



# ALBANY CITY COUNCIL AGENDA

**Monday, September 30, 2024**  
**4:00 p.m.**

Council Chambers, City Hall  
333 Broadalbin Street SW

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Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

1. Call to order and roll call
2. Business from the public
3. Scheduled business: Housing Implementation Plan
  - a. Housing Policy and Incentives Strategies [Pages 4-44] (30 minutes)
  - b. Development Code Strategies [Pages 45-50] (40 minutes)
  - c. Questions and Next Steps (5 minutes)
4. Adjournment 5:15 p.m.

*This meeting is accessible to the public via video connection. The location for in-person attendance is accessible to people with disabilities. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting at: [cityclerk@albanyoregon.gov](mailto:cityclerk@albanyoregon.gov).*

*Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City website.*





# MEMO

TO: Albany City Council

FROM: Anne Catlin, Comprehensive Planning Manager *ale*

DATE: September 23, 2024, for the September 30, 2024, Council Work Session

**SUBJECT:** Housing Implementation Plan Strategies Review

Relates to Strategic Plan theme: Great Neighborhoods

## Action Requested:

Staff is seeking feedback on priority strategies recommended in the Housing Implementation Plan that include proposed amendments to the Albany Development Code (ADC) and policy recommendations to remove barriers to needed housing and incentive the production of affordable housing.

## Background:

The Housing Implementation Plan (HIP), adopted in 2023, evaluated policies and strategies that the City can employ to address Albany's current and future housing needs. Based on the recommendations from the HIP, the City is pursuing changes to the ADC that would reduce barriers to creating needed housing and several policies to incentivize needed housing.

Public Engagement. In August and September, city staff and consultants conducted six focus group meetings to get feedback on the proposed development code amendments and housing policies. The focus groups were attended by residents, developers, realtors, and members of the business community. Staff also held drop-in office hours on four separate occasions. A survey was also created to solicit feedback on the proposed code changes and housing policies. Attachment A includes comments and results received through these efforts.

## Discussion:

Policy Recommendations: The purpose of this work session, regarding the policy proposals, is to share the public input received, review policy decision points, and receive further direction on staff's proposals in Attachment B. More details about these programs are in the [Housing Policies Background Report](#) included in the August 5, 2024 work session packet.

- **Construction Excise Tax (CET):** Direction is needed on the tax rate for residential development and commercial or industrial development and on exemptions. The state statute allows the residential tax rate to be up to one percent and does not limit the tax rate for commercial or industrial development.

The input received on the CET illustrated that residents acknowledge both the urgent need for affordable housing and funding to support it. While a few were concerned that a CET would contribute to rising costs, the potential benefit, especially the ability to leverage other funding, generally outweighed those concerns.

Recommendation: a one percent construction excise tax on residential development and 1.5 percent construction excise tax on commercial and industrial development, excluding development with a permit value under \$50,000 and specific development types like schools and churches, for example.

- **Low Income Rental Housing Tax Abatement Program (LIRHT).** This program allows a 20-year tax exemption for any entity that provides new regulated rental housing serving low-income households (ORS 307.515-307.537).

Most people did not express a strong opinion about whether for-profit developers should be excluded from the LIRHT program. There were some concerns about how much tax revenue the City can afford to lose by providing tax exemptions. The City's current tax abatement program, the Nonprofit Low-Income Rental Housing program requires annual renewal, has been a vital program to sustain affordable housing in Albany. (According to ORS, this program is set to expire/be repealed on June 30, 2027.)

Recommendation: Include both for-profit and nonprofit affordable housing in the low-income rental housing tax abatement program and consider sunsetting the City's current rental housing tax abatement program.

- **Multi-Unit Property Tax Exemption (MUPTE).** Overall, there was support for this program. Economic Development staff will bring MUPTE policy recommendations to City Council in the future.
- **Surplus City-owned Land for Housing Policy:** Direction is needed on whether to pursue this policy further. Attachment C includes a list of properties owned by the City that are currently surplus or could become surplus.

Public input revealed mostly enthusiasm for this strategy provided it involves land suitable for residential uses. Nonprofit developers expressed the ability to purchase surplus land can be enormously helpful in producing affordable housing.

Recommendation: Enact a policy that incorporates screening city owned surplus land for housing suitability prior to the sale, lease, or reuse of city owned surplus land.

ADC Amendments: The purpose of the work session is an opportunity to review proposed development code amendments that implement strategies in the HIP and obtain feedback prior to assembling the amendments for public hearings. When considering both the focus group and online survey input, there was general public support for the strategies below, which are discussed in more detail in Attachment D:

- Reduce lot sizes for houses/duplexes less than 1,250 square feet and 750 square feet;
- Incentive smaller cottages and remove barriers to cottage clusters;
- Reduce side setbacks for townhouse lots and scaled lots for small houses;
- Reduce front yard setbacks and increase rear yard setbacks;
- Incentivize rear/alley-loaded development and houses without garages;
- Increase flexibility for Accessory Dwelling Units (ADU's);
- Remove the multi-dwelling unit minimum area requirements;
- Remove density maximums in medium and higher density residential zones and set minimum densities;
- Reduce private open space for multiple dwelling units; and
- Require pocket parks and green space in residential subdivisions.

AC:km

- A. Public Input
- B. HIP Policy Recommendations
- C. City Surplus Land Inventory
- D. Summary of Proposed Development Code Amendments

# Albany HIP Implementation Development Code Focus Group Input

Focus Group Dates: 8/14/24, 8/28/24, 9/9/24, 9/18/24

Number of Participants: 42 representing residents, realtors, for profit and nonprofit builders, social service agencies, engineers, architect, financial institutions

- Reduce lot sizes for smaller homes:
  - a. For houses between 750 – 1,250 SF (excluding garage), allow lot sizes that are about 60% of the standard lot
  - b. For houses < 750 SF, allow lot sizes that are about 50% of the standard lot size

COMMENTS/QUESTIONS: No concerns, overall support across all participants

  - Are you factoring in the garage size? A: Just house size. Lot coverage maximum would determine garage size.
  - Would this apply to infill development or just new development? A: Both. If infill, lot needs to be large enough to divide into two or more lots and meet lot coverage on both lots.
  - As long as you meet the setbacks and lot coverage ratios, do we even need minimum lot sizes?
  - 800 SF for smaller home pencils for a 28' x 28' footprint
  - 1,400 SF is Hayden Homes' sweet spot – would like to see that size included in the scaling strategy
  - Could you put an ADU on the small lots? A: Yes if meet lot coverage
- Reduce side setbacks for smaller home lots and townhouses: 3 ft one-story and 5 ft for two- or more stories
  - No concerns expressed.
  - Do the reduced setbacks meet fire and building codes? Yes.
  - For zero lot line developments, is there a reason you wouldn't double the setback on the adjacent lot? Anne: We don't have a specific proposal for that. The building code separation would apply.
- Reduce front setbacks for dwelling (not garage), increase rear setbacks to encourage provide backyards for smaller home lots
  - No concerns expressed.
  - I think it's great. Most families would prefer to have their kids play in the backyard.
  - Reducing front setback reduces utility construction costs, so in favor of this.
  - Why is the HDR rear setback so small? Anne: intended for urban development; MDUs have an additional buffer setback adjacent to lower-intensity development.
  - Has there been discussion about removing planter strips? A: No, need space for street trees, utilities and storm drainage
  - People want backyards.
  - So much development last 5 years – concerned with livability and lack of open space.
- Increase flexibility for ADUs: Allow up to 900 SF or 25 SF less than primary dwelling, whichever is less.
  - Why not allow the ADU to be larger than the primary dwelling? If larger, could the ADU become the primary dwelling?
  - If we can put up to 4 units on a lot, why limit ADU sizes? Why not allow detached units. A: Detached ADUs and cottage clusters (3 or more houses) are permitted on a lot.

- Why not just allow 900 sf as long as you meet the setbacks and lot coverage?
  - This isn't going to move the needle on ADUs. Other cities have removed SDCs and that's what makes ADUs happen. Will there be discussions about SDCs for ADUs? A: This focus group is about code changes, not policy changes.
  - Is 50% of the primary dwelling pretty standard in other cities? A: Most other cities limit to 75-80% of primary dwelling and have a max size around 900SF
  - Does the City limit short term rentals for ADUs? They're not helping housing supply. A: No.
  - What we need is volume. More units. Need financial incentives to make this happen.
  - Since no parking can be required, won't larger ADUs have more of an impact on neighborhoods? A: ADU can currently be 900 SF if house large enough.
  - How does the market determine parking? A: If there's demand for off-street parking it is provided.
  - Could ADUs also have relaxed setbacks? A: Detached ADUs meet accessory structure setbacks.
  - SDCs aren't regulated in the development code.
- Reserve medium and high-density zones (RM, RMA, HDR) for those housing types:
  - a. Remove minimum area requirements per unit (varies by # of bedrooms): No concerns.
  - b. Remove maximum density limits (let lot coverage and height determine) and c. set minimum density:
    - Are there considerations given to people without cars who rely on public transit and further discussion of parking and housing affordability? A: City no longer requires parking.
    - All but one in support; "makes sense".
    - Concern about increased residential density and ability to supply water, including in a fire. A: City water master plan and water lines are sized to accommodate fire flow.
    - Could you allow phased development to reach minimum density over time? A: Yes.
    - Do we still require open space for multifamily? What is the lot coverage? A: Yes, we MDU requires 15% open space and tot lot. Lot coverage is 60-70%.
    - Encourage tiny home cottage clusters
    - Have there been any successful cottage clusters? Anne:
- Encourage rear/alley-loaded development to save street for parking
  - Concerned about lack of backyard space. Kids need space to be outside.
  - People like having options not to have yards they need to maintain.
  - FG #3 – all in support to encourage more variety of housing, on-street parking, pedestrian friendly
  - What happens in historic districts? A: New development requires historic review.
- Require small tot lots/pocket parks in subdivisions over a certain size (ex: every 20 lots – provide 3,000 SF)
  - Overall support from FG participants.
  - Developer/builder concern that play structure would be a liability for the developer. Insurance costs are significantly different if play structure required.
  - Respect idea and do in other cities, as long as clear and objective standards. Prefer a percentage open space requirement.
  - Smaller lots and denser development need green space. when push to increase density and newer developments having lower livability. Kids need open space. Affordable housing developments have more open space than neighborhoods.
  - Importance of neighborhood gathering spaces. We've centralized schools – fewer and larger. People need places to meet other families/kids. Need mandates for public space. Having porches close to streets also encourages people to interact with neighbors.

- You should get an SDC credit if you're building parks. A: These would be smaller than standard City parks. Possible if build part of trail/multi-use path for tSDC and future pSDC credits.
- Isn't this counterproductive to increasing affordability and getting more units? A: idea is balance development with livability especially with smaller houses and lots, and middle housing where they don't have much green space.
- How would this work with middle housing? A: still figuring this out
- Would HOA have to pay for maintenance? A: yes, but HOAs required for stormwater, and stormwater facilities could be green space amenity after first tot lot/park.
- Rather than making this mandatory, could this be incentivized with a density bonus or something similar?

### General Comments

- I'm hearing from my peers the desire for options like duplexes and cottage clusters to be close to family / friends.
- We need to look at our water rights and the ability to sustain growth. Also a transportation system that supports growth.
- We need housing first and foremost. People are living outside. More housing and affordable housing should be our focus.
- Habitat: we're thinking about the land trust/lease shared-equity concept to maintain affordability and cottage cluster development
- Farmworker Housing Devel Corp: also looking at land trust model for first-time homeownership in Albany
- Why do we have all these different terms for housing? ADUs, cottages, duplexes... If you can fit it on a site, why not let builders do what they want? A: Some cities have form-based codes – could consider but a would be a much bigger project
- What about removing window requirements to reduce costs and windows to nowhere? (Code requires front façade have 15% in windows or main door, including windows in garage doors.)

