



MEMO

DATE: October 21, 2024
TO: Stephanie Powers, City of Central Point
FROM: Elizabeth Decker, JET Planning
SUBJECT: Climate-Friendly Area Code Analysis (Final)
ATTACHED: A. Comparative Review of State Rules and City Development Code
B. Proposed CFA Concept

SUMMARY

This analysis is developed to inform the City of Central Point's actions to implement new planning rules for Climate-Friendly Areas (CFAs) that are part of the state's Climate Friendly and Equitable Communities (CFEC) program that aims to reduce climate pollution, provide more transportation and housing choices, and promote more equitable land use planning outcomes. The City must take action prior to March 31, 2025, to amend the development code, zoning maps and Comprehensive Plan to adopt a CFA that meets applicable rules.

This code audit is the first step to identify needed code, map and plan updates and policy options for City to consider how best to meet the state regulations within the preliminarily identified Climate Friendly Area (CFA) within the Eastside Transit District Overlay (ETOD), building upon the CFA Study completed in 2023. This audit incorporates input from City decision makers at joint work sessions held June 17 and August 19, 2024, City staff input, and stakeholder interviews with local developers. A market feasibility study developed in tandem with this audit helped to inform the recommended policy direction for the implementing CFA code updates, to be developed in fall 2024 for adoption before the end of the year.

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I. CFA BACKGROUND

Climate-friendly areas (CFAs) are a key feature of the new Climate-Friendly and Equitable Communities (CFEC) rules that are planned urban mixed-use areas with a mixture of higher-density housing, jobs, businesses, civic institutions, and services, served by robust multimodal transportation options that reduce dependence on auto travel. The City completed a *CFA Study* in 2023 identifying potential climate-friendly area(s), initial consideration of required land use rules within the CFA, and the capacity of the CFA to accommodate at least 30 percent of the City's current and projected housing needs.

The preferred CFA based on the study is an 86.6-acre portion of the Eastside Transit Overlay District (ETOD) on the east side of I-5 between Gebhard Road and Hamrick Road on both sides of Beebe Road. (See Proposed CFA Zoning Map, attached.) The ETOD standards promote efficient and sustainable land development, reduce auto reliance, and increase use of transit, implemented through various zoning districts, review procedures, and design standards. (CPMC 17.65 to 17.67) The ETOD purpose and CFA intent share a high degree of overlap, making this area a good fit for a CFA. Specific ETOD zones within the proposed CFA include:

- **LMR:** Low Mix Residential
- **MMR:** Medium Mix Residential
- **HMR:** High Mix Residential
- **EC:** Employment Commercial
- **C:** Civic

The standards within the zones and for TOD development generally were reviewed in detail as part of this code analysis, along with relevant Comprehensive Plan policies and zoning maps. Plan, code and map updates as identified in the code analysis and refined with City direction to fully implement the CFA rules will then be developed and adopted by March 31, 2025.

The code updates will be developed as a CFA overlay for this area rather than changing the TOD base standards because those apply to both the ETOD, including portions beyond the proposed CFA boundary, and to significant TOD areas on the westside of I-5 centered along Highway 99. However, there may be some minor refinements to the TOD standards identified with this project that the City desires to apply within the entire TOD as well.

The proposed CFA rules and boundaries must meet the minimum housing capacity requirements to create capacity for a minimum of 2,925 new housing units. Some of the policy choices to address CFA rules identified in the code analysis may have different implications for housing capacity, which will need to be reviewed further before fully implementing.

Outside of this specific CFA work, additional aspects of the CFEC rules apply to both the CFA and across the city relating to parking (OAR 660-012-0400), bicycle parking (OAR 660-012-0630), and pedestrian-friendly and connected neighborhoods (OAR 660-012-0330), as well as new rules for future Transportation System Plans (TSPs). Central Point already adopted code amendments eliminating off-street parking requirements and establishing design standards for parking lots by the June 30, 2023 deadline to satisfy the requirements of OAR 660-012-0400.

II. KEY AUDIT FINDINGS & DIRECTION

The key findings from the detailed CFA code analysis provided in Attachment A include:

A. Zoning Districts Uses, Density and Height

The core CFA rules for zoning districts generally require:

- **Use standards** that permit multi-unit housing (5+ units), attached row houses, office uses, non-auto dependent commercial uses, child care, schools and other public/civic uses, either as single-use or mixed-use development.
- **Density standards** that require a minimum density of at least 15 units per net acre with no maximum density.
- **Height standards** that apply a maximum height no less than 50 feet.

