



AGENDA
McMinnville Affordable Housing Committee
Hybrid Meeting: In-Person and ZOOM Online Meeting
Regular Meeting: Wednesday, May 22, 2024, 10:00 AM-11:30 AM

*Please note that this meeting will be conducted as a hybrid meeting.
 You may attend in-person or via ZOOM meeting software.*

In-Person: McMinnville Community Development Center, 231 NE Fifth Street

ZOOM Meeting: You may join online via the following link:

<https://mcminnvilleoregon.zoom.us/j/98107138613?pwd=QUZvbW5ZWEPWVB5MVRVckdKeEFIZz09>

Zoom ID: 981 0713 8613

Zoom Password: 611654

Or you can call in and listen via zoom: 1-253-215-8782

ID: 981 0713 8613

Committee Members	Time	Agenda Items
Kellie Menke <i>Chair</i>	10:00 AM	<ul style="list-style-type: none"> • Call to Order / Roll Call
Zack Geary <i>Vice-Chair</i>	10:03 AM	<ul style="list-style-type: none"> • Minutes: <ul style="list-style-type: none"> – May 25, 2022 Exhibit 1 – July 27, 2022 Exhibit 3 – October 26, 2022 Exhibit 5 – February 22, 2023 Exhibit 7 – June 22, 2022 Exhibit 2 – August 24, 2022 Exhibit 4 – December 21, 2022 Exhibit 6 – March 22, 2023 Exhibit 8
Vickie Ybarguen		
Katie Curry		
Frank Foti		
Rachel Flores		
Tracy Haas	10:05 AM	<ul style="list-style-type: none"> • Citizen Comments
Philip Higgins	10:10 AM	<ul style="list-style-type: none"> • Discussion Items <ul style="list-style-type: none"> – Transitional Housing - Exhibit 9 – Prefabricated Housing - Exhibit 10
Steve Iversen	10:55 AM	
Carrie Martin	11:10 AM	<ul style="list-style-type: none"> • Agency Reports: <i>If you are requesting specific support or action from the Committee, please indicate those items and actions.</i> <ul style="list-style-type: none"> – YCAP – Yamhill County HH – Henderson House – Encompass Yamhill Valley – HAYC – Habitat for Humanity – Unidos
Kenneth Cash Yount		
Ex-Officio: Howie Harkema, Encompass Yamhill Valley		
Alexandra Ball, YCAP		
Lindsey Manfrin, Yamhill County	11:20 AM	<ul style="list-style-type: none"> • Committee Member Comments/Updates
	11:25 AM	<ul style="list-style-type: none"> • Staff Comments/Updates
Miriam Vargas Corona, Unidos	11:30 AM	<ul style="list-style-type: none"> • Adjournment



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

May 25, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin, Lori Bergen, Beth Caster, Katie Curry, Howie Harkema, Philip Higgins, Yuya Matsuda, and Lindsey Manfrin

Members Absent: Kellie Menke, Alexandra Hendgen, Steve Iverson, and Vickie Ybarguen

Staff Present: Tom Schauer – Senior Planner

Others Present

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 a.m.

2. Agency Reports

Chair Drabkin stated the Committee would begin with Agenda Item D, then proceed with the items in order.

A. YCAP

Chair Drabkin announced City Council the previous evening had approved the start of a new affordable housing fund for the City of McMinnville. The \$1.5 million from the state would be held in the YCAP fund. The Council had also approved a contract for design and project management services for the Navigational Center. Approving those items was Chair Drabkin's last vote as a City Councilor. One of the first things she had done as a Councilor was participate in starting the Affordable Housing Committee and trying to secure affordable housing funds for the City. The journey had taken many years but now there was an affordable housing fund.

B. HAYC

Yuya Matsuda provided a brief update on the Stratus Village project. Tom Schauer, Senior Planner, noted the project was 175 units and had partnered with the Confederated Tribes of Grande Ronde for financial assistance of \$7 million, which equated to 20 units.

C. Habitat

Katie Curry provided an update on development in Habitat's Aspire Development and funding sources. Habitat was seeking ARPA funds to provide a funding cushion since fundraising no longer matched the cost of building homes. The program was looking for people to join its board and interested parties could contact Ms. Curry.

D. Encompass Yamhill County

Howie Harkema provided an update on the Safe Overnight Parking Program, the MOU with McMinnville Covenant, the Sunday Sandwiches Program, and heating and cooling shelters. A sock drive would begin in June. Newberg was considering a car camping ordinance modeled on McMinnville's. Committee members discussed McMinnville's community outreach efforts which had helped to alleviate fear-based opposition from community members and noted McMinnville's experience was helping to mitigate concerns in Newberg.

3. Action / Discussion Items:

A. Lori Bergen/workgroup - discussion and questions re: use of Construction Excise Tax funds

At Chair Drabkin's request, Tom Schauer shared the Planning Staff's thoughts on the CET the CET update. Mr. Schauer noted McMinnville's Affordable Housing Committee (MAHC) was codified in October of 2021 and reviewed the formal purpose of the committee. He shared a document with Committee members to outline how MAHC could structure the CET program and make a recommendation to the City Council for what a program would look like as well as the Committee's role in implementing the program. The role of MAHC could be structured similarly to the Urban Renewal Advisory Committee or MAHC could look to neighboring communities with Affordable Housing Committees or similar bodies for ideas of how to structure and operate programs since many communities had established CETs following the passage of the enabling legislation in 2016.

Ms. Bergen updated Committee members with highlights of the discussion at the first meeting of the workgroup held on May 19. Questions the workgroup had were answered by Staff and Chair Drabkin as follows:

- The City projected \$180,000 to \$600,000 in CET funds would be collected in the first year.
- The City's professional Staff would reach out to professional staff managing similar type funds in other communities to gather information on how the program was structured and administered in other communities.
- The authority of the MAHC had been addressed by Staff and Staff's explanation would be distributed via email. The Committee could choose to make certain expenditures without seeking further approval from the City Council.
- The question of whether or not the funds would need supplementing and matching funds was mission drift. The goal was to establish a methodology for use of the CET funds. If the City found it was not bringing in enough funds, further revenue discussions could take place.
- The funds could serve as matching funds for other resources. One committee member questioned whether the CET could be allocated as equity to a project during construction, then returned CET with some modest return, or no return at

all, when the project was refinanced. If the fund was used as a passthrough, administrative costs would be lowered.

- The CET ordinance specified the affordability term for 30 years and perhaps longer.
- The ordinance specified how CET on residential construction would be allocated and some allocations provided financial incentives for developers to build affordable housing, including paying down SDCs. The commercial/industrial had requirements for 50 percent, after the administration cost and then the rest of the fund allocation was open for affordable housing programs.
- There was no immediate answer to what entity would hold the loans, how the City would monetize equity, or whether the City had properties available for allocation. The City did not currently have a program to purchase land.
- There were no set guidelines determining what portion, if any, of annexed land should be designated as affordable. Chair Drabkin thought House Bill 2001 might include guidelines. Staff noted the new annexation program in the Municipal Code of the Zoning Ordinance required applications for annexation to demonstrate how the land would meet Comprehensive Plan requirements and how the applicant proposed to address housing needs, including affordability standards, as part of annexation.
- The ordinance as written was based on the units developed that met the definition of affordable which would be affordable for CET funds. A mixed project could be developed where some units met affordability guidelines and some did not, which would enable some extended family living situations with a mix of income levels. The units meeting guidelines would be deed-restricted affordable units that needed to meet the requirements for affordability for renting or at the time of sale for the duration specified in the ordinance.
- Committee members expressed concerns surrounding the lack of affordable housing for those between 80 and 120 percent AMI. Chair Drabkin noted workforce housing was in MAHC's action plan and the Committee was tasked to work on programming and policy for those earning 0 to 120 percent of median family income, which did include workforce housing.

The workgroups would consider the four percent administration cost and collect more information with assistance from Staff who would reach out to professionals in other communities. Fifty percent of commercial/industrial CET by statute did not have to be dedicated to a specific program. The ordinance adopted by the City mirrored that in most other communities and would require 50 percent be dedicated to affordable housing programs. There may be room within that allocation for administering an affordable housing program with a portion of those funds. Chair Drabkin asked for the workgroup's questions and Staff's document be merged to build a larger document for reporting purposes and to address any community questions.

B. Follow-Up: Action Plan Prioritization

Tom Schauer shared an excel document highlighting MAHC's action plan and summarized the previous meeting's conversation about priorities. Committee members and Staff agreed to prioritize investigating community land trusts and land banks as well as parceling land brought in through the Urban Growth Boundary. The Committee could help address questions about whether lands brought in through annexation could be sold to Habitat or held in trust for

Habitat and how the City could build a structure to help purchase and acquire sites. The Committee could also help determine the right entity for donated or dedicated land.

In response to communication from MAHC member Katie Curry, Staff noted the City Council had adopted the new Middle Housing Standards on April 26th of 2022 which allowed for multi-dwelling zoning in single-family zones as well as smaller, “tiny,” homes. SROs and shared housing options were also rolled into the adoption.

4. Citizens Comments – None

5. Task Force Member Comments/Updates – None

6. Staff Comments/Updates

A. Shelter work in other communities (Salem), etc.

Tom Schauer noted the City of Salem had adopted Code provisions for Managed Temporary Villages which included ordinances for temporary uses for facilities such as emergency shelters. Tigard was working on similar provisions and MAHC should discuss whether such provisions should be incorporated into its work plan.

B. Navigation Center –

Mr. Schauer noted the Council had approved the contract for the Navigation Center’s architectural and project management services. Combined funds from the City, ARPA, and Oregon Housing and Community Services would allow the building of the center and provide a base for operational funding. The City of McMinnville had committed \$500,000 from its ARPA funds for first year operations. Committee members discussed opportunities to explore land options with community churches.

7. Adjournment

Chair Drabkin adjourned the meeting at 10:04 p.m.



**City of McMinnville
Planning Department**
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

MINUTES

June 22, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin; Kellie Menke, Lori Bergen, Mark Davis, Howie Harkema, Philip Higgins, Steve Iversen, Yuya Matsuda, Vickie Ybarguen, and Lindsey Manfrin

Members Absent:

Staff Present: Tom Schauer – Senior Planner

Others Present: Becky Isom – OHCS

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 am.

Lori Bergen, Willamette Valley Medical Center, noted this was her last meeting before retirement. Chair Drabkin thanked Bergan for her service, stating she had been an active member of the task force who had done incredible work.

2. Guest – Information Sharing

A. Becky Isom, OHCS: Land Acquisition Revolving Loan Program

Becky Isom, Oregon Housing and Community Services, described the Land Acquisition Loan Program, funding details, and loan parameters, noting the information was detailed on the website and the fund's distribution plan as shown to Committee members. Ms. Isom answered clarifying questions from Councilors regarding the loan-to-value; the number of applications received; availability of current funding information on the website; contact information for information regarding current funding information; property and underwriting criteria; additional funding sources; required third-party reports for loan applications; challenges and experiences in other jurisdictions; profit/non-profit partnerships; the LIFT program the loan program's use in conjunction with community land trusts; and ongoing compliance reporting requirements.

3. Agency Reports

A. YCAP

Director Manfrin provided an update on the housing dollars coming to YCAP. In addition to the lease and the funds coming from the County to YCAP for that project, YCAP was expecting \$2.8 million in funds specifically for behavioral health housing. YCAP had convened a group, which included some Committee members, resulting in proposals to increase transitional treatment and recovery homes, increase low-shelter house and low-barrier sheltering in the community, and identify specific, concrete needs for those experiencing homelessness. YCAP was continuing to look at other partnerships and talking with the Housing Authority about its new units and how YCAP might be able to support a couple of dedicated spaces for individuals who experienced mental health challenges and had mental health needs.

B. HAYC

Vickie Ybarguen provided an update on grant funding and funding applications and the program's Rent Café, as well as voucher utilization numbers. In response to questions from fellow Committee members, Ms. Ybarguen provided additional details on the programs online application and stated she believed voucher utilization increases could be due in part to the HHS project in Sheridan.

C. Habitat – no update provided

D. Encompass Yamhill County

Howie Harkema provided an update on the coordination and use of warming and cooling centers throughout Yamhill County, the sock drive, and the programs efforts to secure funding for additional air conditioning in outlying areas without a cool room to give more cooling center coverage to Yamhill citizens.

4. Action / Discussion Items:

A. Update Lori Bergen/CET workgroup

Lori Bergen provided an update on the Construction Excise Tax (CET) workgroup, which included herself, Philip Higgins and Vickie Ybarguen, and met on June 16th. She noted the workgroup was learning from other communities as the process unfolded and wondered if there was funding forecasting which could be used to determine funds for the next year or two based on industrial and residential permitting. The group discussed forecasting and projected available funds. Tom Schauer, Senior Planner, would provide numbers of land available currently and ballpark what the City could expect to be built in any given year. Multi-dwelling units and commercial/industrial were less predictable in terms of averages. The Committee and Staff discussed how the Urban Growth Boundary and annexed lands could impact the CET. Mr. Schauer would provide the Committee the information on what was used to estimate the CET amount for the Council for the ordinance of option two.

Committee members discussed how funds could be used and the administrative costs. Chair Drabkin noted the program needed to be able to pay for itself; the City was not in a position to subsidize the program with Staff time or City monies.

The Committee discussed the process to fill Ms. Bergen's seat on the workgroup and MAHC. Chair Drabkin verified anyone could apply but reminded Committee members to be conscious

about the makeup of the committee and encouraged them to think of people different from themselves in order to have diversity of representation on the board to encourage different viewpoints.

B. Information Sharing: Community Land Trust and Land Bank

Tom Schauer, Senior Planner, provided a summary of the information included in committee members packets and Committee members remarked the information was interesting and suggested Community Land Trust Programs could be run through the Yamhill County Affordable Housing Commission. Mr. Schauer clarified the idea with land banking was that could be disposed of to meet any type of affordable housing need, whether ownership product or rental housing. A community land trust focused on ownership opportunities and with the ownership component, the buyer bought the home, and the land trust bought the land which reduced the cost for the buyer. The product retained affordability overtime but did not build as much equity because the home would need to be resold to someone with qualifying income limits. The seller would still realize gains in the value of the home but could not sell it to someone who would not qualify under the income limits. Committee members discussed programs in neighboring jurisdictions and Chair Drabkin summarized the meeting, directing Staff to gather more information on community land trusts and land banking, CET development and a new committee structure. Committee members were asked to consider new recruits for MAHC.

5. Citizens Comments

None

6. Task Force Member Comments/Updates

None

7. Staff Comments/Updates

Tom Schauer stated the City had received the building plans for the Baker Street Lofts at the corner of Baker and Handley. At one point, the developer considered incorporating SR units, however, the newly adopted Residential Design and Development Standards for affordable housing had decreased parking requirements and allowed the developer to increase the number of units from 17 to 24. The building plans indicated all units would be affordable housing.