# Albany HIP Housing Policy Focus Groups Input

Focus Group Dates: 9/11/24, 9/16/24

Number of Participants: 17

Stakeholders represented: Lending, transportation planning, real estate, nonprofit affordable housing developer, assessors, property management, residents, commercial development, business, and housing and shelter services

## Construction Excise Tax (CET)

### Summary

The input received on the CET illustrated that residents understand both the urgent need for affordable housing and funding to support it. There were concerns that a CET would contribute to rising costs. However, the potential benefit, especially the ability to leverage other funding, generally outweighed those concerns. Participants noted the success of construction excise taxes in nearby jurisdictions to support affordable housing with minimal adverse effects to broader development and a desire to bring those benefits to Albany. Initial concerns about losing funds to the state were allayed when it was made clear the 15% of residential CET revenue that is administered by the state returns to Albany in the form of first-time home buyer assistance.

### Comments and Questions

- Will this result in more SDCs being charged? Would prefer to see SDC fees reduced. All the fees and additional costs add up. I have a problem with everyone's construction jobs being charged to fund a special project. When working with LBHA, LBHA controls what "market rent" is but it's often less than actual market rent which makes it challenging for property managers to make that work financially. Concerned the program administration cost will exceed the 4% that can be used for that purpose.
- What does affordable housing mean in this context?
- What does it mean that remaining funds are unrestricted for commercial CET?
- Who will determine program details for CET affordable housing fund?
- It feels more stick than carrot, automatically we lose 4% to admin which is understandable and then 15% goes to the state (Note: the 15% that goes to the state goes into homeownership programs specifically for Albany. The 15% goes directly to first time Albany homebuyers through down payment assistance. The state doesn't take a cut.)
- What is the goal? Is there a certain number of units needed or a state mandated target that we need to get ahead of?
- This is one tool the City can use to incentivize developers to come to Albany to build affordable housing. Experience working with an affordable housing developer who preferred building in Corvallis over Albany because of the partnership and funding support Corvallis can offer due to it's CET.
- City could incentivize needed housing development by reducing costs through other strategies, instead of CET.
- DevNW has partied with jurisdictions with CET on homebuyer down payment assistance program which allowed loans to close for low/mod income households to buy houses and

therefore build equity. Without the extra funds to assist, the loans would not have been possible.

- Other jurisdictions are doing these (CET) programs successfully, so why isn't Albany? This is a small step in the right direction that is needed right now.
- Adding affordable housing will affect property tax revenue because it will add new residents who need public services (transit, roads, parks, etc.), but since their property tax is lower, the City will need to make up that reduced revenue somewhere which will end up costing everybody. On the other hand, we do really need affordable housing. (Note: affordable housing is not tax exempt unless owned/partly owned by housing authority.)
- Can these funds be used for utility extensions?
- Can you define commercial and residential development? In my work, commercial can include apartment construction as well as traditional commercial buildings. A: Residential includes apartments.
- Fine with CET strategically, but concerned about some of the pitfalls, but it could help the City avoid low desirability housing and gain revenue to be used to advance affordable housing.
- What does permit value mean? A: 1% of the estimated value of the project
- How does the affordable housing fund created by the CET revenue work? Does the state required 50% for affordable housing have to apply to a specific project?
- It makes some homes more expensive to make some housing less expensive and that feels counterproductive.
- Yes, it may make some housing a little more expensive, but it will be more expensive for people who can afford to pay a little more for housing.
- How much would be generated on a house for sale for \$400,000?
  - Once you take out land costs, etc. the 1% on the permit will probably be around \$2,000-\$2,500.
- We (nonprofit developer) develop in other cities that have this and it has been successful, often there are upfront concerns that don't end up being major issues, adding \$2,000 to someone who is buying a \$400,000 house doesn't have a huge impact on affordability, the people in the market for \$400,000 homes generally can afford the minimal increase
- We have to be careful adding costs. Permit fees are also going up and costs are on the rise.
- The housing market isn't providing affordable housing. This could really help more people get into housing. This is a relatively small cost for an important benefit. Everyone wants affordable housing, but we can't get affordable housing without funding. Financing for affordable housing is difficult because of rent restrictions and valuation of property. This is an important fund to have available for affordable housing developers and other cities have been doing it for a long time.
- Second that, it's rare for nonprofit developers to fund a whole project with just CET, but it helps us leverage state funds. It brings much more funding opportunities to Albany. The local match gives points to developers applying for state funds. State funds are disproportionately going to cities that have a CET and Albany is missing out of funds by not having it.
- This is great. It would be helpful to have specific examples. Leveraging funds is a whole different ball game and we want to do that.
- Is \$800,000 in revenue enough to make an impact?
  - Developer: \$800,000 annually makes a difference, especially when it is used to leverage state funds. You can go from having an affordable housing development every 3-4 years,



suddenly you have developers who are able to fund 1 or 2 a year. less than that makes me a little nervous because it's not as impactful.

- You add leveraged state funds, but you still need land
- \$800,000 would be great, for that amount I could immediately purchase two properties and help 8 people with mental illness get into housing. That would be very beneficial for the community. Can it help existing properties? Or purchase of existing properties? (Brendan clarified that it has to go toward the creation of affordable housing whether that's through new units or turning existing housing into affordable housing and some of the funds have to go specifically to developer incentives, so it depends on the project and work being done)
- Would like it to be able to be used to rehab projects to create affordable housing too

Below are examples of showing leverage of CET funds in Eugene area from DevNW. The Background Report includes Corvallis examples.

- 70-unit tiny home village (complete)
  - \$640,000 in CET
  - \$12.16 M in leveraged funds
- 10-unit transitional housing for veterans (served 50 vets per year, as steppingstone to long term housing) (complete)
  - \$407,000 in CET
  - \$2.3M in leveraged funds
- 36-unit affordable rental project (underway)
  - \$430k in CET (and City also provided SDC waivers to bring contribution to 5%)
  - \$13.9M leveraged funds
- Under Construction: Bridges on Broadway (rehab project)
  - Number of units: 57
  - Amount of CET funds: \$383,434
  - CET % of Total Sources: 3.6%
  - Total other funds in the project: \$10,417,131
- In Pre-development: The Coleman (new construction)
  - Number of units: 52
  - Amount of CET funds: \$552,650
  - CET % of Total Sources: 2.9%
  - Total other funds in the project: \$18,687,312

Regarding whether to use CET to maximize leverage vs smaller projects funded mostly by CET, we encourage jurisdictions to allow both options. We've seen CET be helpful for very small projects that have trouble being funded at the state/federal level – but can still be critical. An example would be a 5-bed, staffed, treatment home. Very needed for those with severe MH and/or addiction issues, but too small to be a tax credit project. The transitional housing project (above) would be another example. They got some other veteran and local dollars, but they noted that the leverage isn't as high as some because the project was too small for LIFT or tax credits. So the leverage projects are definitely important for scale, but the small ones can be a critical use, too!

## **Low Income Rental Housing Tax Exemption**

### Summary

There was not a consensus among the public about whether for profit affordable housing developments should be eligible for the tax exemption. There were some concerns about how much tax revenue the City can afford to lose by providing tax exemptions and compliance with affordability requirements, but most people did not express a strong opinion about whether to exclude for-profit affordable housing developers from the program. This has been a vital program to sustain affordable housing in Albany.

### Comments and Questions

- Are only nonprofits are eligible or both nonprofit and for-profit developers are eligible? A: Both programs allow nonprofit and for-profit developers.
- Low-income rental housing tax abatement program could have far reaching impacts but concerned about the impact adding residents/families without increasing tax revenue needed for schools and parks to support new residents. I understand the need for affordable housing but I'm not sure what the right mechanism is. (A: abatement is for 20 years and could be from city taxes only, or only those taxing districts that adopt the program.)
- There are other potential tax exemption programs to explore
- City cannot afford to not be taxing properties. There are very few properties that are not taxed. However, we provide affordable housing, and we could not do it if we were not tax exempt (via City's current program that requires annual renewal). This program needs to continue, but it should be restricted to nonprofits and not include for profit affordable housing developers. Concerned about compliance with affordability requirements among for-profit developers. City doesn't have the capacity to oversee that developers are following income restrictions requirements.

## **Multi-Unit Property Tax Exemption (MUPTE) Programs**

### Summary

Overall, there was support for the MUPTE. Benefits to the transit system, untapped residential potential downtown, and incentives spur development on vacant land were all mentioned as potential benefits. Some were concerned about tax exempt developments adding more residents to Albany without the added tax revenue to support public services, like schools or parks, for the new residents. Others pointed out the long-term tax revenue generated by the developments when the abatement period is complete could be a missed opportunity if a project cannot be developed without the tax exemption.

### Comments and Questions

- In favor of the MUPTE and wondering if there would be any funding for transit system to ensure it had capacity for the increased density near stops and potential new riders. Even bus stop improvements would be great because Albany has a lot of unimproved bus stops. (A: transit amenities are one of the proposed public benefits developers would choose from.)
- Does the MUPTE apply to retrofitting buildings or only new construction? (A: either is acceptable as long as it adds new residential units)
- Albany has implemented the first phase of the transit expansion plan and has two more phases in the works. The effects of a MUPTE might help spur those later phases of transit expansion earlier which would be a benefit.

- MUPTE would make a lot of sense in smaller downtown buildings that are expensive to retrofit but have residential potential. MUPTE could help offset expensive City requirements in these buildings.
- Concern that the residential space supported by the MUPTE might end up being used as vacation rentals like Airbnb. Relieved to hear the MUPTE would not apply to vacation rentals, only true residential uses.
- Generally, in favor of the concept of using local labor and materials, but City would need to define what local means. How would the public benefit of local labor, materials and ownership be tracked or confirmed?
  - Someone else had seen metrics tracked for local labor and materials on another project successfully.
- Feel we are opening a pandora's box with the MUPTE by allowing tax exemption for for-profit developers who are not building affordable housing.
- Tax exemption can make the difference between a property being built or not being built and left an open field. It's better to have the project built, in favor.
- If the project isn't serving low-income people, the public benefit is not sufficient to warrant the tax exemption.
- On a 150 unit/\$20 million project, the MUPTE tax abatement would help make that project affordable to the developer. Plus, you could still get the CET on it to bring in \$200,000 and when tax exemption is up, the city will bring in a lot of money on it. Important to consider the tax revenue for the city down the road, so it's shortsighted to not consider the MUPTE. Believe the developer should decide how much is affordable housing and how much is market rate based on what the developer can afford.

## **Surplus Property Policy**

### Summary

Public input revealed both enthusiasm and caution for this strategy. Screening properties for potential housing suitability without requiring the City to use a property for that purpose was a favorable approach to most. A primary concern was that surplus City owned land may be needed by the City in the future. Any screening of properties for housing suitability should assess the likelihood of the City needing the land in the future. Nonprofit developers expressed the ability to purchase surplus land can be enormously helpful in producing affordable housing. Some suggested limiting the sale of City owned surplus land to affordable housing, not other needed housing types.

### Comments and Questions

- Usually, land is used for highest and best use, how does that factor in? Concerned properties might not be used for the best use if it has to be used for housing, Not all City surplus land is suitable for housing. (A: the policy would not require all surplus land to be used for housing; property would be screened – zoning, location, etc. first.)
- City surplus land enabled Habitat for Humanity to build five houses on a property that previously had a dilapidated house on it. Optimistic about how this strategy could support affordable housing in the future.
- No brainer, strongly in favor.
- Why would we not do that? Supportive of idea.

- Supportive of screening properties but don't want City's hands to be tied if property is not well suited for housing or has another potential public benefit
- Not against the idea but caution against offloading City owned land rashly in case it is needed by the City in the future. Some properties do need to be reserved for possible City use in the future.
- How long should a property sit unutilized when there is a clear need for housing? Shame to let property go unused when it could provide a benefit.
- It's a delicate balance between current needs and potential future City needs.
- Once housing is on a city owned surplus property, it becomes difficult to change the use if circumstances change in the future. Displacement and emotional attachment pose challenges if it is later determined there is a better use for the property.
- This would just require the property to be screened, and that screening doesn't exclude consideration of other City needs or benefits. In favor of screening to see if surplus properties are suitable for housing.
- Have seen local developer masterfully use small vacant lots to add housing so think this idea has potential for City owned property that might be small or unusually shaped
- This is huge for us (nonprofit developer). Land is a huge challenge for affordable housing development. Site control is needed for applying for affordable housing funding and it's hard to find sellers that will wait 18 months to close while funding is secured. Hugely in support, but it should be restricted to affordable housing not market rent housing. For our purposes, buying the land is much easier than long term lease so that is preferable but can work with either set up if needed. Sometimes, site control is more important than discounted price, though discounted price helps bring down the costs and can be counted as leveraged funds on applications.
- City land may be needed in the future even if it's not needed today, and that should be considered. If a piece of land is going to be sold, it should go to a nonprofit not for profit developers. Concerned that there will be regret over selling land. Any sold land should have public benefit or public use.
- City doesn't have much excess land for this. (A: The city may have more surplus land in the future and has had larger surplus properties in past.)
- Would the city look at acquiring properties? Could CET be used for that?

