



**CITY OF CENTRAL POINT
PLANNING COMMISSION AGENDA
October 2, 2018 - 6:00 p.m.**

I. MEETING CALLED TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Planning Commission members, Mike Oliver (chair), Tom Van Voorhees, Kay Harrison, Amy Moore, John Whiting, Jim Mock, Chris Richey.

IV. CORRESPONDENCE

V. MINUTES

Review and approval of September 4, 2018 Planning Commission meeting minutes.

VI. PUBLIC APPEARANCES

VII. BUSINESS

- A. Continued Public Hearing to consider a Master Plan for the development for a residential development on 3.64 acres in the Transit Oriented Development (TOD) Corridor. The project site is located at 3428 and 3470 Chicory Lane in the Low Mix Residential (LMR) zoning district and identified on the Jackson County Assessor's map as 37 2W 11C, Tax Lots 8300 and 8400. Applicant: Bob Fellows Construction, Agent: Jay Harland, CSA Planning.
- B. Continued Public Hearing to consider a Tentative Plan for the development of a 21-lot subdivision. The project site is located in the Low Mix Residential (LMR) zoning district in the Transit Oriented Development (TOD) Corridor. The properties are identified on the Jackson County Assessor's map as 37 2W 11C, Tax Lots 8300 and 8400. Applicant: Bob Fellows Construction, Agent: Jay Harland, CSA Planning.

VIII. DISCUSSION

- A. Discuss the draft Housing Implementation Plan/Regional Housing Strategies recommended by the Citizen's Advisory Committee.

IX. ADMINISTRATIVE REVIEWS

X. MISCELLANEOUS

XI. ADJOURNMENT

**City of Central Point
Planning Commission Minutes
September 4, 2018**

I. MEETING CALLED TO ORDER AT 6:00 P.M.

II. ROLL CALL

Commissioners, Tom Van Voorhees (Acting Chair), Jim Mock, Kay Harrison, Amy Moore, Chris Richey, and John Whiting were present. Mike Oliver was absent. Also in attendance were: Tom Humphrey, Community Development Director, Justin Gindlesperger, Community Planner II and Karin Skelton, Planning Secretary.

PLEDGE OF ALLEGIENCE

III. CORRESPONDENCE

Memorandum from CSA Planning to Tom Humphrey requesting continuation of Public Hearings for agenda files MP-18001 and SUB – 18003 (items A & B on the agenda)

IV. MINUTES

Kay Harrison made a motion to approve the minutes of the August 7, 2018 Planning Commission Meeting. Amy Moore seconded the motion. ROLL CALL: Chris Richey Abstain; Kay Harrison, yes; Amy Moore, yes; John Whiting, yes; Jim Mock, yes. Motion passed.

V. PUBLIC APPEARANCES

There were no public appearances.

VI. BUSINESS

- A. Public Hearing to consider a Master Plan for the development for a residential development on 3.64 acres in the Transit Oriented Development (TOD) Corridor. The project site is located at 3428 and 3470 Chicory Lane in the Low Mix Residential (LMR) zoning district and identified on the Jackson County Assessor's map as 37 2W 11C, Tax Lots 8300 and 8400. Applicant: Bob Fellows Construction, Agent: Jay Harland, CSA Planning**

Tom Van Voorhees read the rules for a quasi-judicial hearing. The Commissioners had no Conflict of interest, ex parte contacts, or bias to declare.

Tom Humphrey, Community Development Director explained the agenda item was a master plan for Chicory Village in the LMR district with 21 lots. He added the Master Plan and Tentative Plan for Chicory Village were being presented concurrently. The subdivision would include two different housing types and an open space lot to satisfy park and anticipated storm drainage requirements.

He identified an area by the railroad tracks as a manmade wetlands which was designated for open space.

He reviewed the 8 required elements of the masterplan. Site analysis, transportation circulation plan, site plan, recreation and open space, building design concepts, environmental plan, transit plan.

Mr. Humphrey said the issues were:

- The site analysis map needs to include better assessment of impact to adjacent rural land.
- A transportation circulation plan, with regard to construction of south Haskell as a collector street
- Recreation/open space will be provided but will be public and publicly maintained.
- Rework Building design plan to better establish the location and orientation of the homes
- An environmental plan for the applicant to mitigate the wetlands issues. The City will work with applicant to resolve this issue.

Mr. Humphrey said the Master Plan should be amended to address the issues. He said the applicant was requesting a continuance of both the Master Plan and the Tentative Plan to the October 2, 2018 meeting.

The Commissioners said the location of open space was not ideal for a park because it was right next to the railroad. Mr. Humphrey replied the area acted as a buffer between the homes and the railroad and was more of an open space than a recreational area. The commissioners agreed there were multiple neighborhood parks near enough to provide recreational facilities. They felt residents would likely use the area for a dog walking area. They suggested a trash receptacle would be appropriately located there.

The Commissioners discussed the proposed parking and whether residents would access their property from Lindsey Court or the alley. Mr. Humphrey indicated the City would be meeting with the applicant later in the week to discuss issues and resolutions. This would include emergency vehicle access.

Mr. Humphrey said the houses would be single family attached residences and the City would like to see them take their access from S. Haskell Street. He added the Public Works Department was advocating for parking on one side of the street only. He suggested Public Works should attend the October 2nd meeting and answer any questions. He noted this issue would be discussed between the City and the applicant prior to the October 2, 2018 planning commission meeting.

The Commissioners thought the garages shown in the plan seemed too small to comfortably park a car, and with limited street access it would cause problems. Mr. Humphrey explained the code standards for size of garages was 45% of the width of the home. He said they would discuss the issue with the applicant and bring information to the Planning Commission in October. The Commissioners thought the size of garages should be standardized in some way to ensure adequate room to park an average car comfortably. Mr. Humphrey said the applicant would be building a mix of the various floorplans submitted. He added the City would be discussing the issues with the applicant prior to the October meeting.

PUBLIC HEARING WAS OPENED

Jay Harland, CSA Planning, agent for the applicant

Mr. Harland stated the applicant wished to continue the hearing until October in order to address the issues with City Staff. He added there had been a lot of effort spent on meeting the design standards and density obligations. He said the objective was to create homes slightly above entry level, however he was not sure what the exact price point would be at this time. He added he would review the issues raised with the applicant and City staff.

Amy Moore made a motion to continue the Public Hearing to consider a Master Plan for the development for a residential development on 3.64 acres in the Transit Oriented Development (TOD) Corridor located at 3428 and 3470 Chicory Lane. John Whiting seconded the motion. ROLL CALL: Chris Richey, yes; Kay Harrison, yes; Amy Moore, yes; John Whiting, yes; Jim Mock, yes. Motion passed.

Tom Van Voorhees stated the hearing on the Chicory Village Master Plan was continued to the October 2, 2018 meeting.

- B. Public Hearing to consider a Tentative Plan for the development of a 21-lot subdivision. The project site is located in the Low Mix Residential (LMR) zoning district in the Transit Oriented Development (TOD) Corridor. The properties are identified on the Jackson County Assessor's map as 37 2W 11C, Tax Lots 8300 and 8400. Applicant: Bob Fellows Construction, Agent: Jay Harland, CSA Planning.**

Tom Van Voorhees stated the rules for a quasi-judicial hearing remained as previously stated. The Commissioners had no Conflict of interest, ex parte contacts, or bias to declare.

Tom Humphrey stated the Tentative Plan would be more specific than the Master Plan with regard to the development of the subdivision. He requested the hearing on the Tentative Plan be continued to the October 2, 2018 Planning Commission meeting. The commissioners had no questions.

PUBLIC HEARING WAS OPENED

There were no public Comments.

