

HOUSING IMPLEMENTATION PLAN SAT MEETING #2 SUMMARY



Date: June 17, 2022
To: Florence Hosing Implementation Plan (HIP) Project Management Team
From: Darci Rudzinski and Brandon Crawford, MIG | APG
Re: SAT Meeting #2 Summary

The SAT Meeting #2 was held in person on Wednesday, June 15, 2022. The meeting was attended by:

- SAT Members
 - Russ Pierson, Chair
 - Phil Tarvin, Vice Chair
 - Bob Teter
 - Patrick Kirby
 - Neil Ecker
 - Andy Grzeskowiak
 - Bill Meyer
 - Ron Mann
 - Janel Morgan
 - Greg Wood
 - Patricia Burke
 - Maggie Bagon
 - Tony Miller
 - Beth Kilmurray
 - Steve Ochs
 - Colin Morgan
 - Jen Ledbetter (for Suzanne Mann Heintz)
 - Ron Moore
 - Tony Miller
 - Sally Wantz
 - Josh Stevens
 - Garrett Gray
- Members of the Public
 - Brenda Gilmer
 - Chief Michael Schick
 - John Murphey, Planning Commissioner
 - Andrew Miller, Planning Commissioner
 - Eric Hauptman, Planning Commissioner
 - Clare Kurth, Planning Commissioner
- City Staff
 - Erin Reynolds
 - Wendy Farley Campbell

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- Mike Miller
- John Pitcher
- Peighton Allen
- Project Team
 - Darci Rudzinski, MIG | APG
 - Brandon Crawford, MIG | APG
 - Hui Rodomsky, DLCD Regional Representative, South Oregon Coast

SUMMARY

Land Use Planning Terms and Acronyms

- Wendy Farley Campbell discussed a planning terms guide created by staff to explain commonly used acronyms in planning, development, and housing.
- The Planning Terms Guide will be a living document that is posted on the City's website. Staff will continuously update it based on requests from the community.

Code Audit Review

- Darci summarized the Code Audit purpose and background, noting the City's need to comply with State requirements to provide clear and objective siting/design standards and review/approval procedures for housing.
- Darci explained that the audit covered the Zoning Ordinance and Subdivision Ordinance (City "Code") and described the audit results, noting compliance issues for clear and objective standards, housing definitions, and other new rules associated with recent housing legislation.
 - Issues were identified in Ch. 2 (Definitions), Chapter 7 (Special Development Standards), Chapter 10 (Residential Districts), Chapter 15 (Commercial Districts), Chapter 16 (Highway District), Chapter 19 (Estuary/Shorelands), and Chapter 25 (Professional Office/Institutional District).

Clear and Objective Standards

- Ron Mann noted that a large portion of housing development in the City is approved as a PUD. He said all PUD is discretionary and conditional by nature. They're often negotiated and do not follow a clear path. He claimed that due to the area's complex topography/geography, PUDs are a sensible path that offer greater flexibility. He suggested that it's sensible to provide as many contingencies as possible.
 - Darci responded that the City also needs clear and objective standards that don't cause unreasonable cost and delay. The PUD route is necessary sometimes because a clear and objective route is too onerous under certain circumstances. However, PUDs are more likely to increase cost and delay due to their discretionary nature.
 - Bill Meyer just completed a project on 2nd and Kingwood. He didn't think the process was too onerous, and he thought the suggestions from planning staff were very supportive and useful.
 - Janell Morgan agrees that the current review/approval process hasn't been very onerous. She generally has had good experiences working with staff, and they've been useful at finding solutions to various land use challenges.
 - Steve Ochs mentioned that timelines and budgets for their housing projects generally account for the discretionary processes. However, they also often avoid discretionary land use review processes in Eugene or Metro areas because projects/decisions often get appealed. From an

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affordable housing perspective, he is excited for clear and objective processes and supports the needed updates, noting that clear and objective standards/requirements make land use review/approval and housing development easier.