### **General**

- Are there other potential revenue sources beyond the CET?
- Caution against urban renewal districts as a revenue strategy
- We need tools to help support affordable housing.
- The money has to come from somewhere to build affordable housing. The fact of the matter is that low-income families simply don't have the money, so it has to come from somewhere. The question is where it should come from. Ultimately, we all have to contribute.

## Additional HIP Implementation Strategies Input

This feedback includes conversations from the HIP Office Hours where staff were available to receive input and answer questions about the HIP proposals and written comments received between August and mid-September related to the Housing Implementation strategies.

- Artificial shortage of housing is created by Oregon land use laws, now we are swinging the other way to discuss how to make it easier to create housing.
- If you meet the other requirements for a lot (setbacks, lot coverage, etc.), what difference does it make what the lot/house size is?
- Making it easier to build is a big win, like proposals
- Availability of raw material- need raw material pipeline (I.e. new gravel pit), takes 10 years to permit a new gravel pit and there will be a shortage, few concrete providers means there's not enough competition to bring down prices
- Is the conversion of duplex, triplex, fourplex or apartments to condos allowed? A: yes, already allowed in state law
- Why is there a limit on the number of larger cottages for a cottage cluster? A: This is partially determined by state law. City may increase the average size of cottages in a cluster. The maximum size is 1400 sq. ft. and set by the state.
- The assurance of being able to build middle housing and get a permit without being appealed by neighbors is a game changer, reduces risk of trying to build that housing.
- New types of housing, like middle housing, can be difficult to finance because financiers want to see comparables to base the valuation on. Until there is more in the market, this may be an issue. This is true for ADUs that don't have their own lot, but small lots that are distinct to themselves are easier to finance.
- Some of the Development Code changes will help smaller scale developers. Larger developers don't necessarily offer the diversity of housing Albany wants to see.
- Smaller homes offer opportunities for more people to build equity.
- Would prefer a form-based code
- Have someone to immediately help walk someone through the planning code to make it easier
- In favor of ADUs, especially for caregiving or elderly parents situation, and can help make homeownership more affordable with built in rental revenue.
- Supports changing ADU size standards. That would be very helpful.
- It is difficult to create affordable housing, unless subsidized. Generally, without subsidy, rent will be set by the costs and loan that need to be recouped.
- Supports North Albany middle housing development (townhomes), disagrees with those who say I got mine but now no one else can get theirs. If it's to code, developers should be able to do it. It's great if it will help more people be able to buy homes or get into homes. Starting salaries aren't enough to afford most homes, so it's great to have other options, especially when people end up spending the same amount on rent anyway. They just need to be able to get their foot in the door of the home buying market.
- Smaller homes help first time homebuyers and those looking to downsize. It's hard for people to find suitable homes to downsize into and age in place and then they forced to look outside Albany though they'd prefer to stay in the community.

- Duplex that is brand new in Sweet Home, 3 bed/2 bath for 299k. That is much more affordable for a family or new homebuyer and the duplex was more cost effective than single family home on that lot.
- Smaller homes on small lots would be great for couples without kids or older homeowners
- Rear loaded sounds good, good to have street parking. Some streets are narrow making it hard to have much street parking.
- We should require tot lots in subdivisions.
- (NOT in City limits): I understand needing housing but destroying our farmland is not the way to do it. When it's gone, it's gone forever losing all the charm that brought so many of us to Albany. I'm a 4<sup>th</sup> generation native Oregonian and it's heartbreaking to see what is happening to our state and community. Living in North Albany has changed a lot in the last 20 years I've been there. Understandably housing is needed but where is the actual planning and limits to what is actually maintainable? Our infrastructure is being stretched beyond limits with what feels like a lack of competent planning. Allowing politics and a money grab for investors and builders to run wild with this new law. Where is the competent city planning? I feel there is a larger plan in place purposely destroying our community and town for the benefit of financial gain and greed. All the while claiming it is out of your hands.
- (NOT in City Limits): I have lived in this state my entire life. I have lots of friends that have moved here from California. Why did they move here? To escape high density living. Our infrastructure and road system cannot handle this. I see our traffic getting worse and worse, travel time across the bridge from downtown into north Albany is increasing substantially. I realize I am probably writing to people who think the Portland road system is acceptable. But, there is a reason the people who reside in Albany do not live in Portland. This new so called middle housing law that went into effect that the Oregon Senate passed, is nothing but a cash grab catering for the wealthy. I've heard politicians say that is not true, but you have lied to the public, over and over. And here we are. People to my surprise, seem to think this will help our homeless situation. I know that is not true. But if you want to fix that problem, how about start by enforcing our current laws. And also fix our mental health system, change the incentives from the more people that are in the system to, the more people that get actual help, recover and out of the system, goes on your employee record for promotion. But instead our mental health workers are worried about working themselves out of a job. I know first hand this is truth from actually having gone through it with a loved one. I know I am rambling and it's pretty much blah blah blah, because you actually support this (so called) new middle housing law, this is changing our state into Europe. But seriously, it's starting to get dangerous! Getting out of North Albany is getting to be a challenge, what is going to happen if there is a natural disaster? You all do not care and you all should be held accountable.
- For the housing implementation plan of Albany - Does this include ADA accommodations for those of us who have loved ones with disabilities? My 11-year-old daughter is wheelchair-bound and nonverbal, and I believe new housing should automatically be ADA-friendly.
- I wanted to repeat my caution regarding the impact of building costs / prices on the ability to successfully implement your plan. My son had just paid \$420k for an 1100 sq.ft. home in Albany. A more representative example might be the 27 cluster homes that were just completed for \$5.7 MM by Creative Housing Coalition. If we assume an average sq. ft. per small home as 750 sq. ft. then the cost to build that community is \$281 per square foot. With an assumed

markup by the builder of only 1/3, the sale price would be \$374 per square foot. I would encourage you to take this presentation to the general public within Albany. You are going to significantly change the character of the community and they deserve to be informed.



to City of Albany City Council and Planning Commission  
 from Kate Rogers, MIG  
 re Albany Housing Implementation Project – Online Survey Summary  
 date September 20, 2024

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## Introduction

This memo provides a summary of results from the online survey for the Housing Implementation Project (HIP). The survey was available from August 27 through September 15, 2024, and received 90 complete responses. The survey asked respondents to provide input about proposed changes to the Albany Development Code (ADC), as well as housing policies and incentives, to address the community’s current and future housing needs. The survey (now closed) can be viewed online at this link: <https://bit.ly/AlbanyHousingSurvey>. A report of responses is attached.

## Results Summary

### ADC Strategies

Respondents were asked to evaluate each proposed ADC change using the following scale:

Strongly Support – Support – Unsure – Do Not Support – Strongly Do Not Support

Most ADC proposals received more support than opposition in the survey. The following table indicates the percentage of respondents that selected either “Support” or “Strongly support” for each proposal versus “Do not support” or “Strongly do not support.” The most-supported strategies are listed first.

Proposal	Support	Do Not Support
Require pocket parks and green space in residential subdivisions	76%	13%
Reduce front yard setbacks and increase rear yard setbacks	63%	25%
Increase flexibility for Accessory Dwelling Units (ADUs)	62%	26%
Allowing smaller houses on smaller lots	57%	27%
Incentivize rear/alley-loaded development and houses without garages	55%	29%
Incentivize smaller cottages by allowing additional units in a cottage cluster	54%	39%
Set minimum densities in RM, RMA, and HDR zones	39%	42%
Reduce side yard setbacks for homes on small lots	36%	54%
Remove density maximums in RM, RMA, and HDR zones	25%	55%

As demonstrated in the table, the only strategies to receive more opposition than support were setting minimum densities and removing maximum densities in the medium and higher density residential zones (RM, RMA, and HDR), and reducing side setbacks for homes on small lots.



## Online Survey Summary

### Open-ended Questions

Respondents were also asked three open-ended questions to understand their general thoughts about housing choices. Following is a brief summary of responses.

- What type of housing do you see yourself living in while in retirement?**  
 Responses included a wide range of housing types, including small home, single-story home condo, apartment with family, cottage cluster, townhouse, as well as standard single-family homes.
- What types of housing options would you consider as a young single person or couple?**  
 Similar to the last question, responses varied widely but tended to include more housing types such as apartments, townhouses, duplexes, and tiny homes. Fewer respondents indicated single-family homes.
- What concerns, if any, do you have with encouraging more variety of housing types to address Albany's housing needs?**  
 The most frequent responses were “no concerns,” traffic, parking, property values, and housing or neighborhood quality. Several respondents mentioned North Albany as area of particular concern.

### Policy Strategies

Respondents were asked to evaluate each policy strategy on the same scale from “strongly support” to “strongly do not support.” The following table summarizes the levels of support for each policy.

Proposal	Support	Do Not Support
Surplus land policy for housing	57%	25%
Construction excise tax (CET) for affordable housing	39%	45%
Tax abatement for affordable housing	39%	38%
Tax abatement for housing in mixed-use areas	46%	30%

As indicated, all strategies received more support than opposition, except for CET. Still, even for CET, the responses were somewhat split. For the CET strategy, the survey also asked whether the city should exempt development under a certain dollar threshold from the tax (e.g., \$50,000). The responses were 52% “yes” and 48% “no.”

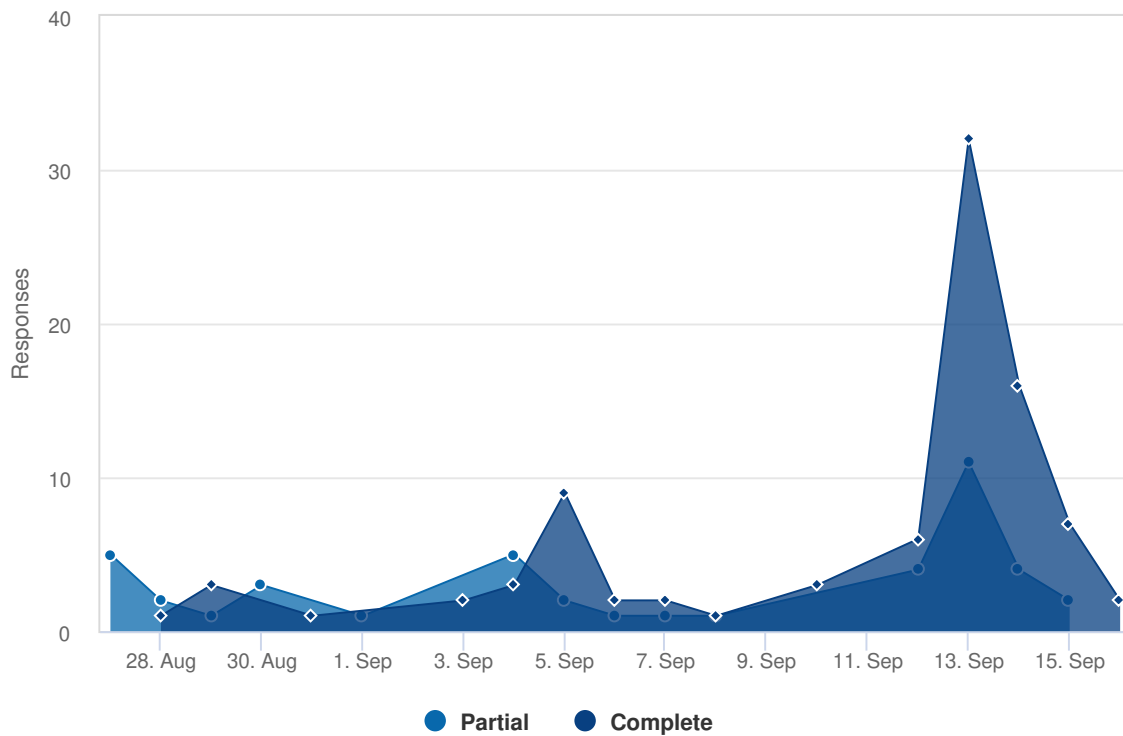
### Respondent Demographics

It is important to note that the survey responses came from a somewhat homogeneous group of community members, and do not necessarily reflect Albany as a whole. The following stats are noteworthy:

- 87% of respondents indicated that they own their home in Albany;
- 93% live in a single detached home;
- 80% have not had difficulty finding housing that they can afford or that meets their needs; and
- 70% identify their race as White/European American.

