



**CITY OF SILVERTON – AFFORDABLE HOUSING TASK FORCE
MEETING**

Silverton Community Center
421 S. Water Street

Tuesday, February 26, 2019 – 8:30 a.m.

AGENDA

- I. Call to order and ascertain a quorum**
- II. Approval of Minutes** – Minutes from the meeting held on Tuesday, January 29, 2019
- III. Public Comment** – Items not on this Agenda
- IV. Discussion/Action**
 - 4.1 Discuss zoning standards and how they could facilitate affordable housing**
- V. Adjournment**

A copy of the packet and materials is available for review Monday through Friday 8:00 am to 5:00 pm in the City Manager's Office at the Silverton City Hall, located at 306 South Water Street. All documents will be available on our website at www.silverton.or.us.

AMERICANS WITH DISABILITIES ACT (A.D.A.): The City of Silverton intends to comply with the A.D.A. The meeting location is accessible to individuals needing special accommodations such as a sign language interpreter, headphones, or other special accommodations for the hearing impaired. To participate, please contact the City Clerk at 503-874-2216 at least 48 hours prior to the meeting.

1 CITY OF SILVERTON
2 **AFFORDABLE HOUSING TASK FORCE MINUTES**

3 **Silverton Community Center – Council Chambers – 421 South Water St.**

4
5 **January 29, 2019, 8:30 a.m.**

6
7 **I. CALL TO ORDER**

8
9 Chairman Kyle Palmer called the meeting to order at 8:30 a.m. and introductions were made.

Present	Absent	
X		Kyle Palmer
X		Dana Smith
	Excused	Jason Freilinger
	Excused	Sarah DeSantis
X		Harry Douglass
X		Stephanie Stoneking
X		Bonnie Logan
	Excused	Laurie Chadwick
X		Sarah White
X		David Goldblatt
X		Gene Oster
X		Terry Caster
X		Molly Ainsley

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27 Staff Present:

28 Community Development Director, Jason Gottgetreu and Assistant to the City Manager/City Clerk, Angela
29 Speier

30
31 **II. PUBLIC COMMENT**

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33 Norm English, 303 Trees Court. Mr. English was born in Silverton and he explained his background to the
34 Task Force. After retirement his wife and him moved back to Silverton and have lived here since 2008.
35 They are currently renting a two-bedroom duplex. He said that since October 2013 there have been
36 seven rent increases. The last increase of 6.5 percent occurred in October 2018. He just received a letter
37 yesterday that his rent will be increased again on May 1st by 11.5 percent; he read the letter for the Task
38 Force. He said that these rent increase are difficult for individuals on a fixed income. He and his wife are
39 on a quest for affordable housing that might take them outside of the community. Member Smith asked
40 what Mr. English considers affordable? Mr. English responded that it depends on what your household
41 income is; he estimates that his rent with this new increase is roughly 35 percent of his monthly income.
42 He feels that this Task Force is a good way to have initial discussions about affordability.

43
44 **III. DICUSSION/ACTION**

45
46 **3.1 Overview of affordable housing definitions and strategies**

47 Community Development Director Jason Gottgetreu explained that one of the Council goals for this fiscal
48 year is to further develop and implement strategies for affordable housing. This Task Force was created
49 to look into those strategies. He explained that the Planning Commission has also been looking at code
50 updates that could facilitate affordable housing in developments.

51
52 Director Gottgetreu explained that a commonly accepted guideline for housing affordability is a housing
53 cost, including utilities that do not exceed 30 percent of a household's gross income. If you are spending
54 more than 30 percent of your gross income on rent and utilities you are considered rent burdened.

1 Silverton's median household income is \$60,603 meaning that a household could afford \$1,515 in rent or
2 a \$250,000 house and not be rent burdened. He explained that 25 percent of Silverton residents with a
3 mortgage are rent burdened and 45 percent of renters are considered rent burdened and are paying 35
4 percent or more of their gross monthly income in rent. He explained that the average sale price of homes
5 in Silverton has increased steadily in the last five years. In 2013, 103 houses were sold with an average
6 price of \$217,000. In 2018, 200 houses were sold at an average sale price of \$333,858. Director
7 Gottgetreu broke down the numbers for the average house and in 2018 a household would need an
8 annual gross income of over \$80,000 to not be considered rent burdened in Silverton. This means that
9 the average house is not attainable for the median family or household. He reviewed the zoning map and
10 indicated where available land supply is located.