8. Adjournment

Chair Drabkin adjourned the meeting at 11:18 am.



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

MINUTES

July 27, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin, Kellie Menke, Katie Curry, Philip Higgins, Howie Harkema, Steve Iverson, Vickie Ybarguen, Beth Caster, and Alexandra Hendgen

Members Absent: Lori Bergen and Yuya Matsuda

Staff Present: Tom Schauer -- Senior Planner

Others Present: Diane Linn -- Executive Director, Proud Ground

1. Call to Order / Roll Call

Chair Drabkin called the meeting to order at 10:00 am.

2. Minutes

A. June 23, 2021

B. July 28, 2021

Kellie Menke moved to approve the minutes from June 23, 2021, and July 28, 2021 as presented, seconded by Vickie Ybarguen. The motion was approved unanimously.

3. Agency Reports

A. YCAP

This item was heard immediately following Agenda Item 3.B.

Alexandra Hendgen stated the agency had provided \$10 million of direct client assistance in the past year, more than double the amount in the previous year. To better assist the clients coming through the coordinated entry system, YCAP planned to restructure coordinated entry, hire additional staff, and was looking into the potential of call center-type software. She provided a summary of the Built For Zero Initiative, two housing voucher programs, and informed the Committee the agency intended to hire a new housing initiative director by the end of summer, 2022. The agency also hoped to extend the Turnkey Program into permanent supportive housing. Ms. Hendgen provided an update of the Navigation Center and the program's plans to open a YO Mac in the city to address homelessness issues and do

prevention work with those aged 11 to 24. In response to Committee members questions, she clarified YCAP would like to extend the Turnkey motel beyond the three years its Providence partner had originally agreed to and thought it would be helpful if YCAP could go to Providence and ask for an extension with multi-year operation and facility costs already funded. Currently, YCAP's Turnkey programmatic expenses were almost fully funded through 2023 while Providence was not fully funded for their portion of operating the facility through the end of 2023.

B. HAYC

This item was heard immediately following Agenda Item 2.

Vickie Ybarguen provided background regarding the requested removal of air conditioning window units at its Newberg facility, noting the reasons for the request and client reaction. Through the press coverage, portable air conditioning units had been donated. The situation was not resolved because HAYC was reluctant to issue a mandate during hot weather spells and portable AC units were expensive. The first priority was to secure air conditioning for those with medical conditions. Committee members discussed whether the agency needed to provide air conditioning for every unit or just for those with medical needs and whether clients could be educated on how to keep their units cooler and deal with hotter temperatures. Ms. Ybarguen replied AC was not necessary for all clients, but many felt it was a necessity and it was hard to make a determination of who needed AC outside of those with medical issues. The agency had originally planned to include AC for Stratus Village but, due to rising costs, AC had been set aside in favor of windows that could accommodate portable AC units. HYAC put out notice of cooling shelters and cooling was provided in HYAC facilities with community rooms.

C. Habitat

This item was heard immediately following Agenda Item 3.D.

Katie Curry provided an update on Habitat's current single-family build in the Aspire Community and information regarding the community's townhome build. ARPA funding had enabled Habitat to offset rising construction costs and work to partner with local businesses for sponsorship in exchange for marketing was ongoing. Volunteers were simultaneously working on building out the community's park, which should be completed in the fall. In response to Committee Member questions, Ms. Curry clarified the park's infrastructure, including irrigation and electrical systems, were being built out but the play equipment had not yet been placed due to funds. Habitat hoped the equipment would allow for easier access for children with disabilities. The play area at the park was around 4500 square feet, a third of the total planned park area.

D. Encompass Yamhill County

This item was heard immediately following Agenda Item 4. B.

Howie Harkema provided an update on Encompass Yamhill Valley's work to coordinate cooling shelter efforts across the county as well as the sock drive. Work on the Save Overnight Car Park Program continued, and the organization hoped to take advantage of recent legislation which would allow the number of cars parked at the Ebeid property on 99W to expand from 3 to 15. In addition, Sunday Sandwiches at the library continued; Encompass had recently received two grants and turned in a number of other grant requests; the organization

planned to hire three employees beginning August 1 and would provide an onsite manager for the Ebeid property 24 hours a day.

4. Action / Discussion Items:

A. CET Update

This item was heard immediately following Agenda Item 3. C

Tom Schauer, Senior Planner, provided an update on the Construction Excise Tax (CET) and summarized the information included in committee members' packets. In response to committee discussion, Mr. Schauer clarified funding for a CET position would depend on first-year CET funds. Committee members discussed the 4 percent administration costs required by the state. The state received a portion of CET revenue and applied those funds towards homeownership programs in the community from which the funds came. Chair Drabkin noted administration expenses should be written into CET guidelines and suggested MAHC investigate the potential for McMinnville to jointly hire a housing specialist with Newberg and YCAP.

B. Information Sharing: Community Land Trust and Land Bank

This item was heard immediately following Agenda Item 3. A

Diane Linn, Executive Director, Proud Ground, provided a summary of the organization's purpose and how the organization worked for families and their communities.

In response to Committee Member Questions, Ms. Linn clarified Proud Ground was a nonprofit and much of its funding came from federal, state, regional, and local government and raised its own funds as well. Proud Ground's primary location was in Portland, but it was a regional community land trust that operated in Clark County, Washington, as well.

- The organization could provide an advisory role in McMinnville and Proud Ground would help the City determine what steps to take to achieve units that could be held in permanent affordability. Community Development Block Grants were one funding option. Each home realistically needed \$100,000 to \$150,000 in funding.
- There was an empowerment element to a community land trust; homeowners were members of Proud Ground and had the opportunity to serve on the board of directors. The organization provided post-purchase supports to help families with financing issues or home repairs because it needed the homes to be maintained to create permanent affordability for future families and give current owners a great homeownership experience. Proud Ground also helped families become mortgage ready and helped people understand financial fitness.
- While the organization had considered cottage clusters, the focus was to provide homes for families and needed to provide durable, family-sized homes. The organization had built ADUs for current homeowners as additional support for family members. Proud Ground had worked within a condominium structure, however there was significant work involved with land division and condo association development. The more easily and quickly lots could be split, the more likely the City could achieve affordable units.
- Homes in the Proud Ground portfolio, including homes with ADUs, were required to serve as primary units as a requirement of the land lease. Families needed to accept a long list of requirements and could not move out of the home temporarily and rent the

unit without very special considerations. She emphasized the land lease required the units to be kept in affordable housing.

- Proud Ground had taken on Lincoln County's affordable home portfolio more than 6 years ago because the organization had the administrative and fiscal capacity to manage the portfolio. The organization could provide the same services for McMinnville but it was up to the local community and the local community needed to be proactively involved. The organization could assist the City in speaking to builders about how many units in a new development could be set aside for affordable housing.
- Proud Ground partnered with jurisdictions because it could be challenging for jurisdictions to secure significant funds in amounts large enough to fill the gap for families without the capacity to manage the resources. Proud Ground provided the City with a partner that could operate the infrastructure while the City worked with organizations to bring in housing units.

5. Citizens Comments -- None

6. Task Force Member Comments/Updates

Chair Drabkin asked Committee Members to assist in filling vacancies on MACH by reaching out to at least two potential members each before the next meeting. It was important to have a good and robust team to work through different issues, do subcommittee work, and make recommendations that were well-informed and from many different perspectives. Mr. Harkema stated Harry Martin was interested in serving on MACH.

7. Staff Comments/Updates – None

8. Adjournment

Chair Drabkin adjourned the meeting at 11:29 am.



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

August 24, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin, Kellie Menke, Katie Curry, Steve Iversen, Philip Higgins; Beth Caster, Lindsey Manfrin, and Vickie Ybarguen

Members Absent: Yuya Matsuda

Staff Present: Tom Schauer – Senior Planner

Others Present:

1. Call to Order

The meeting was called to order at 10:00 a.m.

2. Agency Reports

A. YCAP

Kellie Menke reported YCAP expected to hire a Housing Initiatives Director and a Youth Services Director by September or early October 2022. YCAP was resuming external events post covid. A brief overview of grant applications and revenue was provided along with a summary of Built for Zero and numbers. The agency's Turn Key program had a successful month in apartment hunting and placement due to its hire of a full-time housing specialist. YO Mac hired a new staff person responsible for the day-to-day operations of the drop-in center. Donations at local food banks had decreased over the previous 45 days, possibly due to cooler, wet weather. The McMinnville Senior Center had restarted food distribution for the first time in two years and the Yamhill Mobile Park Food Pantry had moved to Beulah Park.

B. HAYC

Vickie Ybarguen announced HAYC had received the LIFT funding award in the amount of \$11.25 million for Stratus Village. HAYC had signed a purchase agreement for a property on Ford Street and hoped the multi-family zoned property could be developed into several units, possibly as a pilot project for a land trust. Ms. Ybarguen was serving on a committee discussing Senate Bill 1536 which related to air conditioning (AC) units and had spoken with Senator Murphy and his staff regarding administrative fees and housing specialists' workload. An update was provided on issues with AC units at housing facilities. Ms. Ybarguen addressed housing client concerns by

posting contact information in facility community rooms which included names and numbers of facility management and maintenance, agency human resources, and an organizational flowchart. Rural Development, the regulatory body for one HAYC facility, had been invited to perform an inspection to help alleviate client concerns.

Committee members discussed the utilization of deed restrictions.

Tom Schauer reminded Committee members there were several vacancies on City Committees and staff hoped to advertise the positions within the next week or two.

Chair Drabkin said it was important to incorporate updates from other organizations doing housing work, regardless of whether the organization was formally represented on the committee, to ensure MAHC had a robust and rounded perspective of what other organizations were doing. Committee members discussed including a comment from MAHC in the HAYC press release regarding the LIFT award.

C. Habitat

Katie Curry provided an update on Habitat's current home in the Aspire Community Development and the challenges associated with the upcoming sale of one Aspire Community homeowner's house. Committee members discussed the details of the homes mortgage note and shared appreciation clause and how deed restrictions would work to ensure properties remained affordable. Ms. Curry stated Habitat currently handled the process through a right-of-first refusal agreement but had not encountered a sale before. Habitat was interested in land trusts for future properties as a way to ensure properties remained as affordable housing. Committee members agreed a family moving on indicated the program was successful, but a deed restriction was likely to be more beneficial and give the organization more flexibility in the future.

D. Encompass Yamhill County

Howie Harkema said Encompass was working with YCAP to source food for Sunday Sandwiches at the Library and noted the event may have to be moved because the library was now open on Sundays. Encompass had submitted a proposal to the city to expand the Safe Overnight Car Camping Program at the Ebeid property. Two part-time people had been hired for street outreach in Newberg and McMinnville. Mr. Harkema had been asked to address recent unrest around homelessness in Newberg via a town hall or City Council Meeting. Chair Drabkin said good housing policy was above political affiliation and asked Committee members to focus on communal work for the sake of productiveness and transparency. Mr. Harkema believed the only available shower facility for those experiencing homeless was by appointment at the First Baptist Church, though Encompass had discussed taking over YCAP's mobile shower unit. He clarified Encompass outreach differed from the outreach offered by YCAP and targeted populations found at cooling centers and overnight shelters with the goal of prevention and also helping people find resources to get back into society.

Mr. Harkema gave an update on the coordination of the cooling centers immediately following Agenda Item 3.

3. Action / Discussion Items:

A. CET Update

The CET subcommittee had met the previous Monday and discussed reaching out to Newberg for further information on its program. The subcommittee discussed potential program structures which would allow for large, impactful projects while also making incremental impacts in the near term on smaller projects. There were constrained land supply issues, but middle housing provisions might allow for opportunities to build up density with infill projects. Currently, the Subcommittee did not have a formal direction on its role from City Council but it would like to put together a program with a recommendation to formalize the subcommittee's role. MAHC members discussed land constraints and the possibility of small lots within the City that might be available. Chair Drabkin noted the potential of evaluating properties in the Parks Master Plan and had heard of other cities with similar plans. Other cities had also sold remnant pieces of land and dedicated the proceeds to their affordable housing fund. Vickie Ybarguen noted HAYC had received the LIFT award because the project had multiple other funding sources and for future projects, it would need City and County support possibly through CET funds. Committee members discussed the possibility of YCAP acting as a landbank in a function similar to Proud Ground.

B. Community Land Trust and Land Bank

Tom Schauer said the small group had discussed whether the Yamhill County Affordable Housing Corporation could take on a role as a land bank and perhaps the property on Ford might be a small pilot project for that role. He reviewed the presentation MAHC had from Proud Ground the previous month and remarked he was unsure whether Proud Ground was able to expand into Yamhill County. Committee members and Staff discussed the benefits of replicating the Proud Ground concept with local control as well as the distinction between community land trusts and land banks and in what capacity HAYC might act. Further conversations with YCAP were necessary to determine which agency would be the better fit. Staff confirmed there was currently no entity in place for someone to donate property for the purposes of affordable housing development. Committee members agreed a formal program needed to be put in place as soon as possible; those wishing to donate land for affordable housing now could find opportunities with some of the nonprofits.

C. ARPA Funds

Tom Schauer advised there was new guidance from the Department of Treasury clarifying how state and local fiscal recovery funds could be used related to affordable housing in combination with other federal funds and how funds could be used for long-term lending beyond the near-term deadline for ARPA projects. The updated guidance prompted questions as to whether there were other projects eligible for ARPA funds or additional contributions. The City Council had received an update on projects that were already designated for ARPA funds in round one. Finance would provide a further update on the status of the projects in the fall, along with cost estimates which would help identify what funds may be available in round two. Chair Drabkin noted the City had invested in new community engagement software, which would allow users to explore the City's ARPA funds and the details of each project.

4. Citizens Comments – None

5. Task Force Member Comments/Updates – None

6. Staff Comments/Updates

A. September 15, 2022 Planning Commission Work Session on Short-Term Rentals

Tom Schauer provided background on the City's moratorium of short-term rentals and stated the Planning Commission would hold a September 15, 2022 work session to address concerns. MAHC could send a letter of testimony and it would be appropriate for Committee members to share information or sit in on the work session. Chair Drabkin shared information from the Oregon Mayor's Conference about how cities handled short-term rentals. Committee members discussed the Lincoln County LUBA appeal against the restriction on short-term rentals as well as data showing the percentage of short-term rentals in the housing stock overall and which neighborhoods rentals were concentrated in. The Committee discussed the current Code standards for space between rentals and residences and members agreed to put their thoughts regarding short-term rentals into letter format to combine and submit to the Planning Commission.

MAHC members were reminded that as of September 2nd, the City would be short another planner and Staff's time would be at a premium going forward.

7. Adjournment

Chair Drabkin adjourned the meeting at 11:17 a.m.



Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

MINUTES

October 26, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

- Members Present:** Remy Drabkin, Kellie Menke, Katie Curry, Howie Harkema, Alexandra Hendgen, Philip Higgins, Steve Iversen, Vickie Ybarguen, and Lindsey Manfrin
- Members Absent:** Beth Caster and Yuya Matsuda
- Staff Present:** Tom Schauer – Senior Planner, Jody Christensen – Project Manager
- Others Present:** Mark Davis – [Title?](#)

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 a.m.

2. Minutes

A. August 25, 2021

Committee Member Menke moved to approve the August 25, 2021 minutes. The motion was seconded by Committee Member Higgins and passed unanimously.

3. Agency Reports

A. YCAP

Committee Member Hendgen gave a housing programs update including high number of calls, rental assistance, doors remained closed at the main campus due to lack of staffing, funding for housing initiatives, rehabilitating a building for a youth drop-in center, and Project Turnkey.

Project Manager Christensen gave a presentation on the Navigation Center. She discussed the center’s purpose, location, design concepts, materials and color palette options, and next steps.

There was discussion regarding the completion timeline and funding.

Committee Member Manfrin said they had received the behavioral health housing funding and were looking for a property for that program. They would be expanding their conditional treatment and recovery services homes. Funding would also be used for rental barrier

removal and community procurement process for concrete needs and shelter for the homeless.

B. HAYC

Committee Member Ybarguen said they were working on refining the designs for Stratus Village and had started the online portal for applying for housing and recertification for clients. They had been working with YCAP on emergency vouchers and a capital needs assessment on all their properties.

C. Habitat

Committee Member Curry said they had a home that was completed and were working on the appraisal to set a purchase price for the new homeowners. A family will be moving in soon. They planned to start their next project, which was a shared wall townhome. They were also fundraising to finish work on the park.

D. Encompass Yamhill County

Committee Member Harkema said they were still doing the safe overnight car parking program, working with the library, and giving a presentation to the Yamhill County Resource Network this afternoon.

4. Action / Discussion Items

None

5. Citizens Comments

None

6. Task Force Member Comments/Updates

A. CET Workgroup

Committee Member Menke said the workgroup had been unable to meet.

7. Staff Comments/Updates

A. Navigation Center

This item was discussed above.

Project Manager Christensen discussed a possible letter of support for the legislative package from the Oregon Mayors Association for funding. McMinnville would be eligible to receive \$1.3 million of direct allocation for a project that addressed homelessness. The project had not been determined or defined yet. There would also be a capital allocation to help with construction.

Committee Member Menke moved to direct the Chair, Vice Chair, and staff to prepare a letter of support. The motion was seconded by Committee Member Hendgen and passed unanimously.

8. Adjournment

Chair Drabkin adjourned the meeting at 10:40 a.m.



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

December 21, 2022
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

- Members Present:** Remy Drabkin, Kellie Menke, Carrie Martin, Katie Curry, Maeshowe Pierce, Philip Higgins, Steve Iversen, and Vickie Ybarguen
- Members Absent:** Howie Harkema, Alexandra Hendgen, Beth Caster, and Lindsey Manfrin
- Staff Present:** Tom Schauer – Senior Planner, Jody Christensen – Project Manager
- Others Present:** Rachel Flores - Henderson House, Miriam Vargas Corona – Unidos, Kenneth Cash Yount, Buck Newman, and Maggie Cross

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 a.m.

2. Minutes

A. September 22, 2021

Committee Member Menke moved to approve the September 22, 2021 minutes. The motion was seconded by Committee Member Higgins and passed unanimously.

3. Agency Reports

A. YCAP

Committee Member Menke reported on the Turnkey Project and addressing issues downtown.

B. HAYC

Committee Member Ybarguen discussed housing vouchers, online portal, property vacancies, and Stratus Village.

C. Habitat

Committee Member Curry reported on finishing their seventeenth home in the Aspire community development, which was halfway complete. They were looking at other options for affordable housing and options for the park equipment. There was discussion regarding property tax foreclosure properties.

D. Encompass Yamhill County

Committee Member Martin reported on new board members, new funding, projects, and serving vulnerable populations during the wintertime. They needed properties where these populations could go.

Project Manager Christensen discussed the legislative priorities, which were McMinnville's homelessness response, McMinnville's innovation campus, and McMinnville's Third Street improvement project. They were asking for \$10 million for a public infrastructure study for the innovation campus on Highway 18. They were asking for \$8 million for the Third Street improvements. They would be requesting \$10 million for direct allocation to address homelessness response in partnership with the Oregon Mayors Association. This would mean an allocation to McMinnville of \$1.3 million and a direct allocation of \$8.6 million for capital construction. The projects would be for Operation Generation, Encompass Yamhill County, Union Gospel Mission, and YCAP.

Chair Drabkin discussed a model for a behavioral health response program.

4. Action / Discussion Items

A. Henderson House – Rachel Flores discussed their recent staff retreat to identify their biggest barrier, which was affordable housing. They were in need of a transitional shelter for a six month stay.

B. Unidos – Miriam Vargas Corona

This item was not discussed.

5. Citizens Comments

Maggie Cross, McMinnville resident, discussed long term sustainability and public projects, such as solar power in Stratus Village.

Committee Member Ybarguen said they had not looked into solar, and they would need the funds to do so.

Buck Newman, McMinnville resident, asked about catching up on minutes or posting videos to get more current information for citizens. Senior Planner Schauer said they were working on the backlog to get the minutes current. He would look into posting videos.

6. Task Force Member Comments/Updates

Committee Member Menke gave an update on the Construction Excise Tax workgroup. They suggested accumulating more funds for projects and had recommendations for how to

distribute the funds coming in. These recommendations would be brought back to the next meeting.

There was discussion regarding the items on the Committee's work plan and upcoming affordable housing projects.

7. Staff Comments/Updates

None

8. Adjournment

Chair Drabkin adjourned the meeting at 10:50 a.m.

DRAFT



**City of McMinnville
Planning Department**
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

February 22, 2023
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin, Kellie Menke, Rachel Flores, Phillip Higgins, Frank Foti, Carrie Martin, Katie Curry, Kenneth Cash Yount, Maeshowe Pierce, Vickie Ybarguen, Howie Harkema, Lindsey Manfrin, and Miriam Vargas-Corona

Members Absent: Steve Iverson, Carrie Martin, and Alexandra Hendgen

Staff Present: Tom Schauer – Senior Planner and John Swanson – Senior Planner

Others Present

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 a.m.

2. Swearing in of New/Reappointed Members

Senior Planner Schauer swore in new and reappointed members.

3. Selection of Chair and Vice-Chair

The Committee selected Remy Drabkin for Chair and Kellie Menke for Vice Chair for 2023.

4. Agency Reports

A. YCAP

Committee Member Menke discussed Project Turnkey, Built for Zero, and AnyDoor Place.

B. HAYC

Committee Member Ybarguen reported on the Stratus Village project, funding, and partnerships. She also discussed property that had been purchased for a possible land trust.

C. Habitat

Committee Member Curry reported on a recent home dedication, Aspire development, grant application from OHCS, increasing their affordable housing portfolio, and formatting deed notes for home owners to keep homes in the affordable housing stock.

D. Encompass Yamhill County

Committee Member Harkema discussed Sunday sandwiches at the library, need for another site for the safe overnight car parking program, and coordination of warming shelters.

E. Henderson House

Committee Member Flores reported on their services, need for expansion, and finding affordable housing for their clients.

F. Unidos

Committee Member Vargas-Corona spoke about their services, outreach opportunities, and citizenship classes.

Committee Member Manfrin gave an update on the County RFP for behavioral health housing and expansion of the Community Outreach and Support Services Team.

5. Action / Discussion Items:

A. CET Update and Direction

Chair Drabkin said the Committee had tried three times to take the Construction Excise Tax to the City Council and it passed on the third attempt. She explained the intent of the CET and how a subcommittee had been created to come up with a recommended plan to implement the CET.

Senior Planner Schauer discussed the subcommittee's recommendations for CET implementation. These included the use of the funds with an emphasis on increasing the inventory of affordable units, to build up an initial reserve before anything was spent, looking at future projects/needs to leverage funds, and annual community outreach to identify needs and priorities.

There was discussion regarding how long it would take to get to a baseline of \$300,000, how the 1% CET was calculated, looking long term but also being open to help with smaller projects, creating a rehabilitation fund, creating a process for how the funding would be distributed, and financial support for the outreach.

Each committee member discussed whether or not they were in favor of the subcommittee's recommendations.

There was consensus for the subcommittee to refine the recommendations with the feedback received today.

B. Work Plan

Chair Drabkin said the Work Plan was the approved action plan from the City. It was updated every year and she noted the previous work that had come out of the Committee. She asked that the Committee review the current plan and bring back any comments and ideas for prioritization.

6. Citizens Comments

None.

7. Task Force Member Comments/Updates

Chair Drabkin said the governor had signed an executive order declaring a state of emergency for counties that had seen an increase in over 50% of their unhoused population from 2017-2021. McMinnville did not have the data to prove they should be allowed into the executive order. She met with the governor's office and they said the County could declare a state of emergency and they could be allowed in. She wrote a letter to the County Commissioners asking them to consider declaring a state of emergency either for the County or McMinnville and they would be discussing it tomorrow. This would allow them access to state funds.

8. Staff Comments/Updates

A. Development/Buildable Lot Information

Senior Planner Schauer said the buildable land inventory was low and there was not a lot of development activity.

9. Adjournment

Chair Drabkin adjourned the meeting at 11:33 a.m.



City of McMinnville
Planning Department
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311

www.mcminnvilleoregon.gov

MINUTES

March 22, 2023
McMinnville Affordable Housing Committee
Regular Meeting

10:00 am
ZOOM Online Meeting
McMinnville, Oregon

Members Present: Remy Drabkin, Kellie Menke, Katie Curry, Frank Foti, Rachel Flores, Steve Iverson, Philip Higgins, Carrie Martin, Maeshowe Pierce, Vickie Ybarguen, Howie Harkema, Lindsey Manfrin, Miriam Vargas-Corona, and Kenneth Cash Yount

Members Absent: Alexandra Hendgen

Staff Present: Heather Richards – Community Development Director and Tom Schauer – Senior Planner

Others Present

1. Call to Order

Chair Drabkin called the meeting to order at 10:00 a.m.

2. Minutes

None

3. Agency Reports

A. YCAP

Committee Member Menke said YOMAC was going to be opening. The stakeholder meeting would be on March 28. A significant Turn Key project announcement was coming.

B. HAYC

Committee Member Ybarguen said they were still working on Stratus Village and there were job and Board openings.

C. Habitat

Committee Member Curry reported on building their current townhome and opening up applications for the next build.

D. Encompass Yamhill County

Committee Member Martin said they were working to expand their programs. The County Commission did not declare a state of emergency and they would not be getting state funds. She had recently met with Workforce Oregon to expand employment services.

E. Henderson House

Committee Member Flores said they needed to expand shelter services and were hiring an advocate position. They were also disappointed in the County's decision not to declare a state of emergency.

F. Unidos

Committee Member Vargas-Corona discussed outreach opportunities for a Community Resource Fair and monthly mental health wellness groups.

Committee Member Manfrin said Public Health was working on an RFP for behavioral health housing dollars and they were finalizing the Community Health Improvement Plan.

Chair Drabkin had been actively pursuing funds to meet deadlines for construction on the Navigation Center to start this summer. They had secured an operator and they knew where the facilities would be located. The County was asked to make a financial match and she sent a letter to the governor asking for the use of strategic reserve funds.

4. Information Sharing:

A. Affordable Housing Planner

Community Development Director Richards said the Planning Department was understaffed and to bring on and support a program such as the CET program, she did not think it could be done with the current capacity. She proposed hiring an Affordable Housing Planner, which would be funded by the CET program. She discussed the budget and how much it would cost for an Associate Planner relative to how much they would bring in CET funds. The General Fund could not support a portion of the position, so it would need to be funded 100% through the CET funds. She could request partial funding through the General Fund, but was unsure if there would be any resources for it.

There was discussion regarding sustainability if the CET did not bring in enough funds, supporting a portion of the position, and having as much of the fund as possible available for incentives and finding other resources to support the role.

The Committee gave direction to staff to move forward with the 100% CET funded position and proposed writing individual letters of support to the Budget Committee.

B. Affordable Housing Construction

Senior Planner Schauer stated in recent years there had not been naturally occurring affordable housing at market rates. They were trying to find ways to expand the pool and meet the needs by targeting critical projects. The Housing Authority was working on one of the largest affordable housing developments in years, Stratus Village. Prior to that in 2008 they built Village Quarter. The Housing Authority was building all over in the County and they needed to look at what

support was needed for those projects. They also provided the Housing Choice Voucher program. Habitat was reviewing how to change the process so that once the homes were built, they would have the right of first refusal to purchase the homes back. Currently there was no requirement for the homes to remain as affordable housing. The Community Homebuilders' model was focused on equity and once the homes were built and sold they became market rate housing as their mission was to help homeowners build equity. Since the 2020 census, they did not think McMinnville qualified for Community Homebuilders to build in the City due to population numbers and not being considered rural.

Gerardo Partida, Community Homebuilders, said one of the challenges they had was lack of funding and combining the grant with other funding sources to serve very low income families. They were also unsure of the USDA requirements and McMinnville's population not meeting those requirements. The City could weigh in on the rural designation so they could continue to qualify.

Senior Planner Schauer discussed opportunities in the action plan and asked for help to come up with ways to expand the affordable housing stock and support projects.

Committee Members Higgins, Menke, Iverson, Curry, Cash Yount, Vargas-Corona, and Harkema volunteered to work with staff.

Community Development Director Richards said they had many affordable housing builders interested, but they needed land to develop. That was a critical piece of the puzzle.

There was discussion regarding potential properties, especially in the faith-based community and educational facilities, number of units to make it work, partners for workforce housing, available government funds for a land bank, Community Development Block Grants, and market rates.

5. Citizens Comments

None

6. Task Force Member Comments/Updates

None

7. Staff Comments/Updates

None

8. Adjournment

Chair Drabkin adjourned the meeting at 11:18 a.m.



City of McMinnville
Community Development
231 NE Fifth Street
McMinnville, OR 97128
(503) 434-7311
www.mcminnvilleoregon.gov

EXHIBIT 9 – STAFF REPORT

DATE: May 22, 2024
TO: Affordable Housing Committee Members
FROM: Evan Hietpas, Associate Housing Planner
SUBJECT: Transitional Housing

STRATEGIC PRIORITY & GOAL:



HOUSING OPPORTUNITIES (ACROSS THE INCOME SPECTRUM)
Create diverse housing opportunities that support great neighborhoods.

OBJECTIVE/S: Collaborate to improve the financial feasibility of diverse housing development opportunities

Report in Brief:

February 28, 2024: The Committee prioritized their remaining Action Plan items, and Transitional Housing was set as the top priority to focus on immediately.

March 27, 2024: City staff compiled examples of transitional housing programs from other communities as well as regulatory framework summaries and resources from other agencies and jurisdictions. The Committee reviewed and discussed this information to better understand how they would like to move forward with transitional housing within the context of ORS 197.746.