Residential zones: The MMR and HMR zones largely meet the requirements for residential uses, density and height, with additional commercial, office and public/civic uses that should be permitted. There are options as discussed below to tailor the mix and scale of commercial uses permitted in these zones. The LMR zone does not meet the majority of the CFA requirements; the changes required to adjust the LMR standards to meet the CFA requirements would essentially require making the LMR zone the same as the MMR zone. *As discussed below, the more direct option and the identified concept is to rezone the existing LMR areas within the CFA to MMR zoning.*

Commercial zone: The EC zone meets the requirements for office and commercial uses, with additional row house and public/civic uses that should be permitted. The zone meets the height and density standards, with a new minimum density standard needed. Considerations for this zone include:

- Whether to limit auto-oriented commercial uses like drive-throughs that may conflict with CFA goals or to continue permitting them provided they comply with the existing ETOD site design standards and CFEC walkable urban design standards to address

potential impacts. *Continue to explore whether to permit drive-throughs, pending survey results and further Council input during the adoption process.*

- Exploring scale and location standards for row houses such as higher minimum densities or restrictions along key street frontages, to ensure that they are compatible with and do not compete with desired commercial development. *Initial concept is to include these types of standards for row houses.*
- Whether to continue requiring ground-floor commercial or office uses with multifamily development, or to permit multifamily outright (discussed further below). *Initial concept is to continue requiring ground-floor commercial or office uses to maintain commercial focus, given relatively limited supply of commercial lands within the city.*

Civic zone: The Civic zone, as the name implies, permits only a very limited range of civic uses, and does not permit the residential, commercial, office and public facility uses required within CFAs. The areas zoned Civic are developed with an existing church and school that can contribute to the overall mix of uses within the CFA. While it is uncertain whether the site would propose further development under the expanded CFA rules, zoning standards need to be updated to comply the CFA rules to include this area within the CFA. Continued conversation with the church and school leaders would be useful to ensure that code updates address their needs, such as adding limited housing onsite for faculty, and to explain the CFA options.

CFA Overlay: The code updates for the CFA will be developed as a new CFA overlay that applies in addition to and supersedes the ETOD requirements for the various base zones where needed to implement the specific uses, density and height standards identified above. One exception is the City's desire to increase the minimum density in the MMR zone to 15 units per acre, applicable citywide rather than specific to the CFA.

B. Additional Code Standards

Other aspects of code identified in the analysis that relate to CFA standards and/or additional state requirements for local land use include:

- **Walkable design standards.** Another key aspect of the CFEC rules are standards for walkable urban design, including bike, pedestrian and transit access to and within sites and neighborhood block layouts; these standards apply citywide including within CFAs. (OAR 660-012-0330) The City has both TOD-specific design standards that address many of these issues and citywide design standards, mostly for subdivisions and new commercial development; it is difficult to compare these standards to some of the more general language in these CFEC rules. DLCD has developed a Walkability Model Code to help cities and counties implement these rules and a separate project to evaluate the

existing City code and develop recommended updates will follow. *The initial concept is to implement design standards through a future code update project.*

