		68	17	4.1
Total	3,426	619	5.5	364	37	9.9	3,790	656	5.8

Objective 1.2: Meet the housing needs of Redmond's current and future residents by planning for opportunity for development of the needed housing mix of 60% single-family housing types and 40% multiple family and single-family attached housing types as a long-range target, and an average residential density of 8.0 dwelling units per net acre, or about 6.2 dwelling units per gross acre over the 20-year planning period between 2019 and 2039.

Objective 1.3: The following density target ranges for housing will be required for each Plan Designation:

Designation	Zone	Required Density
Limited Residential	Single-Family Residential – R-1, R-2	Between 2.0 and 5.0 dwelling units per net acre
General Residential	Residential Medium – R-3, R-4	Minimum of 4.0 dwelling units per net acre
High Density Residential	High Density Residential R-5	Minimum 8.0 dwelling units per net acre

Objective 1.4: Identify opportunities to increase allowable densities in Redmond's residential zones.

Exhibit B

Redmond Comprehensive Plan 2040

(***)

POLICY 10-1-3 The following density target ranges for housing will be required for each Plan Designation:

Designation	Zone	Required Density
Limited Residential	Single-Family Residential: R-1, R-2	Between 2.0 and 5.0 dwelling units per net acre
General Residential	Residential Medium: R-3, R-4	Minimum of 4.0 dwelling units per net acre
High Density Residential	High Density Residential: R-5	Minimum 8.0 dwelling units per net acre

POLICY 10-1-4 Identify opportunities to increase allowable densities in Redmond's residential zones.

a) Evaluate increasing the minimum density from 2.0 to 4.0 dwelling units per net acre in the Limited Residential Designation (R-1 and R-2 zones). Allow development of between 4.0 and 6.0 dwelling units per net acre in the R-1 and R-2 zones. Decrease the minimum lot size from 9,000 square feet to 7,300 square feet in the R-1 and R-2 zones.

b) Evaluate increasing the minimum density for both zones from 4.0 to 5.0 dwelling units per net acre in General Residential Designation (R-3 and R-4 zones).

c) Evaluate allowing development of between 5.0 to 7.25 dwelling units per net acre, with a minimum lot size of 6,000 square feet (down from the current 7,500 square feet) in the R-3 zone.

d) Evaluate allowing development of between 5.0 to 8.7 dwelling units per net acre, with a minimum lot size of 5,000 square feet (down from the current 6,000 square feet) in the R-4 zone.

e) Evaluate allowing development of 8.7 dwelling units per net acre, with a minimum lot size of 5,000 square feet (down from the current 6,000 square feet) for single-family detached housing in the High-Density Designation (R-5 zone).

f) Evaluate increasing the minimum density to 12 dwelling units per net acre in High Density overlay zone. Remove the minimum lot size for single-family detached and duplex housing and allow the minimum density to set minimum lot sizes.

g) Evaluate removing the maximum density standard and allowing the building height limitation, lot coverage standard, and parking requirement to limit density in the R-5 zone and the Higher Density overlay.

h) Evaluate using average lot size requirements, rather than minimum lot size requirements, in the zoning code. This standard is more applicable to developments with multiple units (such as Master Planned Areas), rather than infill development of one or two units.



October 8, 2021

Planning Commission
City of Redmond, Oregon
411 SW 9th St
Redmond, OR 97756

Dear Planning Commissioners and staff,

Below is a follow-up to my testimony provided at the City of Redmond Planning Commission (PC) hearing on October 4, 2021.

Central Oregon Builders Association (COBA) represents over 700 builders and developers however does not itself build or construct homes.

We are simply asking the City of Redmond to follow the Legislature and Department of Land Conservation and Development's (DLCD) directive, through HB 2001, SB 458 and HB 2003, of adding housing through density. The state is in a housing crisis and there are areas in the city where densification can occur (R4 and R5) without having apartments, condominiums or other attached style housing as the only option, which largely results in rental housing stock. The R4 and R5 zones should also allow reduced lot sizes to encourage small homes to be constructed that residents can afford to purchase. Homeownership is many times the only option for a family to build equity to improve their financial situation.