Amy Moore made a motion to continue Public Hearing to consider a Tentative Plan for the development of a 21-lot subdivision. The project site is located in the Low Mix Residential (LMR) zoning district in the Transit Oriented Development (TOD) Corridor. Kay Harrison seconded the motion. **ROLL CALL:** Chris Richey, yes; Kay Harrison, yes; Amy Moore, yes; John Whiting, yes; Jim Mock, yes. Motion passed.

Tom Van Voorhees stated the hearing on the Chicory Village Tentative Plan was continued to the October 2, 2018 meeting.

- C. Public Hearing to consider a Tentative Plan for the development of a 4-lot pad lot subdivision. The project site is located in the R-2 Residential Two-Family zoning district and is identified on the Jackson County Assessor's map as 37 2W 01BC, Tax Lot 5300. Applicant: David Sanders, Agent: Farber Surveying.**

Tom Van Voorhees stated the rules for a quasi-judicial hearing remained as previously stated. The Commissioners had no Conflict of interest, ex parte contacts, or bias to declare.

Justin Gindlesperger gave an overview of the tentative plan for the Sanders Estate subdivision. He said it was a four lot pad lot subdivision on a 0.39 acre property at the intersection of Hamrick Road and Beebe Road. The Tentative Plan proposes frontage

improvements along Parkview Court for access and includes utility connections for water, sewer, and storm water management. He said it is adjacent to the Parkwood Village Subdivision on the east and south and will be consistent with the existing development pattern. Access to the proposed subdivision will be provided by Parkview Court, which will be widened to City standards for residential streets.

The proposed density of 10 units per acre is within the minimum/maximum range for density in the R-2 zoning district. He noted Parkview Court is a private street, owned and maintained by the homeowners of the Parkwood Village PUD. At this time, there is no agreement in place between the applicant and the Parkwood Village PUD for legal access or shared use of Parkview Court.

Mr. Gindlesperger explained legal access to the individual lots, and shared use of Parkview Court, may be provided in one of two ways. First, a cross-access easement may be recorded for the proposed lots and the existing lots within the Parkwood Village Subdivision. Or, the applicant may work with the Parkwood Village HOA to dedicate the full street width of Parkview Court to the City as a public street. Staff recommends Condition No. 2 requiring documentation that establishes legal access along Parkview Court. He stated the Homeowners Association is amenable to this.

He said he had received an inquiry today from a resident of Central Point East who was concerned about parking issues. He added the parking requirements were for two covered parking spaces and each unit would have a garage to fulfill that requirement. Additionally the driveways would provide two additional off street parking spaces for each home.

He reviewed the conditions of approval:

1. Provide documentation from the Jackson County Surveyor's Office that the name of the proposed subdivision is unique relative to other approved land divisions in Jackson County.
2. Provide documentation that demonstrates access along Parkview Court by one of the following:
 - a. A recorded cross-access easement between the applicant and the Parkwood Village Homeowners Association (HOA) that provides access for Lots 1-4 of the Sanders Estates Subdivision and the existing lots in the Parkwood Village Subdivision; or

- b. An agreement with the Parkwood Village HOA for the dedication of the full Parkview Court right-of-way to the City of Central Point as a public street.
3. Demonstrate compliance with all agency conditions of approval including the following:
 - a. Satisfy conditions of approval in the Public Works Staff report dated August 7, 2018.
 - b. Comply with conditions of approval provided by the Rogue Valley Sewer Services in a letter dated July 30, 2018.
 - c. Coordinate with Fire District #3 to mark the Parkwood Court as “Fire Lane. No Parking” in accordance with Fire District #3 comments received on August 8, 2018.

PUBLIC HEARING WAS OPENED

Herb Farber, agent for applicant

Mr. Farber said the staff report was very thorough. He said the applicant will work with the Homeowners Association regarding access from Parkview Court. He said the proposed development met all code standards .

The Commissioners asked if the applicant had submitted specific building designs. Mr. Farber replied there were no drawings, however the buildings were required to be single family attached homes in order to comply with the pad lot standards.

Robert Alvarez, president of the Parkview Village Homeowners Association

Mr. Alvarez said that originally the subdivision was planned to include the subject property, however the owner of the property did not want to be included. He said in 2007 there was interest in developing the property but it was necessary to construct a road. At that time the Homeowners Association declined the proposal to deed Parkview Court to the City to widen the road due to concerns about traffic. In 2016 they received another proposal and they agreed to proceed with the widening of the road. He said he was here tonight to find out who the developer was in order to set up a meeting to discuss an agreement. He said the property was to be part of the HOA.

Beverly Stewart, Beebe Road

Ms. Stewart expressed concern about current traffic conditions. Specifically, there was a home on Beebe Road which had multiple cars. She was also concerned about access for fire and emergency services vehicles. She said more development would adversely impact the traffic. She thought one home would be the maximum that should be built on the property. She reiterated her concern over the fact that many families had multiple vehicles and residents would be required to park quite a distance from their homes. She suggested one home and possibly a dog park or parking lot would be a better development of the property.

Tom Van Voorhees clarified the application was for a Tentative Plan. He said the Commissioners' responsibility was to evaluate whether the proposed plan met all applicable City standards. He assured Ms. Stewart they were aware of traffic concerns.

Herb Farber stated parking is a perpetual issue and they did not take it lightly. Every neighborhood has parking issues. The applicant was required to comply with the applicable code standards for the subject property and the applicant intended to meet all code requirements .

Tom Van Voorhees asked if the development proposed additional off street parking. Mr. Farber responded the applicant proposed off street parking that is standard for a single family home. There would be driveways and garages. There would be no on street parking for Parkview Court because the fire department has designated it as a fire lane.

Amy Moore made a motion to approve a Tentative Plan for the development of a 4-lot pad lot subdivision in the R-2 Residential Two-Family zoning district. John Whiting seconded the motion.

The Commissioners discussed the parking situation and agreed there seemed to be adequate off street parking for this development.

They discussed the Removing of the bollards at Beebe Road when the street is widened and how that would impact traffic. Mr. Humphrey said by 2020 there was going to be a signal at Beebe and Hamrick. He noted the residents felt strongly about keeping the medians and signs, and preserving the identity of the neighborhood. He added the Public Works Department was working with the residents of Central Point East regarding the medians and signs.

PUBLIC HEARING WAS CLOSED

ROLL CALL: Chris Richey, yes; Kay Harrison, yes; Amy Moore, yes; John Whiting, yes; Jim Mock, yes. Motion passed.

VII. DISCUSSION

Mr. Humphrey gave a planning update:

- The next meeting would have the Master Plan and Tentative Plan for Chicory Village. The Master Plan would be modified based on the input from this meeting and the upcoming meeting with the applicant.
- Stephanie Holtey will be bringing the Housing Element.
- October is National Planning month. There is going to be an article in the newsletter and the Council will approve a proclamation. There will be a ribbon cutting for the downtown corridor.
- The Railroad Crossing is scheduled to be completed by the end of the year.
- Public Works was working with a traffic consultant on the reconfiguration of the light at Hamrick and Biddle to address Costco traffic.
- Knife River will be grinding and paving the downtown. They will be doing the work at night.

VIII. ADMINISTRATIVE REVIEWS

IX. MISCELLANEOUS

X. ADJOURNMENT

Amy Moore made a motion to adjourn. John Whiting seconded the motion. All members said "aye". Meeting was adjourned at 7:50 p.m.

The foregoing minutes of the September 4, 2018 Planning Commission meeting were approved by the Planning Commission at its meeting on the _____ day of October, 2018.

Planning Commission Chair

CHICORY VILLAGE MASTER PLAN



STAFF REPORT

October 2, 2018

AGENDA ITEM: VII-A File No. MP-18001

Consideration of a Master Plan for a residential development on 3.64 acres in the Transit Oriented Development (TOD) Corridor. The project site is located at 3428 and 3470 Chicory Lane in the Low Mix Residential (LMR) zoning district and identified on the Jackson County Assessor's map as 37 2W 11C, Tax Lots 8300 and 8400. **Applicant:** Bob Fellows Construction, **Agent:** Jay Harland, CSA Planning.