April 24, 2024: Staff prepared a conceptual code structure and development standards for discussion and input. Staff also prepared background information regarding transitional housing regulations from five jurisdictions (Bend, Redmond, Medford, Grants Pass, and Bellevue, WA). The “Code Regulations Comparison Matrix” (attachment 2) outlines different approaches to Transitional Housing regulations and showed if they were less (light green) or more (dark green) restrictive than what is being proposed for the City of McMinnville.

Background:

Oregon Revised Statutes (ORS) [197.746](#) – sets the parameters of which a local government may choose to regulate transitional housing accommodations. This statute is provided herein for reference:

“(1) **Inside an urban growth boundary, a local government may authorize the establishment of transitional housing accommodations used as individual living units by one or more individuals.** Use of transitional housing accommodations is limited to individuals who lack permanent or safe shelter and who cannot be placed in other low income housing. A local government **may** limit the maximum amount of time that an individual or a family may use the accommodations.

(2) Transitional housing accommodations are intended to be used by individuals or families on a limited basis for seasonal, emergency or transitional housing purposes and **may** include yurts, huts, cabins, fabric structures, tents and similar accommodations, as well as areas in parking lots or facilities for individuals or families to reside overnight in a motor vehicle, without regard to whether the motor vehicle was designed for use as temporary living quarters. The transitional housing accommodations **may** provide parking facilities, walkways and access to water, toilet, shower, laundry, cooking, telephone or other services either through separate or shared facilities. The Oregon Health Authority may develop public health best practices for shared health and sanitation facilities for transitional housing accommodations.

(3) Transitional housing accommodations are not subject to ORS chapter 90.

(4) As used in this section, “yurt” means a round, domed tent of canvas or other weather resistant material, having a rigid framework, wooden floor, one or more windows or skylights and that may have plumbing, electrical service or heat.”

Discussion

Staff provided proposed DRAFT transitional housing code amendments (Attachment 1). Key areas for discussion and refinement have been **highlighted in purple**.

The definition of “transitional housing” is not as important as:

- what type of housing units can be proposed under the “transitional housing” land use;
- design and development standards required to ensure neighborhood compatibility;
- required facilities and services provided to support the housing; and
- whether or not any operational standards need to be established.

Additionally, “transitional housing” implies a longer stay than an emergency shelter. Any proposal which is identified as a **qualifying emergency shelter** under ORS 197.782 “Emergency shelters developed under temporary authorization” shall be reviewed for compliance with State law and approved accordingly.

The City of McMinnville’s Single-Room Occupancy (SRO) standards provide a path forward for housing that does not meet the definition of “dwelling units” under the Building Code. However, the SRO model requires provisions that are different than what the transitional housing regulations will be. The transitional housing standards are intended to provide relief from the SRO regulatory framework on things like site improvements and building design standards to reduce barriers associated with bringing this specific housing need into the community.

There are three (3) key topics for discussion:

1. Housing Types Allowed.

The Committee is assessing 4 different housing types for their appropriateness as Transitional Housing. Last month's discussion had the following takeaways:

- Dwelling units – **Appropriate.**
 - Contain private sleeping quarters, sanitary facilities, and kitchen facilities.
- Prefabricated/modular structures – **Appropriate.**
 - Do not have bathrooms or kitchens.
 - Required to have insulation and heating/cooling systems.
- Yurts - **Undecided.**
- Tents - **Undecided.**

Due to the non-traditional approach of using tents and yurts for housing, there is not as much regulatory support for these housing types yet. It is important to consider the potential impacts of allowing those housing types so that local regulations can be adopted to mitigate those impacts. The following considerations have been identified by staff and the Committee related to the allowance and appropriateness of yurts and tents for transitional housing:

- Population served/ length of stay - (Transitional Housing vs Emergency Shelters)
- Uniformity/ Aesthetics (Tents and Yurts set-up and provided by Operating Agency, consistent colors and materials for the entire site)
- Overall compatibility with residential neighborhood standards
- Climate Controlled - (Heat, Cooling, Insulation)
- Additional Weather Protection/Coverage - (Warehouse, Barn, Canopy)
- Fire Hazards - (Open Flame, Propane Heaters, Fire Rating of Materials)
- Electricity Service
- Wind and Snow Load Ratings
- Funding Sources, Federal Housing Standards, Land Use Classification –
 - Through outreach to other organizations, staff has found that yurts and tents typically fall into “camping” or “emergency shelters” land uses and are not typically aligned with transitional housing standards and funding mechanisms.

2. Application Review Process.

The Committee is assessing the appropriate review and public involvement processes for transitional housing developments. Through the Committee's discussion, it became clear that the different housing types (dwelling, prefab, yurts/tents) may require different review processes. The Committee and staff have the following considerations:

- Questions for Discussion:
 - Are there predictable impacts the general public will be concerned about? If so, how can code be developed to mitigate those concerns?
 - Are there concerns that cannot be mitigated through the code that should require a public hearing process?
 - What expectations do people have when they are notified about a proposed development? Is it beneficial to simply be aware of a proposed development, or does notification set an expectation that there will be a public hearing to provide testimony?

- Neighborhood Meeting Requirement
 - Held by applicant prior to submitting an application
 - Typically, only required for application types that require a public hearing
- Application Review and Decision Process Types
 - Director’s Review without Notification
 - Director’s Review with Notification
 - Public Hearings with Notification
- Distinction of Review Process Based on Housing Type - Example:
 - *Transitional Housing with Dwelling Units and Prefabricated Housing Units are allowed outright in permitted zones. No requirements for neighborhood meeting, public noticing, or public hearing.*
 - *Transitional Housing with Yurts and Tents require a Conditional Use Permit process. Requires neighborhood meeting, public noticing, and public hearing.*

3. Managing Agency Reporting.

The Committee should provide input on whether the agency operating the transitional housing should be **required** to submit reports to the City, and at what frequency (annually, bi-annually, etc.). Potential information that could be required includes:

- Number of residents housed.
- Number of people who were provided with more permanent or transitional housing and the timeframe to achieve permanent housing.
- Number of residents connected to employment.
- Number of residents connected to medical care.
- Number of residents connected to dental care.
- Results of satisfaction and feedback surveys from residents.
- Number of nights spent at full capacity (if applicable)
- Number of public service calls to the shelter and reason for each call
- Work accomplished collaboratively with surrounding businesses and neighbors to monitor and proactively respond to any public safety emerging concerns to ensure safety for all residents in the community.
- Include metrics demonstrating partnerships and engagement from the community (i.e. volunteer hours, community meetings, in-kind donation values, monetary donations.)

Attachments:

1. DRAFT Code Amendment Language
2. Code Amendment Research Matrix

Recommendation:

Provide staff with additional direction on how to move forward with transitional housing code amendments.

Transitional Housing DRAFT Code Amendments

McMinnville Affordable Housing Committee – May 22, 2024

Permitted Use

R-1	R-2	R-3	R-4	R-5	O-R	C-1
Permitted	Permitted	Permitted	Permitted	Permitted	Permitted	Prohibited
C-2	C-3	M-L	M-1	M-2	A-H	F-P
Permitted	Permitted	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited

17.XX.YYY. Transitional Housing

- A. Description. Housing for individuals and families experiencing homelessness, or at imminent risk of homelessness.

- B. Purpose. The City of McMinnville has established transitional housing standards in accordance with ORS 197.746, which sets the parameters with which a local government may choose to regulate transitional housing accommodations.

- C. **Land Use Application Review and Decision Process.**
 - 1. Application Type (*Director's Review **without** Notification; Director's Review **with** Notification, **Public Hearing***)
 - 2. Neighborhood Meeting Requirement
 - 3. Any proposal for transitional housing which is identified as a qualifying emergency shelter under ORS 197.782 shall be reviewed for compliance with State law and approved accordingly.

- D. Application Materials.
 - 1. Application Form.
 - 2. Project Narrative and Responses to Requirements.
 - a. Bathroom and Kitchen Facilities
 - b. Additional Facilities
 - c. Development Standards
 - 3. Site Plan. Proposed Transitional Housing development on a drawing that is to scale and includes the following information:
 - a. Existing and Proposed Buildings. (Dwelling units, shelter units, common buildings)
 - b. Density Calculation.
 - c. Parking areas.
 - d. Garbage Disposal.
 - e. Secure Storage.

- f. Site lighting.
- g. Fencing.
- 4. Lease or Legal Use Agreement.
- 5. Title Report prepared within 60 days of the application date.
- 6. Method and plans for domestic and other water supplies, sewage disposal, storm water disposal and other drainage facility plans, and all other utilities.
- 7. Managing Agency's Management Plan.
- 8. Resident Code of Conduct.

E. Transitional Housing Types.

- 1. Dwelling Units.
 - a. Must meet all applicable building code regulations, including bathrooms, sleeping quarters, and a kitchen/food preparation area.
- 2. Shelter Units.
 - a. A shelter unit provides shelter from the elements. Shelter units are not dwelling units, and no structure that could meet building code regulations as a dwelling unit shall be used as a shelter unit.
 - 1) Shelter units include site-built, modular, or prefabricated structures, or similarly built structures.
 - 2) Shelter units must be insulated and must be climate controlled.
 - 3) Shelter units may not contain permanent provisions for cooking, natural gas appliances, propane heaters, or generators.
 - 4) Lofts are prohibited in shelter units for safety reasons.
- 3. Yurts, huts, cabins, fabric structures, tents, and similar accommodations.
(Allowed Outright, Conditional Use Permit Required, Prohibited?)
- 4. **Temporary camping.** Shall be permitted consistent with Section 8.36.020: Temporary camping program.

F. Required Facilities for All Transitional Housing Types (Dwelling and Shelter Units)

- 1. Waste Collection. Waste collection service must be included. Solid waste and recycling receptacles and enclosures shall be provided as required by Chapter 17.61 of the Zoning Ordinance. They must be located on property in a manner that does not hinder access to any required off-street parking or loading spaces and complies with the solid waste enclosure requirements unless individual wheeled receptacles are stored in a dedicated location inside a building.
- 2. Storage. All residents must have access to secure storage space. This may be provided with a closet in the unit or in dedicated storage space located in a shared building.
 - a. Each dedicated storage area must be at least thirty-six (36) cubic feet with an unobstructed height of at least four feet.
 - b. Storage areas not provided in a structure must not be located within setbacks.

- c. No outdoor storage is permitted, excluding bicycles or similar mobility devices.

G. Required Common Facilities for Shelter Units Only.

1. Bathrooms and Bathing Facilities.

- a. Shelter units are not required to have a private bathroom facility.
- b. If the proposed shelter units do not have private bathrooms or only have a private half bathroom, then common/shared bathroom facilities shall also be provided as required.
 - 1) A full bathroom contains at least one sink, a toilet, and a bathing facility (shower, bathtub, or combination unit). A half bathroom contains one sink and a toilet, but no bathing facility.
- c. A minimum of **one** lavatory basin/handwashing station and **one** toilet shall be provided for each **two** shelter units that lack private bathrooms.
- d. Bathing facilities (shower, bathtub, or combination unit) shall be provided at a ratio of **one** for every **six** shelter units or fraction thereof, for units which lack full private bathrooms. Each shared/common shower or bathtub facility shall be single-occupant and provided with an interior lockable door.

2. Kitchen/ Food Preparation Areas.

- a. **At least one** complete common kitchen/food preparation area must be provided. A complete common kitchen/food preparation area contains equipment and facilities for a refrigerator/freezer, food storage, cooking and heating food, washing, and preparing food, and washing dishes.
- b. The kitchen facility shall be large enough to accommodate all residents. This should be explained and addressed in detail in the Management Plan and Resident Code of Conduct.

H. Optional Facilities for all Transitional Housing Types (Dwelling and Shelter Unit Types).

- 1. Laundry. On-site washers and dryers for residents are strongly recommended. When laundry facilities are proposed, they should be placed in a building that is accessible to all residents.
- 2. Domestic Animals. If the managing agency allows residents to have domestic animals, a dedicated open space for animals must be provided, and a pet waste disposal station is required.

I. Development Standards. The following guiding principles apply to Transitional Housing.

- 1. Height and Setbacks. Building height and setback standards of the underlying zone shall apply to all buildings and shelters.
 - a. In zones where no front yard setback is required, dwelling and shelter units must maintain a fifteen-foot setback along the property's frontage. Common shared buildings with facilities or supportive services are only subject to the zoning district's regulations.

2. **Density.**
 - a. Dwelling units. Subject to the maximum densities of the underlying zone. The maximum number of bedrooms allowed in each unit will be determined by building code standards for occupancy.
 - b. Shelter units. The maximum number of units is one per each 1,000 square feet of gross acreage. A community building or other shared facility does not affect the maximum allowable units permitted on a site. For purposes of calculating the maximum number units, fractional units are rounded down to the next whole unit.
3. Spacing.
 - a. Shelter units must be sited with adequate separation between units to provide safety and privacy. Spacing requirements will vary depending on shelter type.
 - b. The layout of the Transitional Housing site shall comply with any applicable Federal, State, and local requirements, including but not limited to Fire, Environmental Health, Building, and Engineering requirements, ADA compliance, emergency egress pathways, emergency access for first responders, and will not pose any unreasonable risk to public health or safety.
4. Utility Service. Shall comply with all water and sewer service standards.
5. **Parking and Circulation.**
 - a. Parking Spaces.
 - 1) Dwelling Units. Two spaces per dwelling with four or fewer bedrooms, and one additional space for every two additional bedrooms, consistent with the requirements for a Single detached dwelling unit in 17.60.060(A)(4).
 - 2) Shelter Units. Parking shall be provided at the rate of one off-street parking space per three units plus one space per two employees on the largest shift.
 - b. Off-street parking spaces and vehicle maneuvering areas shall not be located:
 - 1) Within of 20 feet from any street property line, except alley property lines;
 - 2) Off-street parking spaces shall not be located within 10 feet of any other property line, except alley property lines. Driveways and drive aisles are permitted within 10 feet of other property lines.
6. Site Lighting. The Transitional Housing development site shall install lighting around shared facilities and pathways between buildings, adjacent to public rights-of-way and in other areas where safety or security concerns exist. Lighting provided shall be so deflected as not to shine or create glare on any adjacent properties.
 - a. Signs. Shall comply with all applicable sign regulations of the underlying zoning district.
 - b. Residential Design Standards. Exempt from residential architectural and site design requirements in Chapter 17.11.

- c. Landscaping. Landscaping is not required, except in the case of perimeter landscaping used for screening purposes, outlined in more detail below under Privacy and Security.

7. Privacy and Security.

a. Fencing.

- 1) The Transitional Housing development site shall be fenced around the perimeter of the property, or the perimeter of the area in which the units are located.
- 2) The fencing shall be built at the maximum height allowed in the zoning district and shall be maintained.

b. Screening.