Requiring large homesites with big amenities increases the cost of homeownership and requires expensive homeowner association dues, which make it increasingly difficult for our core workforce of nurses, teachers, firefighters, police, hospital staff and restaurant servers to purchase a home. Currently, St. Charles has **900 jobs** that it cannot fill due largely to potential employees not being able to find housing. Do you want to live in a place where there are no services, not enough ambulance drivers, and/or the hospital treatment is severely compromised because there aren't enough nurses and hospital staff? Or a place where the schools are overcrowded because there aren't enough teachers, or you cannot buy groceries in town because the grocery store limits its hours because it can't find workers? These critical members of our community need a place to live!

It is not a secret that COBA was and is very frustrated by the City of Redmond code update process. The lack of transparency, the use of the wrong density tables and presenting the wrong underlying code to Planning Commission has created confusion, misinformation and possible denials of builders wanting to bring housing to Redmond.

This process started with inaccurate code presented to PC stating it was the code adopted by Council in November 2020 and approved by DLCD in January 2021, when it was not. This inaccurate code was used up until the September 13, 2021 PC meeting and fix then only after a formal written request was submitted to Deputy City Manager, John Roberts, asking to review the DLCD approval and compare to the charts being presented to PC.

Staff knew that the code it was presenting as the basis for the current code change was not the correct code. Staff did not inform PC or the public of this information and continued to present the chart month after month even after it was brought to Deborah McMahon's attention by COBA at a meeting in May, which was also attended by other staff.

Staff glossed over this issue in the Staff Report. Here is the quote from the Staff Report:

“COBA, through attorney Karna Gustafson, believes there was lack of clarity throughout the process concerning what the last Council adopted through Ordinance 2020-15 and what materials were used for *this* code update. The current code update is evolving and continues to be refined because it is in draft form. We have stated this in our meetings and explained typo corrections, formatting, and clarity will be improved as we get closer to a final draft.”

Never did staff state that the error had occurred and failed to explain what the approved DLCD chart contained.

For the last 9 months, builders and developers have been denied the ability to use the correct code adopted by Council in November 2020. Why was it just not corrected when it was found out that an error had occurred? Instead, staff embarked on a code update that was supposed to “correct typos” as well as update the code. In fact, it was not until COBA informed the Deputy City Manager of the error last month that it was addressed and changed at the September 13 PC Meeting.

Why am I bringing up this error? Because the differences between what staff said was the code and what it actually was, is substantial to a builder or developer. The biggest issue was stating the densities were **maximums** in the chart instead of **minimums**. So, in the highest density zones, R4 and R5, the chart stated the maximum densities were 10 units per acre and 15 units per acre, respectively. When in fact the 10 units per acre and 15 units per acre were the minimum that had to be built. Of course, minimums make more sense for high density zones, which is why, we believe, Council saw fit to adopt them. The setbacks were also incorrect. For example, in R5 the interior setbacks were 5 feet in the adopted code. The charts shown by staff reflected a 5/10 side setback. This additional 5 feet setback is significant, due to product design, costs to the developer and potentially results in developers walking away from building in Redmond.

How many developer proposals were denied in the last 9 months or not even brought forward because the online code (city website) was incorrect and it appeared that development could only be built at 10 or 15 units per acre?

The picture that was shown in the Staff Report of the person complaining about the small back yard with the difficulty of putting in a deck or hot tub did not include any reference to what the underlying zoning was or why the purchaser DID purchase the lot in its current form. What if it was the only house available, or they could afford? Did they want to be in a certain area of town or close to work? The fact is that the buyer **CHOSE** to purchase that lot and home. The idea that the owner's decision to make a modification after living there is somehow a burden to be addressed by the Development Code is absurd.



Note on middle housing: The Staff Report says that middle housing (HB 2001) is not required, that is misleading. It is correct that builders are not required to build it, **but the city is required to allow it** (duplexes are allowed to be built on every lot and the remaining middle housing in areas zoned for single family housing).

COBA was and still is concerned about the unreasonable cost and delay that a PUD process entails versus the clear and objective path. Staff used the word “leverage” to get builders to do what they want, let’s call it what it is, EXTORTION, to allow the city staff what it wants, fancy expensive subdivisions like NW Crossing. Those fancy subdivisions just increase the cost of the housing being built as those costs are passed on to buyers, pricing many out of the market.