STAFF SOURCE:

Tom Humphrey AICP, Community Development Director

BACKGROUND:

The proposed Chicory Village Master Plan ("Master Plan) establishes a framework for a residential development within the Transit Oriented Development (TOD) Corridor. It is the applicant's objective to obtain master plan approval to facilitate development of a residential subdivision. The Master Plan serves as a blueprint to instruct future development of the site. Implementation of the plan will occur through the land use process as follows:

1) Land division— To create new legal lots, it will be necessary to subdivide the site per the Master Plan, which requires a tentative plat and final plat application. A tentative plat presents the land division proposal, which is often modified as necessary to comply with all applicable review criteria (i.e. approved master plan, subdivision regulations, zoning standards, etc.) A final plat is the final map and text that result in the creation of new lots upon being approved by the City and recorded by the County. Public improvements (i.e. streets and utilities) are installed before the City grants final plat approval.

At this time, the applicant has submitted an application for a 22-lot tentative plat (File No. SUB-18003) and it is being reviewed concurrently with the Master Plan application.

2) Site Plan & Architectural Review –Site Plan and Architectural Review is conducted to assess the proposed private development improvements (i.e. layout and architecture for buildings, parking areas, landscaping, etc.). For this project it will be necessary that site development and subsequent building permits comply with the Master Plan and all applicable design standards. Site Plan and Architectural Review will occur as part of this Master Plan process.

This staff report and its findings serve as an evaluation of the Master Plan relative to its compliance with the land use requirements and design standards for TOD districts and corridors. The Master Plan is generally consistent with the applicable review criteria; however, staff identified a few issues relative to the site and building design, open space and

transportation that should be addressed. The public hearing on September 4th was continued in order for the applicant to make the recommended amendments to the Master Plan and Exhibits. City staff met with the Applicant's agent in an effort to resolve concerns discussed at the last meeting and summarized below. Some of these issues require an additional month to resolve.

- Site Analysis Map with associated Master Utility Plan and Adjacent Land Use Plan failed to include an assessment of adjoining rural land. The applicant is working on this assessment.
- The Transportation and Circulation Plan is limited in its specificity regarding new road construction as it relates to providing direct access to all proposed lots (without easements) and the subsequent completion of South Haskell Street to the southern boundary of Chicory Village.
- Recreation and Open Space Plan *proposes to provide the open space required for projects in the TOD Corridor zone by extending the existing linear open space buffer* along the railroad right-of-way. Proposed open space does not meet dedication area minimum so alternative options are being discussed with the Parks and Public Works Department.
- Building Design Plan reconciling Building Design Standards with the Circulation Plan. The City will not accept the access the applicant is proposing for the attached row houses and has talked with the applicant about revising building envelopes for more parking.
- Environmental Plan identifying environmental conditions such as flood hazard areas, groundwater conditions, etc. The applicant acknowledges man-made drainage issues and the City is willing to collaborate in the remedy but this requires mutual engineering assistance.

Project Description:

The Chicory Village Master Plan area includes two (2) properties, totaling 3.64 acres located between Chicory Lane to the west and the Pacific Highway and railroad right-of-way to the east. South Haskell Street currently terminates at the northeast corner of the eastern property boundary. The tentative subdivision plan (Attachment "A") creates 22 lots, with Lots 1-21 developed with single family residential development (i.e. single family attached and detached dwellings). Lot 22 is designed as an open space area to buffer the development from the adjacent railroad, connect sidewalks to the existing open space area immediately north of the site, and possibly provide space to treat storm water with a vegetated bio-swale.

CPMC Section 17.66.030 Application and review

There are four types of applications which are subject to review within the Central Point TOD district and corridor. A TOD Corridor Master Plan is required for a development or land division application which involves two or more acres of land. The Master Plan may be approved prior to, or concurrently with, a land development application as is being proposed in this case. A land development cannot proceed until the Master Plan has been approved. The Master Plan is required to include/address eight (8) elements which the agent for the applicant has done. However some of these elements have been found lacking and require further attention.

ACTION:

Consideration of the Chicory Village Master Plan and 1) approve; 2) approve with modifications; 3) continue the hearing to allow the applicant to provide remedies for the issues noted; or 4) deny the application.

RECOMMENDATION:

Continue the hearing for the Chicory Village Master Plan to November 6, 2018 to allow the applicant and/or his agent to address the issues raised in the staff report, amend the Master Plan and allow staff ample time for review and recommendation.

CHICORY VILLAGE TENTATIVE PLAN



STAFF REPORT

October 2, 2018

AGENDA ITEM: VII-B (File No. SUB-18003)

Consideration of a Tentative Plan for the development of twenty-two (22) lot subdivision. The project site is located in the Low Mix Residential (LMR) zoning district in the Transit Oriented Development (TOD) Corridor. The properties are identified on the Jackson County Assessor's map as 37 2W 11C, Tax Lots 8300 and 8400. **Applicant:** Bob Fellows Construction, **Agent:** Jay Harland, CSA Planning.

STAFF SOURCE:

Justin Gindlesperger, Community Planner II

BACKGROUND:

A tentative plan application was submitted for a twenty-two (22) lot subdivision on 3.64 acres off South Haskell Street in the Low Mixed Residential (LMR) zoning district in the Transit Oriented Development (TOD) Corridor. Land division applications involving two (2) or more acres within the TOD Corridor must comply with an approved Master Plan prior to or concurrent with the tentative plan application. The subject property exceeds the threshold for the master plan requirement and the applicant submitted a separate application for approval of a master plan to meet this requirement.

On September 4, 2018 the Planning Commission heard the staff reports for the master plan and subdivision tentative plans. At that time staff identified issues relative to site and building design, open space and transportation that would need to be addressed to satisfy applicable review criteria. The applicant submitted a written request for additional time to address the issues. The Planning Commission opened the public hearing, received testimony and continued the hearing to the October 2, 2018 meeting.

As of Wednesday September 26, 2018 the required exhibit revisions had not been received by the City. The applicant has communicated that revisions are in progress but additional time is needed. A written request is anticipated prior to the October 2, 2018 Planning Commission meeting. To accommodate the applicant's request for additional time, staff recommends that the public hearing be opened to allow public testimony, if any, and continue the hearing until November 6, 2018.

ATTACHMENTS:

Attachment "A" – Tentative Plan

ACTION:

Consider the Tentative Plan application for the twenty-two (22) lot subdivision and open the public hearing, receive testimony and continue the hearing to November 6, 2018.

RECOMMENDATION:

Continue the public hearing for the Tentative Plan application to the November 6, 2018.

**STAFF REPORT**
October 2, 2018**SUMMARY**

Discuss the CAC's recommended draft housing strategy for inclusion in a Housing Implementation Plan.

STAFF SOURCE

Stephanie Holtey, Principal Planner

BACKGROUND

The City is preparing a Housing Implementation Plan (HIP) to satisfy requirements of both the Housing and Regional Plan Elements of the Comprehensive Plan. The HIP is intended to be an active planning document that monitors residential land and housing supply and demand and establishes a housing strategy that addresses land use efficiency and housing affordability. Housing affordability is a major concern in Central Point, the greater Rogue Valley, state and nation.

At its May 2018 meeting, the Planning Commission discussed housing affordability including factors that influence cost. While there are many viewpoints regarding housing affordability, it is largely a function of supply and demand. The City has limited to no influence over demand, but can influence supply by providing for sufficient vacant residential land to accommodate projected growth and a regulatory framework that requires efficient land use and allows diverse housing types to meet market demand. Other possible actions include programs and funding mechanisms that directly support low and moderate income households.

