

To: Dana Nichols, AICP, City of Bandon
From: Todd Chase and Tim Wood, FCS GROUP
RE Bandon Housing Policy Options: **DRAFT**
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Housing Policy Options

To accommodate the projected housing mix projected in Bandon, the City can consider policies aimed at preserving and enhancing the existing housing inventory and incentivizing development of additional diverse housing options, such as cottage homes, duplexes and apartments.

As a part of this Housing Needs Analysis process, the consultant team is providing City Staff with a list of policy options intended to increase production of needed housing.

The policy strategies can be separated into seven categories:

- Zoning and Code Changes
- Reduction of Regulatory Impediments
- Financial Incentives
- Financial Resources
- Tax Exemption and Abatement
- Land Acquisition, Lease, and Partnerships
- Custom Options

Housing Policy Considerations

As a part of the HNA planning process, the consultant team has compiled the following list of best practice housing strategies used in Oregon. The following table provides a summary of actions cities and counties have considered to foster development of a wide variety of housing types, particularly middle housing. Note that strategies in this list are ordered by category, not by priority.

Housing Policy Actions

Action Number	Description	Category	Source (if available)
A-1: Zone for Cottage Clusters	Allow cottages to be developed in clusters with shared central amenities (such as open spaces) to allow for the development of small single-family detached housing clustered on a lot in the R-1, R-5, RM-10, and RM-20 zones.	Category A: Zoning and Code Changes	City of The Dalles
A-2 Allow Tri/Quad Plexes in Single Family Zones	Allow triplexes and quadplexes in single-family zones, possibly using a form-based code approach to regulate the development of these units.	Category A: Zoning and Code Changes	
A-3: Develop a Form-Based Code	Adopt a form-based code approach to regulate the development of small apartments, cottages, tiny houses, and desired multifamily housing types in more zones.	Category A: Zoning and Code Changes	Downtown Bend
A-4: Allow Courtyard Apartments (all zones)	Allow courtyard apartments in single family and/or medium density zones.	Category A: Zoning and Code Changes	
A-5: Multifamily Residential Buildings in Downtown	Create clear and objective development standards that allow development of multifamily residential buildings in downtown. These buildings could be exclusively residential, or they may include a small amount of commercial space.	Category A: Zoning and Code Changes	City of Bend
A-6: Expand Mixed-Use Zoning	Identify opportunities to rezone commercial land to commercial mixed-use to support multifamily housing development, if the City has more commercial land than needed to accommodate growth over the next 20-years.	Category A: Zoning and Code Changes	City of Forest Grove
A-7: Limit Single Family Detached Development in Higher-Density Zones	Limit amount of single family detached homes in medium and high density zones. Limitation can be established as a percentage of the total land area or in total dwelling units.	Category A: Zoning and Code Changes	Morrow County
A-8: Create a Minimum Density Standard	Create a minimum density standard in all residential zones. Example: minimum density standard of at least 70% of maximum density permitted in any residential zone.	Category A: Zoning and Code Changes	Morrow County
A-9: Limits on Short Term Rentals (STRs)	Require permits for STRs, and consider enforcing a cap on supply, as well as a minimum length of stay for at least 30 days.	Category A: Zoning and Code Changes	Lincoln County, City of Bend