On the reference to ORS 197.309 comments in the Staff Report regarding Affordable Housing and what the city can require, COBA did send an email last week to let the Planning Commissioners know of the other requirements of that statute. In no way did COBA say or imply that Redmond wouldn’t act according to the law. The intent of the email was to inform the Commission that there was more to the statute than what was said in the Staff Report. Namely, that the statute only applies to multi-family housing buildings with 20 or more units and that the city is required to give the developers incentives to build it or allow the developer to pay a fee in lieu. This is not a law that can be applied to single family subdivisions.

The bottom line is that COBA is asking for what was approved by Council in November 2020 with the changes required by HB 2001 and SB 458, which is higher density and smaller setbacks for the zones that are intended to be higher density zones without having to go through an onerous PUD process.

Although we’ve been closely engaged in the code process and have met with staff on 4 separate meetings to discuss the concerns regarding consistencies and ask for policies to be addressed, we are not being listened to or heard. Deborah simply regurgitates her “council goals” and other priorities, which she has selectively heard over the years, based on her own ideas. The housing crisis will not solve itself, and we need codes that encourage the addition of housing. Lack of housing supply is at the core of our current housing problems (homelessness & high prices/rents), and also at our economic development problems – companies can’t grow, locate here, or even perform their duties because potential staff can’t find housing. A sensible code that encourages housing and clear code objectives to encourage development is the most effective way to solve this problem.

Please see previous testimony COBA has submitted regarding the Comp Plan requirements to be “evaluated” with regard to density in specific zones, Policy 10-1-4.

Thank you for your time and service.

Best, Karna

Karna Gustafson | Central Oregon Builders Association
Vice President of Government Affairs
Legal Counsel
Office 541-389-1058 karnag@coba.org
Website: www.coba.org

Additional Central Oregon Builders Association Testimony for Planning Commission Hearing July 12, 2021 regarding the Development Code Updates

HB 2001

The Oregon State Legislature passed HB 2001 in June 2019 that is intended to provide more opportunities for a variety of housing types in traditionally single-family neighborhoods and to increase the overall housing supply in and around cities. Middle housing, which the HB defines as duplexes, triplexes, quadplexes, cottage clusters and townhouses, provides an opportunity increase housing supply in developed neighborhoods that can blend in well with detached single-family dwellings. The HB requires a city with a population of 25,000 (Large City) or more to allow the development of:

- Duplexes “on each lot or parcel zoned for residential use that allow for the development of detached single family dwellings”, and
- Triplexes, quadplexes, cottage clusters, and townhomes “in areas zoned for residential use that allow for the development of detached single family dwellings”.

Throughout 2020, the Department of Land Conservation and Development (DLCD) led three rulemaking efforts to help cities comply with the requirements of HB 2001. This work included the creation of model codes, establishing compliance standards, and a process and criteria for the evaluation of city plans to address infrastructure needs. On December 9, 2020, the Land Conservation and Development Commission (LCDC) adopted a set of Oregon Administrative Rules that outlined the “minimum compliance standards” large-sized cities must apply to middle housing in order to comply with HB 2001. They also adopted a Large Cities Middle Housing Model Code to guide the development of all middle housing types in large-sized cities. Large-sized Cities may choose to regulate middle housing using the Large Cities Middle Housing Model Code, the minimum compliance standards, or a combination of the two.

