



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

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

## STAFF REPORT

**DATE:** June 27, 2019 Planning Commission Meeting  
**TO:** City of McMinnville Planning Commission  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** G 3-19. Zoning Ordinance Text Amendment:  
Innovative Housing Pilot Project Floating Zone



**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

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### Report in Brief:

This is a legislative hearing to consider proposed amendments to the Zoning Ordinance to establish provisions for an Innovative Housing Pilot Project Floating Zone. The intent is to provide regulatory flexibility together with oversight of design and operational compatibility, by creating a program that would authorize up to two pilot projects. The program is intended to help address transitional housing needs in the community with a path to self-sufficiency, and hopefully reduce health and safety issues presented by unmanaged living situations.

The Planning Commission will be making a recommendation to the City Council. For a legislative hearing, there is no requirement to continue the hearing or keep the record open at the conclusion of the hearing, and there is no 120-day deadline for issuing a decision.

The City of McMinnville is proposing to add Chapter 17.49 to the McMinnville Zoning Ordinance, adding provisions for an Innovative Housing Pilot project Floating Zone.

A Floating Zone is a zoning district that “floats” over an eligible geographic area but isn’t applied to any property unless and until requested by a property owner within the eligibility area through an application process, if the request is found to meet the requirements. The proposal for the Innovative Housing Pilot Project Floating Zone would work as follows:

1. This Zoning Ordinance amendment would establish the provisions for the floating zone. This includes specifying the eligibility area, permitted uses, development standards, and the procedures and criteria which must be met to apply the floating zone designation and concurrently approve a pilot project.
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2. Through an advertised RFP process, property owners within the eligibility area could submit proposals for site-specific pilot projects. A maximum of two pilot projects would be selected by a selection committee based on evaluation criteria in the advertised RFP.
3. The top two proposals would be eligible to apply for the floating zone designation and approval of the pilot project through the land use process. This would occur through a separately noticed land use process, and the applicant would need to demonstrate the criteria are satisfied.

**Background:**

As the City continues to take a multi-pronged approach in working to address issues of housing and homelessness, there is no single solution that will address all of these needs. The Innovative Housing Pilot Project Floating Zone is proposed as one approach to help address these needs. It is intended to provide regulatory flexibility through a managed process that provides oversight through the RFP selection process and land use standards, which together are designed to address operational and management oversight, as well as compatibility through design and development standards.

We are hopeful this approach will provide a path for those in the community who have solutions to address these pressing needs in a way that helps achieve self-sufficiency.

**Discussion:**

The proposal includes both an RFP component and a Zoning Ordinance component. Staff initially discussed the concept with the Affordable Housing Task Force. The concept was developed into a proposal, and the Task Force recommended that the land use component move forward to the Planning Commission. The Planning Commission held a work session on this topic on January 17, 2019 and was supportive of the concept. Staff has continued to refine the draft proposal with the Affordable Housing Task Force. The proposal includes revisions to the earlier drafts of both the RFP component and the land use component to provide internal consistency.

The proposal has been revised in several ways since the January 17 Planning Commission work session. Earlier drafts included opportunities for permanent housing to be co-located on a site together with transitional housing to provide on-site opportunities for a pathway to self-sufficiency. As a result, earlier drafts proposed development standards more similar to the R-4 zone, which would have partly accommodated more permanent housing use on a site with transitional housing. This has been revised so the Floating Zone would not include on-site provisions for permanent housing, and the standards have been revised accordingly. In addition, the current draft also reflects more explicit and objective minimum site development standards intended to assure more certainty regarding compatibility with adjacent uses than the earlier draft in which minimum standards were more discretionary and subjective.

***Notification***

In addition to the newspaper notice required for a legislative amendment to the Zoning Ordinance, mailed notices were sent to all properties within the Floating Zone eligibility area. Written testimony received in advance of this staff report is included in the attachments.

***Written Testimony***

As of June 17, one letter has been submitted. It includes an attachment with suggested revisions to the proposal, intended to address compatibility and reduce conflicts between pilot projects and industrial uses, and well as provide greater protections for industrial uses and activities.

**Attachments:**

- A. Draft Decision Document, with the following attachments:
1. Proposed Zoning Ordinance Amendment (new Chapter 17.49). The attachment also includes draft RFP language for reference, which wouldn't be incorporated into the Zoning Ordinance.
  2. June 7, 2019 Letter to property owners within the Floating Zone Eligibility Area
  3. June 14, 2019 Letter from Joseph J. Cassin

**Fiscal Impact:**

There would be no direct cost or revenue to the City as a result of adopting the proposed Zoning Ordinance amendment.