# Report for Albany Housing Strategies Survey

## Timeline

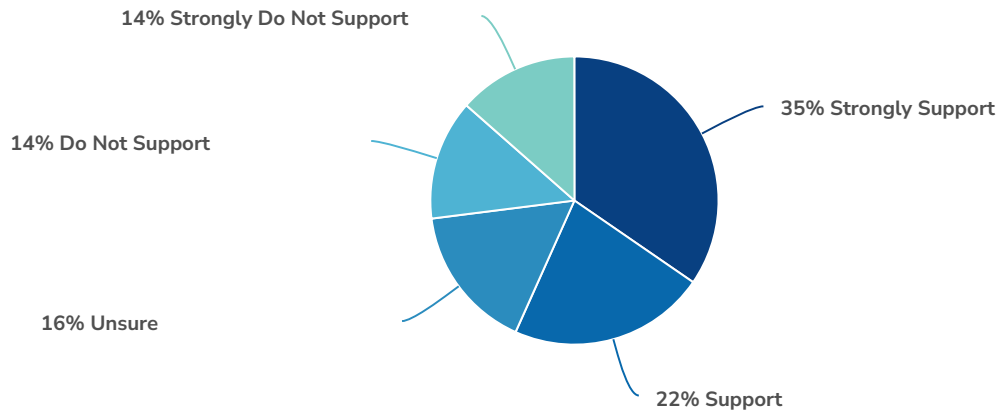


## Response Counts



Totals: 133

1. Please indicate your level of support for allowing smaller houses on smaller lots.

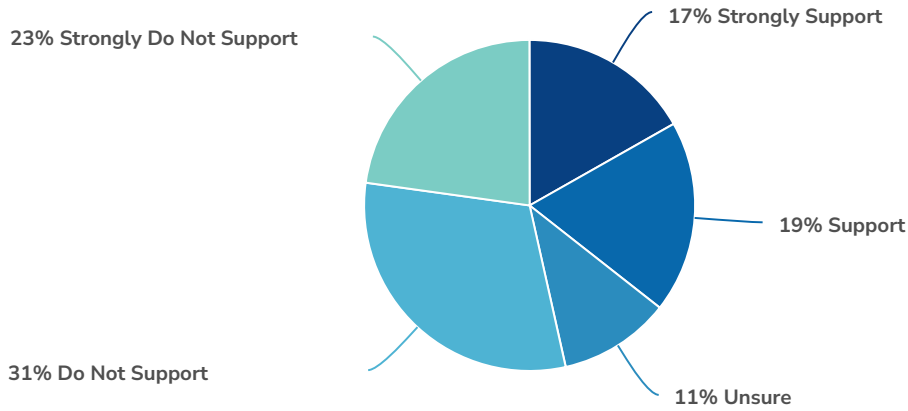


Value	Percent	Responses
Strongly Support	34.6% 	36
Support	22.1% 	23
Unsure	16.3% 	17
Do Not Support	13.5% 	14
Strongly Do Not Support	13.5% 	14
		<b>Totals: 104</b>

**Statistics**

Total Responses	104
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2. Please indicate your level of support for proposal A to reduce side yard setbacks for homes on small lots.

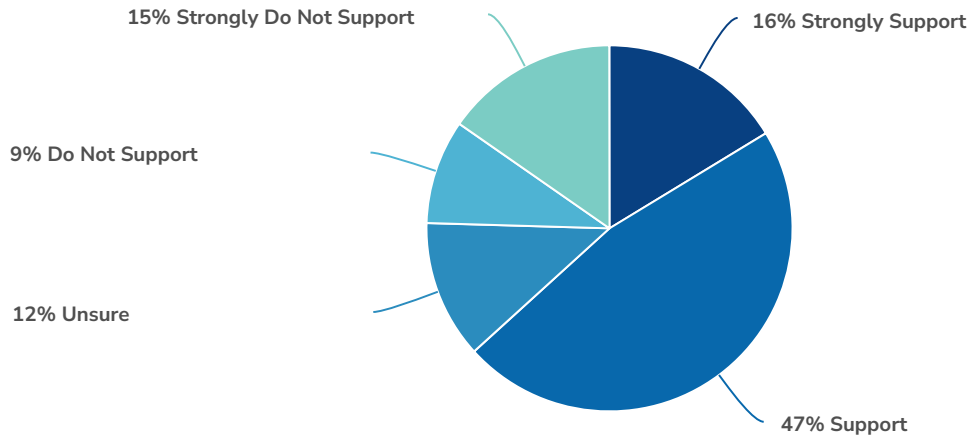


Value	Percent	Responses
Strongly Support	16.8%	17
Support	18.8%	19
Unsure	10.9%	11
Do Not Support	30.7%	31
Strongly Do Not Support	22.8%	23
		<b>Totals: 101</b>

**Statistics**

Total Responses	101
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3. Please indicate your level of support for proposal B to reduce front yard setbacks and increase rear yard setbacks for all housing.

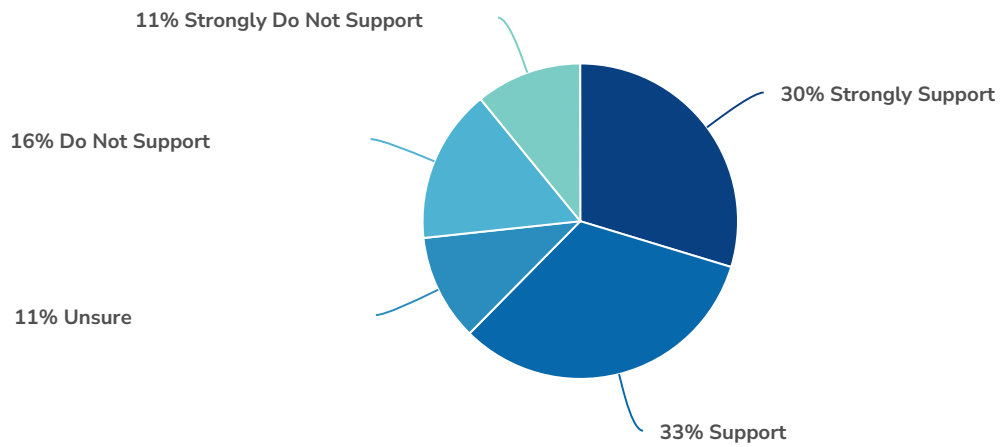


Value	Percent	Responses
Strongly Support	16.3%	16
Support	46.9%	46
Unsure	12.2%	12
Do Not Support	9.2%	9
Strongly Do Not Support	15.3%	15
		<b>Totals: 98</b>

**Statistics**

Total Responses	98
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4. Please indicate your level of support for increased flexibility for ADUs.

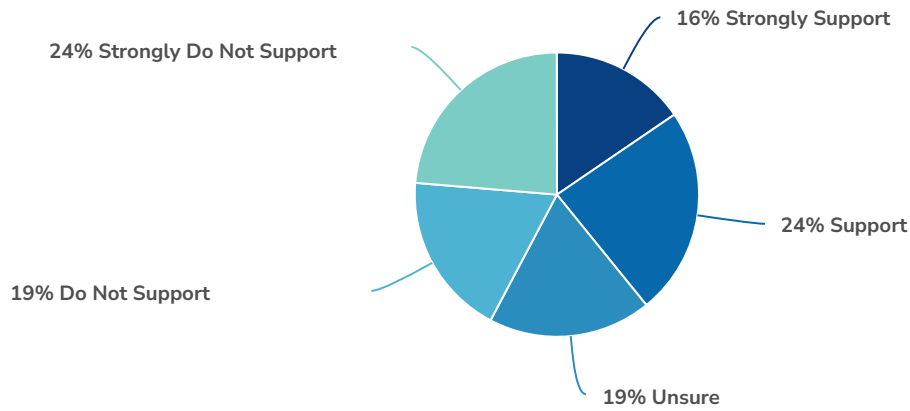


Value	Percent	Responses
Strongly Support	29.7%	30
Support	32.7%	33
Unsure	10.9%	11
Do Not Support	15.8%	16
Strongly Do Not Support	10.9%	11
		<b>Totals: 101</b>

**Statistics**

Total Responses 101

5. Please indicate your level of support for proposal A to set minimum densities in the RM and RMA zones.



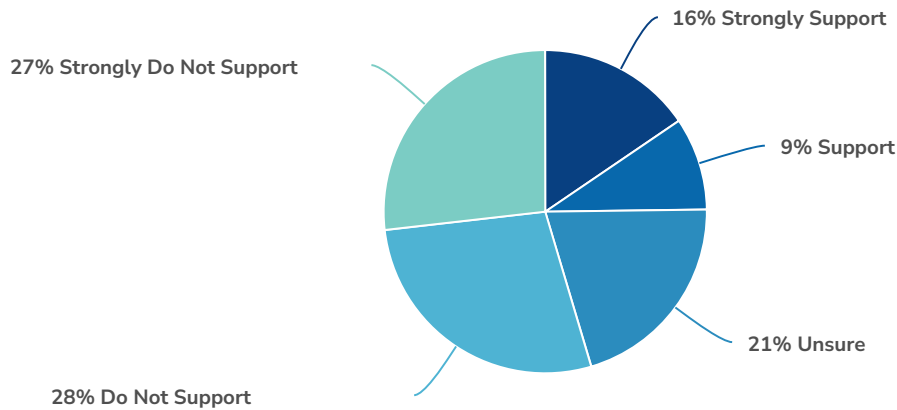
Value	Percent	Responses
Strongly Support	15.5%	15
Support	23.7%	23
Unsure	18.6%	18
Do Not Support	18.6%	18
Strongly Do Not Support	23.7%	23
		<b>Totals: 97</b>

**Statistics**

Total Responses	97
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6. Please indicate your level of support for proposal B to remove the density limits in the RM, RMA and HDR zones (let height and lot coverage determine development capacity).