- 1) The perimeter fencing shall be constructed in a way that provides privacy to residents of the Transitional Housing. If the fencing type does not provide adequate screening and privacy, perimeter landscaping is required.
 - a) Climbing vines and screening shrubs or hedges are appropriate, and landscaping must be a minimum of three feet (3) in height at the time of planting.

- c. Additional Security Measures. The managing agency may propose additional security measures that they deem necessary as a part of the Operational and Maintenance Plan to ensure that residents feel safe.

8. Site Improvements.

- a. Sidewalks and other improvements required to achieve compliance with the Federal Americans with Disabilities Act (ADA) must be constructed.
- b. The development must have frontage or approved access to a public or private street, but is exempt from transportation improvement standards that do not relate directly with accessibility requirements.

J. Supportive Services.

- 1. Definition. Supportive services are services provided to occupants of transitional housing for the purpose of facilitating their independence or ensuring long-term housing stability. Supportive services may include, but are not limited to, services such as case management, medical treatment, psychological counseling, childcare, transportation, and job training.
- 2. Requirement. Supportive services shall be provided to the residents of transitional housing. The services may be made available on-site or off-site.
 - a. Off-site. The Operational and Maintenance Plan should outline how residents will have access to off-site supportive services.
 - b. On-site. Supportive services administered on-site shall only be available to residents of the facility, unless otherwise permitted through a separate land use application.

3. **Waiting and Intake Area.** If waiting or first-come, first-served services are provided, any outdoor, on-site waiting and intake area must be sized to accommodate the expected number of people to be served. During times of lines or queues, people awaiting admittance shall not obstruct any public space or right of way.

K. Operations Management.

1. **Qualified Organization or Agency.** Transitional Housing developments shall be operated by:
 - a. A local government as defined in ORS 174.116 (“Local government” and “local service district” defined);
 - b. An organization with at least two years’ experience operating an emergency shelter using best practices that is:
 - 1) A local housing authority as defined in ORS 456.375 (Definitions for ORS 456.375 to 456.390);
 - 2) A religious corporation as defined in ORS 65.001 (Definitions); or
 - 3) A public benefit corporation, as defined in ORS 65.001 (Definitions), whose charitable purpose includes the support of homeless individuals, that has been recognized as exempt from income tax under section 501(a) of the Internal Revenue Code on or before January 1, 2018; or
 - c. A nonprofit corporation partnering with any other entity described in this subsection.
2. **Operational and Maintenance Plan.**
 - a. There must be a plan approved by the Community Development Director. The management plan shall contain:
 - 1) Agency management policies.
 - 2) Required facilities proposal (bathrooms, kitchens, storage, garbage collection)
 - 3) On-going site maintenance plan.
 - 4) Summary of supportive services provided.
 - 5) Rental procedures.
 - 6) Security and privacy procedures.
3. **Resident Code of Conduct.** The managing agency shall submit a Resident Code of Conduct and shall not authorize a resident without providing them with a code of conduct form to review and sign. The code of conduct shall be written in a language understandable to the resident and shall contain policies and information that set out regulations regarding:
 - a. How individuals will be selected for available residential units.
 - b. How the managing agency will work with residents to ensure that progress is being made to find permanent housing.
 - c. Identification of the supportive services or case management to be provided.
 - d. Location and expected use of all common area facilities.

- e. What structures or other items may be placed or stored on the premises, and where they may be placed or stored.
 - f. Rules regarding noise disturbance and pets. (Quiet hours, designated areas, pet waste disposal)
 - g. Rules for guests and visitation.
 - h. Rules for on-site parking.
 - i. Prohibition of open flames on the premises, or within vehicles.
 - j. Other information or policies the managing agency feels necessary to include.
4. **Reporting.** The operator shall submit an annual report to the Community Development Department for routing to the Affordable Housing Committee (AHC). At a minimum, the report shall include the following information regarding the applicable operational period:
- a. Number of residents housed.
 - a. Number of people who were provided with more permanent or transitional housing and the timeframe to achieve permanent housing.
 - b. Number of residents connected to employment.
 - c. Number of residents connected to medical care.
 - d. Number of residents connected to dental care.
 - e. Results of satisfaction and feedback surveys from residents.
 - f. Number of nights spent at full capacity (if applicable)
 - g. Number of public service calls to the shelter and reason for each call
 - h. Work accomplished collaboratively with surrounding businesses and neighbors to monitor and proactively respond to any public safety emerging concerns to ensure safety for all residents in the community.
 - i. Include metrics demonstrating partnerships and engagement from the community (i.e. volunteer hours, community meetings, in-kind donation values, monetary donations.)

<p style="text-align: center;">Transitional Housing <i>Updated, based on the April 24, 2024 Discussion</i></p>						
Topic	McMinnville	Bend ¹	Redmond ²	Medford ³	Grants Pass ⁴	Bellevue, WA ⁵
Land Use Processing						
Type Allowed	<ul style="list-style-type: none"> - Dwelling Units - Prefab Units - Tent/Yurts - Temporary Camping 	<ul style="list-style-type: none"> -Group shelter, outdoor shelter, multi-room shelter. -Multiple types can be collocated. -Overnight camping allowed 	<ul style="list-style-type: none"> - Shelter Unit (tents, RVs, prefab structures) 	<ul style="list-style-type: none"> - Tents, yurts, and similar temporary structures are not allowed to be used. 	<ul style="list-style-type: none"> -Stick-built or temporary structures, existing or new structures, tents, RVs, camp trailers, and purpose-built shelters such as "Pallet Shelters." 	<ul style="list-style-type: none"> - Tents, yurts, and similar temporary structures are not allowed to be used.
Zoning Districts Allowed	All Residential zones, C-2 and C-3 zones, and Office/Residential zone	Residential, Commercial, Mixed-Use and Public Facilities Zoning Districts and in the Light Industrial (IL) District	Allowed outright in all Residential zones, and in most of commercial and mixed-use zones.	Allowed through CUP in most zones	Mid-density residential zones and General Commercial zone.	Permitted use in all Residential zones and in most commercial/ business/ office zoning districts.
Review Process	Administrative Review	Administrative Review	Administrative Review	Conditional Use Permit, Planning Commission decision	Special Use Permit (SUP)- City Council decision. Valid for 4 years only	"Registration" Process, Administrative Review
Public Hearing	No Public Hearing	No Public Hearing	No Public Hearing (Planning Commission may request one)	Public Hearing	Public Hearing	No Public Hearing
Neighborhood Noticing	Notice not required	Notice not required	Notice Required, if Public Hearing Requested	Notice Required	Notice Required	Notice Required
Maximum Density/Size	<p>TBD</p> <p><u>Suggestion:</u> Limited by building size/ bulk standards in zones</p>	<ul style="list-style-type: none"> Outdoor - One unit per every 1,000 square feet of land Group - maximum number of shelter beds allowed will be determined by the building code standards for occupancy Multi-Room – 24 rooms to 258 rooms per acre, depending on zone 	25 shelter units per net acre	Not set standards, because of discretion through CUP process.	Discretionary because of Special Use Permit process	Limited by building size/ bulk standards in zones

Topic	McMinnville	Bend	Redmond	Medford	Grants Pass	Bellevue, WA
Facilities						
Toilets/Handwashing Station	Required	Required (at least one)	Required (at least one)	Required	Required	Required
Showers/ Bathing Facilities	Required	Not Required	Not Required	Not Required	Not Required	Not Required
Trash Collection	Required	Required	Required	Required	Required	Required
Secure Storage	Required	Required	Required	Required	Not specified	Not specified
Kitchen/Food Preparation	Required	Not required	Not required	Not required	Not required	Required
Laundry	Not Required	Not Required	Not Required	Not Required	Not required	Not Required
Kennel/ Pet Area	Not Required	Not Required	Not Required	Not Required	Not required	Not Required
Development Regulations/ Site Improvements						
Potable Water and Sewer Service	Required	Required	Required	Required	Required	Required
Building Height and Setbacks	Required	Required	Required	Required	Required	Required
Signage	Comply with Zone	Signage Required	Signage Required	Comply with Zone	Discretionary because of Special Use Permit process	Comply with Zone
Parking/ Vehicular Circulation	Required (reduced)	Exempt	Required	Required		Requires "Early Community Notification" to work through proposed development
Residential Design Standards	Exempt	Exempt	Exempt	Not specified		
Streetscapes/Frontage Improvements/ Sidewalks	Accessibility Improvements Required	Required	Not specified	Not specified		
Landscaping	Exempt, except for screening purposes	Exempt	Exempt	Not Required (could be conditioned with CUP)		
Perimeter Fencing/ Screening	Required	Required	Required	Required	Required	
Site Lighting	Required	Not Required	Not Required	Required	Required	Not Required
Stormwater Management Improvements	TBD	Not specified in Land Use Codes/ Regulations				
Traffic Review	TBD					
Management and Operations						
Supportive Services	Required	Not Required	Required	Not Required	Not Required	Required
Qualifying Operating Agency	Required	Management Required, but not specific qualifications	Required	Required	Required	Management Required, but not specific qualifications
Management Plan	Required	Not Required	Required	Required	Required	Required
Code of Conduct	Required	Required	Required	Required	Required	Required
Financial Security	Not Required	Not required	Required	Not required	Not required	Not required
Time Limitation of Residents	No time limit enforced	No time limit enforced	No time limit enforced	24 months (2 years)	No time limit enforced	24 months (2 years), per WA State Law definition
Agency Reporting Requirement	TBD	Not required	Not required	Required	Not required, but a bi-annual City review is required	Not required

1. City of Bend Development Code Chapter 3.6: Special Standards and Regulations for Certain Uses, <https://bend.municipal.codes/BDC/3.6>
2. City of Redmond Chapter 8: Development Regulations, https://library.municode.com/or/redmond/codes/code_of_ordinances?nodeId=CH8DERE
3. City of Medford Section 10.819A: Temporary and Non-Temporary Shelters, <https://medford.municipal.codes/Code/10.819A>
4. City of Grants Pass Article 12: Zoning Districts, <https://www.grantspassoregon.gov/DocumentCenter/View/1279/Article-12-Zoning-Districts-PDF?bidId=>
5. City of Bellevue Section 20.20.845: Supportive Housing. <https://bellevue.municipal.codes/LUC/20.20.840>

EXHIBIT 10 – STAFF REPORT

DATE: May 22, 2024
TO: Affordable Housing Committee Members
FROM: Evan Hietpas, Associate Housing Planner
SUBJECT: Prefabricated Housing

STRATEGIC PRIORITY & GOAL:



HOUSING OPPORTUNITIES (ACROSS THE INCOME SPECTRUM)
Create diverse housing opportunities that support great neighborhoods.

OBJECTIVES:

- **Conduct thorough and timely planning and forecasting to ensure that regulatory frameworks for land supply align with market-driven housing needs**
- **Collaborate to improve the financial feasibility of diverse housing development opportunities**

Report in Brief:

The “Prefabricated and Modular Housing Model Code and Audit Workbook” (Attachment 1) is a guidance document that includes resources to assist local governments in updating their development codes to facilitate construction of all prefabricated and modular housing. The document is formatted as an Audit Workbook, which is intended to help local government staff identify and address regulatory barriers to prefabricated/modular housing in their codes. It also provides model code language that can be adopted into local development codes to better facilitate development of this housing type.

Background:

Through the Build Back Better Regional Challenge, the U.S. Economic Development Administration (EDA) awarded the Oregon Mass Timber Coalition (OMTC) \$41.4 million to develop and expand Oregon’s emerging Mass Timber industry. This grant is specifically focused on utilizing mass timber products in prefabricated, modular home construction. The Department of Land Conservation and Development (DLCD) is utilizing a portion of the funding through this grant to help cities update and modernize local development codes to allow and encourage the use of modular housing through the “Code-UP project”.¹

To begin the work, DLCD and the Department of Consumer and Business Services audited the development codes of five (5) cities to identify local regulatory barriers to developing mass timber and modular housing. The Code-UP project team then provided ten (10) additional

¹ <https://www.oregon.gov/lcd/housing/pages/mass-timber-modular-housing-code-up-project-.aspx>

jurisdictions with code audits, amendment recommendations, and community engagement services. DLCD is committed to assisting a total of thirty (30) jurisdictions over the next five (5) years through a model code funded by EDA.

Discussion:

The McMinnville Municipal Code (MMC) 17.06.015 defines a **Prefabricated Structure** as:

“A building or structural unit which has been in whole or substantial part manufactured at an off-site location to be wholly or partially assembled on site and complies with the requirements for a prefabricated structure in the Uniform Building Code but does not include a manufactured or mobile home or recreational vehicle.”

The Committee may hold an initial discussion on the information provided and begin to determine if further action on prefabricated and modular housing should be prioritized.

Attachments:

1. Prefabricated and Modular Housing Model Code and Audit Workbook

Recommendation:

Discuss prefabricated housing, as needed.

Oregon Prefabricated and Modular Housing Model Code and Audit Workbook

DLCD Mass Timber Code-UP Project | February 27, 2024

Introduction

Purpose of the Model Code and Audit Workbook

This guidance document includes resources to assist local governments in updating their development codes to facilitate construction of prefabricated and modular housing. The document is formatted as an Audit Workbook, which is intended to help local government staff identify and address regulatory barriers to prefabricated/modular housing in their codes. It also provides Model Code language that can be adopted into local development codes to better facilitate this construction type.

Background on Mass Timber and Prefabricated (Modular) Housing

Mass timber modular housing is an innovative construction approach that combines the use of engineered wood products (mass timber) with the benefits of off-site modular construction. The result is an efficient and sustainable method for constructing housing.

Prefabricated housing can be assembled using a range of mass timber products, such as:

- Floor, wall, and roof panels
- Kitchen, bath, and laundry “pods”
- Panelized building “kits”

Mass timber includes engineered wood products that are manufactured by bonding layers of wood together using adhesives or other bonding methods. The resulting panels or beams offer exceptional strength, durability, and fire resistance.

Prefabricated/modular construction uses pre-engineered, factory-fabricated structures in three-dimensional sections that are transported to a job site, assembled, and finished. A prefabricated home is constructed to the same state, local, or regional building codes as site-built homes.

The terms “prefabricated” and “modular” are sometimes used interchangeably in local development codes. For the purposes of this workbook, the term “prefabricated” is used for consistency with state statute.

- Entire “volumetric” modular structures, framed primarily with mass timber and completed in the factory to the extent possible

Mass timber modular construction allows for quicker assembly compared to traditional site-built construction methods. This can help in the rapid deployment of housing solutions, especially in the aftermath of a wildfire or other disaster where there is an urgent need for housing.