Action Number	Description	Category	Source (if available)
B-1: Reduce Minimum Lot Size (all zones)	Amend lot characteristic standards, such as setback requirements, lot size averaging, etc. to remove barriers to the development of a wider range of housing.	Category B: Reduce Regulatory Impediments	
B-2: Reduce Minimum Lot Sizes in Single Family Zones	Evaluate reducing the minimum lot size in the Single-Family Residential zones.	Category B: Reduce Regulatory Impediments	
B-3: ADU Development Standards	Evaluate changing development standards for accessory dwelling units, including changing the size limit from 40% to 60% of the primary structure, but retaining the 800 square foot maximum size limit.	Category B: Reduce Regulatory Impediments	City of The Dalles
B-4: Identify Opportunities to Streamline PUDs	Identify opportunities to streamline the process and standards for designing and approving planned developments	Category B: Reduce Regulatory Impediments	
B-5: Transferable Development Density on a Parcel with Constraints	Allow housing clusters on a parcel with constraints that prohibit or limit development, such as floodplains or wetlands. This would allow the transfer of density to unconstrained portion of the parcel to be developed at a higher density than the underlying zone, leaving the constrained portion of the parcel undeveloped.	Category B: Reduce Regulatory Impediments	
B-6: Remove Maximum Density Standards	Evaluate removing maximum density standards and allowing building height limitation, lot coverage standard, and parking requirement to limit density.	Category B: Reduce Regulatory Impediments	
B-7: Lower Off-street Parking Requirements	Evaluate reductions to off-street parking requirements for multifamily housing, including housing serving seniors and other populations that may have lower car ownership.	Category B: Reduce Regulatory Impediments	City of Tigard
B-8: Allow Single-Room Occupancies	Allow single-room occupancies (SROs) for the development or conversion of structures with multiple bedrooms and shared common spaces (i.e., shared kitchens and bathrooms), with the intention of allowing more than six unrelated persons to live in the same unit.	Category B: Reduce Regulatory Impediments	
B-9: Allow Live/Work Housing	Evaluate developing a policy and development standards to allow live/work housing (buildings that include both housing and areas for work) in limited circumstances in commercial and light industrial areas.	Category B: Reduce Regulatory Impediments	

Action Number	Description	Category	Source (if available)
B-10: Streamline Infrastructure Funding Process	Evaluate land use processing & infrastructure funding requirements. Land use permit process streamlining would cut down on developer time and cost. Clarity should be provided on infrastructure cost reimbursement. These would be incentives for developers to more quickly get through the land use review process with assurance of reimbursement for off-site public improvements with broader public benefit.	Category B: Reduce Regulatory Impediments	
B-11: Provide Pre-Approved Middle Housing Designs	Providing a pre-approved set of plans for middle housing typologies (ex. Cottage clusters, townhomes, and ADUs). The plans would be highly efficient, designed for constrained lots and low-cost solutions, and would allow for streamlined permitting.	Category B: Reduce Regulatory Impediments	
C-1: Incentives to Encourage Developers to Build PUDs & subdivisions	Provide incentives to encourage developers to build planned developments with a variety of housing types, including incentives to support the development of income-restricted housing. Examples include use of local improvement districts, tax increment financing (urban renewal districts) for funding off-site infrastructure, bonus density allowances, SDC reductions for affordable housing, etc.	Category C: Financial Incentives	
C-2: Identify High-Priority Infrastructure Projects	Identify areas of high priority for public capital improvement plans with public facility investments in infrastructure to support new development, focusing on opportunities within strategic locations.	Category C: Financial Incentives	
C-3: Provide Density Bonuses for Affordable Housing	Density bonuses for development of deed-restricted affordable housing and/or middle housing types.	Category C: Financial Incentives	
C-4: Modify SDC Fee Schedules	Create SDC fee schedule that is tied to dwelling unit size. Consider scaling the local SDC per square foot of structure size rather than per dwelling.	Category C: Financial Incentives	City of Newport, North Plains
D-1: Ensure CIP Includes Funding Sources	Ensure that the City's Capital Improvement Plan includes funding sources for infrastructure improvements necessary to support residential development. Adopt or expand local public funding resources, as needed.	Category D: Financial Resources	
D-2: General Obligation Bonds for Affordable Housing Development	Following the passage of Measure 102, Oregon cities and counties can now issue voter approved general obligation bonds to provide direct funding for construction and other capital costs associated with the development and construction of affordable housing.	Category D: Financial Resources	City of Portland