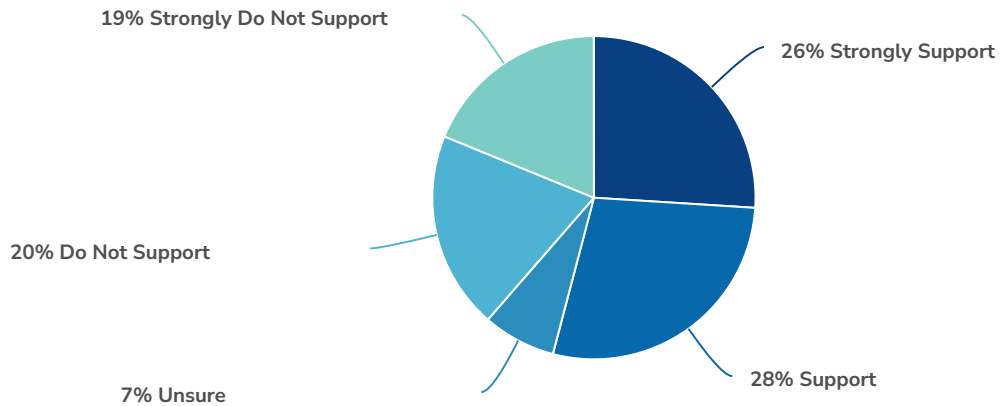


Value	Percent	Responses
Strongly Support	15.5%	15
Support	9.3%	9
Unsure	20.6%	20
Do Not Support	27.8%	27
Strongly Do Not Support	26.8%	26
		<b>Totals: 97</b>

**Statistics**

Total Responses 97

7. Please indicate your level of support for the proposal to allow additional cottages per lot.

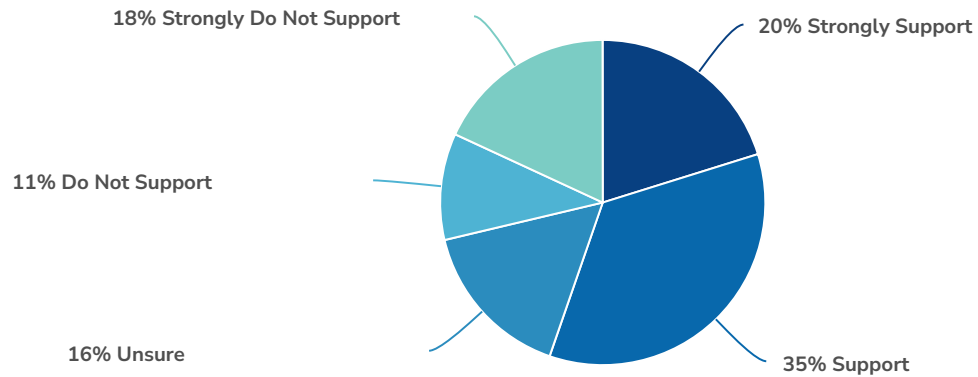


Value	Percent	Responses
Strongly Support	26.0%	25
Support	28.1%	27
Unsure	7.3%	7
Do Not Support	19.8%	19
Strongly Do Not Support	18.8%	18
		<b>Totals: 96</b>

**Statistics**

Total Responses	96
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8. Please indicate your level of support for encouraging alley/rear-loaded development.

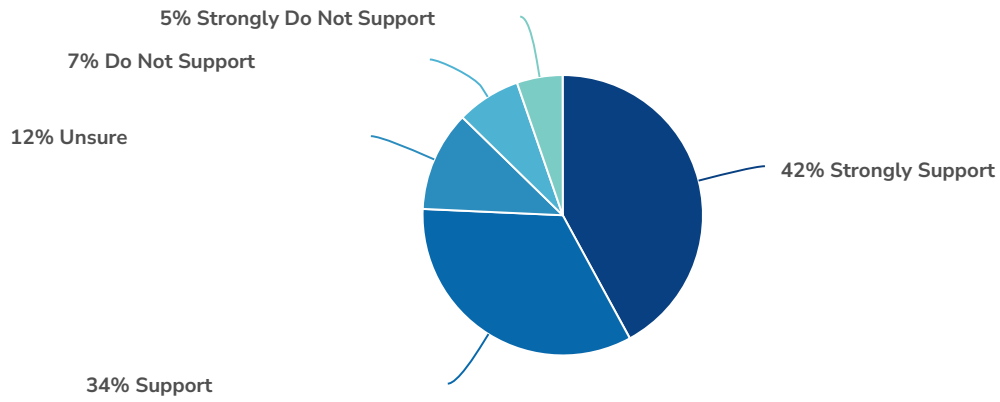


Value	Percent	Responses
Strongly Support	20.2%	19
Support	35.1%	33
Unsure	16.0%	15
Do Not Support	10.6%	10
Strongly Do Not Support	18.1%	17
		<b>Totals: 94</b>

### Statistics

Total Responses	94
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9. Please indicate your level of support for requiring small parks in subdivisions.



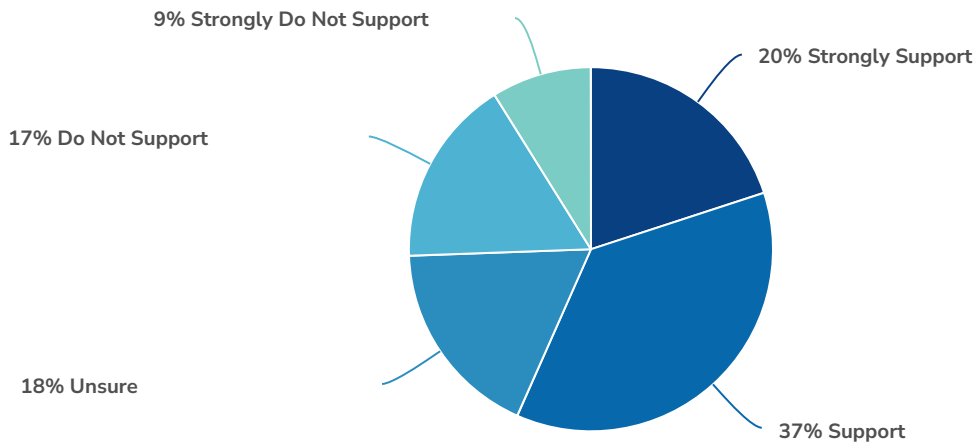
Value	Percent	Responses
Strongly Support	42.1%	40
Support	33.7%	32
Unsure	11.6%	11
Do Not Support	7.4%	7
Strongly Do Not Support	5.3%	5

Totals: 95

**Statistics**

Total Responses 95

10. Please indicate your level of support for a surplus-land policy for housing.

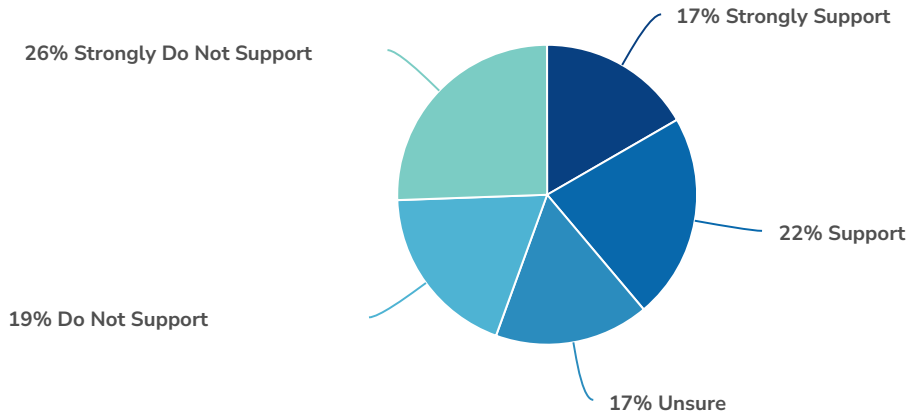


Value	Percent	Responses
Strongly Support	20.0%	18
Support	36.7%	33
Unsure	17.8%	16
Do Not Support	16.7%	15
Strongly Do Not Support	8.9%	8
		<b>Totals: 90</b>

**Statistics**

Total Responses	90
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11. Please indicate your level of support for a construction excise tax for affordable housing.

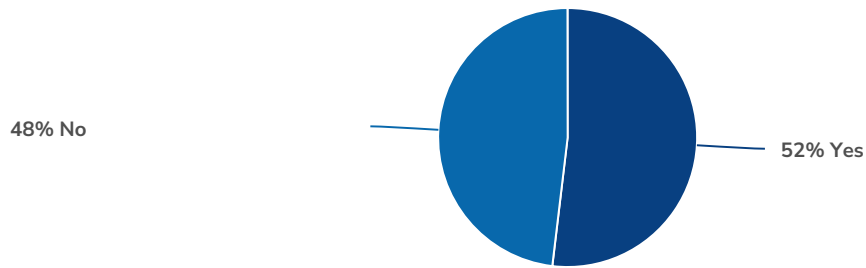




Value	Percent	Responses
Strongly Support	16.7%	15
Support	22.2%	20
Unsure	16.7%	15
Do Not Support	18.9%	17
Strongly Do Not Support	25.6%	23
		<b>Totals: 90</b>

**Statistics**

Total Responses	90
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12. Should the City exempt development under a certain dollar threshold?  
E.g., \$50,000?

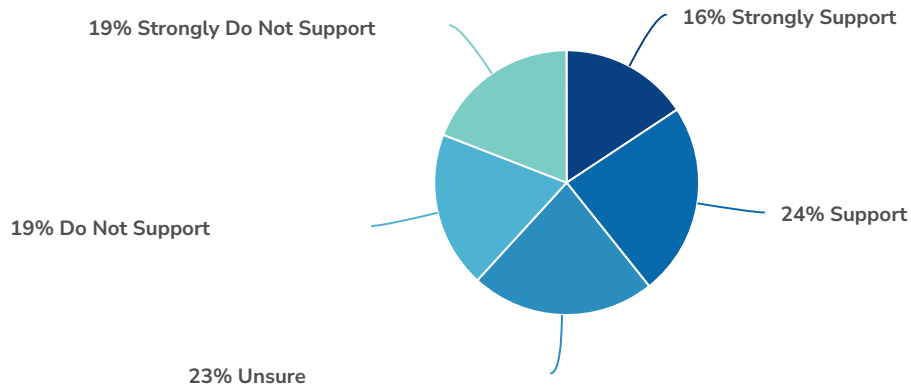


Value	Percent	Responses
Yes	51.9% 	40
No	48.1% 	37
		<b>Totals: 77</b>

**Statistics**

Total Responses	77
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13. Please indicate your level of support for a temporary tax abatement for affordable housing.



Value	Percent	Responses
Strongly Support	15.7%	14
Support	23.6%	21
Unsure	22.5%	20
Do Not Support	19.1%	17
Strongly Do Not Support	19.1%	17

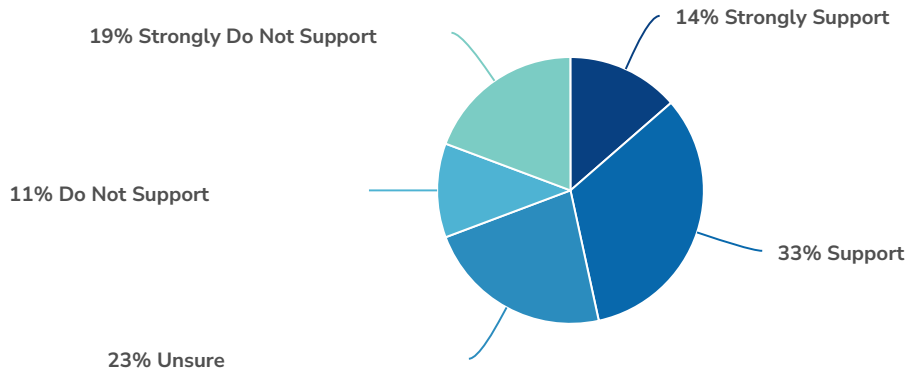
Totals: 89

**Statistics**

Total Responses	89
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14. Please indicate your level of support for a temporary tax abatement for housing in mixed-use areas.