11
12 Director Gottgetreu reviewed possible affordable housing strategies related to policy changes and funding
13 mechanisms. One of the potential policy changes could be to the zoning standards for Accessory
14 Dwelling Units (ADU's). ADU's are currently allowed in the City, but are subject to standards. There is a
15 size limit if they are detached from the main structure and have to comply with setback standards. In
16 addition, one unit has to be owner occupied. In order to encourage ADU's there could be a reduction in
17 fees, or removal of certain standards, and the City could provide stock building plans. The City could also
18 look at alternative housing types, such as allowing tiny homes, RVs, courtyard apartments, cottages, and
19 small lots in R-1 subdivisions. He explained that the Planning Commission is exploring options to allow
20 greater types of housing development within R-1 subdivisions. He reviewed the current R-1 subdivision
21 standards and how the alternative path of planned development can create an unknown for a developer
22 due to the subjective review by the Planning Commission and City Council. By creating a clear and
23 objective standard it could be rolled into the existing subdivision process which would reduce the
24 subjectivity for developers. In new developments duplex units can make up 20 percent of the
25 development, but that doesn't necessarily happen, and triplexes are currently prohibited in the R-1 zone.

26
27 Additional zoning standards that could be looked at would be to allow more than the standard number of
28 units if the additional units are provided below the market, also known as a density bonus. Director
29 Gottgetreu also explained that parking standards could be reduced or removed for multifamily
30 development. Another approach could be to prohibit single family zoning entirely, which would allow
31 duplexes, triplexes, or fourplexes on any residential lot. This concept is being looked at in Portland and a
32 bill has been introduced in the state legislature this session. The City could also rezone land for
33 multifamily. The City will be issuing a RFP for a housing needs analysis to be performed this year. The
34 last analysis was performed in 2002 and at that time there was a deficiency of 30 acres for multifamily
35 housing. Another policy consideration is Senate Bill 1533 which was passed by the Legislature in 2016.
36 SB 1533 allows cities to require developments to include affordable units of up to 20 percent of new multi-
37 structures larger than 20 units. It requires cities to provide incentives to developers. He explained that the
38 City could look into transfer development rights. Lastly, there could be policy changes regarding renter
39 protections, such as banning no cause evictions, capping rent increases to a certain percent each year,
40 and requiring relocation fees.

41
42 Director Gottgetreu explained funding options that the Task Force could look at. The first option is the
43 construction excise tax, which would allow the city to charge up to one percent of the building permit
44 valuation for residential construction permits issued. In Silverton that would equate to \$2,000 per home
45 for affordable housing programs, the current fee to build a home is \$27,000 before construction begins.
46 He explained that of the \$2,000, 50 percent has to be used for developer incentives, 15 percent goes to
47 Oregon Housing and Community Services, and 35 percent for City programs and incentives. The City
48 could also look at SDC reductions and/or waivers to spur affordable development. Currently Habitat for
49 Humanity homes are exempt from SDC's. Lastly, Director Gottgetreu reviewed the potential list of
50 partners that could help to incentivize affordable housing.

51 52 **3.2 Discuss range of focus and potential strategies to explore**

53 The Task Force members discussed what the Planning Commission is working on and in the future
54 holding a joint meeting between the two groups. Kari Johnsen asked if the Planning Commission is
55 looking at zero lot lines for townhouses. Director Gottgetreu said that isn't something that the Commission
56 is looking at, but it could get added. Currently zero lot lines are prohibited in the R-1 Zone.

1 Member Molly Ainsley asked if there were other incentives available for developers through the federal or
2 state government. Staff said that the 20 unit complex located on South Water Street was built with federal
3 funds. Ms. Johnsen indicated that Rural Development and LIFT funds are available for affordable housing
4 projects. Discussion ensued about HOME funding and how the City can help promote funding programs
5 to developers. Member Gene Oster explained that partnering with the federal government can be
6 challenging for developers due to the number of rules and length of time it can take.
7

8 Stacy Palmer, Executive Director Chamber of Commerce. Ms. Palmer said that the Chamber has been
9 working with local manufacturers, because one of their biggest challenges is finding workers that can
10 afford to live in Silverton. The group is looking at a variety of options, including utilizing the vacant
11 industrial land and working with Representative Rick Lewis to access a pilot program through the state to
12 incentivize multifamily housing. They are also waiting to see what happens through this process in order
13 to work in partnership with the City. She said that Forest River would like to hire an additional 80 workers
14 and Willamette Valley Pie would add another shift, but the companies are having a hard time finding entry
15 level workers, because they can't afford to live here. They would like to find ways to reduce the cost of
16 development so the developer could participate in a program where rent could be reduced. Committee
17 member Terry Caster asked what the workers would be getting paid as an entry level position. Ms.
18 Palmer will look into that and bring the information back to the Task Force.
19