- **Middle housing.** The City's current definitions of 'multiplexes' (two or more units attached horizontally) and 'apartments' (two or more units attached horizontally) encompass both middle housing types (duplexes, triplexes and quadplexes that are two to four units attached horizontally or vertically, per ORS 197A.420) and multi-unit housing (five or more units attached horizontally or vertically, per CFA rules). Although allowing multiplexes and apartments as defined meets the CFA requirements, separating the definitions for duplexes and apartments (three or more units in any configuration) would allow greater specificity in regulating these housing types to meet middle housing rules. *The initial concept is to introduce a new definition and use category for duplexes within the TOD zones to differentiate from multiplexes and apartments. Any further middle housing code reforms for triplexes and quadplexes, which are not required based on the City's current population, could be pursued through future code updates.*
- **Child care.** The City's existing regulations do not align with the state regulations that define and require cities to permit two types of child care uses: 'family child care homes' of up to 16 children in a dwelling permitted in all residential zones, and 'child care centers' with no maximum in non-residential settings permitted in all commercial zones. (ORS 329A.440) Changes are needed in all the zones within the proposed CFA to meet these standards. *The initial concept is to update child care definitions and use permissions in all TOD zones.*
- **TOD master planning.** While many uses are permitted consistent with the CFA use standards, the Type III Master Plan review requirement for large sites may create barriers for those uses and may not offer a "clear and objective" review procedure for residential development, as required by ORS 197A.400(1). Further consideration of how to implement the TOD intention for more coherent development consistent with these rules is needed. Generally, the procedural and design standards in the TOD could use review to ensure that only clear and objective standards and procedures are applied to residential development, which may exceed the scope of this project. *The initial concept is to introduce a clear and objective review as Type II for residential projects within the TOD.*
- **TOD housing variety.** While the residential TOD zones permit multi-unit and row house residential uses consistent with CFA use standards, TOD developments with 40+ units in are required to include three different housing types which would preclude larger single-use residential developments. This may conflict with CFA requirements to permit these uses outright and merits further review. *The initial concept is to continue applying the housing variety standard to residential developments, with an exception for projects that are entirely apartments. Apartment development typically involves different*

financing, construction and development expertise than single-family or middle housing, making it a more specialized product. The City also has greater need for and has seen less apartment construction; removing the variety requirement can enhance feasibility of future projects.

- **TOD open space.** Open space requirements of 400 to 600 square feet per unit apply to residential TOD development, which are relatively high compared to other cities but have been instrumental for integrating open spaces and parks into new residential developments. It does not appear that the open space requirements would affect ability to meet the minimum density or decrease the housing capacity forecast for the CFA. *No changes recommended to these standards. Outside of this project, the City is exploring options to locate facilities off-site that could provide flexibility for future development.*

III. POLICY & IMPLEMENTATION DIRECTION

There are several aspects of CFA policy where the City considered a range of policy options to implement the rules, informed by the code audit, market feasibility study, direction by City decision makers, and other stakeholder input. The following preferred policy direction for each topic will be implemented through the code updates.

A. Rezoning LMR Areas

Code changes necessary to meet the CFA requirements in the LMR zones would essentially align the LMR standards with the MMR standards, by increasing the minimum density, waiving maximum density, increasing the allowed height and permitting a similar range of uses. A recommended alternative approach is to rezone the LMR areas within the CFA to MMR to simplify CFA implementation, which was supported by City decision makers for simplicity.

Direction: Rezone LMR areas within the CFA to MMR, subject to updated MMR standards and CFA overlay to fully meet CFA requirements.

B. Range of MMR Residential Uses

Consider whether to permit any forms of single-family detached homes in addition to row houses, duplexes and multifamily in the MMR zone. MMR standards currently only permit zero-lot line detached homes on small lots and allow a limited use of standard and large-lot single-family homes only as a transition to adjacent LMR properties. These housing types may be permitted within the CFA so long as the minimum density of 15 units per net acre is met, but may result in development less than the higher number of units forecast to meet the needed housing capacity for the CFA. There is strong market demand for single-family detached homes, as detailed in the Market Analysis. If permitted, there could be concerns about whether

this lower-density type could outcompete higher-density apartments, however, there is also potential to use the development demand for single-family detached homes to catalyze residential development with a mix of housing types within the CFA.

Direction: Permit row houses and multifamily (both apartments and multiplexes) outright, as well as duplexes. Remove zero-lot line single-family homes as a permitted use and the limited use of large and standard lot single-family homes in MMR, which has not been utilized. Introduce limited use for single-family homes on any size lot within the CFA overlay, only permitted north of Beebe Road as part of a Master Plan that achieves a minimum density of 20 units per net acre and meets the housing variety standards.

C. Ground-floor Commercial/Office Requirements

Consider whether to require ground-floor commercial or office uses with multifamily housing, or to permit stand-alone multifamily. Requirements may differ across zones, such as permitting stand-alone residential in the residential zones while requiring mixed-use in the EC zone. There is currently no ground-floor commercial/office requirement in the MMR or HMR zone, and there is in the EC zone. Both options are permitted under the CFA rules, with the exception that affordable housing projects must be permitted with no mixed-use requirement.