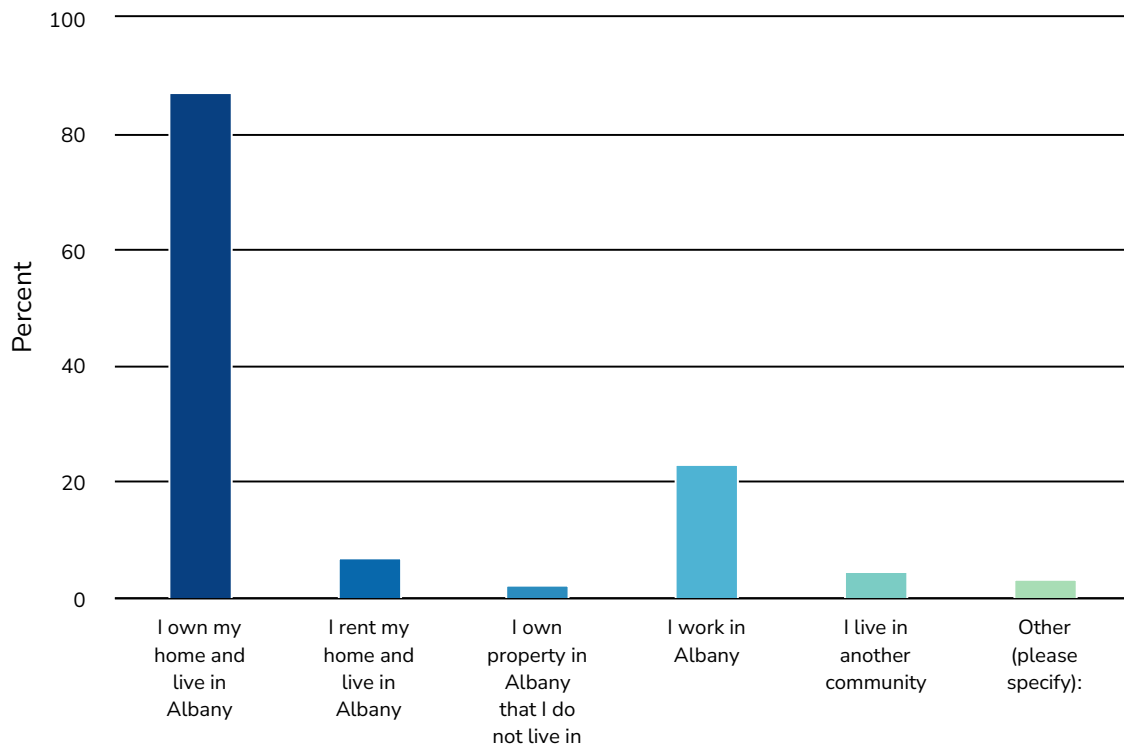
Value	Percent	Responses
Strongly Support	13.6%	12
Support	33.0%	29
Unsure	22.7%	20
Do Not Support	11.4%	10
Strongly Do Not Support	19.3%	17

Totals: 88

**Statistics**

Total Responses	88
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### 15. Do you live, work, or own property in Albany? Check all that apply



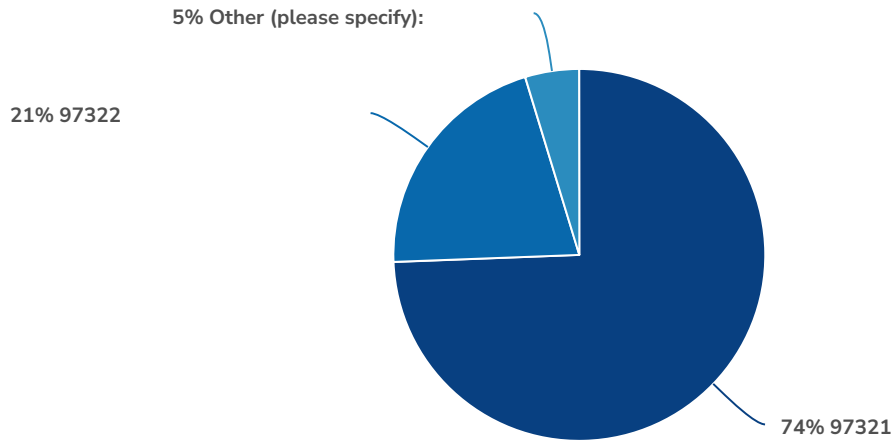
Value	Percent	Responses
I own my home and live in Albany	87.2%	75
I rent my home and live in Albany	7.0%	6
I own property in Albany that I do not live in	2.3%	2
I work in Albany	23.3%	20
I live in another community	4.7%	4
Other (please specify):	3.5%	3

### Statistics

Total Responses

86

### 16. What is your zip code of residence?



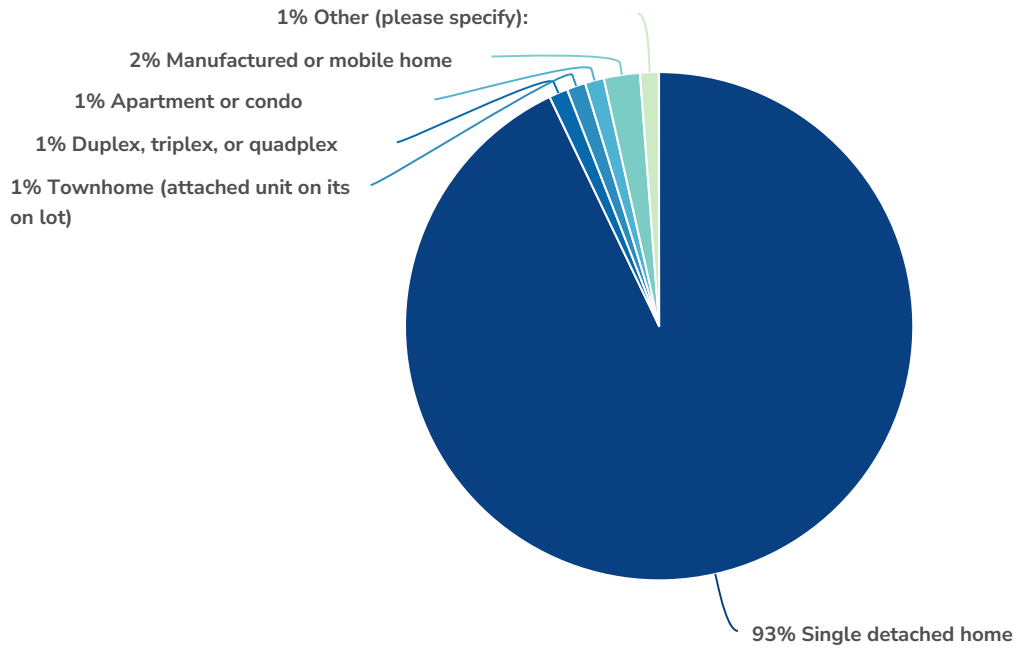
Value	Percent	Responses
97321	74.4%	64
97322	20.9%	18
Other (please specify):	4.7%	4

Totals: 86

#### Statistics

Total Responses 82

### 17. What type of housing do you live in currently?



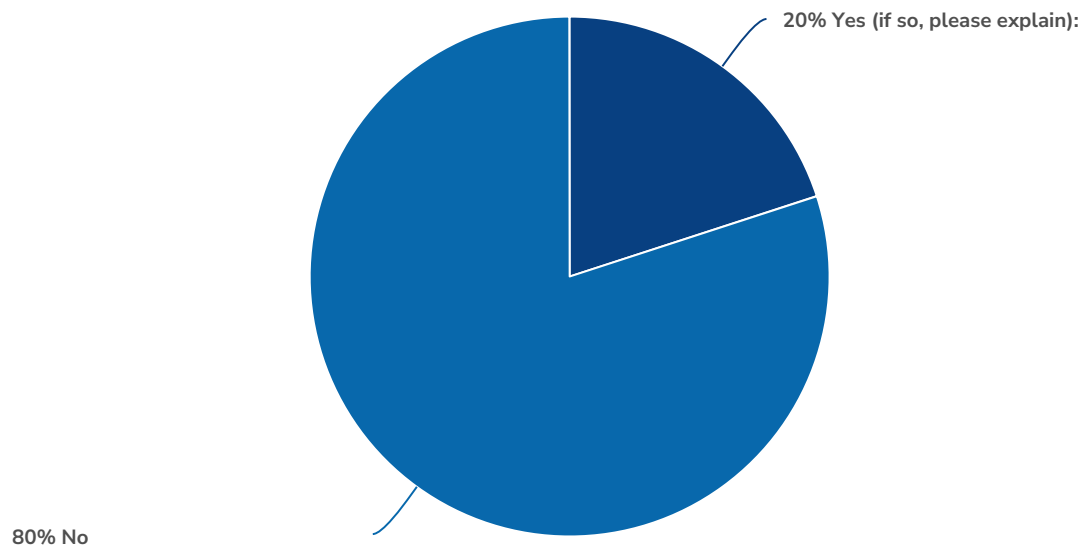
Value	Percent	Responses
Single detached home	93.0%	80
Duplex, triplex, or quadplex	1.2%	1
Townhome (attached unit on its on lot)	1.2%	1
Apartment or condo	1.2%	1
Manufactured or mobile home	2.3%	2
Other (please specify):	1.2%	1

Totals: 86

### Statistics

Total Responses 87

18. Have you had difficulty finding housing in Albany that you can afford or that meets all your needs?

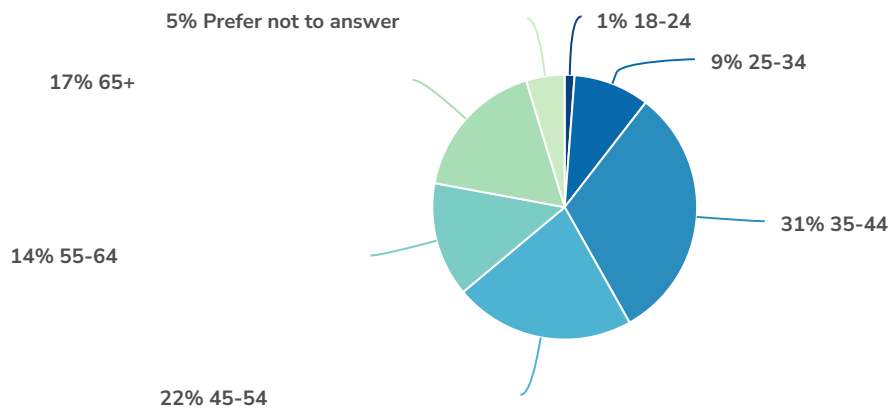


Value	Percent	Responses
Yes (if so, please explain):	20.0%	17
No	80.0%	68
		<b>Totals: 85</b>

### Statistics

Total Responses	101
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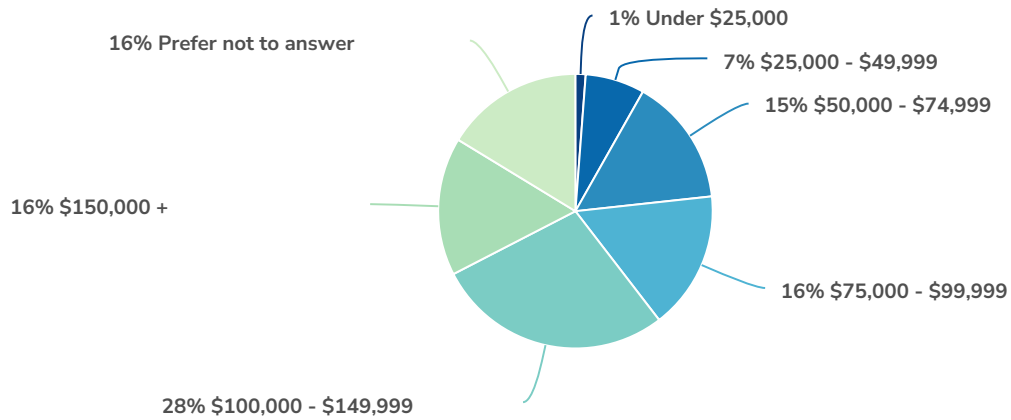
## 19. What is your age?



Value	Percent	Responses
18-24	1.2%	1
25-34	9.3%	8
35-44	31.4%	27
45-54	22.1%	19
55-64	14.0%	12
65+	17.4%	15
Prefer not to answer	4.7%	4

Totals: 86

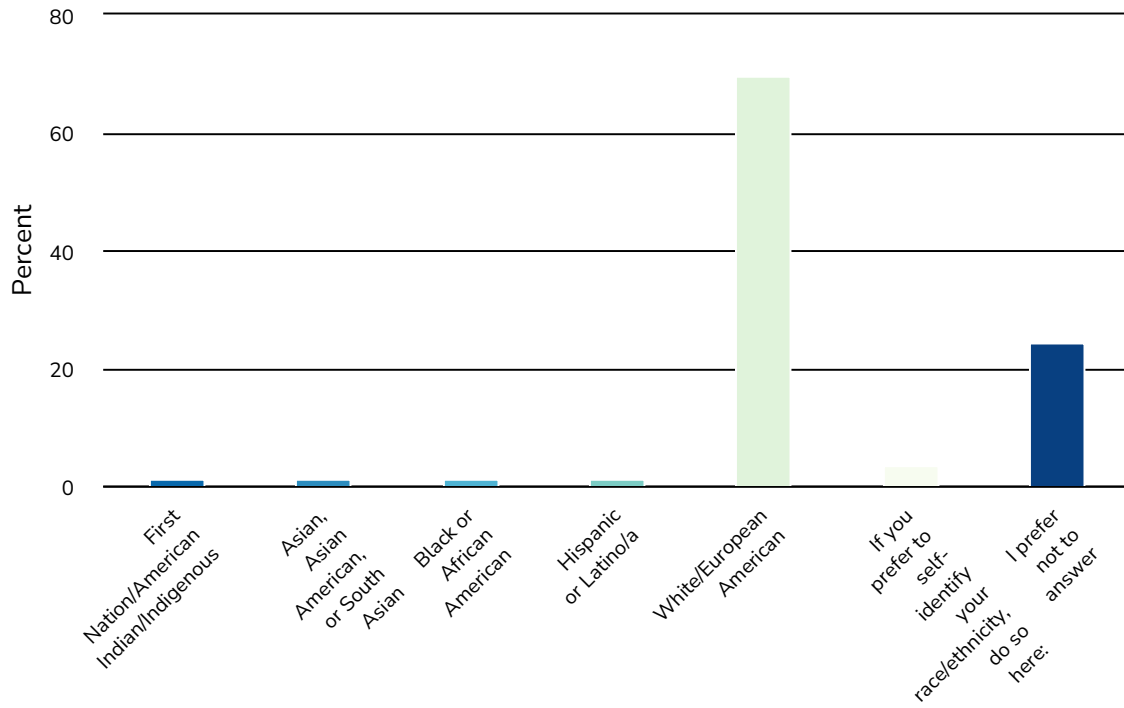
## 20. What is your annual household income?