20 Member Sarah White explained that the RV Park in town is also cost prohibitive due to the base fee and
21 that only RVs built in 2009 or newer are allowed to rent space there. She further explained that there are
22 a number of people that would like to work in Silverton, but the lack the housing stability to obtain those
23 entry level jobs. She would love to see the City and the Chamber Committee explore small RV parks as
24 an interim solution to address short term housing needs.
25

26 Staff will email the Task Force the PowerPoint presentation made by Director Gottgetreu. Member Smith
27 asked staff to share an article regarding the aspects of partnerships with the Task Force. Member
28 Stephanie Stoneking announced that she would like to resign from the Task Force and asked that Kari
29 Johnsen, Executive Director for the North Willamette Valley Habitat for Humanity fill her position. City
30 Council will consider the appointment at their February City Council meeting.
31

32 Chairman Palmer encouraged the members to review the materials provided by staff and come to the
33 next meeting with ideas that they would like to explore on ways to encourage more affordable housing in
34 the community.
35

36 **ADJOURNMENT**

37
38 The next meeting was scheduled for Tuesday, February 26, 2019 at 8:30 a.m. and staff will poll the
39 members to determine future dates. Staff will also send the committee bills that are being considered by
40 the legislature and the possible code changes that the Planning Commission is looking at.
41

42 The meeting adjourned at 9:52 a.m.
43

44 Respectfully submitted by:
45

46
47 /s/Angela Speier, Assistant to the City Manager/City Clerk

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Jgottgetreu@silverton.or.us



MEMO

DATE: February 22, 2019
FROM: Jason Gottgetreu, Community Development Director
TO: Affordable Housing Task Force
RE: Affordable Housing Zoning Standards

City staff provided a broad overview of potential strategies to facilitate affordable housing as they relate to Silverton zoning standards. The topics included Accessory Dwelling Units, Alternate Housing Types, Density Bonuses, Parking Standards, Prohibiting Single Family Only Zoning, and Re-zoning land for Multifamily. Below is a more in-depth summary of what currently exists within the zoning code and some potential changes that could be made to try to facility affordable housing options.

Accessory Dwelling Units

An Accessory Dwelling Unit (ADU) means a second dwelling unit created on a lot with a house, attached house, or manufactured home. The second unit is created auxiliary to, and is always smaller than the house, attached house, or manufactured home. ADU's are allowed on all residentially zoned property within the City provided they conform to the following standards:

1. Floor Area. Accessory dwellings shall not exceed 800 square feet of floor area if detached from the primary dwelling, or 40 percent of the primary unit, whichever is less. The unit can be a detached cottage, a unit attached to a garage, or in a portion of an existing house;
2. Exempt from Density. Accessory dwellings are exempt from the housing density standards of the residential districts, due to their small size and low occupancy levels;
3. Oregon Structural Specialty Code. The structure complies with the Oregon Structural Specialty Code;
4. Owner-Occupied. The primary residence or accessory dwelling shall be owner-occupied. Alternatively, the owner may appoint a member of his or her immediate family as a resident caretaker of one of the units and manager of the other unit;
5. One Unit. A maximum of one accessory dwelling unit is allowed per lot;

6. Development Standards. The dwelling shall conform to the lot standards in Table 2.2.120, except as modified below:
 - a. The height of a detached accessory dwelling (i.e., separate cottage) shall not exceed 22 feet.
 - b. The dwelling shall be set back not less than 20 feet from the front property line, seven feet from side property lines, and 20 feet from the rear property line. When the dwelling is accessed from an alley, the rear yard setback may be reduced to five feet.
 - c. The approval body may require a landscape hedge or fence be installed on the property line separating a detached accessory dwelling from an abutting single-family dwelling, unless the applicant and the owner of the abutting single-family dwelling agree in writing not to install the hedge or fence.
 - d. In order to maintain a consistent architectural character, similar building materials, architectural design and colors shall be used so that the accessory dwelling blends with the general appearance of the primary dwelling.
 - e. A parcel containing a primary dwelling unit and an accessory dwelling shall provide a minimum of two off-street parking spaces.

The process to construct an ADU is to apply for a building permit. Planning staff reviews the ADU permit for compliance with the above standards and if approved would provide the permit to the Building Department for review of the construction plans.