The Citizen's Advisory Committee considered a set of regulatory and affordable housing strategies relative to their perceived impact and suitability for Central Point. The purpose of tonight's meeting is to present the CAC's recommended strategies (Attachment "A") and to receive feedback from the Planning Commission regarding those that should be included in the draft HIP. At the conclusion of the meeting, the Planning Commission is being asked to direct staff to schedule a public hearing to consider the draft HIP.

CAC RECOMMENDED HOUSING STRATEGY SUMMARY

ECO|NW prepared recommended housing program (Attachment "B") for Central Point that addresses regional housing needs and guiding principles (Attachment "C") that were developed in partnership with the Department of Land Conservation and Development (DLCD) and communities that participated in the Greater Bear Creek Valley Regional Plan. The CAC considered the ECO|NW recommendations at its April and July meetings. The recommendations include 7 broad policies and 26 actions including regulatory reforms, affordable housing programs, and funding sources. The CAC's objective was to consider each in terms of its suitability for Central Point. At the conclusion its review, the CAC supported all recommended policies and 18 actions with clarification and limits to some items. The following summarizes the CAC's recommended housing strategy and highlights the items not included in their final recommendation.

Regulatory Reforms:

The CAC recommended a high priority be placed on regulatory reforms, including the following:

- Regional Plan Compliance:
 - Zone land newly brought into the UGB to allow medium and high density housing consistent with the Housing Element and Regional Plan; and,
 - Plan lands newly brought into the UGB consistent with the Regional Plan, using the adopted URA Concept Plan *as a general guide*.
- Zoning Ordinance Update:
 - Consolidate the residential land use, zoning and design standards into one chapter for ease of reference ;
 - Consider adopting a Cottage Housing Ordinance;
 - Increase building height in the R-3 zone from 35-ft to 45-ft to allow a 4-story building to allow higher densities and off-set higher construction costs for buildings with three or more floors;
 - Increase allowable lot coverage in the R-3 zone from 50% to somewhere between 65% and 75% to increase development potential while reserving area for parking and landscaping;
 - Evaluate Central Business District parking inventory and requirements to identify potential barriers to achieving high density residential development (e.g. code conflicts, parking cost, limited land availability) and recommend corrections, if any; and,
 - Evaluate flood insurance requirements in high risk floodplains and the impact on housing affordability. Recommend possible mitigation measures for the Hazard Mitigation Plan update and incorporate into the Comprehensive Plan.
- Monitor Residential Land Relative to Population Growth:
 - Use the Buildable Lands Inventory database to monitor land supply as building permits are issued.
 - Develop and implement a system to monitor new housing development in the UGB to demonstrate and assure compliance with the Regional Plan commitments.

Housing Affordability Programs:

Housing affordability programs recommended by the CAC generally ranked low to very low priority with the exception of existing Urban Renewal Programs and continuing partnerships to support housing services offered to the homeless and very low income populations in Central Point. These received enthusiastic support. A summary of the affordable housing programs and the CAC's recommendation for each is provided below:

- Vertical Housing Tax Credit:

- The City currently has a Vertical Housing Tax Credit Program that incentivizes mixed-use projects with a 10-year partial property tax exemption up to 80% of the assessed value of the improvements, depending on the number of floors. It has been used only one (1) time since its inception in 2003. The project was the Four Oaks Centre, which received a 40% partial property tax exemption from July 1st 2003 to June 30th 2013.
- The CAC deemed it acceptable to evaluate the existing Vertical Housing Tax Credit program to determine why it is under-utilized, implement changes to generate additional interest and promote the program with changes, if any.
- Multiple-Unit Limited Tax Exemption (MULTE) & Other Programs:
 - The CAC was not opposed to considering MULTE and other Tax Exemption programs to learn more about potential benefits, but had serious reservations about the administrative resources needed to develop and implement these programs. Most communities have one or more dedicated staff and Central Point's ability to do this is limited.
- Single-Family Grant/Loan Program:
 - The CAC considered a program to provide low-interest loans or grants to support rehabilitation of single-family homes in poor condition. This action is generally more affordable than tear-downs and new construction, which can support more affordable work-force housing in the community.
 - Since Urban Renewal has initiated its own program, the CAC was supportive of this effort and expressed interest in its success. If successful, they would be willing to consider a program outside the Urban Renewal District but this would be a low priority.
- SDC Discounts/Waivers:
 - SDCs are pre-paid impact fees for streets, water, storm drainage and parks and can be used for capital improvements but no operational expenses. The CAC considered the possibility of offering discounts or waivers of SDC fees with the understanding that any discount or waiver must be paid by an alternative funding source.
 - The CAC had "severe" reservations about offering discounts or waivers on SDCs due to concern that the discount or waiver would not translate into affordability. The only exception would be considering discounts or waivers for federally subsidized housing or housing managed by a non-profit that will assure affordability over the life of the project (i.e. Housing Authority of Jackson County, ACCESS or other non-profits).
- Continuum of Care Collaboration:
 - The CAC considered the importance of partnering with and donating funds to the Continuum of Care, which is a HUD program that involves groups such as ACCESS, Community Works and Rogue Valley Council of Governments to support homeless populations and very low income households.
 - The CAC was enthusiastic and assigned a high priority to continuing these partnerships and donations to provide transitional housing, access to mainstream programs, shelters, and other programs/partnerships including Meals on Wheels, St. Vincent DePaul and the City's utility discount program. This action was considered a "win-win" for the community.

Affordable Housing Program Funding:

Developing funding sources to pay for the costs of implementing affordable housing programs did not receive widespread support or priority with the exception of allocating a portion of existing funding sources, such as Urban Renewal and Transient Lodging Taxes. Concerns and opposition were expressed regarding any new fees. With regard to grant funding, some members of the CAC have experience working with the Community Development Block Grant (CDBG) program and felt the requirements, even if Central Point was eligible to apply, are too onerous to obtain and administer.

Actions Not Recommended by the CAC:

The CAC omitted eight (8) possible actions from their recommended strategy, including the following:

- Evaluate lowering SDCs for qualified affordable housing;
- Evaluate development of a tiny house ordinance;
- Allow Manufactured Home Parks as a Permitted Use instead of a Conditional Use;
- Offer SDC discounts and/or waivers for qualified affordable housing;
- Offer SDC discounts and/or waivers for cottage housing;
- Establish or participate in a Land Bank or Land Trust;
- Identify and donate public land to the Housing Authority of Jackson County for affordable housing projects; and,
- Develop a Construction Excise Tax (CET).

For more information about the CAC's reasons to omit these actions, see Attachment "A." For a more in-depth summary of the action items, see Attachment "B."

DISCUSSION

For the purposes of discussion, the following questions/topics are suggested:

- Does the Planning Commission have any questions about the strategies recommended by the CAC?
- Does the Planning Commission agree with those recommended policies and action items?
- Are there any that were not included that the Planning Commission would like to see added?
- Would the Planning Commission like additional information presented before scheduling a public hearing to consider these strategies as part of a draft HIP?
- Per the Planning Commission's direction, staff is prepared to bring this item back to the Commission for further discussion or a public hearing at the November 6, 2018 meeting.

