

**Work Session of the Planning Commission  
At Bandon City Hall  
August 23, 2018**

**COMMISSION:**

- David Kimes, Chair
- Sheryl Bremmer, Vice Chair
- Paul Fisher, Commissioner
- Sally Jurkowski, Commissioner
- Gerald Slothower, Commissioner
- Donald Starbuck Commissioner
- Blythe Tiffany, Commissioner

**STAFF:**

- John McLaughlin, Planning Director
- Fred Carleton, City Attorney
- Megan Lawrence, Planning Assistant
- Dana Nichols, City Planner

**1.0 CALL TO ORDER**

Kimes called the Work Session to order at 7:20 p.m. Roll Call was taken as indicated above.

**2.0 ACCESSORY DWELLING UNIT (ADU) ORDINANCE**

Kimes announced there are no public comments allowed at Work Sessions because the Commission is hearing the material for the first time, but the public is welcome to stay and listen.

Nichols prepared a Staff Report and presentation to provide preliminary information to the Commission regarding a proposed ordinance to address Accessory Dwelling Units (ADUs). At least one ADU is now required to be allowed by-right in any zone outright permitting single-family dwellings, as required by the State of Oregon through House Bill (HB) 2007/Senate Bill (SB) 1051. This requirement for ADUs is only required in cities with populations greater than 2,500 or in counties with populations greater than 15,000.

McLaughlin clarified that the area inside Bandon city limits will be subject to these regulations because our city exceeds a population of 2,500.

Questions were asked and answered about the slideshow, including the urban growth boundary (UGB), previous county issues/forested areas, etc.

McLaughlin said that ADUs can be a garage conversion, attic conversion, or addition on an existing home; it doesn't have to be a new separate dwelling. The idea from the state level is that if the structure meets setbacks and lot coverage, ADUs will increase housing stock to address housing shortage concerns of all communities in the state. Portland has been doing this for 20 years. Each city will set standards appropriate for its community. The state requirement has been in effect since July 1, 2018.

McLaughlin explained some of the reasons for and uses of an ADU. It could be used for:

- parents moving onto a grown child's property (they could be elderly and need a bit of care)
- adult children moving back home (for any number of reasons—home from college, divorced, etc.)
- a rental unit (rental income would help pay the mortgage or increase disposable income)

Fisher asked if we can put a cap on rental ADUs. McLaughlin said no, there is no rent control in Oregon at this time. The object of an ADU is that it is affordable by design, e.g., a studio apartment, generally, because of lot sizes.

Jurkowski asked if the State says we have to meet a certain percentage requirement. McLaughlin said there is no goal to be met.

Kimes said there couldn't be 50% lot coverage and setbacks need to be observed. Thirty percent lot coverage is average.

Nichols said the ADU couldn't be larger than a set percentage of the size of the primary dwelling.

McLaughlin said that he doesn't predict a large amount of the population will build ADUs. In Portland, less than 2% of homeowners have ADUs. In Ashland, less than 1% of homeowners have ADUs. Vancouver has been strategically aggressive and allows two ADUs on one home site, with no parking requirements.

Kimes said that some homeowners build an ADU and then move into it themselves and rent the primary dwelling.

Bremmer asked if all ADUs are rentals. McLaughlin said an ADU cannot be sold separately, so in a sense they all could be rentals or considered guest housing. They can be rented to family members or others looking for housing. Bremmer said the state and municipalities will have to deal with unintended consequences of this Ordinance. Eugene is infilling. Bandon will be infilling. Yes, ADUs may be more affordable, but what about the problems of increased parking demands, neighbors being bothered by headlights at night, and what about Systems Development Charges (SDCs)?

Kimes knows someone in the rental industry that has 6 pages listing people looking for rentals.

McLaughlin said some communities are embracing ADUs. If we go the route Vancouver took, how do we encourage residents to build ADUs, whether they are separate dwellings or garage conversions or added rooms? What incentives could we offer that would reduce barriers? We could explore the areas of permit fees and SDC costs. The builder of an ADU would have to arrange for utility hookups and would need insulation and drywall. How could the city help, keeping in mind builders of ADUs would need to pay their fair share of expenses?

Discussion arose about the impact on properties. McLaughlin said similar impact happens whether the land has one big dwelling or one smaller dwelling with an ADU.

Bremmer said each ADU will have its own unique aspects. Do we really want to encourage people to give up their garages for garage conversions?

Fisher said some communities don't allow garage conversions. McLaughlin said other communities think it's more important to house people than to house cars and therefore allow garage conversions.

Bremmer said garage conversions aren't simple. A garage is built to house vehicles. To do an ADU conversion would mean meeting fire regulations, installing a food preparation area/exhaust vents, heating/cooling, appropriate flooring, meeting construction codes, windows, etc.