Value	Percent	Responses
Under \$25,000	1.2%	1
\$25,000 - \$49,999	7.0%	6
\$50,000 - \$74,999	15.1%	13
\$75,000 - \$99,999	16.3%	14
\$100,000 - \$149,999	27.9%	24
\$150,000 +	16.3%	14
Prefer not to answer	16.3%	14

Totals: 86

21. Which of the following most accurately describes your race and ethnic identities? Select all that apply



Value	Percent	Responses
First Nation/American Indian/Indigenous	1.2%	1
Asian, Asian American, or South Asian	1.2%	1
Black or African American	1.2%	1
Hispanic or Latino/a	1.2%	1
White/European American	69.8%	60
If you prefer to self-identify your race/ethnicity, do so here:	3.5%	3
I prefer not to answer	24.4%	21



# Housing Implementation Plan Policy

## Recommendations

### Construction Excise Tax

#### Program Goals

The affordable housing construction excise tax (CET) is a one-time tax on construction projects that can be used to fund affordable housing projects and programs. This is one of the few options for generating dependable, locally controlled funding for affordable housing.

#### Tax Rate

According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value, or on commercial and industrial construction, with no cap on the rate of the CET.

Recommendation: One percent construction excise tax on residential development and 1.5 percent construction excise tax on commercial and industrial development.

#### CET Exemptions

Some types of construction are exempt from the CET by statute. The City may also choose to add exemptions from the CET so certain types of construction are not impacted by the tax.

The following types of construction are required to be exempt by statute:

- Private school improvements.
- Public improvements.
- Residential housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction of the residential housing.
- Public or private hospital improvements.
- Improvements to religious facilities primarily used for worship or education associated with worship.
- Agricultural buildings.
- Facilities that are operated by a not-for-profit corporation and that are:
  - Long term care facilities,
  - Residential care facilities, or
  - Continuing care retirement communities.
- Residential housing being constructed on a lot or parcel of land to replace residential housing on the lot or parcel of land that was destroyed or damaged by wildfire or another event or circumstance that is the basis for a state of emergency declared under ORS 401.165

(Declaration of state of emergency) or 401.309 (Declaration of state of emergency by city or county) or for the exercise of authority under ORS 476.510 (Short title) to 476.610 (Payment of claims).

Recommendation: In addition to the required exemptions, staff recommend adding an exemption for development with a permit value under \$50,000.

### **Revenue Uses**

Both the residential CET and commercial/industrial CET revenue come with some requirements for how funds may be used, but cities are also afforded some flexibility. Additionally, the City may retain 4% of CET revenue to cover administrative costs.

For revenue generated by the residential CET, the following requirements apply:

- 50% must be used for developer incentives.
- 35% may be used flexibly for affordable housing programs as defined by the City.
- 15% goes to Oregon Housing and Community Services for homeowner programs. This funding is administered by OHCS, but all funds return to Albany in the form of down payment assistance for Albany homebuyers.

For revenue generated by the commercial/industrial CET, the following requirements apply:

- 50% of funds must be used for affordable housing programs, as defined by the City.
- Remaining 50% are unrestricted; however, staff recommends these funds be used to incentivize needed housing.

Staff recommend the following for the use of CET generated funds:

- Retain 4% of CET revenue to cover administrative costs.
- Use CET revenue within the City's control to establish an Affordable Housing Fund.
- Allow the Community Development Commission (CDC) to allocate funding from the Affordable Housing Fund through the annual Request for Application process.
- Require a minimum affordability period of 60 years for projects receiving funding from the Affordable Housing Fund.
- Require projects receiving funding to be affordable to residents with an income of 80% or less than the area median income.
- Unrestricted funds – work with the CDC and Council to determine priority needs for these funds.

## **City Owned Surplus Land Policy**

### **Policy Goals**

This strategy involves providing City-owned surplus land to support development of long-term affordable housing or other needed housing. Surplus land is any piece of real property that is no longer needed for an agency purpose. The City currently has few tools and resources to incentivize affordable housing or other needed housing. Surplus land is a potential resource the City could use to address the

urgent need for affordable housing. The goal of this policy is to maximize the public benefit of surplus land by considering needed housing as one of the potential uses for this land.

### **Policy Recommendations**

Staff recommend the adoption of a City Owned Surplus Land Policy with the following requirements:

- Prior to any action to dispose of City owned Surplus Land by sale or lease, the property is evaluated for suitability for housing (e.g. evaluate zoning, location, size, etc.).
- If the surplus property is suitable for housing, the City shall invite those interested in developing affordable housing on the property to submit proposals for consideration.
- The City will make good faith efforts to negotiate with affordable housing developers who provide a proposal for the property.
- The City Council will have discretion on the proposal selection but may give extra weight to proposals that provide more affordable units, are affordable to lower incomes, or have longer affordability periods.
- If no affordable housing proposals are submitted or no agreement can be reached with an affordable housing developer, the City may consider alternative proposals for the property.

## City Owned Surplus and Downtown Parking Properties

MapTaxlot	Site Address	Description	DEPT	Excess Property (Yes/No)	SIZE (Acres)	Yr BUILT	INST AMOU	Inst YEAR	PrP Class
11S03W18BA01100	next to 2455 FERRY ST SW	IP zone		Yes	0.22	NULL	0	NULL	801
11S03W07AB00201	519 9TH AVE SE	LI by Helping Hands		Yes	0.10	NULL	0	NULL	801
11S03W07AB00204	503 9TH AVE SE	LI by Helping Hands		Yes	0.09	NULL	0	1998	801
11S03W05CD05800	1950 SALEM AVE SE	RM, Maple Lawn	PARKS & RECREAT	?	2.11	1925	0	NULL	830
11S03W06DA00100	205 MADISON ST NE	WF, by Edgewater Village		Yes	0.97	NULL	0	NULL	801
11S03W06DC07001	next to 703 WATER AVE NE	WF, Dave Clark Path	PARKS & RECREAT	If divide off path	0.55	NULL	0	NULL	801
11S03W07CB02610 & 611	next to 1282 HOWARD DR SE	RM - Industrial Way	PUBLIC WORKS	if keep utility easements	0.13	NULL	0	NULL	801
11S03W06DD05900	1029 3RD AVE SE	MS, 7-11 Parking	PUBLIC WORKS	?	0.26	NULL	230000	1998	801
11S03W04DD01300	next to 488 GOLDFISH FARM RD SE	RS-6.5 Timber Linn excess	PARKS & RECREAT	Acquired w/ Fed\$	12.83	NULL	88500	NULL	830
10S03W35 00600	Scravel Hill Rd	Residential Vacant	PUBLIC WORKS	?	12	NULL	276000	NULL	809

## Downtown Parking Lots

MapTaxlot	Site Address	Description	DEPT	Excess Property (Yes/No)	SIZE (A)	YrBUIL	INST AM	InstYE	PrPClass
11S03W06CC01800	Behind 329 1ST AVE NW	S side of Water Ave		Parking	0.62	0	0	NULL	801
11S03W06CC00500&600	N Side of Water Ave	N Side of Water Ave		Parking	0.26	0	0	2009	846
11S03W06CC00502	next to 297 WATER AVE NW	parking		Parking	0.46	0	0	NULL	801
11S03W06CC02900	behind 201 1ST AVE NW	parking		Parking	0.31	0	0	NULL	801
11S03W06CC03200, 3300, 34	213 - 229 1ST AVE NW	parking		Parking	0.26	0	0	NULL	801
11S03W06CC03600	Water Ave b/w Lyon and Ellsworth	parking		Parking	0.52	0	0	NULL	801
11S03W06CC04200	1st & Ellsworth next to 129 1ST AVE	parking		Parking	0.21	0	0	NULL	801
11S03W06CC09500	319 3RD AVE SW & 330 2ND	2 Rivers Parking		Parking	0.70	1984	0	NULL	802
11S03W07BB04200	432 ELLSWORTH ST SW	Employee parking		Parking	0.31	1950	127500	1999	801
11S04W01DD00300&400	adjacent to 503 1ST AVE NW	parking for Carousel		Parking	0.16	NULL	0	NULL	902

## SUMMARY of PROPOSED DRAFT DEVELOPMENT CODE AMENDMENTS

The Housing Implementation Plan identified priority strategies the city can take to remove barriers to Albany’s needed housing types – smaller homes, accessory dwelling units, middle housing, accessible housing, apartments, and affordable housing.

This document contains a summary of the changes staff are considering to the Albany Development Code to remove barriers to needed housing, and to address community concerns with denser housing (lack of on street parking, for example).

### 1. INCREASED FLEXIBILITY FOR ACCESSORY DWELLING UNITS (ADUS) (ADC 3.080(4))

WHY? To allow more opportunities for ADUs for smaller primary dwellings by allowing them to be a larger percentage of the primary dwelling. This encourages infill development that retains existing primary dwellings. Several residents have come in hoping to build an 800 SF ADU, and find they are unable to because their house is too small.

CURRENT: Max size is 900 SF, or 50% of primary dwelling, whichever is less

PROPOSAL: Max size is 900 SF, or up to 25 SF less than primary dwelling size.

### 2. ENCOURAGE SMALLER HOUSES WITH SMALLER LOT SIZES (ADC Table 3.190-1)

WHY? Smaller houses don’t “pencil” on standard size lots. Smaller houses are desired by empty nesters and those that want smaller houses and they provide more affordable opportunities for homeownership.

PROPOSAL:

- For houses between 750\*\* and 1250 SF\*, scale lot size to about 60% of standard,
- For houses < 750 square feet, scale lot size to about 50% of the standard

Lot coverage and heights would stay the same.

*\*Garages are not included in the square footage of the house. Because the state requires cities to allow duplexes on all single dwelling lots, duplexes that fall within the square footage ranges would also be permitted on reduced lot sizes.*

**\*\* A house size of 800 SF was recommended due to standard dimensions and production costs. Staff supports the recommendation.**

Article 3, Table 3.190-1

STANDARD	RR	RS-10	RS-6.5	HM	RS-5	RM	RMA	HDR
<b>Minimum Property Size or Land Requirements by Unit Type (1)(18)</b>								
Single dwelling unit (SDU) <u>over 1,250 SF (1)(21)</u>	5 acres (15)	10,000 sf	6,500 sf	5,000 sf	5,000 sf	3,500 sf	N/A	N/A
<u>SDU or Duplex 750 – 1250 SF (21)</u>	<u>5 acres (15)</u>	<u>6,500 sf</u>	<u>4,000 sf</u>	<u>3,000 sf</u>	<u>3,000 sf</u>	<u>2,000 sf</u>	<u>N/A</u>	<u>N/A</u>
<u>SDU or Duplex Less than 750 SF (21)</u>	<u>5 acres (15)</u>	<u>5,000 sf</u>	<u>3,000 sf</u>	<u>2,500 sf</u>	<u>2,500 sf</u>	<u>1,500 sf</u>	<u>N/A</u>	<u>N/A</u>
Maximum Height (8)	30 ft	30 ft	30 ft	30 ft	30 ft	45 ft	60 ft	75 ft
Maximum Lot Coverage (9)(18)	20% (11)	50%	60%	60%	60%	70%	70%	75%



**3. REDUCE SIDE YARD SETBACKS FOR SMALL HOUSE LOTS\* AND TOWNHOUSES (ADC Table 3.190-1)**

\*Small house lots are 1,250 square feet or less

WHY? The city’s minimum front yard setbacks are larger than other cities, and the city’s rear setback (current interior) is less than other cities. Reducing side setbacks makes it easier to fit a house on a small lot and would allow 6 – to 10- spacing between houses. Reducing the front yard setback and creating a rear yard setback may create more usable back yards.