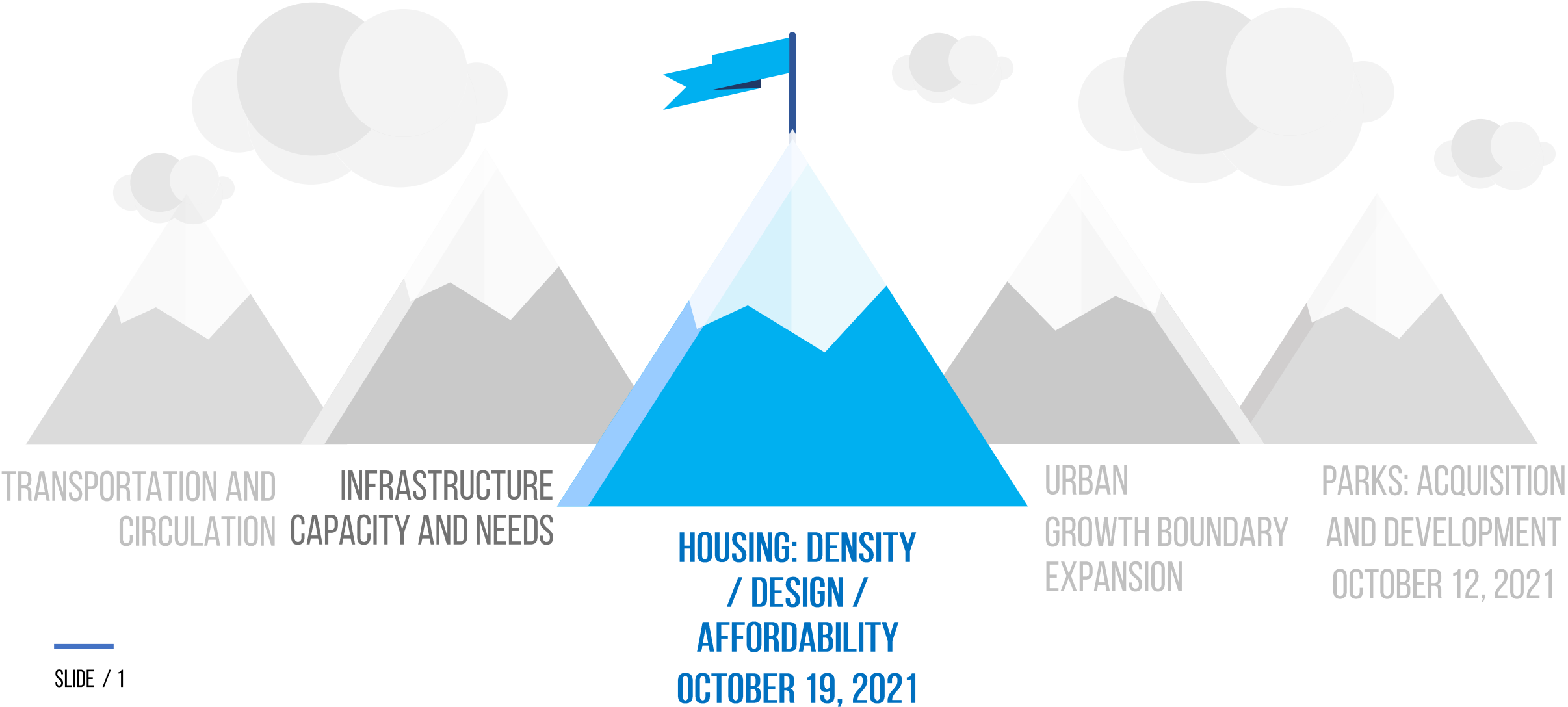
A city may also propose alternative siting or design standards not authorized by the Oregon Administrative Rules (OAR 660-046-0235). It is important to note that siting and design standards do not include minimum lot or parcel size and maximum density requirements. If a city is interested in proposing an alternative siting or design standard, they must submit to DLCD findings and analysis demonstrating that the proposed standard or standards will not, individually or cumulatively, cause unreasonable cost or delay to the development of middle housing. To demonstrate that, a city must consider how a standard or standards, individually and cumulatively, affect the following factors in comparison to what is would otherwise be required under the Oregon Administrative Rules for siting and design standards:

- a. The total time and cost of construction, including design, labor, and materials;
- b. The total cost of land;
- c. The availability and acquisition of land, including areas with existing development;
- d. The total time and cost of permitting and fees required to make land suitable for development;
- e. The cumulative livable floor area that can be produced; and
- f. The proportionality of cumulative time and cost imposed by the proposed standard(s) in relationship to the public need or interest the standard(s) fulfill.