Mass timber as a material and modular construction as a building method have several benefits:

- **Sustainability and Environmental Benefits:** Mass timber is a sustainable and renewable building material, providing climate benefits through its replacement of energy-intensive building materials like steel and concrete and storing carbon with a renewable resource. Manufactured mass timber panels help reduce the pollution and waste that come with site-built construction techniques. Mass timber also differs from traditional lumber in ways that can support improved forestry practices by sourcing smaller-diameter trees from lands that are being managed for conservation goals, supporting forest restoration and wildfire management.¹
- **Time and Cost Efficiency:** Because construction of all prefabricated building methods, including modular building, can occur simultaneously with the site and foundation work, projects can be completed faster than site-built construction. The streamlined



A rendering of prefabricated mass timber homes in a cottage cluster arrangement – rendering by Simone O’Halloran, University of Oregon

¹ “Why Mass Timber?” Oregon Mass Timber Coalition, accessed December 20, 2023, <https://www.masstimbercoalition.org/why-mass-timber>.

construction process, reduced on-site labor requirements, and potential for quicker project delivery contribute to cost-effectiveness.²

- **Design Flexibility:** Modular construction offers design flexibility, allowing for the customization of housing solutions to meet the specific needs and aesthetics of different communities.²

In 2021, the Oregon Department of Land Conservation and Development (DLCD) and several public agencies and research institutions formed the Oregon Mass Timber Coalition (OMTC). OMTC is committed to advancing an economic opportunity unique to our region by expanding Oregon’s traded-sector mass timber cluster through advanced manufactured wood products.

Many of the benefits and some of the same issues associated with mass timber prefabricated housing are also true for **all types of manufactured housing**.

OMTC’s mission to expand the use of mass timber to new markets in prefabricated modular single-unit homes has been funded through the federal American Rescue Plan Act’s signature Build Back Better (BBB) Regional Challenge competition, administered through the U.S. Economic Development Administration (EDA). A component of DLCDC’s work as part of the OMTC is to expand the use of mass timber modular housing types in Oregon cities by removing regulatory barriers to this form of housing in local planning and development codes.

To learn more about the Oregon Mass Timber Coalition visit:

<https://www.masstimbercoalition.org/>.

Overview of Statutory Framework

Oregon Revised Statute (ORS) Chapter 197, Comprehensive Land Use Planning, and Chapter 197A, Land Use Planning: Housing and Urbanization, provide direction for many of the zoning regulations in Oregon. Changes to state law, including House Bill 4064 (2022), have resulted in updates to the definitions³ and regulations related to manufactured homes and dwellings, prefabricated structures, and manufactured dwelling parks, including changes to ORS 197/197A that limit the types of standards that can be applied to those housing types. HB 4064 removed obstacles to the use of prefabricated structures on residentially zoned land and within manufactured dwelling parks. Modular housing commonly falls under the definition of prefabricated structures, as defined in the ORS.

² “What is Modular Construction?” Modular Building Institute, accessed December 20, 2023, <https://www.modular.org/what-is-modular-construction/>.

³ Some definitions in ORS 197A reference those in ORS 446.003.

Manufactured Homes and Prefabricated Structures

State statute requires local governments (inside an urban growth boundary) to allow manufactured homes (see below for a definition) and prefabricated structures on any property where a site-built single-unit dwelling would be permitted. (Historic districts and sites adjacent to a historic landmark are excluded.) Further, with a few exceptions, local governments cannot apply standards to prefabricated structures that are more restrictive than those applied to site-built dwellings.

Here is the applicable statute language:

ORS 197.478 (formerly 197.314)

(1) Notwithstanding any other provision in ORS chapter 197A, within an urban growth boundary, a local government shall allow the siting of manufactured homes and prefabricated structures on all land zoned to allow the development of single-family dwellings.

(2) This section does not apply to any area designated in an acknowledged comprehensive plan or land use regulation as a historic district or residential land immediately adjacent to a historic landmark.

[...]

(4) A local government may not subject manufactured homes or prefabricated structures within an urban growth boundary, or the land upon which the homes or structures are sited, to any applicable standard that would not apply to a detached, site-built single-family dwelling on the same land, except:

- (a) As necessary to comply with a protective measure adopted pursuant to a statewide land use planning goal; or*
- (b) To require that the manufacturer certify that the manufactured home or prefabricated structure has an exterior thermal envelope meeting performance standards which reduce levels equivalent to the performance standards required of single-family dwellings constructed under the Low-Rise Residential Dwelling Code as defined in ORS 455.010.*

The term “single-family dwelling” is often used in Oregon statute. However, this guide uses the term “single-unit dwelling” to mean the same thing – a single dwelling unit on a single lot intended for occupancy by one household. The term “single-unit dwelling” is a more inclusive term that encompasses various living arrangements and avoids potential biases or exclusions associated with the term "single-family dwelling.”

An example of an exception related to statewide land use planning goals is **Goal 7: Areas Subject to Natural Hazards**. The State Model Flood Hazard Management Ordinance has special standards for manufactured dwellings that do not apply to site-built dwellings. https://www.oregon.gov/lcd/NH/Documents/DLCD_Final_FEMA_Approved_OregonModelFloodHazardOrdinance_10232020.pdf

Prefabricated Structure Definition

The definition of “prefabricated structure,” as used in ORS 197.478, is specific to those prefabricated structures that are designed for use as single-unit dwellings (i.e., the definition does not include sheds or other nonresidential buildings).

ORS 197A.015 (formerly 197.286)

As used in ORS 197.475 to 197.493 and ORS chapter 197A: [...]

(10) “Prefabricated structure” means a prefabricated structure, as defined in ORS 455.010, that is relocatable, more than eight and one-half feet wide and designed for use as a single-family dwelling.

A “prefabricated structure” as defined in ORS 455.010 means “a building or subassembly that has been in whole or in substantial part manufactured or assembled using closed construction at an off-site location to be wholly or partially assembled on-site.” A prefabricated structure does not mean a “manufactured dwelling” (a residential trailer, mobile home, or manufactured home) as defined in ORS 446.003, or a “small home” (400 square feet or less built to a residential code) as defined in ORS 455.616 (referenced as “Section 2, Chapter 401, Oregon Laws 2019” or House Bill 2423 (2019)).

NOTE: A revised definition of “prefabricated structure” will become operative on January 2, 2026, when the “Small Home Specialty Code” is scheduled to sunset. The 2026 definition is provided in ORS Chapter 455 following the current version of ORS 455.010.

Manufactured Housing Definitions

The ORS provides specific definitions for various types of manufactured housing. The definition of “manufactured dwelling” includes: “residential trailers,” “mobile homes,” and “manufactured homes.” Examples of these types of dwellings are provided below and their definitions are included on the next page. The statutory requirement in ORS 197.478 to allow **manufactured homes** on properties where site-built single-unit homes are allowed does not apply to mobile homes or residential trailers.

Manufactured Home



*Built to current HUD standards
(Source: Oregon Manufactured Housing Association)*

Mobile Home

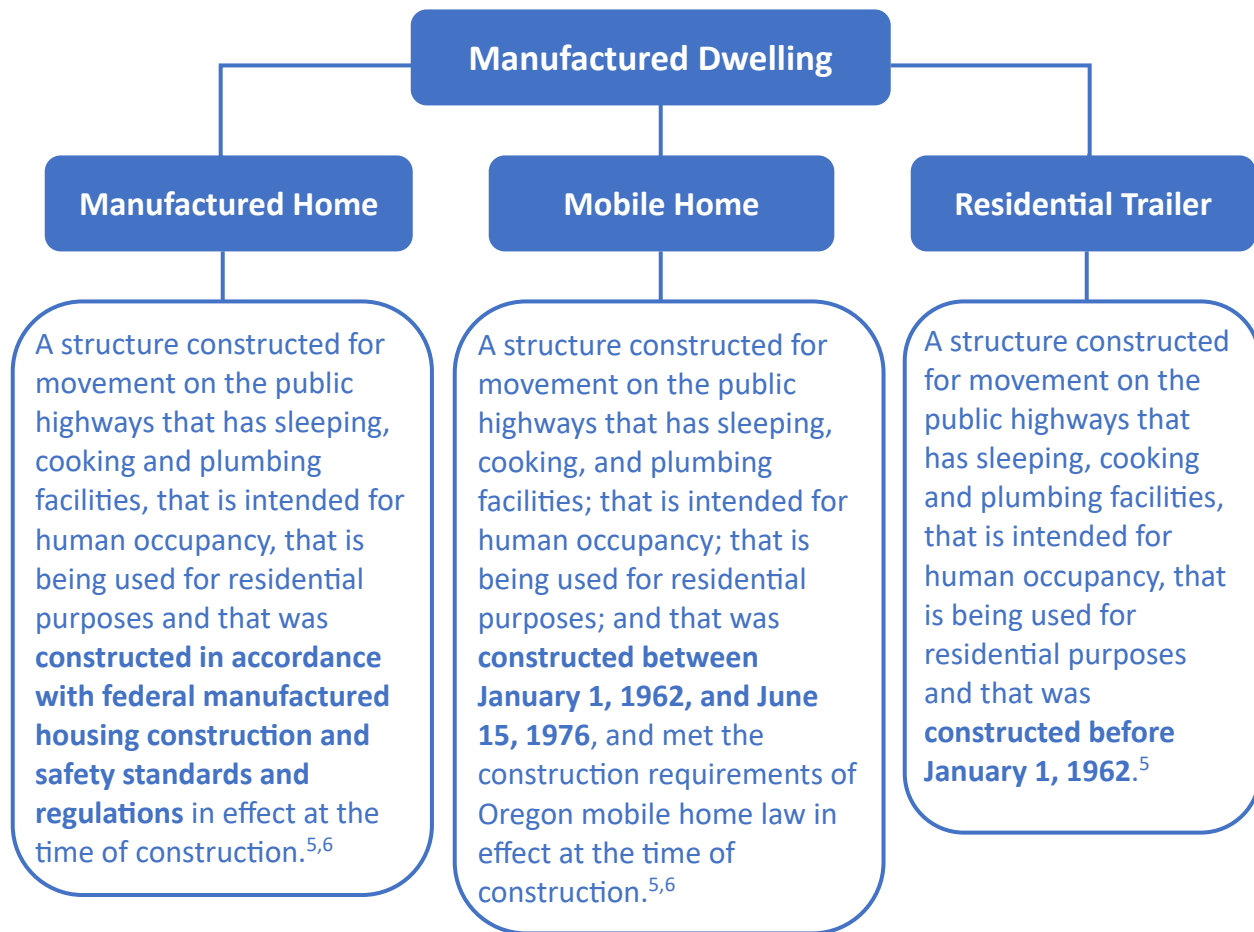


*Built in early 1970s
(Source: RMLS)*

Residential Trailer



*Built before 1962
(Source: Thomas's Pics, CC BY 2.0
<<https://creativecommons.org/licenses/by/2.0>>, via Wikimedia Commons)*



Authorized Design Standards

HB 4064 modified previous provisions of ORS 197.307 (now ORS 197A.200 and 197A.400) to remove the allowance for design standards that jurisdictions could formerly apply to manufactured homes built on individual lots. The following standards are no longer authorized by statute unless they also apply to site-built homes: minimum floor area, foundation standards, minimum roof slope, exterior siding and roof color and materials, and garage or carport requirements.

It is important to note that manufactured dwellings are subject to separate **flood hazard management standards** than site-built homes, due to their different foundation systems and anchoring needs. Prefabricated dwellings would be subject to the same standards as site-built homes, as they must be constructed in conformance with the building code. For guidance on

⁴ ORS 446.003. “Manufactured dwelling” does not include any building or structure constructed to conform to the State of Oregon Structural Specialty Code, the Low-Rise Residential Dwelling Code adopted pursuant to ORS 455.020 or 455.610 or the Small Home Specialty Code adopted under section 2, chapter 401, Oregon Laws 2019.

⁵ In 1976, HUD established the Manufactured Home Construction and Safety Standards (MHCSS), commonly known as the HUD code.

flood hazard standards, refer to the Oregon Model Flood Hazard Ordinance, which was developed in cooperation with FEMA to help communities achieve compliance with the minimum National Flood Insurance Program (NFIP) standards and state standards for floodplain management. The model ordinance is available on this DLCD webpage:

<https://www.oregon.gov/lcd/about/pages/model-code.aspx>.

To learn more about the building code requirements for prefabricated structures and manufactured dwellings in Oregon, visit the Building Code Divisions website:

Prefabricated Structures Program

<https://www.oregon.gov/bcd/permit-services/pages/prefabricated-structures.aspx>

Manufactured Dwelling Code Program

<https://www.oregon.gov/bcd/codes-stand/pages/manufactured-dwellings.aspx>

How to Use the Model Code and Audit Workbook

The Model Code and Audit Workbook is organized around four main code topic areas:

1. Definitions
2. Allowed Uses
3. Development Standards
4. Design Standards

For each code topic, the workbook covers common issues to look for in the code and recommendations for addressing each issue. These could include potential barriers to prefabricated housing or conflicts with state statute. Then, under each topic area, the workbook includes model code language that can be incorporated into local development codes.

Prefabricated Opportunities: ADUs and Cottage Clusters

Within each section, the workbook includes additional subsections on accessory dwelling units (ADUs) and cottage cluster housing. These housing types provide an excellent opportunity to utilize modular construction to provide more affordable housing options. Many jurisdictions in Oregon (those over a certain size) are required by state law to allow ADUs and cottage cluster housing, subject to statutory requirements and administrative rules.⁶ Jurisdictions not subject to these requirements are also encouraged to allow these housing options and to ensure their local codes do not make them too challenging to permit or build. The workbook identifies

⁶ ADU requirements apply to cities with populations greater than 2,500 and counties with populations greater than 15,000 [ORS 197A.425 (formerly 197.312(5) and (6))].

Per House Bill 2001 (2019) and Senate Bill 406 (2023), cottage cluster requirements apply to cities with population of 25,000 or more, cities and counties within a metropolitan service district, and communities in Tillamook County [ORS 197A.420 (formerly 197.758)].

potential code issues that could pose barriers to ADUs and cottage clusters, or to the use of prefabricated dwellings as ADUs or cottages. Model code language and links to existing DLCD resources are also provided.

Definitions

Issues to Look For...

Look for definitions in the code that would have the effect of precluding prefabricated or manufactured housing or limiting its placement. Following is a list of terms that should be reviewed, and solutions to address potential issues. Recommended definitions are provided in the Model Code section below.