Action Number	Description	Category	Source (if available)
D-3: Create an Affordable Housing Fund	Create affordable housing fund, by adoption of a construction excise tax and/or lodging bed tax.	Category D: Financial Resources	City of Newport, Hood River, Bend
D-4: Tax Increment Financing (TIF) Set Aside	Create a TIF set-aside for affordable housing development programs within designated Urban Renewal Areas (URAs). Include URA funding for capital facilities that attract attainable housing development.	Category D: Financial Resources	City of Portland, City of Hermiston
E-1: Property Tax Exemptions	Provide limited property tax exemption for low-income housing developments and single unit housing in distressed areas.	Category E: Tax Exemption and Abatement	
E-2: Multifamily Tax Exemptions	Provide limited multifamily property tax exemptions to incentivize the development of higher density housing	Category E: Tax Exemption and Abatement	
E-3: Multiple Unit Property Tax Exemption (MUPTE)	This strategy can be used to incentivize production of multifamily housing with particular features by offering qualifying developments a partial property tax exemption over the course of several years.	Category E: Tax Exemption and Abatement	See Oregon Revised Statute, Chapter 307.600
E-4: Nonprofit Low-Income Rental Housing Exemption	This tool can provide a simplified way for affordable housing owned and operated by a nonprofit or Community Land Trusts to qualify for a property tax exemption.	Category E: Tax Exemption and Abatement	See Oregon Revised Statute, Chapter 307.540
F-1: Monitor Residential Land Supply & Housing Inventory	Develop and implement a system to monitor the supply of residential land every few years. This includes monitoring residential development (through permits) as well as land consumption (e.g., development on vacant or redevelopable lands).	Category F: Land Acquisition, Lease, and Partnerships	
F-2: Develop Partnerships with Nonprofits	Partnering with housing non-profits. A partnership with a housing nonprofit can be established to acquire naturally occurring affordable housing such as foreclosures and expansion of the City's vacant property registration program for housing rehabilitation or purchase.	Category F: Land Acquisition, Lease, and Partnerships	City of Coos Bay
F-4: Preserve Existing Affordable Housing	Preventing displacement and preserving "naturally occurring" affordable housing (such as mobile home parks) through acquisition by non-profits, low-interest loans/revolving loan fund for preservation, and/or code enforcement.	Category F: Land Acquisition, Lease, and Partnerships	OHCS Mfd Dwelling Parks Program

Action Number	Description	Category	Source (if available)
F-5: Land Banking & Site Assembly	Public purchase of vacant/under-utilized sites or properties in foreclosure. As site assembly occurs over time new housing development opportunities can be created.	Category F: Land Acquisition, Lease, and Partnerships	City of Hood River
F-6: Public/Private Partnerships (P3)	Partnerships between government and private developers and/or nonprofits have the potential to leverage financial resources with limited public investment in infrastructure or conveyance of land or development rights.	Category F: Land Acquisition, Lease, and Partnerships	Hood River, Lake Oswego, Independence
F-7: Lease of Federal Land	Example: the Veterans Administration can lease land for up to 85 years to developers of projects that provide the VA with compensation. Such enhanced use leases have been used to provide land for permanent affordable housing for people experiencing homelessness including veterans.	Category F: Land Acquisition, Lease, and Partnerships	Housing Authority of Douglas County
F-8: Housing on City/County Surplus Land	Local agencies may designate surplus property for housing and mixed-use development that includes an affordable element.	Category F: Land Acquisition, Lease, and Partnerships	City of Bend
Z-1: Conduct Development Barriers Audit	Conduct a broader audit of local zoning code and development processes to identify barriers to residential development and identify alternatives for lowering or eliminating the barriers.	Category Z: Custom Options	
Z-2: Education for Property Owners/Developers	Provide information and FAQs to local developers and property owners to help them understand how to navigate the land use permitting process.	Category Z: Custom Options	

Next Steps

During the next phase of the HNA process, the consultant team will work with the City’s Planning staff and Housing Advisory Committee to consider and evaluate these policies with respect to their ability to address the City’s housing needs.