Recent Housing Legislation/New Rules

- Darci discussed recent housing legislation that many of the Code update recommendations will either consider or need to comply with. These include:
 - HB 2916 – allows jurisdictions the option of permitting transitional housing, which is defined as “accommodations [are] intended to be used by individuals or families on a limited basis for seasonal, emergency or transitional housing purposes and may include yurts, huts, cabins, fabric structures, tents and similar accommodations.”
 - HB 2583 – Prohibits jurisdictions from establishing/enforcing occupancy limits based on familial or nonfamilial relationships.
 - SB 8 – requires cities to permit outright affordable housing on properties that are publicly owned or owned by a religious nonprofit, or in commercial or light industrial zones.
 - HB 2008 – requires cities to allow affordable housing on properties contiguous to a residential zone.
 - HB 3261 – requires cities to allow the conversion of a hotel or motel to an emergency shelter or affordable housing.
 - HB 4064 – requires cities to allow siting of individual manufactured homes or prefabricated dwellings in any residential zone.
- Darci briefly discussed the consistency between the new rules and Florence’s current code requirements. She mentioned that the rules will apply regardless of whether the City updates the Code to incorporate them.
- Wendy mentioned that a “transitional housing” definition is in the Code, but it is not presently allowed in residential zones and wouldn’t be allowed through the land use approval route, unless it was in the form of an allowed housing type (e.g., apartments). Transitional housing may be provided/developed through a non-land use path.
 - Jen Ledbetter has been confused about what her organization can do under the current definition and rules for transitional housing. Rogue Retreats is a decent example that Jen has researched. Wendy responded that the updated definition for “family” will address some of those issues.
- Ron Moore asked if the purposed of the code update was to help make housing production easier or more challenging? He added that he has had challenges with providing off-street parking in the Old Town area with redevelopment proposals.
 - Darci responded that it’s a little bit of both and depends on the type/form of housing. Some updates may make development more feasible for some housing types while others suggested amendments may place more standards/requirements for other housing types. She added that the City is almost large enough to be required to comply with HB 2001 based on the growing population (threshold 10,000 to comply with “medium city” requirements).
- Bob asked how the City should define “temporary.” He wants to ensure the timeline is long enough for people to find permanent supportive housing and would not just cycle homelessness.
- Maggie Bagon remarked there is a need to consider workforce housing. Many workers make too much money to qualify for low-income housing benefits.

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- Greg Wood noted that churches are allowed up to 3 RV trailers according to the Code. If the City doesn't allow transitional housing in any zone, then is there an internal conflict in the code? He added that there's a need for a clear definition for "transitional."
- Ron Mann asked if the City should allow RVs on properties with existing housing and allow them to hook up to utilities. He asked if they should qualify as transitional housing as well. He noted there may be a need among seasonal construction workers for this type of transitional/temporary housing.
 - Wendy responded that if you're in city limits, RVs can stay on the lot where construction is occurring. The City does not currently allow RVs to be permanent housing where they are parked on lots with existing housing.
- Jen commented that the specific definition for "transitional" affects the types of grant funding eligibility that her organization applies for and could potentially be used for the City. There are set terms that the City would need in order to qualify for certain grants. She also noted that Rogue Retreats formally allows tents because they wanted to manage/regulate the shelter type that is already present and prevalent. She believes there are better forms of transitional housing.
- Darci noted that the City and House Bill have definitions for "transitional," but they're pretty broad and vague definitions.
- Neil asked transitional for what purpose, how long, and what type? He observed that all can agree the City needs transitional housing in some form, but most residents wouldn't support some types, such as tents. He specifically would not support carparks or tents, but would support something that is appropriately managed.
- Colin noted that tent communities in Portland become unmanageable. He would want the City to avoid tents as an allowed transitional housing type.
- Tents are not a secure or safe transitional housing type due to weather hazards in the area. The City has a good starting point for transitional housing policy, rules/standards, or program due to the work with the Cold Weather shelter program.
- Ron Moore remarked that in the Seattle area, there's a mix of well-run tent cities and poorly managed tent cities. He noted church groups do a good job of managing them and it can be done well.
- Ron asked if TLT funds apply to short term rentals or other transitional housing?
 - A committee member responded that existing programs don't have to worry about [TLT tax] money because they don't collect fees, they collect donations.
- Staff suggested considering a model for a nominal fee used at transitional housing sites to help fund program management/maintenance.
- Janell asked if a fee is charged, would it trigger rental rules?
- Ron mentioned that the City would want to make sure State TLT funds don't interfere with projects that already have funding lined up.
- Greg noted that his organization considers themselves a transitional housing program, but City code would qualify them as a housing program. City code requires 3-month maximum stay for residents at transitional housing, whereas their organization allows 10-12 months. He's hopeful a larger housing supply will help them tailor their program to get people into permanent housing.
 - Erin responded that they may not need to worry about the definition in the code and transitional housing could be an administrative or program. It could be a licensing program rather than a code update. They would bring options/alternatives or recommendations to City Council and to help determine the best approach. The City also removed the 3 month limit from the definition.