ATTACHMENTS:

Attachment "A" – CAC Recommended Strategy Handout

Attachment "B" – ECO|NW Draft Central Point Housing Strategies Memo

Attachment "C" – ECO|NW Regional Housing Principles Memo

ATTACHMENT "A"

Citizen's Advisory Committee Recommended Housing Strategy		
Strategy	Action	CAC Recommendation
REGULATORY REFORMS		
1. Address housing type and density consistent with the Regional Plan.	<u>Action 1a.</u> Zone land newly brought into UGB to allow medium- and high-density consistent with the Housing Element and Regional Plan.	Acceptable.
	<u>Action 1b.</u> Areas newly brought into the UGB shall be planned using the applicable URA Concept Plan as a <i>general land use guide</i> .	Acceptable, with clarification (<i>italics</i>). There was concern about being locked into the adopted Concept Plan, which the CAC felt was intended to be a flexible guidepost for future growth in the URA.
2. Update Zoning Ordinance to take advantage of planning innovation, design standards, best practices and technological improvements.	<u>Action 2a.</u> Consolidate residential land use, zoning and design standards into one chapter.	Acceptable.
3. Encourage a wider range of housing types in Central Point.	<u>Action 3a.</u> Evaluate lowering SDCs for qualified affordable housing.	Not Acceptable – The CAC expressed that SDC rates need to be kept intact to assure infrastructure needs keep pace with growth.
	<u>Action 3b.</u> Consider a Cottage Housing Ordinance.	Acceptable.
	<u>Action 3c.</u> Evaluate development of a tiny home ordinance.	Not Acceptable – Based on state regulatory concerns for tiny homes on wheels, the CAC recommends a tiny house ordinance not be considered at this time.
	<u>Action 3d.</u> Allow Manufactured Home Parks as a Permitted Use instead of a Conditional Use.	Not Acceptable – The CAC recommends the Conditional Use to allow review of any potential impacts to the surrounding community (i.e. traffic, noise, lighting, land use compatibility, etc.)
4. Encourage development of new attached and multifamily by diversifying housing types allowed and increasing the	<u>Action 4a.</u> Increase building height in the R-3 zone from 35-ft to 45-ft to allow a 4-story building.	Acceptable.
		Acceptable.

amount and density of development.	<p><u>Action 4b.</u> Increase the lot coverage in the R-3 zone from 50% to somewhere between 65% and 75% to increase development potential while reserving area for landscaping and parking.</p>	
	<p><u>Action 4c.</u> Evaluate the need for new buffering standards in the R-3 zone when adjacent to R-1 and LMR zones.</p>	Acceptable.
	<p><u>Action 4d.</u> Consider developing a Central Business District Parking Plan to and address high density residential land development requirements and barriers to development in the CBD (e.g. parking cost, limited land availability, code conflicts).</p>	Acceptable.
	<p><u>Action 4e.</u> Flood Insurance and Housing Affordability Study. Evaluate the cost of flood insurance on housing affordability and the cost-benefit of possible mitigation options. Recommend this as an action item in the Hazard Mitigation Plan.</p>	Acceptable.
5. Monitor residential land development to ensure there is enough residential land to accommodate forecast population growth over the long-term.	<p><u>Action 5a.</u> Use the Buildable Lands Inventory database to monitor the supply of residential land as building permits are issued.</p>	Acceptable.
	<p><u>Action 5b.</u> Develop and implement a system to monitor development of all new housing built with the CP UGB to assure compliance with the RPS average density requirements.</p>	Acceptable.
HOUSING AFFORDABILITY		
6. Develop policies to support affordable housing by lowering the costs of housing development for low-income and/or middle-income affordable housing.	<p><u>Action 6a.</u> Vertical Housing Tax Credit. Explore why current program isn't being used and make adjustments and promote.</p>	Acceptable.
	<p><u>Action 6b.</u> Multiple-unit Limited Tax Exemption Program.</p>	Acceptable – No opposed but major concerns and ranked as a very low priority.
	<p><u>Action 6c.</u> Low-interest loan and/or grant program to rehabilitate housing in poor condition.</p>	Acceptable – Continue in Urban Renewal District. Re-evaluate for the rest of the city at a later date.
	<p><u>Action 6d.</u> SDC discounts and/or waivers for qualified affordable housing.</p>	Not acceptable – CAC would like to maintain funding for infrastructure needs to accommodate growth. Also concerned that temporary deed restriction would not result in long-term benefits.

	<u>Action 6e.</u> SDC discounts and/or waivers for Cottage Housing.	Not acceptable – See action 6d rationale.
	<u>Action 6f.</u> SDC waiver for federally subsidized low-income housing.	Acceptable – added that this should be applied to Access, HAJC, and other non-profits that assure affordability for the project lifetime.
	<u>Action 6g.</u> Partner to support housing and services offered to homeless population in CP.	Acceptable—This is a win-win for the community
	<u>Action 6h.</u> Establish or participate in a Land Bank or Land Trust.	Not acceptable – There are already organizations doing this work. There is a sense that the HAJC and Habitat for Humanity are doing enough. Should continue leveraging these partnerships.
	<u>Action 6i.</u> Identify and donate public land to HAJC for affordable housing projects.	No acceptable – The CAC did not perceive there to be any land available to donate, given Central Point’s small size. The administrative resources needed to seek out, purchase, and donate lands was deemed not appropriate for Central Point.
7. Develop funding sources to pay for the costs of implementing affordable housing programs described in Policy 6.	<u>Action 7a.</u> Use Urban Renewal funds to pay for affordable housing programs in the District.	Acceptable
	<u>Action 7b.</u> Develop a Construction Excise Tax (CET).	Not Acceptable – CAC is concerned that the administrative cost of staffing vs. total yield is deemed too little to be worth the effort.
	<u>Action 7c.</u> Identify other sources, such as: Community Development Block Grants (CDBG), Transient Lodging Receipts, Etc.	Not acceptable – CDBG has too many requirements for a small city to pursue. Would be willing to consider using the newly adopted Transient Lodging Tax for affordable housing. Very low priority.

DATE: 3/28/2017
TO: Tom Humphrey
FROM: Beth Goodman
SUBJECT: CENTRAL POINT HOUSING STRATEGY: DRAFT STRATEGY

The City of Central Point is currently participating at a regional level with the development of Regional Housing Principles agreeable to all cities. As part of that effort this memorandum identifies housing strategies that meet the RPS requirement to address regulatory issues and those strategies needed to increase development of housing in general and affordable housing in particular. It is further the purpose of this memorandum to identify housing strategies in a form to be discussed by the City of Central Point's decision makers for formal discussion, consideration, and adoption as part of the City's Housing Implementation Plan.

Central Point has an adopted Regional Plan Element, which was developed through the Regional Problem Solving (RPS). The Regional Plan Element requires the development of a regional housing strategy within five years of acknowledgement of the Regional Plan, by March 2018. The requirement in the Regional Plan is broad and does not specify what a housing strategy would include. The requirement is as follows:

Housing Strategies. Participating jurisdictions shall create regional housing strategies that strongly encourage a range of housing types throughout the region within 5 years of acknowledgement of the RPS Plan.

Housing strategies in Oregon generally focus on two broad issues: (1) increasing efficiency of land use in residential development; and (2) strategies that encourage development of housing affordable to low- and middle-income households. These strategies may be mutually supportive, as housing developed more densely or on smaller lots (i.e., more efficient use of residential land) may result in development of lower-cost housing. Increased densities, however, do not necessarily equate to affordability. Moreover, encouraging development of affordable housing requires a broader focus than issues related to land use efficiency.

Housing costs have increased faster than incomes in recent years. The median home value in Central Point increased from 3.0 times the median household income in 2000 to 3.7 times median household income in the 2011-2015 period. Forty-one percent of households in Central Point are cost burdened, with 33% of homeowners cost burdened and 54% of renters cost burdened.¹ In the fourth quarter of 2017, the median home sale prices in Central Point was \$256,500 for existing homes and \$275,000 for new homes.²

¹ Cost burden is a measure of whether a household can afford its housing costs. HUD defines a household as cost burdened if the household pays more than 30% of its gross income on housing costs, such as rent or mortgage, utilities, and housing insurance and property taxes.

² Data sources: 2000 Decennial Census, 2011-2015 American Community Survey, and Rogue Valley Realtors.

The City of Central Point has conducted a substantial amount of research about the city’s housing market and housing needs within the City. The City conducted a housing needs analysis and updated its Comprehensive Plan Housing Element in 2017. The Housing Strategy presented below builds on the research and analysis completed to-date to address housing needs and affordability in Central Point.