The building permit fee and any applicable System Development Charges (SDC's) are due when the permit is picked up. Additions to single-family dwellings are exempt from all portions of the system development charge. If an ADU is constructed as an addition to a single-family home it falls under the above exemption. If a detached ADU is built then it would not and would be subject to the exemption and would be subject to about \$7,000 in SDC's. SDC's are designed to collect funds for public improvements that are needed due to an increase in impact on utilities.

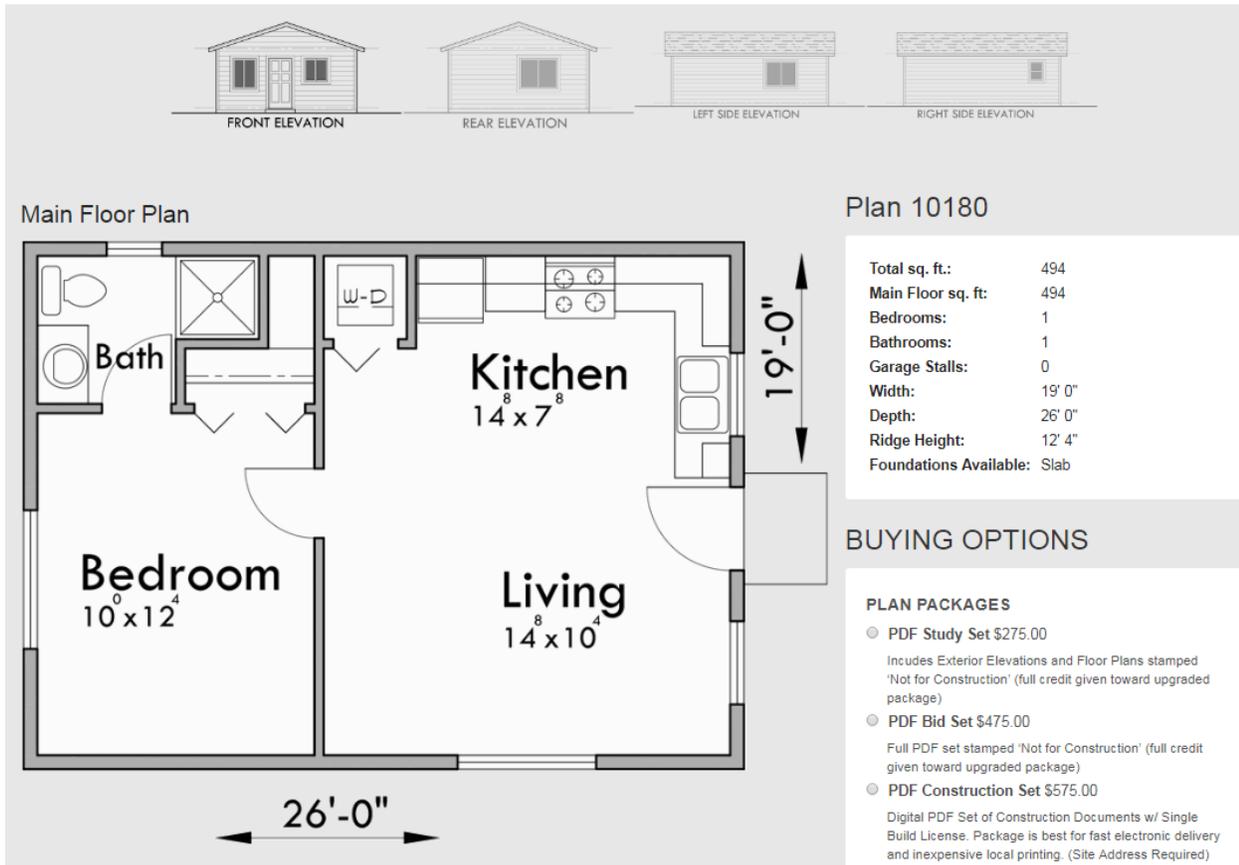
The owner-occupied standard is reviewed at the time of building permit submittal. Staff checks to see if the property owner's address is the same as the permit address, which would indicate an owner-occupied unit. The immediate family member as a care taker is a fairly rare occurrence.

The goal of the standard is to not allow someone with a rental property to construct an ADU on the lot to have another rentable unit. An option to facilitate more ADU's would be to remove the owner-occupied standard. When there is a land use application for a duplex or other multi-family type housing, a common sentiment received during citizen testimony is that rental units are less desirable in a neighborhood due to renters not being as invested in a property for upkeep or lacking a pride of ownership. Whether justified or not, the sentiment would likely carry over to allowing an ADU on a rental property.

The standard is fairly problematic from an enforcement point of view. For instance, consider if a previously owner-occupied lot with an ADU is sold to someone who plans on renting the home and the ADU. If the Home and ADU are rented to a household and one family member uses the ADU as an art studio space, it may actually be in violation of the code, or it may not be since the site as a whole is leased to one household.