McLaughlin said it's illegal to live in a garage that has not been converted, and yes, there are state building code requirements for garage conversions regarding window exiting, eating areas, flooring, living space, venting, plumbing, etc. Most people would probably prefer to live in a studio apartment or a one-bedroom apartment rather than a garage conversion.

Tiffany asked if this ordinance would permit conditional use stipulations or if ADUs are required to be outright permitted. McLaughlin said the State wants all communities to do this. It is mandated, and ADUs are outright permitted. Tiffany asked if zoning is sufficient to meet issues that might come up with an ADU. McLaughlin: That is what we are here to discuss—the correct scale of the prospective ADUs in relation to the primary dwelling, the setbacks, the lot coverage, etc.—with administrative “yes” and “no” answers to questions that will come up.

Tiffany: There are all kinds of conditions. Do we need to change the underlying code? McLaughlin: The Commission has to decide what the issues are. Tiffany said it's hard to anticipate every issue and she has safety concerns. McLaughlin: State codes handle most health and safety concerns. The main issue is how do we comply with the State's requirements and fit the ADU mandate into the urban quilted fabric of Bandon? Any additional requirements we set have to be clear and objective. Tiffany: So, we send a recommendation to the City Council and they adopt an ordinance? McLaughlin: Yes. Bremmer: We already made code provisions for “live or sell,” in light industrial areas, so we have precedence. Can we tell the State about conditional use? McLaughlin said sure, but we would still have to meet State requirements.

Fisher: Could we consider stipulating that an ADU has to be owner/family occupied? McLaughlin said he's not sure we can do that. The Bill may be vague, but how would we figure out who lives where and how would that be enforced? And who's to say a renter isn't on the same level (as an occupant) as a family member?

Fisher: Since an ADU would be using the same power/electricity, water/sewer, who is the responsible party if the hose is left on, for example, and the water bill is inflated? Nichols said separate meters would solve that issue. McLaughlin said SDCs charges would be separate from meter charges. Do we want ADUs to pay SDCs? Jurkowski asked, since the ADU is proportionately smaller than the main dwelling, would the fee be proportional? McLaughlin said it could be as easy as determining the percentage of use that an ADU would have. Bremmer said she understands the City Council: may structure SDCs instead of leaving them “one size fits all.” Jurkowski said that would be good since dwellings vary.

Nichols said the State requirements have been covered, and summed up practical reasons to adopt the ordinance:

- housing/rentals are needed
- \$48K is the median income for Bandon residents and an ADU's rental income would supplement a homeowner's income

Nichols went over the content of the Staff Report regarding the types and sizes of ADUs, photos, implementing recommendations, and staff recommendations. Nichols asked if there were any questions.

Bremmer: Has anyone heard discussions about municipalities limiting the amount of vacation rentals to raise long-term rental availability in general and thus increase housing stock?

McLaughlin: It is a big discussion in planning circles, especially in vacation communities because vacation rentals generate more income. Some of those municipalities have no restrictions and lose housing stock to vacation rentals. We have pretty tight restrictions, especially along Beach Loop and the Jetty area which are primarily locals' housing, rather than vacation rentals. Bend tries to limit vacation rentals to boost housing stock. It's a good idea not to open the whole city to vacation rentals. It's practical as locals need housing.

Kimes: Are ADUs always conditional uses?

McLaughlin: They are always permitted uses. They have to be permitted outright.

Kimes: Parking for ADUs needs conditions.

McLaughlin: The Commission can set requirements for parking for ADUs. A single-family dwelling must have two on-property parking spaces.

Nichols: For ADUs it could be stipulated that if on-street parking is allowed (or if on-street parking is allowed on both sides of the street), then no on-property parking requirement is necessary. Otherwise, it could be stipulated that a property must have 1.5 times the number of units for parking spaces, so an ADU would mean 3 parking spaces would need to be available.

McLaughlin: Parking is what we need to decide as a Commission. Portland started out requiring conditional use permits, but hearings and applications were a hassle and impediment. This new Bill is telling communities that ADUs have to be allowed outright. Requirements can be imposed; however, the goal is to make it as relatively easy as possible. He thinks that not many homeowners will take advantage of building an ADU.

Bremmer and Fisher asked if a duplex owner could build an ADU. Discussion ensued about duplexes and triplexes, and lot sizes for same compared to single-family home properties.

Nichols said she looked up a subsection of the Bill, and since a duplex isn't a single-family dwelling, she and McLaughlin said no, an ADU could not be built on a property with a duplex.

Bremmer: There are consequences to consider regarding that. She thinks duplex living would be preferable to living in a garage conversion. An ADU on a duplex could make it a triplex and increase housing availability.