Affordability Definitions

Within this memorandum, housing affordability is divided into the three-categories based on income: (1) housing for low-income households (e.g., households earning less than 60% of Median Family Income); (2) housing for moderate-income households (e.g., households earning between 60% and 80% of Median Family Income); and (3) housing for middle-income households (e.g., households earning between 80% and 120% of Median Family Income).

According to HUD, the Median Family Income in Jackson County in 2017 is \$53,600, which is an average income of \$4,467 per month. HUD guidelines specify the affordable monthly housing costs should not exceed 30% of gross household income. Table 1 shows how affordability is defined for the purpose of this strategy.

Table 1. Definition of affordable housing based on 2017 Median Family Income for Jackson County

	Percent of Median Family Income	Monthly Income in 2017	Affordable Monthly Housing Costs in 2017
Low-income affordable housing	Low Income: 0% - 60%	Up to \$2,680	Up to \$804
Moderate-income affordable housing	Lower Middle: 60% to 80%	\$2,680 to \$3,575	\$804 to \$1,072
Middle-income affordable housing	Upper Middle: 80% to 120%	\$3,575 to \$5,360	\$1,072 to \$1,608

Central Point’s Comprehensive Plan Housing Element shows that over the 2017-2027 period, the City will have need for about 1,770 new dwelling units. In 2015, about 54% of renters and 37% of owners were cost burdened (spent more than 30% of their gross income on housing costs). The City is planning that 70% of new housing would be owner-occupied and 30% would be renter-occupied. Based on the historical data about cost burden and planned for split in tenure, this suggests that about 275 of Central Points’ future renter households and 455 of the City’s future owner households may fit into the one of the three categories shown in Table 1, needing some type of relatively affordable housing.

This memorandum also discusses housing development densities. As part of the RPS, Central Point agreed that future development in urban reserves and unincorporated areas within the urban growth boundary (e.g., areas in the UGB but outside of the city limits) would occur at the following average minimum densities:

- Development for the 2010-2035 period: 6.9 du/gross acre
- Development for the 2036-2060 period: 7.9 du/gross acre

The RPS gives the City the option of developing at lower average densities in urban reserve areas newly added to the urban growth boundary if the City achieves higher densities for development within the rest of the urban growth boundary.

Over the 2007 to 2016 period, the average density of new single-family development was 6.66 dwelling units per gross acre. The average density of new multifamily housing over the same period was 22.1 dwelling units per gross acre. The City’s overall average density was 9.3 dwelling units per gross acre. It is important to note that the period 2007-2016 includes the Great Recession, a period during which the construction of new housing by type was skewed toward higher density renter occupied multiple-family housing. Over a longer period (1980-2016), which included numerous business cycles, and therefore is more inclusive of the true housing demand by type, Central Point’s average density was 5.31 dwelling units per gross acre.

Regulatory Reforms

The policies and actions discussed in this section relate to changes in Central Point’s land use regulations that can: (1) improve the efficiency of residential land use by increasing densities under certain circumstances, (2) increase opportunity for development of housing types that are comparatively affordable, such as missing middle housing types, or (3) both increase land use efficiency and provide opportunities for development of comparatively affordable housing.

Policy 1: Provide a variety of housing types in Central Point at densities that support maintaining average densities of 6.9 dwelling units per gross acre through 2035 and 7.9 dwelling units per gross acre between 2036 and 2060 in urban reserves and unincorporated areas within the urban growth boundary.

Action 1.a: Ensure that zoning on land newly brought into the UGB is zoned to allow for development of moderate and higher density single-family as presented in the Regional Plan Concept Plans and the minimum and maximum gross densities per the Housing Element:

Development Requirements	Residential Zoning Districts – (Gross Density)								
	R-L	R-1-10	R-1-8	R-1-6	R-2	R-3	LMR	MMR	HMR
Density – Units per <i>Gross Acre</i>									
Minimum Density	1	4	5	6	7	12	7	12	25
Maximum Density	2.5	5	6	8	12	25	12	25	50

Implementation Steps: Continue to work with the Planning Commission and City Council to revise the zoning code to align with the Housing Element.

Priority: High priority

Action 1.c: Areas of land newly brought into the UGB shall be zoned consistent with applicable URA Concept Plan.

Implementation Steps: Complete Concept Plans for all URAs per the Regional Plan. As URA properties are brought into the UGB apply the zoning consistent with the adopted URA Concept Plan.

Priority: High priority when expanding the UGB

Policy 2: To continue to update the Zoning Ordinance, as necessary to take advantage of planning innovation, best practices, and technological improvements that could have applications in Central Point to the benefit of the community.

Action 2.1: Revise the zoning code to group all residential land use, development, and design standards into a single chapter. Use approaches such as presenting development standards in a consolidated table for all zones.

Implementation Steps: Continue to work with Planning Commission to determine if such change is appropriate and implement any change through a public process.

Priority: High (in progress)

Policy 3: Encourage development of a wider range of housing types in Central Point.

Action 3.a: Evaluate lowering or eliminating systems development charges for qualifying affordable housing

Implementation Steps: Evaluate whether the City will reduce SDCs for qualifying affordable housing for streets, parks, and water. Adjust the City's SDC to reflect the changes. Sewer SDC's are assessed by Rogue Valley Sewer Services, separately from the City.

Priority: Medium

Action 3.b: Evaluate development of a cottage housing ordinance to allow for development of small single-family detached housing, such as cottages, carriage houses, and two/three unit homes designed to look like single family detached housing.

Implementation Steps: Develop standards for allowing cottage housing in specific zones, such as the R-1, R-2, and LMR zones. Develop standards for cottage housing.

For example, the City might consider standards that include density bonus of 1.5 units/acre, allow reduced front and side yard setbacks consistent with building codes to maximize private and common open space, provide parking requirements commensurate with dwelling size and allow for reductions based on factors that justify a lower standard. The floor area for cottage housing might be limited to a maximum of 1,500 square feet; where and least 40% but not more than 50% in a Cottage Housing Development must be 700 square feet or less.

Priority: High (in progress)

Action 3.c: Evaluate development of a tiny home ordinance to allow for development of small units, typically smaller than 500 square feet in size, clustered on a lot, possibly with the inclusion of park or open space. Tiny homes could also be very small multifamily apartments.

Implementation Steps: Develop standards for allowing tiny homes in specific zones, such as the R-1-8, R-1-6, LMR, R-2, MMR, and R-3 zones.

Priority: Medium

Action 3.d: Allow Manufactured Home Parks as a permitted use in the R-2, R-3, LMR, and MMR zones. Manufactured Home Parks are a conditional use in the R-2 and R-3 zones and not mentioned in the LMR and MMR zones. ORS 197.480 (1) (b) requires that cities allow manufactured dwelling parks as a permitted use in areas zoned for a residential density of six to 12 units per acre. Each of these four zones allow six to 12 units per acre.

Implementation Steps: Revise the permitted uses in the R-2, R-3, LMR, and MMR zones.

Priority: Medium to High

Policy 4: Encourage development of new attached and multifamily in areas zoned for attached and multifamily housing by diversifying the types of housing allowed and increasing the amount and density of development.

Action 4.a: Increase the building height from 35 feet tall, which would allow a three-story building to 45 feet tall, to allow a four-story building, in the R-3 zone.

Implementation Steps: Continue to work on revising the existing zoning code to change the height limitation.

Priority: High

Action 4.b: Increase the lot coverage ratio for buildings in the R-3 zone. Currently, the maximum amount of the lot that can be developed with covered structure is 50% R-3 zone. Increasing lot coverage ratios to 65% to 75% would allow for more development on each site, while still requiring that a substantial amount of the lot is not in covered structures.