Term / Issue	Potential Solution
<p>Single-unit dwelling / single-family dwelling</p> <p>If the code defines single-unit dwellings as being “site built,” this would exclude prefabricated and manufactured homes and potentially conflict with state statute (if prefabricated and manufactured homes are not otherwise permitted).</p> <p>NOTE: This guide uses the term “single-unit dwelling” instead of “single-family dwelling.” While “single-unit” is recommended, it is not advisable to replace the term “single-family,” unless the jurisdiction plans to update the whole development code for consistent use of the term. Otherwise, making changes in one section could create inconsistencies elsewhere.</p>	<p>Remove references to “site built” from the definition or define single-unit dwelling to include prefabricated dwellings and manufactured homes.</p> <p>This can simplify the application of development and design standards in the code, since prefabricated and manufactured homes cannot be subject to more restrictive standards than site-built single-unit dwellings (with limited exceptions).</p>
<p>Prefabricated dwelling or structure</p> <p>These terms should be defined in the code in a way that is consistent with state statute. Also look for the term “modular,” which could be used with a similar meaning as “prefabricated.”</p> <p>NOTE: The definition of “prefabricated structure” in ORS 197A.015 specifies that the structure must be “relocatable, more than eight and one-half feet wide and designed for use as a single-family dwelling.” That is the type of prefabricated structure that must be allowed in manufactured dwelling parks and on properties where site-built single-unit homes are allowed. However, jurisdictions are free to make their</p>	<p>Define prefabricated structure or dwelling in the code to make it explicit that prefabricated homes are permitted in the jurisdiction. The definition should be consistent with, or more permissive than, the ORS 197A.015 definition. See the Model Code section below for definition options.</p> <p>If defining a prefabricated structure as a single-unit dwelling (as ORS 197A.015 does), the term “prefabricated dwelling” might be more easily understood than</p>

Term / Issue	Potential Solution
<p>local definitions more flexible, provided all statutory requirements are met.</p> <p>For example, prefabricated structures permitted on individual lots need not be limited to 8.5 feet minimum in width or limited to single-unit dwellings. Those limitations could preclude prefabricated tiny homes or the use of prefabricated construction for multi-unit housing.</p> <p>Also, prefabricated homes built on individual lots and ADUs need not necessarily be “relocatable,” since they could be placed on foundations which are often considered permanent. NOTE: The ORS does not define “relocatable;” therefore, it is up to local jurisdictions to interpret that term if using it in the code.</p>	<p>“prefabricated structure,” so the distinction from multi-unit or nonresidential prefabricated structures is clear.</p>
<p>Manufactured dwelling, manufactured home, etc.</p> <p>The definitions related to manufactured housing should be consistent with state statute. ORS 446.003 defines “manufactured dwelling” to include: “residential trailer,” “mobile home,” and “manufactured home.”</p> <p>ORS 197.478 requires only “manufactured homes” to be allowed on land zoned to allow single-unit homes.</p>	<p>Update definitions to be consistent with the ORS. See the Model Code section below for recommended definitions.</p>
<p>Manufactured dwelling park / manufactured home park / mobile home park</p> <p>These terms are often used interchangeably in local codes. While the ORS includes separate definitions for “manufactured dwelling park” and “mobile home park,” the terms are roughly synonymous.⁷ For example, ORS 197.480 requires local governments to permit “mobile home or manufactured dwelling parks” in certain areas.</p>	<p>DLCD recommends the term “manufactured dwelling park,” since “manufactured dwelling” is a more general term that includes manufactured homes, mobile homes, and residential trailers.⁸ However, regardless of which term is used, the definition should be</p>

⁷ A distinction between the two ORS definitions is that “mobile home park” includes recreational vehicles, as defined in ORS 174.101, whereas “manufactured dwelling park” does not. “Manufactured home park” is used in OAR 813-065 with the same meaning as “manufactured dwelling park.”

⁸ While the state definition of manufactured dwelling park does not include a reference to recreational vehicles, pursuant to ORS 197.493(1)(b), jurisdictions may not prohibit the placement or occupancy of a recreational vehicle, or impose any limit on the length of occupancy of a recreational vehicle as a residential dwelling, solely on the grounds that the occupancy is in a recreational vehicle, if the recreational vehicle is occupied as a residential dwelling; and lawfully connected to water and electrical supply systems and a sewage disposal system.

Term / Issue	Potential Solution
<p>HB 3219 (2021) revised ORS 446.003 to add “prefabricated structures” to “manufactured dwelling parks,” which may not be reflected in the local code’s definition.</p>	<p>updated to include prefabricated dwellings.</p>
<p>Accessory dwelling unit (ADU)</p> <p>While not all jurisdictions are required to allow ADUs, they can provide an excellent opportunity to provide additional housing. It is recommended to include a definition of ADU.</p>	<p>As long as the ADU definition does not exclude prefabricated housing, it should not pose a barrier to the use of this construction type.</p>
<p>Cottage cluster housing</p> <p>While not all jurisdictions are required to allow cottage clusters, they can provide an excellent opportunity to provide additional housing. It is recommended to include a definition of cottage cluster.</p> <p>NOTE: Cottage clusters have the potential for overlapping definitions with other housing types:</p> <ul style="list-style-type: none"> • <i>Multi-unit (or multi-family):</i> Some codes define multi-unit/multi-family housing as any development that includes more than two dwellings on a lot, which could take the form of multiple detached units (similar to a cottage cluster). • <i>Manufactured dwelling park:</i> Some codes define any placement of four or more manufactured dwellings on a lot as a manufactured dwelling park. This could overlap with a cottage cluster composed of manufactured or prefabricated homes. ORS 446 includes detailed requirements for manufactured dwelling parks; those requirements could be triggered if a development meets the definition. Note, however, that a development of four to six manufactured dwellings is exempt from the “Mobile Home and Manufactured Dwelling Parks” requirements of ORS 446.003 to 446.140. 	<p>Clarify that if a development meets the definition of cottage cluster, it is not considered multi-unit development.</p> <p>To address the potential overlap with the manufactured dwelling park definition, DLCDC recommends adding to the cottage cluster definition to note that if the development also meets the definition of manufactured dwelling park, it may be subject to additional standards in ORS 446.</p>

Model Code: Recommended Definitions

Accessory dwelling unit. An additional dwelling unit that is located on the same lot as, and is accessory to, a single-unit dwelling (referred to as the primary dwelling). The additional unit is smaller than the primary dwelling unit except when the accessory dwelling unit is in an existing basement. The accessory dwelling unit includes all the independent living facilities required for a dwelling unit and is designed for residential occupancy independent of the primary dwelling.

Cottage. An individual, detached dwelling unit that is part of a cottage cluster.

Cottage cluster. *NOTE: Jurisdictions subject to ORS 197A.420 are required to use the following definition, which is consistent with state statute. However, other jurisdictions may wish to use it as well. In addition, it is recommended to add wording to clarify the relationship between cottage clusters and manufactured dwelling parks, as included in bracketed italics.*

A grouping of no fewer than four detached dwelling units per acre, each with a footprint of less than 900 square feet, located on a single lot or parcel that includes a common courtyard.⁹ *[Cottage clusters that also meet the definition of “manufactured dwelling park” or “mobile home park” may be subject to additional requirements, pursuant to ORS 446.003 through 446.140.]*

Manufactured dwelling. A residential trailer, mobile home, or manufactured home.¹⁰

Manufactured dwelling park. Any place where four or more manufactured dwellings or prefabricated dwellings are located within 500 feet of one another on a lot, tract, or parcel of land under the same ownership, the primary purpose of which is to rent or lease space or keep space for rent or lease to any person for a charge or fee paid or to be paid for the rental or lease or use of facilities or to offer space free in connection with securing the trade or patronage of such person. A manufactured dwelling park does not include a lot or lots located within an approved subdivision being rented or leased for occupancy by one manufactured dwelling per lot.¹¹

Manufactured home. A structure constructed for movement on the public highways that has sleeping, cooking, and plumbing facilities; that is intended for human occupancy;

Some codes allow ADUs with other types of housing besides single-unit dwellings. If that’s the case, the ADU definition could be more general or could specify the types of housing eligible to have ADUs. The definition could simply refer to a “primary dwelling” instead of a single-unit dwelling.

⁹ ORS 197A.420(1)(b)

¹⁰ ORS 446.003(19)(a)

¹¹ ORS 446.003(20), as simplified for the purpose of this Model Code.

that is being used for residential purposes; and that was constructed in accordance with federal manufactured housing construction and safety standards and regulations in effect at the time of construction.¹²

Mobile home. A structure constructed for movement on the public highways that has sleeping, cooking, and plumbing facilities; that is intended for human occupancy; that is being used for residential purposes; and that was constructed between January 1, 1962, and June 15, 1976, and met the construction requirements of Oregon mobile home law in effect at the time of construction.¹³

Prefabricated dwelling.

- **ORS Definition:** A prefabricated structure, as defined in ORS 455.010, that is relocatable, more than eight and one-half feet wide, and designed for use as a single-unit dwelling.¹⁴
- **Alternate Definition:** *NOTE: The following definition is more permissive than the ORS definition because it does not require that the unit be relocatable, limit the type of residential occupancy to a single-unit dwelling, or specify a minimum size.*

A prefabricated structure, as defined in ORS 455.010, that is designed for residential occupancy in accordance with [jurisdiction]'s building regulations.

Residential trailer. A structure constructed for movement on the public highways that has sleeping, cooking, and plumbing facilities; that is intended for human occupancy; that is being used for residential purposes; and that was constructed before January 1, 1962.¹⁵

Single-unit dwelling, detached. A detached structure on a lot or parcel that is comprised of a single dwelling unit. Detached single-unit dwellings may be constructed off site, e.g., manufactured homes or prefabricated dwellings.

¹² ORS 446.003(21)

¹³ ORS 446.003(25)

¹⁴ ORS 197A.015(10)

¹⁵ ORS 446.003(28)

Allowed Uses

Issues to Look For...

Look for land use regulations that either conflict with state law related to prefabricated dwellings and manufactured homes, or that limit flexibility for the use of prefabricated and/or modular housing. Following are issues to look for in the code and potential solutions.

Where to look:

- ✓ Zone chapters
- ✓ Overlay zones
- ✓ Special use regulations
- ✓ Application approval criteria

Issue	Potential Solution
<p>Requirement for “site-built” single-unit dwellings</p> <p>ORS 197.478 requires that local governments allow prefabricated dwellings and manufactured homes on all land zoned to allow the development of single-unit dwellings (within an urban growth boundary).</p> <p>While not common, some codes’ land use regulations specify that single-unit dwellings must be built on site or include other provisions that would preclude manufactured or prefabricated housing.</p>	<p>Remove any requirements for site-built dwellings (except as allowed within historic districts or adjacent to designated historic landmarks).</p> <p>As noted in the Definitions section, the recommended definition of single-unit dwelling should encompass prefabricated and manufactured homes in addition to site-built homes. This way, the different construction types need not be listed separately in the allowed use regulations.</p> <p>NOTES:</p> <ul style="list-style-type: none"> • If the development code also allows “manufactured dwellings” (which includes residential trailers and mobile homes) to be sited on individual lots, it may make sense to keep manufactured dwellings listed separately from single-unit dwellings. • Similarly, if “manufactured dwellings” are allowed within manufactured dwelling parks in a zone, that should be allowed to continue.
<p>Prefabricated dwellings (structures) not permitted in manufactured dwelling parks</p> <p>Recent legislation requires local governments to permit prefabricated structures within</p>	<p>Update use regulations related to manufactured dwelling parks, so they do not preclude prefabricated structures (or the recommended term, “prefabricated dwelling”).</p>

Issue	Potential Solution
<p>manufactured dwelling parks (or “mobile home parks”).¹⁶</p>	
<p>Minimum dwelling size or conditioned site area</p> <p>While uncommon within use regulations, requirements that establish a minimum dwelling size or minimum “conditioned” site area dedicated to the dwelling could present a barrier to smaller homes, including prefabricated dwellings.</p>	<p>Remove any requirements for minimum dwelling size, dimension, and conditioned site area.</p>
<p><i>ADUs and Cottage Clusters</i></p>	
<p>Uses not permitted</p> <p>DLCD recommends that local governments allow detached ADUs and cottage clusters in residential zones, even if they are not subject to state requirements related to these housing types.</p>	<p>Update allowed use tables or lists to allow ADUs and cottage clusters in residential zones where single-unit dwellings are permitted. Cottage clusters should be allowed in all residential zones where they meet the minimum density requirement.</p>
<p>Onerous review procedure</p> <p>Requiring lengthy or detailed review procedures (e.g., public hearing review) for ADUs or cottage clusters can pose barriers to these housing types by reducing certainty and adding costs.</p>	<p>ADUs should ideally be permitted through a ministerial review (Type I or building permit review) to streamline the process for applicants.</p> <p>Cottage clusters should ideally be subject to the same permit process as single-unit dwellings (as is required for jurisdictions subject to middle housing requirements of ORS 197A.420).</p>

¹⁶ HB 3219 (2021) revised definitions in ORS 446.003 to include prefabricated structures in mobile home or manufactured dwelling parks. ORS 197.485 was also amended by HB 4064 (2022) to state that local governments may not prohibit placement of a prefabricated structure in a mobile home or manufactured dwelling park.

Model Code: Allowed Uses

Table [XX]. Uses Allowed by Zoning District

Residential Uses	[Low- and moderate-density residential zones]	Notes
Single-unit Dwelling	Permitted [1]	<p><i>Provided the definition of single-unit dwelling encompasses prefabricated dwellings and manufactured homes in addition to site-built homes, those different construction types do not need to be listed separately.</i></p> <p><i>If the local code limits manufactured or prefabricated homes within historic districts, or adjacent to designated historic landmarks, that could be noted as a footnote.</i></p>
Accessory Dwelling Unit	Permitted	<p><i>ADUs should ideally be permitted outright. Cities with populations greater than 2,500 and counties with populations greater than 15,000 are required by state law to allow ADUs [ORS 197A.425 (formerly 197.312)].</i></p>
Cottage Cluster	Permitted	<p><i>Cottage clusters should ideally be permitted outright. Per House Bill 2001 (2019) and Senate Bill 406 (2023), cities with population of 25,000 or more, cities and counties within a metropolitan service district are required by state law to allow cottage clusters [ORS 197A.420 (formerly 197.758)].</i></p>

1. *[Manufactured and prefabricated dwellings are not permitted within the [_____] Historic District or adjacent to a designated historic landmark.]*

Development Standards

Issues to Look For...

Look for development standards (siting, dimensional, parking, landscaping, etc.) that either conflict with state law related to prefabricated dwellings and manufactured homes, or that limit flexibility of the use of prefabricated housing. Following are issues to look for in the code and potential solutions.

Where to look:

- ✓ Zone chapters
- ✓ Overlay zones
- ✓ Special use regulations
- ✓ Land division regulations
- ✓ Chapters for parking, landscaping, etc.