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Family Definition Amendments

- Ron asked if the intent of the new rules is to make the terms/rules consistent throughout the code and limit by family, or make occupancy definitions all-encompassing regardless of relationship?
 - Darci responded that the City will want terminology to be more consistent and to not limit occupancy based on familial relations (i.e., make occupancy rules all encompassing).

Affordable Housing Rules

- Bill noted that the Port sold property in the Pacific View industrial park. He asked if that property can be developed for housing, noting that it's shovel ready.
 - Darci clarified that only affordable housing would be allowed.
 - If the Port still owned it, then affordable housing would need to be allowed, since it'd be a publicly owned property and it's not "heavy industrial" zoning.
 - Wendy described heavy industrial as a use that generally generates noise, pollution, etc. Light industrial is less impactful and often refers to manufacturing, warehouse/distribution, and office park uses.
- A committee member noted that (support for) potential code update recommendations depends on how straight forward the fix is. Darci said that, for example, the City can likely come up with solutions for manufactured housing rules, but they probably need more community feedback and discussion on transitional housing before proposing requirements.

Short Term Rentals

- Ron Moore is very much in favor of small-scale, short-term rentals because they don't compete with housing providers. The problem is corporations who buy groups of homes and run them as absentee quasi-hotels. They often present safety and health hazards, as well as equity issues related to insurance premiums.
- Most people are staying in places that wouldn't be affordable housing anyway. As prices increase in neighborhoods, the number of STRs drops.
- Bill noted that STRs typically do not displace affordable housing. Bandon is typical of what Bill has to comply with in terms of regulations for STRs. With the right criteria and restrictions, STRs can be positive. He thinks off-site managers with clusters of STRs should be avoided. Bill is required to have available parking at his STRs. He pays 12k a year to Deschutes County in room taxes.
- Patrick Kirby noted that prospective homebuyers are often outbid by outside entities investing in an STR, generally non-local corporations.
- Darci added that the issue isn't necessarily just for affordable housing but removing a residence from the overall housing supply, which affects overall housing affordability community-wide.
- Janell noted that the City needs to consider enforcement mechanisms, and she suggested looking at a fee structure in the program for how to build in enforcement.
- A committee member asked about people who create an informal STR without a permit. How would that be enforced? What are the potential legal consequences?
- A committee member asked if there's any research that indicates whether people who do STRs would otherwise rent out the room or sell their home. I.e., do STR restrictions result in greater housing supply (particularly for owner occupied situations).
- Ron noted that given the current market, it financially makes more sense to develop vacation rentals rather than housing. He, however, is choosing to accept additional risk by opting for long term rentals.

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He added that there is research that looks at the impacts of STR regulations on housing stock. He noted that there are tax structures for STRs that could help fund housing programs.

Wendy outlined next steps for the HIP SAT, noting that the July 28 meeting would include information from focus group/stakeholder interviews, a review of the proposed Zoning Code and Subdivision Code changes, and providing input for the virtual open house later in the year. Chair Pierson adjourned the meeting shortly after 5 pm.