Response to Staff Report dated July 6, 2021 from Deborah McMahon

1. Use of the word “minimum” does convey that increases are possible better than the word “base”. “Minimum” implies that more is available.
2. Policy 10-1-4 of the Comp Plan evaluation of certain criteria. Why would the Comp Plan say “evaluate” if it was not intended to be done? The adoption of the Comp Plan went through a community wide vetting process. The community, which includes builders, have an expectation that “evaluate” means something otherwise why include it. In reviewing the Great Neighborhood Principles, I found nothing to contradict or oppose what COBA suggests be changed in the Code Update. In fact, the Principles include neighborhoods that are diverse allowing for a range in building types, levels of affordability, medium density homes and small lot homes.
3. Policy 10-2-1 a.Code Audit. COBA is not saying that we want smaller setbacks with higher densities without going through the land use steps as stated by staff. What we are asking for is a clear and objective path for subdivisions that meets the evaluation criteria in the Comp Plan. Smaller setbacks would actually allow much more diverse housing types. For example, allowing a master on the main. If the city reduces the lot sizes without reducing the setbacks, the house will be a small box or box on box with the garage prominent and taking up more than half the frontage. Is that what the city wants or claims is livable?
4. COBA was not discussing annexation when we asked for a clear and objective path for subdivisions as required by Oregon state law: “a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of needed housing on buildable land. The standards, conditions and procedures may not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay. “ OAR 660-008-0015 COBA is asking that property inside the UGB be developed into subdivisions at a density range set out in the Comp Plan using the clear and objective path without forcing developers to get a variance or to move through the PUD that is certainly more expensive and time consuming.
5. OAR 660-046-0220 relates to lot sizes. There is a reference to 5000 square feet, but only in that if the city’s lot size is 5000 square feet or less it cannot require a triplex lot to be on more than a 5000 square foot lot. This does not change our testimony.
6. Craig Chenowith from Hays McCoy provided more detail in his email to Ms. McMahon on June 21st relating to varying the standards in Master Plans. Please review his email.
7. No additional comment.
8. NEW: DENISTY: Under OAR 660-046-0220 2. b. If a Large City applies density maximums in a zone, it may not apply those maximums to the development of quadplex and triplexes. 3. c. If a Large City applies density maximums in a zone, it must allow four (4) times the maximum density allowed for detached single-family dwellings in the same zone for the development of Townhouses or 25 dwellings per acre, whichever is less. 4.c. provides that a Large City may not apply density maximums to the development of Cottage Clusters.

GROWTH MANAGEMENT POLICY WORKSESSIONS





CITY COUNCIL/ PLANNING COMMISSION JOINT MEETING

HOUSING / DENSITY / DESIGN & AFFORDABILITY

HB 2001 & CODE AMENDMENTS





MEETING OBJECTIVES

- **Familiarize Council aligning Development Code with HB 2001**
- **Provide opportunity for stakeholder (COBA & COAR) input**
- **Receive Council direction**
- **Determine timing and next steps for another joint meeting**