PROPOSAL:

- For small house and townhouse lots, reduce side-yard setbacks to 3 feet for one-story and 5 feet for two or more stories
- Reduce front yard setback but increase rear setback to enable usable backyards

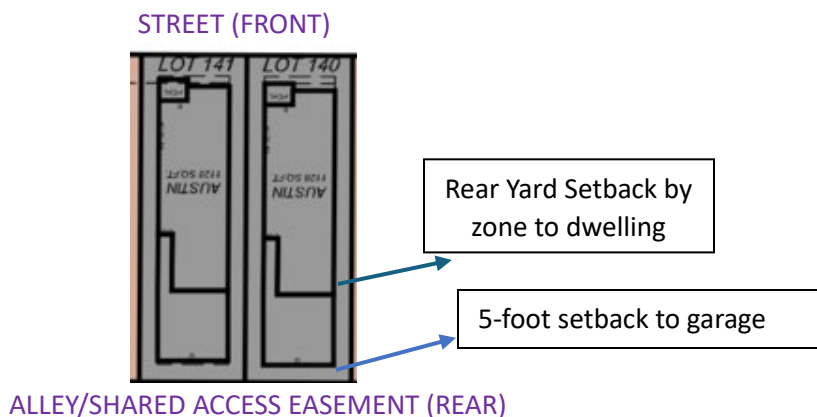
**Article 3, Table 3.190-1**

STANDARD	RR	RS-10	RS-6.5	HM	RS-5	RM	RMA	HDR
Minimum Front Setback (4)	<del>20 ft</del> 15 ft	<del>20 ft</del> 12 ft	<del>15 ft</del> 10 ft	<del>15 ft</del> 10 ft	<del>15 ft</del> 10 ft	<del>15 ft</del> 10 ft	<del>12 ft</del> 10 ft	10 ft
Minimum Interior Side Setback (4):								
• single-story (4)	5 ft	5 ft	5 ft	5 ft	5 ft	10 ft (5)	10 ft (5)	10 ft (5)
• two or more stories	8 ft	8 ft	8 ft	6 ft	6 ft	10 ft (5)(6)	10 ft (5)(6)	10 ft (5)(6)
Minimum Rear Setback (4)(22)	15 ft	15 ft	15 ft	10 ft	10 ft	10 ft (6)	10 ft (6)	5 ft (6)

(4) The minimum side setbacks for small SDU and duplexes on scaled lots is 3 feet for one-story dwellings and 5-feet for two or more story dwellings. Vision clearance standards in Section 12.180 must be met. Additional setbacks may be required, see Sections 3.230-3.330 and the buffer matrix at 9.210; exceptions to Setbacks for Accessibility Retrofits are in Section 3.263; Zero-Lot Line standards are in Sections 3.265; Townhouse setbacks are in and Section 3.270; Setbacks for cottage clusters are in Section 3.192. [Ord. 5832, 4/9/14; Ord. 5947, 1/1/21; Ord. 5968, 1/14/22]

(22) PROPOSED: Cottage Cluster rear setbacks are in Section 3.192. For all other development, when a garage or on-site parking is accessed from a rear alley or shared access easement, the rear yard setback applies to the dwelling unit. When attached garages or carports are accessed from the alley, the garage or carport shall be setback at least 5 feet. Detached garages and carports setbacks are in Table 3.230-1, Accessory Structure Standards.

To make this work for alley/rear loaded development, staff proposes rear yard setbacks apply to the dwelling unit and not to garages/carports accessed from the alley. See table note (22) above.



**4. REDUCE FRONT YARD AND CREATE REAR YARD SETBACKS (ADC Table 3.190-1)**

WHY? Many front yards are larger than backyards, and most people prefer back yard space. The reduced front yards are also needed for smaller housing types on smaller lots. Albany’s front setbacks are more than several neighboring cities.

PROPOSAL: Reduce front yard setbacks but increase rear yard setbacks.

Article 3, Table 3.190-1

STANDARD	RR	RS-10	RS-6.5	HM	RS-5	RM	RMA	HDR
Minimum Front <u>Setback</u> (4)	20-ft 15 ft	20-ft 12 ft	15-ft 10 ft	15-ft 10 ft	15-ft 10 ft	15-ft 10 ft	12-ft 10 ft	10 ft
<u>Minimum Rear Setback</u> (4)(22)	15 ft	15 ft	15 ft	10 ft	10 ft	10 ft (6)	10 ft (6)	5 ft (6)

#### 5. INCENTIVIZE REAR/ALLEY-LOADED DEVELOPMENT AND HOUSES WITHOUT GARAGES (ADC Table 3.190-1)

WHY? Homes with alley access have driveways in the rear, creating a more pedestrian friendly and allowing more on-street parking opportunities, especially for townhouses and narrow lot development.

PROPOSAL: Increase the maximum lot coverage by 10% per zone for rear-loaded development and houses with no garages.

ENCOURAGE THIS:



OVER THIS:



#### 6. ENCOURAGE COTTAGE CLUSTER HOUSING & SMALLER COTTAGES (ADC 8.175)

WHY? Cottage clusters are groupings of small, detached homes with shared open space and sometimes parking. Albany currently allows up to 8 cottages per cluster around one courtyard.

PROPOSALS:

- Allow more cottages per lot if all the homes are under 750 square feet (between 10 to 16, depending on the zone)
- Allow more than one cluster and courtyard per lot (max # of cottages per lot still applies)
- Increase average cottage size from 1,000 SF to 1,100 SF and remove community buildings from the average floor area calculation (Note max cottage size is 1400 SF per state law)
- For cottages less than 750 square feet, reduce the lot size to 1,000 SF per cottage
- For lots with 4 or fewer cottages decrease courtyard area from 150 SF per cottage to 75 SF per cottage





## 7. RESERVE MEDIUM & HIGH-DENSITY ZONES FOR MEDIUM AND HIGH-DENSITY HOUSING TYPES

WHY? Albany has a limited supply of land that is designated for apartments and attached housing types. There is a need to ensure land zoned for medium and high-density housing is not built with low density housing. Maximum heights and lot coverage determine development scale. Currently few developments exceed 3 stories.

### PROPOSAL:

- Set a minimum density in the RM and RMA zones
- Remove the maximum density in the RM, RMA and HDR zones

Article 3, Table 3.190-1

STANDARD	RR	RS-10	RS-6.5	HM	RS-5	RM	RMA	HDR
Minimum Density (units per <del>gross</del> <u>net</u> acres)	None	None	None	None	None	<del>None</del> <sup>12</sup>	<del>None</del> <sup>20</sup>	25
Maximum Density ( <del>units per gross acre</del> )	(20)	(20)	(20)	(20)	(20)	<del>25</del> <sup>(20)</sup> <del>None</del>	<del>35</del> <sup>None</sup>	<del>50</del> <sup>None</sup>
Maximum Height (8)	30 ft	30 ft	30 ft	30 ft	30 ft	45 ft	60 ft	75 ft
Maximum Lot Coverage (9)(18)	20% (11)	50%	60%	60%	60%	70%	70%	75%



Typical 3-story apartment:

## 8. REDUCE PRIVATE OPEN SPACE REQUIREMENTS FOR MULTI-DWELLING UNITS (ADC 8.220(3))

WHY? Staff have heard concern about the private open space requirements for affordable housing developments (cost, shorter lifespan, water leaks, storage blocking egress). The concerns are also valid for all multi-dwelling units.

CURRENT CODE: Developments with 10 or more units in residential zones (downtown area mixed use zones are excluded), 80% of units require private open space of 72 SF for balconies and 80 SF for ground-level units.

### WHAT DO OTHER CITIES REQUIRE?

- Lebanon and Salem do not require private open space but incentivize it by allowing it to count towards their common open space requirement – which are higher than Albany's of 15%; Lebanon's is 25% and Salem's is 20 to 30%.
- Corvallis requires private open space but allows private open space to count towards the common open space requirement of 25 to 30% of the site area if seating is provided. Corvallis private OS size is 48 SF/unit compared to Albany's 72 SF for upper floor units and 80 SF for ground-level.

### PROPOSALS:

- a. Reduce the amount of the required private open space from 80% of units to 50% of units;
- b. Reduce the size of required private open space to 48 SF per unit; and
- c. **OPTIONS to further reduce private open space:**



1. Allow common open space to count towards 100% of the private open space if common open space area is increased from 15% to 20% of site and at least one accessible covered outdoor area with seating and at least one grill is provided (Corvallis)
  2. Do not require private open space. Increase common open space to 20% and allow private open space to count towards common open space if it meets minimum private open space size (like Lebanon and Salem)
- d. Exempt the MUC and commercial zones from the private open space requirement. Currently the downtown mixed-use zones are exempt from providing private open space.

**9. REQUIRE GREEN SPACE/POCKET PARK IN RESIDENTIAL SUBDIVISIONS**

WHY? Through the public engagement processes with this project, middle housing, and the HIP, we heard that green space and access to green space is important to provide, especially in denser developments. Many cities and counties require a percentage of the site be dedicated to common open space.

PROPOSAL: Residential land divisions over a certain size in the RS-10, RS-6.5, RS-5, HM, RM, RMA and MUR zones would require green space. Allow flexibility with what can count towards open space (see b. below). If you support this concept, decision points to consider are below:

- a. **Amount of Open Space:** Most communities require a percentage of the project site, typically 5% or more. Some communities require a specific amount per dwelling or every number of dwellings.
- OPTION 1: Set a minimum open space area requirement per lot. For example, 50 SF per lot, which equates to 1,000 SF for every 20 lots; OR a different increment such as 25 SF per lot, etc. *Riverwood Crossing Townhouse Example:* If 50 SF per lot would result in 4,000 SF of open space for 80 townhouse lots.

OPTION 2: Set a percentage of the net area, such as 3% of the net area (exclude rights-of-way). The table below shows 3% and 5%

Gross Acres	Net Acres/SF	5%	3%
8 acres	261,360	13,068	<b>7,841</b>
3 acres	98,010	4,900	<b>2,940</b>
2 acres	65,340	3,267	<b>1,960</b>

\**Riverwood Crossing Example:* (5.58 net acres) would require 7,292 SF of open space @ 3%. The storm water quality facility is around 14,000 SF.

b. **Improvement Standards (DRAFT CONCEPTS):**

Pocket Park. At least one area shall be improved with a pocket park of at least 400 SF, with a minimum dimension of 15 feet. The park shall be accessible and contain seating, trees and landscaping. Pocket parks may be collocated adjacent to natural areas, landscaped stormwater detention facilities or combined with remaining required open space for a larger park or natural area.

Remaining Open Space. Could be a combination of walking/biking trails, a larger pocket park or park, green spaces, play areas, courtyards, gardens, passive landscaping and trees, water features, natural resources, and above ground storm water quality facilities if the areas are publicly accessible and contains some seating

Considerations: Limit storm water quality facilities to 50% or 75% of the required open space.

- c. **Applicability:** Developments over either a minimum size (acres) or minimum number of lots or units.

OPTION 1: 2 acres or larger

OPTION 2: 20 or more lots (or another minimum lot amount). For larger lot developments, more land would be exempt. For example, 20 units in RS zones is about 4 acres, where 20 townhouses would be a smaller amount of acres.

OPTION 3: Combination of 1 and 2, whichever is less or more area (depending on whether to exempt more or less)

Proposed Exemption: if a portion of the subdivision is within 1/4 mile (measured in walking distance) of a publicly accessible active open space such as a public park or elementary school