However, if the kitchen is removed and the ADU is used as a bedroom for the same family member or an unrelated roommate, there would be no violation. Further, the City is typically not made aware of when properties are purchased for the purpose of being used a rental property.

Another option to facilitate ADU construction would be to provide stock plans that people could use for construction. The City of Portland previously administered a similar type of program for skinny homes. The plans would be available for skinny lots for \$50 and there was a 50% fee reduction for building permits and inspections. Below are plans for a very simple ADU found on the internet that would cost \$575 for a construction set for a single build license.



The code also requires the ADU's to be complaint with building codes, which requires a stick built or manufactured home. The growing tiny home trend tends to utilize structures built on wheels, which are typically not built or inspected as a manufactured home. A tiny home on wheels would fall under a Recreational Vehicle standard, which has limits on how long they can be located on a site. An RV can be on a site for up to 45 days every six months. This is designed to accommodate visiting family members or friends.

Another option would be to craft standards to allow tiny homes on wheels as an allowable ADU. Building code safety and utility connections would be an issue that would have to be addressed if such a change is desired. Exhibit below.

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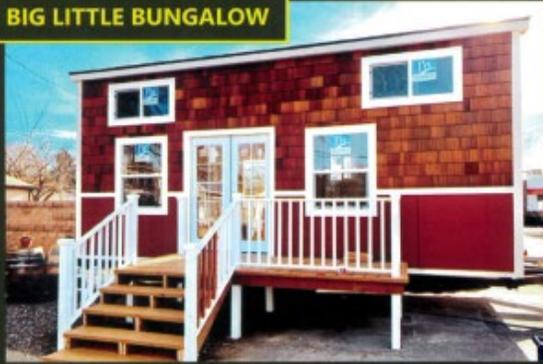


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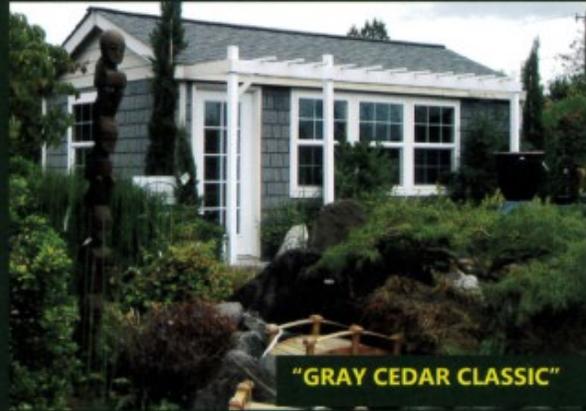


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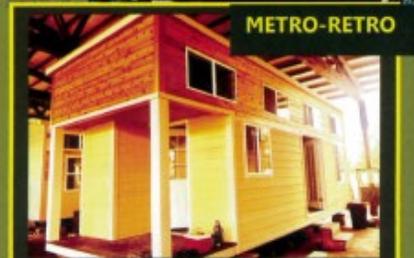
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Another option regarding tiny homes would be to allow tiny home parks or RV parks in residential districts that allow multi-family housing. Currently RV parks are defined as a Retail Sales and Service use and only allowed on commercial or industrial land. There is a bit of a grey area in the code, though it looks like the tenancy of RV parks on commercial or industrial land would be allowed to be arranged for periods of longer than 30 days. The typical difference between a residential use and commercial use as it relates to tenancy is periods longer than 30 days are residential and periods shorter than 30 days are commercial.

The code could be amended to allow residential RV parks that would have tenancies for 30 days or longer that would allow RV's or tiny homes to locate on the site. This would increase the range of housing options in the code. Standards would have to be drafted relating to site layout in addition to the building code safety and utility connection concerns. This would require additional land zoned for multi-family to provide locations for such a use.

The City has requested proposals to conduct a Housing Needs Analysis. As part of this process, a consultant will prepare a draft housing needs projection. The housing needs projection will be used to determine the City's residential land need, which will include a buildable lands inventory. The consultant will prepare a draft Residential Land Needs Analysis (RLNA) that addresses how much land and what zoning the City needs to accommodate its housing need by comparing the demand and supply provided in the projections and inventory.

If the analysis shows that the housing need cannot be accommodated by the City's existing comprehensive plan zoning designations options will be developed in order to consider accommodating housing needs through changes to the comprehensive plan and land use regulations. The Affordable Housing Task Force will be involved in the creation and review of the HNA as an advisory committee.