While mixed-use development can be desirable and is entirely consistent with the CFA goals, there is less market demand as detailed in the Market Analysis because of the associated costs and feasibility issues. Requiring ground-floor commercial/office could thus preclude multifamily development if vertical mixed-use configurations were the only form of multifamily permitted. However, waiving ground-floor requirements and allowing stand-alone multifamily development could compete with stand-alone commercial development in the EC zone as detailed in the Market Analysis, which could limit the City's ability to achieve its economic development goals by further reducing available commercial land.

Direction: Maintain existing ETOD standards that allow but do not require limited ground-floor commercial and office uses in MMR and HMR zones. Maintain existing standards that do require ground-floor commercial or office use with upper-story apartment uses to maintain the commercial development potential along E Pine Street. Apply HMR density and design standards for residential uses in the EC area. Rather than exploring horizontal mixed use alternatives in the EC zone, pursue a district-wide mix of uses with expanded MMR and MHR zoning north of the E Pine St commercial corridor.

D. Extent of Uses in Residential Areas

In addition to creating more mixed-use areas within the CFA by expanding the range of permitted uses in the zoning districts, the CFA rules also allow the option for the City to designate areas within the CFA for primarily residential use, essentially retaining their existing residential purpose.

Option 1: Permit mix of uses in all zones	Option 2: Allow subset of uses focused on residential for portions of CFA
<ul style="list-style-type: none"> Permit multi-unit housing, row houses, offices, commercial, and public/civic uses in all portions of the CFA zoned MMR, HMR, EC and Civic. <i>OAR 660-012-0320(2)</i> 	<ul style="list-style-type: none"> Areas must be within one-half mile walking distance of areas permitting full mix of CFA uses. Must require residential development at a minimum density of 15 units per net acre. Could allow some limited nonresidential uses. <i>OAR 660-012-0320(3)(a)</i>

If the full mix of CFA uses were permitted in the CFA portion south of Beebe Road, the northern half of the CFA north of Beebe Road would meet the one-half mile distance and could retain its residential-focused zoning. Within the area north of Beebe Road, the Market Analysis indicates there is stronger demand for residential than for stand-alone, larger-format commercial or for vertical mixed-use. The existing MMR standards would continue to permit limited commercial uses up to 10,000 SF in the ground floor with upper-story residential, if there were specific properties looking to add that variety of use.

Direction: Permit full range of uses for the portions of the CFA south of Beebe Road including areas zoned MMR, HMR and EC as well as Civic site, and focus on residential uses within the proposed MMR areas north of Beebe Road. Continue to permit smaller-scale ground-floor commercial uses with upper story residential in MMR areas north of Beebe Road and consider option for neighborhood scale stand-alone commercial uses up to 10,000 SF, potentially focused on intersection of Beebe Road and Hamrick Road.

E. Alternative Height Standards

While the prescriptive CFA standards require height limits no less than 50 feet within the CFA, there is an alternative path to allow lower building heights if alternative calculations show the standards can still provide the housing capacity required for the CFA. The City could explore alternative height standards for those areas of the CFA with lower height standards in current code (35 feet maximum in LMR and 45 feet in MMR and Civic).

Additional analysis would be needed to determine zoned building capacity under existing or modified dimensional standards. Lower heights would generally tend to decrease zoned

building capacity for housing, and could make it difficult to meet the required housing capacity within the CFA and/or require expanding the CFA to meet the capacity.

We recommend implementing the 50-foot height limit across the CFA as a simpler “safe harbor” rather than analyze alternative standards. If the LMR areas are rezoned to MMR, the only required changes would be a five-foot increase to maximum heights within the CFA overlay for the MMR and Civic zones, with no changes to other zones. The Market Analysis showed weak demand for four or five-story construction, making it unlikely that this additional height allowance within the CFA would significantly affect the resulting scale of development.

Direction: Increase the height for the MMR and Civic areas within the CFA overlay only to 50 feet to meet the CFA rule.

IV. FUTURE DIRECTION

The initial concepts and direction will inform draft code updates in the next phase of this work. There will be two joint Planning Commission/City Council work sessions in Fall 2024 to review the draft code and additional fine-grain questions that arise through the code writing process, to move the code towards the adoption process prior to March 2025.