**Commission Options:**

- 1) **CLOSE** the public hearing and:
  - a. **RECOMMEND APPROVAL** of the proposed amendment **as presented**, per the decision document provided which includes the findings of fact, conclusionary findings and conditions of approval; or
  - b. **RECOMMEND APPROVAL** of the proposed amendment **with changes**; or
  - c. **RECOMMEND DISAPPROVAL** of the proposed amendment, which means the Zoning Ordinance would not be amended.
- 2) **CONTINUE** the public hearing to a specific date and time.
- 3) Close the public hearing, but **KEEP THE RECORD OPEN** for the receipt of additional written testimony until a specific date and time.

**Note:** This is a legislative hearing, so there is no requirement to continue the hearing or keep the record open.

**Recommendation/Suggested Motion:**

Staff finds the applicable criteria are satisfied for this proposed legislative amendment. However, staff recommends that, following the public testimony, the Planning Commission continue the hearing to a date certain of July 18. This would provide additional opportunity to review the public testimony and determine whether and how the proposal could potentially be improved to address issues and suggestions presented in the public testimony. The intent is to provide a recommendation to City Council that reflects the best possible proposal for implementing the policy objectives, including meeting needs and addressing compatibility.

**“I MOVE THAT THE PLANNING COMMISSION CONTINUE THE PUBLIC HEARING TO THE NEXT REGULAR PLANNING COMMISSION MEETING ON JULY 18, 2019 AT 6:30 P.M. AT CIVIC HALL.”**

(The draft decision document is written as a recommendation of approval, based on the findings that the proposed Zoning Ordinance amendment meets the criteria as presented. However, the document can be updated to reflect the results of a continued hearing).

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**DECISION, FINDINGS OF FACT, AND CONCLUSIONARY FINDINGS FOR THE APPROVAL OF LEGISLATIVE AMENDMENTS TO THE MCMINNVILLE ZONING ORDINANCE PERTAINING TO CREATION OF NEW PROVISIONS FOR AN "INNOVATIVE HOUSING PILOT PROJECT FLOATING ZONE"**

- DOCKET:** G 3-19
- REQUEST:** The City of McMinnville is proposing an amendment to the McMinnville Zoning Ordinance to add a new Section, Chapter 17.49: Innovative Housing Pilot Project Floating Zone. This amendment would establish provisions for the Innovative Housing Pilot Project Floating zone, but it would not rezone any properties. It would establish a designated eligibility area. Only property owners within this area would be eligible to apply to have the floating zone designation applied to a property through a future land use application, which would require a separately noticed public hearing process.
- LOCATION:** N/A. (This amendment doesn't rezone property. The eligibility area is shown on the enclosed map)
- ZONING:** N/A. (This amendment doesn't rezone property. Most properties within the eligibility area are zoned M-2, and some area zoned C-3. Much of the eligibility area is within the Northeast Industrial Area Planned Development Overlay (Ordinance 4135)).
- APPLICANT:** City of McMinnville
- STAFF:** Tom Schauer, Senior Planner
- DATE DEEMED COMPLETE:** April 30, 2019
- HEARINGS BODY:** McMinnville Planning Commission (recommendation to City Council)
- DATE & TIME:** Thursday, June 27, 2019  
Meeting held at the Civic Hall, 200 NE 2<sup>nd</sup> Street, McMinnville, Oregon
- HEARINGS BODY:** McMinnville City Council (final decision)
- DATE & TIME:** Tentatively scheduled for August 27, 2019  
Meeting to be held at the Civic Hall, 200 NE 2<sup>nd</sup> Street, McMinnville, Oregon
- PROCEDURE:** The application is subject to the legislative land use procedures specified in Sections 17.72.120-17.72.160 of the City of McMinnville Zoning Ordinance.

**CRITERIA:** Amendments to the text of the Zoning Ordinance must be consistent with the Goals and Policies in Volume II of the Comprehensive Plan, the Purpose of the Zoning Ordinance, and the Purposes of Chapters and Sections of the Zoning Ordinance which are applicable to the amendments.

**APPEAL:** The Planning Commission will make a recommendation to the City Council. The City Council’s decision on a legislative amendment may be appealed to the Oregon Land Use Board of Appeals (LUBA) within 21 days of the date written notice of the City Council’s decision is mailed to parties who participated in the local proceedings and entitled to notice and as provided in ORS 197.620 and ORS 197.830.

**COMMENTS:** This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering Department, Building Department, Parks Department, City Manager, and City Attorney; McMinnville Water and Light; McMinnville School District No. 40; Yamhill County Public Works; Yamhill County Planning Department; Frontier Communications; Comcast; and Northwest Natural Gas. Their comments are provided in this decision document.