McLaughlin: With ADUs we are talking about a totally different style of housing from duplexes and triplexes. ADUs tend to be more compatible to neighborhoods than duplexes.

Jurkowski: The cost of construction is less too.

Kimes: What about not allowing ADUs to be vacation rentals since ADUs are supposed to increase housing availability? Discussion ensued between Kimes and McLaughlin about the pros and cons of allowing or not allowing an ADU to be a vacation rental dwelling (VRD).

Jurkowski: If using an ADU as a VRD allows the owner to be able to afford staying in place because of vacation rental income, then it does help housing.

Fisher, Nichols, Bremmer, McLaughlin, and Tiffany discussed single-family dwellings with ADUs being used as VRDs and VRDs in general. In summary, McLaughlin reiterated that the Commission can determine what requirements will be written into the recommendation that will go before the City Council.

Tiffany brought up the issue of parking, to which Nichols said that a requirement could be set that an on-site parking space would only be required if there wasn't parking available on both sides of the street. General discussion ensued, and it was suggested that the approval form could include a parking check box that indicates whether or not there is adequate street parking available.

Fisher introduced the topic of our sewer system and that the Commission needs to think about the demands ADUs will put on our infrastructure. General discussion ensued, and it was pointed out that any time there is development; new demands are made on the system. Kimes brought up that if only 1–2% of the 1700 single-family dwelling homeowners take advantage of building an ADU, there should not be a major impact on the infrastructure. Fisher said it's the older part of town he's concerned about.

Bremmer: We need to make building ADUs available (and not onerous), but we need to be civic-minded too, and let property owners know utility infrastructure demands. We need to offer maximum fairness to those who chose to build ADUs to rent and to those who build ADUs because they have family members with no place to live—the demands on the utilities are the same either way. The goal is to have minimal negative effects on utilities.

Kimes thinks it might be beneficial to have some kind of SDC because we are trying to bring more people into town which puts an extra burden on utilities and our streets. Nichols asked if the Commission needs any additional information from staff to help determine what amount to set for an SDC.

Bremmer and Fisher offered the suggestions of basing the charge on percentage of the dwelling used by the owner or based on square footage.

Nichols said she could compare Bandon with other communities.

Bremmer emphasized the importance of realistically addressing parking issues. Not all streets are wide. Some streets are substandard. Some have bike lanes, but we are basically a car-based community. We need to consider the impact of ADUs on neighborhoods before they become a problem, possibly by adding parking space requirements, especially if the ADU is a garage conversion, because garage parking would no longer be available to the owner or the ADU dwellers.

McLaughlin suggested that the Commission develop a clear approval process, streamlined to an initial basic path. Then, depending on the unique aspects of each ADU, offer discretionary paths (this could include parking circumstances). We could have a hearing officer review conditional usage. We will learn what works over time and by experience.

Kimes asked for Commissioner comments and started with Starbuck.

Starbuck said he: lives in the “donut hole” (thus has been listening more than contributing) and is on the Utilities Commission. Until now, we've had level population growth. He's concerned about the capacity of the city utilities to accommodate the potential number of new residents moving into ADUs. The State demanding we allow ADUs will have a major impact on utilities. He is curious to see the outcome.

Kimes similarly thinks we should look at conditional use regarding Residential Care/Assisted Living Facilities as well because of the utilities demands they will place on the infrastructure. He asked staff to look at the Elmira scenario.

McLaughlin said he'll take a look at that, but thinks the State says Residential Care Facilities have to be allowed where apartments are allowed (he'll confirm that). Through the zoning compliance process, we always have the right to impose conditions that we believe address infrastructure concerns, especially when the fire and police departments have concerns.

Kimes asked if anyone wanted to add anything.

Nichols wanted to know how the Commission feels about the numbers in Limitations on Uses, Item C. in the Staff Report on page 4: "A detached Accessory Dwelling shall not exceed 900 square feet of floor area, or 75 percent of the primary dwelling's floor area, whichever is smaller." The State recommends between 800–900 square feet, so 900 is on high end. Does the Commission want the numbers smaller or larger, or is the Commission okay with what is stated.

Discussion ensued about how big 900 square feet is, and is 800 square feet the smallest ADU a person could build (Nichols said, no, it can be smaller than 800 square feet). Questions were asked about the size of the ADUs pictured in the Staff Report and the size of the tiny house on Division near Wilson's Market.

McLaughlin said he will look at square footage/percentages and bring the Planning Commission examples of ADU sizes compared to primary dwellings, plus additional information gleaned from research.

### **3.0 ADJOURN**

Kimes adjourned the Work Session at 8:38 p.m.

Planning Commission Work Session Minutes submitted by Fran McGuire, Minutes Clerk