Implementation Steps: Revise the existing zoning code to change the lot coverage ratio

Priority: High

Action 4.c: Evaluate the need for new buffering standards in R-3 zone where adjacent to R-1/LMR, to provide separation between single-family zones and newly developing multifamily zones. The buffers could be as simple as requiring a setback from the property edge of newly development R-3 land from adjacent land in a single-family zone.

Implementation Steps: Continue to work on modifying the zoning code setback table and/or the landscape buffer chart.

Priority: High

Policy 5: Monitor residential land development to ensure there is enough residential land to accommodate the long-term forecast for population growth.

Action 5.a: Develop and implement a system Use the BLI Database to monitor the supply of residential land as building permits are requested.

Implementation Steps: (1) Develop a monitoring system for land development based on development applications, starting with the existing inventory of buildable lands. (2) Update the inventory of buildable lands on an annual basis.

Priority: Medium

Action 5.b: Develop and implement a system to monitor development of all new housing built within the Central UGB to ensure compliance with RPS average density requirements.

Implementation Steps: The system should monitor all residential development, including mixed-use development. The information collected should include: the location of development (geo-coded), the size of the site in gross unconstrained acres, the number of units developed, the type of units developed, the year when the development was permitted, and plan designation and zoning when the permit was issued. The information should be presented for three areas: (1) within the city limit, (2) unincorporated areas within the UGB, and (3) urban reserve areas. While the data should be collected on an annual basis, we suggest the City report the data on a 5-year basis to smooth over the annual variation that naturally occurs in development density.

Priority: High

Affordable Housing Strategies

This section presents policies and actions to encourage development of both low-income affordable housing and middle-income affordable housing.

Table 1 shows that low-income households have income below \$2,680 per month and can afford up to \$804 in housing costs without being cost burdened. These housing costs are below market rents in Jackson County. New housing affordable to low-income households will generally be government-subsidized housing.

Table 1 shows that middle-income households have income of between \$2,680 and \$5,360 per month, affording housing costs of \$804 to \$1,608. At the low end of this income spectrum, households may be able to afford existing housing in areas with lower rents. At the other end of the income spectrum, households can afford most rental costs and some may be able to afford purchase lower-cost existing homes.

Policy 6 and 7 present options and ideas for strategies to approach affordable housing issues. **The City should focus on developing a comprehensive affordable housing program by implementing interrelated programs described below.** The affordable housing tools in Policy 6 are frequently implemented together. For example, a city may contribute the development of a government-subsidized affordable housing project by offering tax incentives, lower or no SDCs, and low- or no-cost land (from a land bank) for the development. In addition, identifying sources of funding (under Policy 7) will be essential to implementing the affordable housing program using the tools described in Policy 6.

Policy 6: Develop policies to support affordable housing by lowering the costs of housing development for low-income affordable housing and/or middle-income affordable housing.

Action 6.a: Evaluate barriers to the use of the existing vertical housing tax credit, which has only been used once.

Implementation Steps: (1) Identify the barriers to use of the vertical housing tax credit through discussions with developers, financiers, or other stakeholders who either considered using it or would be likely to develop housing that would qualify for use of the tax credit. (2) Where appropriate and possible, make changes to the City's implementation of the vertical housing tax credit program or other City policies to lower barriers to use of the program. (3) Provide more information to developers about use of the program to make it more accessible and easier to use.

Priority: High

Action 6.b: Evaluate additional opportunities for a tax abatement program, such as the multiple-unit limited tax exemption program to promote development of affordable multifamily housing.

Through the Multiple-Unit Limited Tax Exemption Program, a jurisdiction can incent diverse housing options in urban centers that lack housing choices or workforce housing units. Through a competitive process, the City can select multi-unit projects to receive a property tax exemption for up to ten years on structural improvements to the property in exchange for setting aside a percentage of the units in the project as affordable. The City has the opportunity to control the geography of where the exemption is available, the application process and fees, the program requirements, the criteria (return on investment, sustainability, inclusion of community space, the percentage of affordable or workforce housing, etc.), and the program cap to shape the program to achieve its goals.

Implementation Steps: (1) Select the tax abatement program the City prefers to implement. (2) Set the program criteria, such as the type of housing it will apply to (low-income affordable housing and/or middle-income affordable housing), the length of tax abatement, or the location for where the program is applied.

Priority: High

Partners: Developers and nonprofit organization that use the program, other taxing jurisdictions that need to approve the program and foregone tax revenue.

Estimate of impact: Moderate to large impact on multifamily housing development. Tax abatements substantially increase development feasibility by increasing revenue through lowered operational costs. The capitalized value of a tax abatement can offset the construction cost by tens of thousands of dollars per unit. However, unless market-rate units are feasible, a tax-abatement would not be enough to offset the cost of a mixed-income project.

Action 6.c Evaluate development of a program to provide grants or low-interest loans to support rehabilitation of existing, older single-family detached homes in poor condition.

Implementation Steps: Develop a program to support rehabilitation of existing single-family homes, including determining whether there is any requirement that the newly rehabilitated unit have future price limitations that keep it affordable for middle-income households. Identify one or more funding sources, such as Urban Renewal. Determine how the program will be implemented and the criteria for awarding grants or low interest loans to for rehabilitation of single-family homes, such as the conditions that warrant rehabilitation, the location of housing eligible for the program (e.g., within the Urban Renewal District), or income limitations for homeowners awarded funding through the project.

Priority: Medium

Action 6.d: Evaluate lowering or eliminating systems development charges for newly developed qualifying affordable housing.

Implementation Steps: Evaluate whether the City will reduce SDCs for ADUs for streets, parks, and water. Adjust the City's SDC to reflect the changes. Identify one or more funding sources, such as those in Action 7b or Action 7c, to fund the lowering of SDCs for ADUs. Sewer SDC's are assessed by Rogue Valley Sewer Services, separately from the City.

Priority: Medium

Action 6.e: Evaluate lowering or eliminating systems development charges for newly developed Cottage Housing units.

Implementation Steps: Evaluate whether the City will reduce SDCs for Cottage Housing units based on the smaller size of the units or lower impact of the units on streets, parks, and water. Identify one or more funding sources, such as those in Action 7b or Action 7c, to fund the lowering of SDCs for Cottage Housing. Adjust the City's SDC to reflect the changes. Sewer SDC's are assessed by Rogue Valley Sewer Services, separately from the City.

Priority: Medium

Action 6.f: Develop a program to pay the SDCs for low-income affordable housing when developed with Federal Government subsidies that have income restrictions limiting tenants to those with income below 60% of Jackson County's Median Family Income.

Implementation Steps: Identify one or more funding sources, such as those in Action 7b or Action 7c, to fund the lowering of SDCs for low-income affordable housing. Develop criteria and conditions to identify the conditions under which the City will pay for SDCs for low-income affordable housing, such as the level of income restriction, type of housing, or location of low-income affordable housing.

Priority: High

Partners: Jackson County Housing Authority, Access Inc., or a community development corporation

Estimate of impact: Paying the SDCs for low-income affordable housing would have a large impact on development feasibility as it results in a cost savings of typically \$10,000 to \$20,000 per unit in the Portland Metro region. The City may choose to develop an estimate of the potential impact specific to Central Point.

Action 6.g: Work with nonprofit agencies and developers in conjunction with the Continuum of Care to provide supportive housing and services to people experiencing homelessness in Central Point.

Implementation Steps: Identify strategic actions and partnerships that target high priority homeless subpopulations. Consider partnerships with other cities in the Rogue Valley, especially Medford.

Priority: Medium

Partners: Nonprofit agencies and developers addressing homelessness.

Action 6.h: Establish a land bank or a land trust.

Land banks support affordable housing development by reducing or eliminating land cost from development. They can take several forms. Many are administered by a non-profit or non-governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly-owned land for the development of affordable housing even without a formal 'land bank' organization.

A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals.