SLIDE / 3

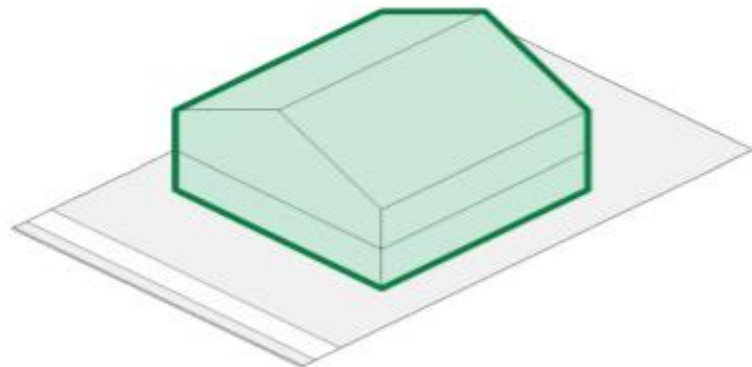




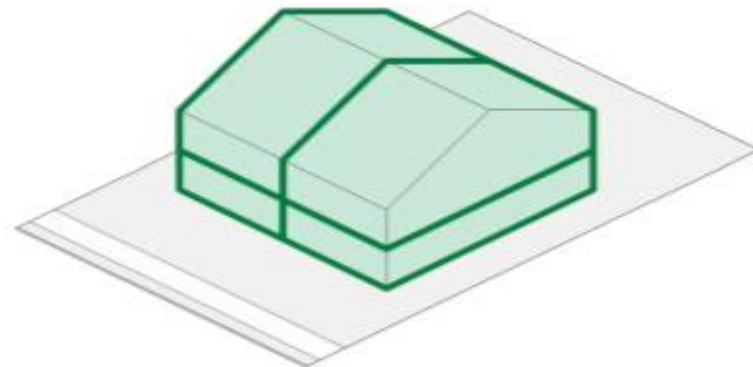
HB 2001: MISSING MIDDLE HOUSING

ADD TO SINGLE FAMILY
ZONES AND WHERE SINGLE
FAMILY DWELLINGS ARE
ALLOWED

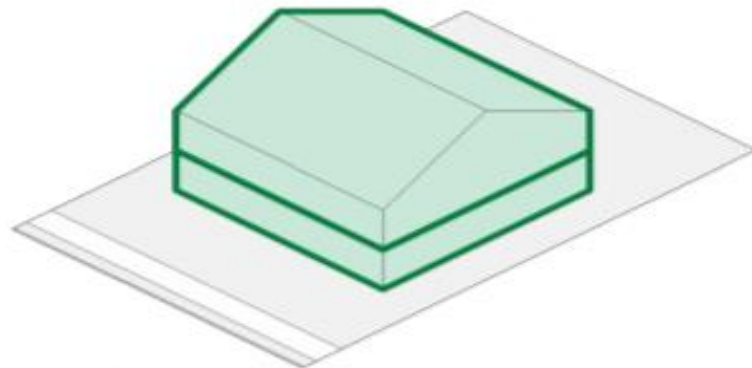
- DUPLEXES
- TRIPLEXES
- QUADPLEXES
- TOWNHOUSES
- COTTAGE CLUSTERS



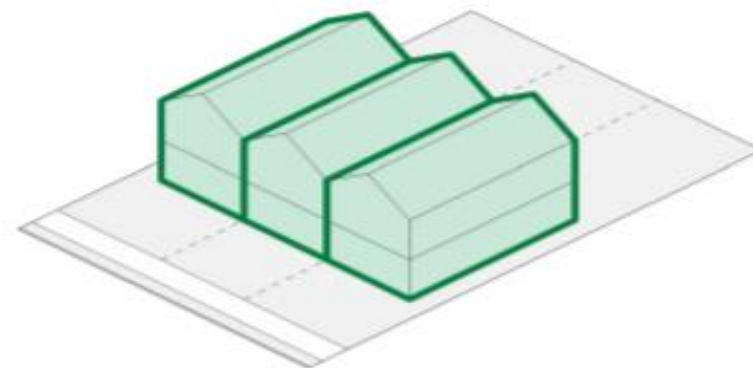
Single Detached Dwelling



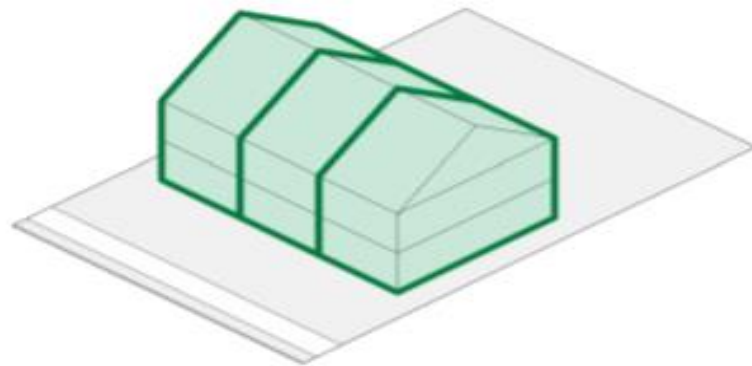
Quadplex



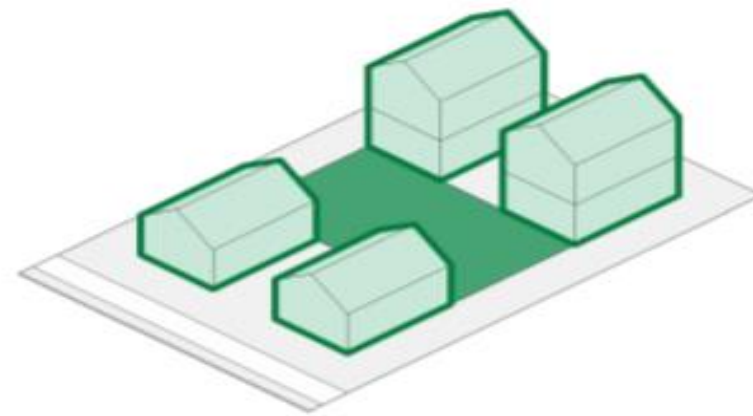
Stacked Duplex



Townhouses (shown on 3 individual lots)