Issue	Potential Solution
<p>Development standards that conflict with state law</p> <p>Per ORS 197.478 (as revised by HB 4064), jurisdictions cannot apply standards to prefabricated dwellings or manufactured homes that are not also applicable to site-built homes (with limited exceptions).</p> <p>While it is uncommon for local development codes to apply special siting or dimensional standards to prefabricated dwellings, many codes do apply separate standards to manufactured homes sited on individual lots.</p>	<p>Remove any siting or dimensional standards that apply only to manufactured homes or prefabricated dwellings on individual lots. The only exception is the following standards authorized by the ORS:</p> <ul style="list-style-type: none"> • Those necessary for compliance with a statewide land use planning goal (e.g., floodplain standards in compliance with statewide planning goal 7); and • Those establishing exterior thermal envelope performance standards.
<p>Development standards that pose barriers</p> <p>A standard that could pose a barrier to prefabricated or manufactured housing is minimum floor area (or minimum living area or dwelling size). Requiring a minimum dwelling size could preclude modest-sized homes or tiny homes, which provide good opportunities for prefabricated housing.</p>	<p>Remove minimum dwelling size standards for all dwellings.</p>

Issue	Potential Solution
<p>ADUs If a local government wishes to allow ADUs as an additional housing option—or to update existing ADU regulations—the following types of development standards should be considered, to ensure any regulations do not make ADUs too challenging to permit or build.</p>	
<p>Minimum lot size: Requirements that ADUs only be allowed on lots of a certain size can be overly restrictive.</p>	<p>Allow an ADU with a single-unit dwelling on any lot size. Provided an ADU can meet all the other development standards (setbacks, lot coverage, etc.), lot size should not be a limiting factor. <i>(This is required for jurisdictions subject to ORS 197A.425.)</i></p>
<p>Density limits: Density standards may limit the maximum number of dwelling units allowed on a property.</p>	<p>Exempt ADUs from maximum density limits. <i>(This is required for jurisdictions subject to ORS 197A.425.)</i></p>
<p>Lot coverage: Overly restrictive lot coverage standards can preclude ADUs from being built on smaller lots.</p>	<p>An option for adding flexibility is to allow greater lot coverage for an ADU. To address storm water concerns, consider limits to impermeable surfaces or require tree planting, rather than simply coverage by structures.</p>
<p>Setbacks: Overly large setback requirements can limit siting options for an ADU on a lot. ADUs are smaller than typical homes and likely have less impact on adjacent properties. Therefore, setbacks could be smaller than for the primary dwelling.</p>	<p>Allow reduced side and rear setbacks for ADUs as compared to setbacks for primary dwellings.</p>
<p>Floor area: Standards that overly restrict the size of an ADU can pose a barrier, including to the use of prefabricated construction, in which components may come in limited sizes.</p>	<p>Allow ADUs to be at least 800 square feet in area or 75 to 85 percent of the primary dwelling’s floor area, whichever is less.</p> <p>While not an issue for prefabricated detached ADUs, internal ADUs that occupy a whole level of the primary structure (e.g., a basement unit) should also be allowed to be as large as the level’s floor area.</p>

Issue	Potential Solution
<p>Off-street parking: Requiring off-street parking can limit the available space for an ADU, add to the overall cost of construction, or make an ADU physically impossible to fit on a lot. Given ADUs’ smaller sizes – and therefore, limited occupancy – dedicated off-street parking may not be necessary.</p>	<p>Do not mandate off-street parking for ADUs. <i>(This is required for jurisdictions subject to ORS 197A.425.)</i></p> <p>Alternatively, the code could allow available on-street parking spaces to count toward required off-street parking.</p>
<p>Owner occupancy: Some jurisdictions require the property owner to live on the premises either in the primary dwelling or the ADU. This limits opportunities to rent out both the primary dwelling and the ADU.</p>	<p>Eliminate owner-occupancy requirements for ADUs. <i>(This is required for jurisdictions subject to ORS 197A.425.)</i></p>
<p>Utility Connections: Development codes that require ADUs to have separate sewer and water connections create barriers to building ADUs. In some cases, a property owner may want to provide separate connections, but in other cases doing so may be prohibitively expensive.</p>	<p>Allow shared utility connections for the primary dwelling and the ADU.</p>
<p>Cottage Clusters In the interest of facilitating cottage clusters as an additional housing option, local governments should consider the following types of development standards to ensure any regulations do not make cottage cluster housing too challenging to permit or build. (NOTE: This is not applicable to jurisdictions subject to the requirements of ORS 197A.420 and associated Administrative Rules [OAR 660-046]. Requirements for those jurisdictions are noted in parentheses.)</p>	
<p>Density limits: Density standards may be overly limiting to efficient configurations of cottage cluster housing.</p>	<p>Remove density limits for cottage clusters. <i>(This is required for jurisdictions subject to ORS 197A.420.)</i></p> <p>Alternatively, allow density exceptions or density bonuses for cottage clusters in lower-density zones.</p>
<p>Minimum lot size: Cottage clusters with small homes and only a few units can fit on relatively small lots. As such, standards that require very large lots for cottage clusters or minimum lot area per cottage can pose barriers to this housing type.</p>	<p>Apply the same lot size standards to cottage clusters as applies to single-unit dwellings in the same zone. <i>(For jurisdictions subject to ORS 197A.420, if the single-unit minimum lot size is below 7,000 square feet, the cottage cluster minimum lot size cannot exceed 7,000 square feet.)</i></p>

Issue	Potential Solution
<p>Lot coverage: Overly restrictive lot coverage standards can likewise preclude cottage clusters from being built on smaller lots.</p>	<p>Exempt cottage clusters from lot coverage requirements (<i>this is required for jurisdictions subject to ORS 197A.420</i>) or allow additional lot coverage for cottage clusters.</p>
<p>Off-street parking: Requirements for large parking areas can limit feasibility for cottage clusters. Given cottages’ smaller size, more than one parking space per unit may not be necessary.</p>	<p>Do not mandate off-street parking for cottage clusters. Alternatively, require only one or fewer parking spaces per dwelling unit and allow nearby on-street spaces to count for off-street requirements. (<i>Jurisdictions subject to ORS 197A.420 cannot require more than one space per dwelling unit.</i>)</p>

Model Code: Development Standards

Modular and prefabricated dwellings: Provided the definition of single-unit dwelling encompasses prefabricated and manufactured homes (either explicitly or by not addressing construction type), there is no need to provide separate development standards for prefabricated and manufactured homes (outside of manufactured dwelling parks). The same development standards that apply to site-built dwellings will also apply to prefabricated and manufactured homes.

ADUs: Refer to DLCD’s ADU Model Code, available on this webpage: <https://www.oregon.gov/lcd/about/pages/model-code.aspx>

Cottage Clusters: Refer to the cottage cluster sections of DLCD’s Middle Housing Model Code for Large Cities, attached as an appendix to this workbook. The model code was developed for jurisdictions that are required to comply with ORS 197A.420, and is consistent with the Administrative Rules in OAR 660-046. The model code can also be downloaded from this webpage: <https://www.oregon.gov/lcd/housing/pages/choice.aspx>.

Design Standards

Issues to Look For...

Look for design standards (building design, open space, landscaping, parking design, etc.) that either conflict with state law related to prefabricated and manufactured homes, or that limit flexibility for the use of prefabricated housing. Following are issues to look for in the code and potential solutions.

Where to look:

- ✓ Residential design standards
- ✓ Zone chapters
- ✓ Overlay zones
- ✓ Special use regulations
- ✓ Permit approval criteria

Issue	Potential Solution
<p>Design standards that conflict with state law</p> <p>As previously noted, jurisdictions cannot apply standards to prefabricated dwellings or manufactured homes that are not also applicable to site-built homes (with limited exceptions, per ORS 197.478).</p>	<p>Remove any standards that apply only to manufactured homes or prefabricated dwellings (except standards for thermal envelope or statewide planning goal compliance).</p>
<p>Design standards that pose barriers</p> <p>Design standards – especially architectural standards – that are overly stringent can pose barriers to manufactured and prefabricated housing, even if applied equally to single-unit dwellings. This is because prefabricated construction typically has less flexibility for customization than site-built homes. Architectural design standards may emphasize a specific aesthetic that prefabricated construction methods might not easily conform to.</p> <p>The following types of design standards can pose barriers to prefabricated and manufactured housing.</p> <p>(NOTE: ORS 197.307 [now 197A.200 and 197A.400] previously allowed local governments to apply some of these standards to manufactured homes outside of manufactured dwelling parks, even if not applied to site-built homes. This is no longer permitted.)</p>	
<ul style="list-style-type: none"> ● Roof designs: Standards that emphasize complex roof designs, specific roofing materials, or roof pitch may pose challenges for prefabricated or manufactured housing. 	<p>Avoid minimum roof pitch standards. Remove aesthetic standards for complex roof designs or materials.</p>
<ul style="list-style-type: none"> ● Exterior finishes and materials: Requirements for certain exterior finishes or materials that are commonly used in site-built construction may not align with the materials used in prefabricated or manufactured housing construction. 	<p>Remove standards for specific exterior finishes or materials.</p>

Issue	Potential Solution
<ul style="list-style-type: none"> • Window and door design: Requirements for specific window and door styles may pose challenges for prefabricated or manufactured housing construction, which may have standardized window and door elements. Similarly, excessive window coverage or glazing requirements may also be a challenge. 	<p>Avoid window coverage standards that exceed 15%. Remove requirements for specific window or door designs.</p>
<ul style="list-style-type: none"> • Facade variation: Architectural standards that overly emphasize variations in facades, materials, and detailing may not support the simpler or more standardized appearance of some prefabricated or manufactured housing. 	<p>Remove standards for façade variation.</p>
<ul style="list-style-type: none"> • Foundation requirements: Some prefabricated or manufactured housing construction methods may necessitate specific foundation systems. 	<p>Remove requirements for specific foundation design. (NOTE: manufactured dwellings may still be subject to HUD foundation and skirting requirements).</p>

ADUs

The list of potential barriers identified above also applies to the placement of prefabricated and manufactured homes as ADUs. In addition, the following types of design standards can pose barriers specifically to detached ADUs.

<p>Architectural compatibility: Design standards that require architectural compatibility with the primary dwelling limit the design options for prefabricated ADUs. Greater flexibility in design standards can encourage a variety of ADU styles and configurations, including prefabricated designs.</p> <p>In addition, standards that require compatibility with the primary dwelling often involve discretion to interpret, and therefore likely conflict with the state’s requirements for clear and objective standards for housing in ORS 197A.400 (formerly 197.307(4)).</p>	<p>Remove or revise any ADU standards that are not clear and objective. Do not include requirements for ADUs to be “compatible with,” “similar to,” or “like design and material,” or to have components that “match” the primary dwelling.</p>
---	---

Cottage Clusters

Similar to ADUs, the above list of potential barriers for prefabricated and manufactured dwellings also applies to their placement in a cottage cluster. In addition, the following types of design standards can pose barriers specifically to cottage cluster housing.

<p>Standards applicable to multi-unit development: If a development code does not define cottage clusters separately, a development located on a single (undivided) lot could meet the definition of multi-unit (multi-family)</p>	<p>Ensure that cottage clusters are either defined to be separate from multi-unit development or</p>
---	--

Issue	Potential Solution
development. Design standards that are intended for multi-unit development may not be appropriate for cottage cluster development, which typically has a different built form.	are not subject to multi-unit standards.
Porches or other specific features: Some codes require cottages to have porches of a minimum size. This can add to construction costs and may not be consistent with options for prefabricated construction.	Remove requirements for porches or similar specific features.
Open space: If requirements for open space are overly large, this can limit space for placement of cottages, especially on smaller sites. Also, requirements for private open space for each cottage may not be necessary when common open space is provided.	Minimum open space requirements should not exceed 150 square feet per unit. There should be no private open space requirements.
Landscape or site design: Codes often include landscape and site design standards for cottage clusters that are not required for other types of housing. Landscape standards that are overly prescriptive or detailed can pose a barrier to cottage cluster housing and add to the cost of development.	Focus on critical elements of landscape or site design – such as orientation around a common open space, pedestrian connections, and limiting impervious surfaces. Remove landscape standards, such as requirements for fences and buffering, that are not required of other housing types.

Model Code: Design Standards

Modular and prefabricated dwellings: Provided the definition of single-unit dwelling encompasses prefabricated and manufactured homes (either explicitly or by not addressing construction type), there is no need to provide separate design standards for prefabricated and manufactured homes (outside of manufactured dwelling parks). The same design standards that apply to site-built dwellings will also apply to prefabricated and manufactured homes.

ADUs: Refer to DLCD’s ADU Model Code, available on this webpage:

<https://www.oregon.gov/lcd/about/pages/model-code.aspx>

Cottage Clusters: Refer to the cottage cluster sections of DLCD’s Middle Housing Model Code for Large Cities, attached as an appendix to this workbook. The model code was developed for jurisdictions that are required to comply with ORS 197A.420, and is consistent with the Administrative Rules in OAR 660-046. The model code can also be downloaded from this webpage: <https://www.oregon.gov/lcd/housing/pages/choice.aspx>.

Cottage Cluster Housing: Challenges for Small and Rural Communities

While cottage cluster housing offers an excellent opportunity to use prefabricated and manufactured housing to provide more affordable housing options, it can be challenging to develop, particularly in smaller and rural communities. Local jurisdictions should consider these challenges in developing regulations for cottage cluster housing and in communicating with local property owners and community members about this housing opportunity.

Infrastructure: The Middle Housing Model Code (see appendix) requires cottage cluster housing developers to demonstrate that “sufficient infrastructure” is provided, or will be provided, upon submittal of an application. “Sufficient infrastructure” is defined to include connections to public water and sewer systems capable of meeting established service levels. This can be a challenge in rural communities, where many homes rely on well water and septic systems. Extending public water and sewer facilities to the site could render a project financially infeasible.

Even if relying on septic systems, denser cottage clusters may not be feasible since septic drainfields may take up quite a bit of space. Still, there may be innovative solutions for cottage cluster design where public sewer is unavailable – such as shared septic systems.

Construction Costs: The smaller size of individual cottage units does not necessarily translate to lower construction costs per unit. It may be more challenging to make a cottage cluster development “pencil out” financially in rural areas where property values are often lower – and therefore, potential rents or home sale prices are also lower. Efficient use of space, innovative construction methods, and economies of scale will need to be carefully considered. This is an area where prefabricated construction methods can yield particular benefits for a project.

Community Concerns: Cottage cluster developments can face resistance from existing communities, particularly if residents are not familiar with this housing type. Concerns about increased density and potential impacts on parking or traffic may contribute to community opposition. When considering new cottage cluster regulations, community engagement and education about the need for and benefits of cottage cluster housing will be essential to community acceptance.

Appendix: Large Cities Middle Housing Model Code

Chapter 1. Combined Standards for All Middle Housing

Chapter 5. Cottage Clusters

The Appendix includes the chapters of DLCD's Large Cities Middle Housing Model Code that are applicable to cottage clusters. The Middle Housing Model Code was developed for jurisdictions that are required to comply with ORS 197A.420 (formerly 197.758 / House Bill 2001 (2019)), and its content is consistent with OAR 660-046 requirements. Jurisdictions not required to comply with ORS 197A.420 are also encouraged to incorporate some or all of the Middle Housing Model Code into their development codes to promote greater housing choices in their communities. The full Middle Housing Model Code can also be downloaded from this webpage: <https://www.oregon.gov/lcd/housing/pages/choice.aspx>.