Implementation Steps: Decide what the City's role would be in a land bank or land trust. If the City wants to be a leading partner, a land bank may be the right choice. If the City wants to be a partner with some leadership in a community partnership, a community land trust might be the right choice.

Priority: Medium

Partners: Interested nonprofits and government agencies

Estimate of impact: This action has a moderate to large impact on development feasibility – being able to offer land for free, or at below-market rates, can decrease development costs by up to approximately 15%. The true level of impact to feasibility varies based on the market value of the land, the amount of land per unit, and the parking requirements per unit.

Action 6.i: Work with public agency partners to identify publicly-owned properties that could be used for affordable housing and partner with the Jackson County Housing Authority to develop affordable housing.

The City of Central Point or other public agencies (i.e., the school district) may have publicly-owned properties that they have identified as surplus that may be suitable for affordable housing development. These surplus properties could contribute to the land bank for future low-income affordable housing development.

Another potential source of properties is receivership of properties that are foreclosed on by Jackson County. The City could partner with Jackson County to identify foreclosed properties to use for affordable housing development and to transfer the ownership to the City or the appropriate partner.

Establishing such a program will require staff resources to implement and administer. The City should consider whether the City has the resources to implement and administer this program.

Implementation Steps: (1) Establish partnerships with Jackson County Housing Authority, Jackson County, and other public agencies for the program. (2) Develop a formal agreement with Jackson County to give the City priority choice of foreclosed properties. (3) Develop criteria for selecting foreclosed properties to add to land bank.

Priority: On-going, Medium priority

Partners: Jackson County Housing Authority, Jackson County, and other public agencies

Estimate of impact: This action has a moderate to large impact on development feasibility – being able to offer land for free, or at below-market rates, can decrease development costs by up to approximately 15%. The true level of impact to feasibility varies based on the market value of the land, the amount of land per unit, and the parking requirements per unit.

Policy 7: Develop funding sources to pay for the costs of implementing the affordable housing programs described in Policy 5.

Action 7.a: For affordable housing development in Central Point’s Urban Renewal District, the City can use revenues from tax increment finance (TIF) to pay for a portion of the costs of the affordable housing programs in Policy 7.

Urban renewal funds can be invested in the form of low interest loans

and/or grants for a variety of capital investments, including affordable housing development.

Implementation Steps: Work with the Urban Renewal District to identify projects to support affordable housing for inclusion in the Urban Renewal Plan. Affordable housing projects developed within the Urban Renewal funding may be combined with other programs, such as land banking, payment of SDCs for government-subsidized affordable housing, or use of other affordable housing funding (e.g., CET funds).

Priority: High

Partners: Jackson County Housing Authority, Access Inc., or a community development corporation

Estimate of impact: The impact on development feasibility will vary from moderate to high depending on whether TIF dollars are used for grants or loans. In general, general fund dollars are successful at bridging gaps in development feasibility. Additionally, compared to other actions, they have lower administration costs for both the private and public sectors because the application requirements and administrative requirements may be less costly and easier to implement for a city.

Action 7.b: Develop a Construction Excise Tax (CET) on new development to pay for developer incentives, such as fee and SDC waivers, tax abatements, or finance-based incentives.

Central Point, like most cities in Oregon and across the nation, does not currently have funding to support affordable housing development. Being able to support development of affordable housing can make an important difference in the financial feasibility the housing development, increasing the opportunities for affordable housing development.

Cities can adopt a CET of 1% of the permit value on residential construction and at an uncapped rate on commercial and industrial construction, for use on affordable housing projects. A CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax.

Implementation Steps: Evaluate potential adoption of a CET. If the City chooses to adopt a CET, develop the rules and program to implement the CET. Identify the affordable housing program(s) that the CET will support.

Priority: High

Partners: Housing Advisory Committee, Jackson County Homebuilders Association, Association of Realtors

Estimate of impact: The impact varies depending on the resulting programs that use the CET revenues, how much revenue is generated, and if new housing also has to pay a CET.

One of the largest limitations that cities generally face in supporting affordable housing development is a lack of funding. CET could be a crucial funding source to pay for other affordable housing policies, such as paying SDCs for low-income affordable housing.

Action 7.c: Identify other sources of funding to pay, such as paybacks from Community Development Block Grants or transient lodging tax receipts, for programs that support affordable housing development. As discussed in Action 6b, Central Point does not currently have funding to support affordable housing development.

Implementation Steps: Identify one or more appropriate funding sources. Identify one or more affordable housing programs to devote the funding to, creating a cohesive, funded program to support development of affordable housing.

Priority: High

Estimate of impact: The impact varies depending on the resulting programs that use the revenues and how much revenue is generated.

DATE: 1/8/2018
TO: RPS Committee
CC: Josh LeBombard
FROM: Beth Goodman
SUBJECT: RPS REGIONAL HOUSING STRATEGY PRINCIPLES: DRAFT

The Regional Plan developed and adopted through the Regional Problem Solving (RPS) requires the development of a regional housing strategy within five years of acknowledgement of the Regional Plan. As a foundation for strategy development, it is useful to have discussions with stakeholders involved in residential development in the Rogue Valley.

The RPS Regional Housing Strategy has two parts: (1) a statement of housing policy principles agreed upon by all of the RPS cities (including White City) and (2) a housing strategy that implements the housing policy principles for each city. This memorandum presents the draft of the regional housing policy principles.

Principles for the RPS Regional Housing Strategy

The principles for the RPS Regional Housing Strategies broadly describes the outcomes of policies that RPS cities will adopt in their Housing Strategy. The Principles describe the types of policies that each city will consider without prescribing specific policies each city should adopt. ECONorthwest has provided other memoranda with descriptions of the types of policies that the cities could include in their housing strategy.

Each city should:

- Plan for residential growth in urban reserve areas at densities consistent with the Committed Density agreements in the Regional Plan.¹
- Identify opportunities for increasing the density and efficiency of residential development within the existing urban growth boundary.
- Provide opportunities for development of the range of housing types identified in the city's adopted housing needs analysis, paying special attention to providing opportunities for development of missing-middle housing types² and other multifamily housing types.
- Accommodate new medium and high-density housing within the city's existing urban growth boundary and close to existing transit, rather than in urban reserves, to the extent feasible.

¹ Committed Densities are documented in Figure 2.10 of the Regional Plan.

² Missing middle housing types are described on the website missingmiddlehousing.com. A high-level definition of missing middle housing is: "Missing Middle is a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living."

- Work with a common definition of “affordable” housing in the city’s housing policies, based on the income and affordable housing costs, as described below:

Within this, the Regional Strategy, affordable housing is divided into three categories based on income: (1) housing for low-income households (i.e., households earning less than 60% of Median Family Income); (2) housing for moderate-income households (i.e., households earning between 60% and 80% of Median Family Income); and (3) housing for middle-income households (i.e., households earning between 80% and 120% of Median Family Income).

According to HUD, the Median Family Income in Jackson County in 2017 is \$53,600, which is an average income of \$4,467 per month. HUD guidelines specify the affordable monthly housing costs should not exceed 30% of gross household income. Table 1 shows how affordability is defined for the purpose of this strategy.

Table 1. Definition of affordable housing based on 2017 Median Family Income for Jackson County

	Percent of Median Family Income	Monthly Income in 2017	Affordable Monthly Housing Costs in 2017
Low-income affordable housing	Low Income: 0% – 60%	Up to \$2,680	Up to \$804
Moderate-income affordable housing	Lower Middle: 60% – 80%	\$2,680 – \$3,575	\$804 – \$1,072
Middle-income affordable housing	Upper Middle: 80% – 120%	\$3,575 – \$5,360	\$1,072 – \$1,608

- Evaluate and identify opportunities and policy tools to support development of low-income affordable housing.
- Evaluate and identify opportunities and policy tools to support development of middle-income affordable housing.