Triplex



Cottage Cluster with Common Courtyard



COTTAGES





HB 2001 IMPLEMENTATION

PLANNING COMMISSION TASKS

STEP 1 HB 2001 OVERVIEW

STEP 2 REFLECT ON COMPREHENSIVE PLAN AND SUPPORTING DOCUMENTS

STEP 3 REVIEW CODE AND NEEDED CHANGES, PUBLIC COMMENTS

STEP 4 REFINE CODE LANGUAGE AND REMOVE BARRIERS, REFINE PROCESSES
AND ANALYZE DETAILS

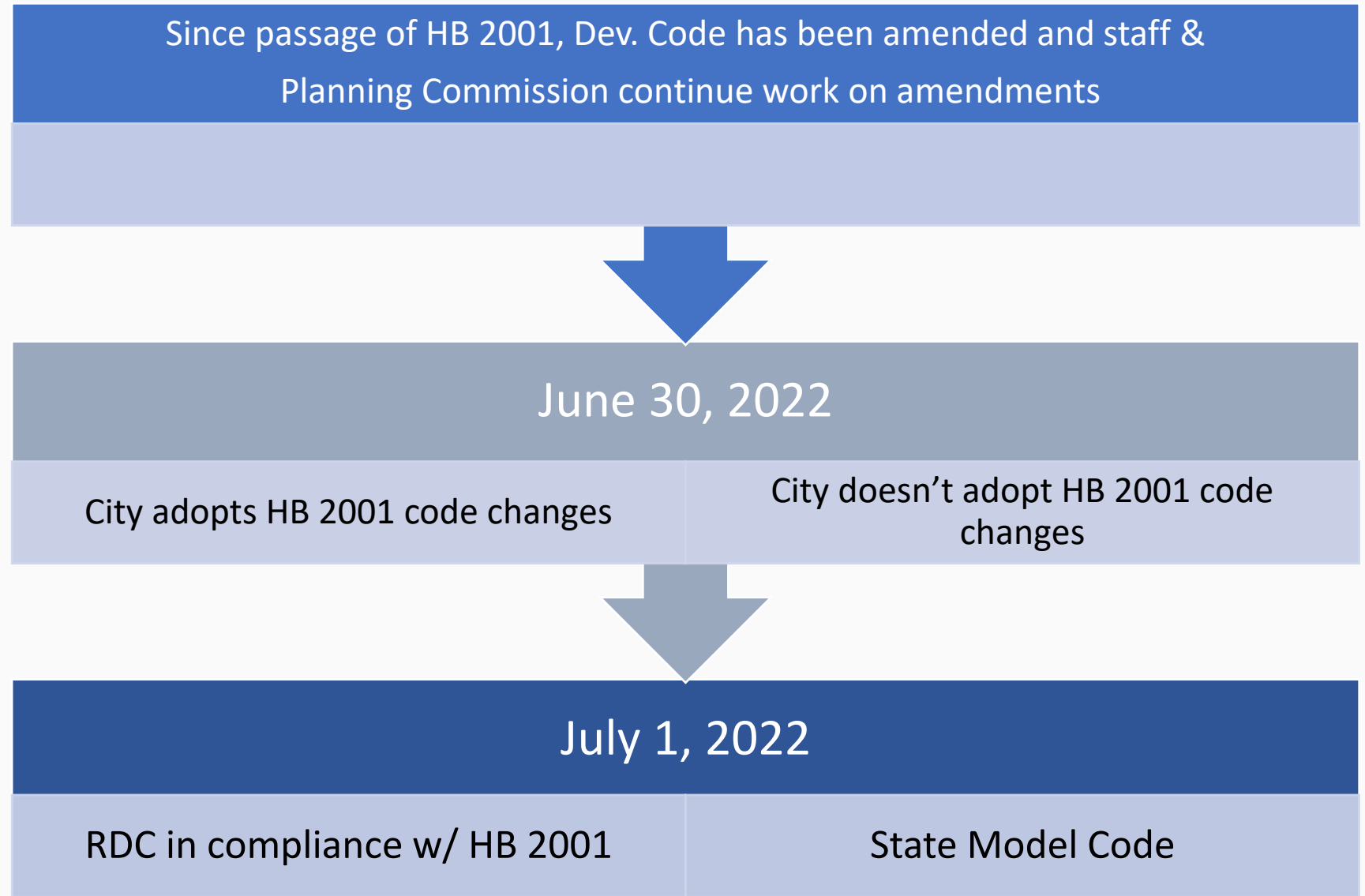
STEP 5 PREPARE FINAL DRAFT OF CODE CHANGES/GENERAL CLEANUP OF
TEXT

STEP 6 HEARINGS AND RECOMMENDATION TO COUNCIL



HB 2001 ACHIEVING COMPLIANCE BY JUNE 30, 2022

SLIDE / 7





FEEDBACK / DENSITY TABLE

DENSITY TABLE 8.0140

Net Density vs Gross Density

SETBACKS

5' vs 10' Multifamily Housing

BONUS DENSITY

Use of Master Development Plans;
Planned Unit Developments (PUD);
Variances to achieve additional
density

See Density Ranges on Page 16-17 Comp Plan
Consider Skunkide Planning Goal 2 - Comp Plan Page 65-66

Use
Comp Plan
Language
for
consistency

Standard	R-1	R-2	R-3	R-4	R-5
Minimum Lot size - Square Feet	7300	7300	6000	5000	5000
Single Family, Duplex, Triplex, Fourplex	4000	4000	2500	2500	2500
Duplex	8000	10000	8000	7500	7500
Duplex-Lot			4200	3700	3700
Multifamily Dwelling	NA	NA	NA	F	F
Townhouse, Zero Lot Line	E 1,500	E 1,500	E 1,500	E 1,500	E 1,500
No Minimum Lot Size Must Meet Setbacks and Other Site Requirements					
Multifamily Complex 5+ units					
Minimum Density/Gross-Acre Base Density/Net Acre (See note "A" below) does not apply to Triplex and Fourplex projects	4-6	4-6	5-7.25 4	5-8.7 4	8.7-No Max 4
	a.	b.	c.	d.	e.g.
Minimum Setback Distance					
Front Façade, excluding garage which must be 20 feet back from property line	10 16	10 16	10 16	10	10
Interior Side	5/10 8	5/10 8	5/10 8	5/10 5	5/10 5
Street Side	15	15	15	15	15
Rear	20	20	20	20	5-15 F
Garage, access from street	20	20	20	20	20
Garage, access from alley	5	5	5	5	5
Maximum Building Height	32	32	32	45	45/50 0
Minimum Street Frontage			40	30	30
Standard Street	50	50	30	30	30
Cul-de-sac	30	30	30	30	30
Flag Lot	20	20	20	20	20
Duplex-lot (non-flag or cul-de-sac)	N/A	N/A	25	25	25
Townhouse	30	30	30	30	30
Supplemental Information					
A. Density Increases Allowed for the R-3, R-4, and R-5 Zones Increases in base density for the R-3, R-4, and R-5 zones may be allowed through Variance, Master Planning, and PUD's as follows: R-3 Zone - Up to 10 Units per acre, RM Zone - Up to 20 units per acre, RH Zone - Up to 30 units per acre					
B. Interior side yards must be a minimum of 5 feet on one side and 10 feet on the other side for single family, duplex, triplex, and fourplex residences. Where alley access is provided both interior side yards may be reduced to 5'. Exceptions to the 10' setback are allowed (1)					

(Add
Ranges)

-No Per Comp Plan
10-1-4 (h)
only averaging
Lot Sizes

Policy 10-2-1 Audit
Net Density (43,560 = Acre - 8712 (20% ROW) = 34,848
5500 # → 1 acre (20% ROW) = 6.34
5000 # → 1 acre (20% ROW) = 6.97
4000 # → 1 acre (20% ROW) = 8.71



NEXT STEPS

COMPARISON MATRIX

CODE AUDIT /
DLCD GRANT

PLANNING COMMISSION

SLIDE / 9





Q & A

SLIDE / 10





Reference Slides