**DECISION**

Based on the findings and conclusions, the Planning Commission recommends **APPROVAL** of the Zoning Ordinance Text Amendment (G 3-19) to the McMinnville City Council **as presented in Attachment 1 to this document.**

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**RECOMMENDATION: APPROVAL**  
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City Council:\_\_\_\_\_ Date:\_\_\_\_\_  
 Scott Hill, Mayor of McMinnville

Planning Commission:\_\_\_\_\_ Date:\_\_\_\_\_  
 Roger Hall, Chair of the McMinnville Planning Commission

Planning Department:\_\_\_\_\_ Date:\_\_\_\_\_  
 Heather Richards, Planning Director

**APPLICATION SUMMARY:**

The City of McMinnville is proposing an amendment to the McMinnville Zoning Ordinance to add a new Section, Chapter 17.49: Innovative Housing Pilot Project Floating Zone. This amendment would establish provisions for the Innovative Housing Pilot Project Floating zone, but it would not rezone any properties. It would establish a designated eligibility area. Only property owners within this area would be eligible to apply to have the floating zone designation applied to a property through a future land use application, which would require a separately noticed public hearing process.

**ATTACHMENTS:**

1. Proposed Zoning Ordinance Amendment (new Chapter 17.49). The attachment also includes draft RFP language for reference, which wouldn't be incorporated into the Zoning Ordinance.
2. June 7 Letter to Property Owners within Floating Zone Eligibility Area
3. June 14, 2019 Letter from Joseph J. Cassin

**COMMENTS:****Agency Comments**

This matter was referred to the following public agencies for comment: McMinnville Fire Department, Police Department, Engineering and Building Departments, City Manager, and City Attorney, McMinnville School District No. 40, McMinnville Water and Light, Yamhill County Public Works, Yamhill County Planning Department, Frontier Communications, Comcast, Northwest Natural Gas. The following comments had been received:

- No agency comments have been received as of June 17, 2019.

**Public Comments** (as of June 17, 2019)

- A letter from Joseph C. Cassin was received on June 14, 2019.
  - Proposed Zoning Ordinance Amendment (new Chapter 17.49). The attachment also includes draft RFP language for reference, which wouldn't be incorporated into the Zoning Ordinance.

**FINDINGS OF FACT**

1. McMinnville is facing especially critical needs for its lowest income residents and special needs populations.
  2. The Affordable Housing Task Force discussed the concept of the Innovative Housing Pilot Project Floating Zone, and concurred the concept should be developed into a more detailed proposal. Staff prepared a proposal that included an RFP component and a land use component.
  3. A work session was held with the Planning Commission on January 17, 2019 to review the proposed concept. The Planning Commission concurred work should continue on the proposed concept, and a Zoning Ordinance amendment should be initiated and scheduled for hearing.
  4. The City of McMinnville is proposing an amendment to the McMinnville Zoning Ordinance to add a new Section, Chapter 17.49: Innovative Housing Pilot Project Floating Zone. This
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amendment would establish provisions for the Innovative Housing Pilot Project Floating zone, but it would not rezone any properties. It would establish a designated eligibility area. Only property owners within this area would be eligible to apply to have the floating zone designation applied to a property through a future land use application, which would require a separately noticed public hearing process.

5. A letter dated June 7, 2019 with notice of the proposal and the June 27, 2019 Planning Commission hearing was mailed to property owners within the Floating Zone eligibility area.
6. Public notification of the proposal and the June 27, 2019 Planning Commission public hearing was published in the June 18, 2019 edition of the News Register.

### **CONCLUSIONARY FINDINGS:**

As addressed below, ***the applicable criteria are satisfied.*** The proposed amendments are consistent with the applicable Goals and Policies of the Comprehensive Plan and the applicable provisions of the Zoning Ordinance which comprise the approval criteria for the proposed amendments to the Zoning Ordinance.

### **McMinnville's Comprehensive Plan:**

The following Goals and Policies from Volume II of the McMinnville Comprehensive Plan of 1981 are applicable to this request:

## **CHAPTER IV ECONOMY OF McMINNVILLE**

### ***INDUSTRIAL DEVELOPMENT***

**GOAL IV 5: TO CONTINUE THE GROWTH AND DIVERSIFICATION OF McMINNVILLE'S INDUSTRIAL BASE THROUGH THE PROVISION OF AN ADEQUATE AMOUNT OF PROPERLY DESIGNATED LANDS.**

**GOAL IV 6: TO INSURE INDUSTRIAL DEVELOPMENT THAT MAXIMIZES EFFICIENCY OF LAND USES, THAT IS APPROPRIATELY LOCATED IN RELATION TO SURROUNDING LAND USES, AND THAT MEETS NECESSARY ENVIRONMENTAL STANDARDS.**

#### *Locational Policies:*

49.00 *The City of McMinnville shall use its zoning and other regulatory methods to prevent encroachment into industrial areas by incompatible land uses.*

**Finding: SATISFIED.** The proposed implementation of the Floating Zone limits the number of sites authorized for pilot projects within area that has the underlying industrial zoning. Further, the pilot project selection process, together with the floating zone designation criteria, site compatibility requirements, and design and development standards, are intended to avoid conflicts between sites selected for pilot projects and surrounding uses.

49.01 *The City shall designate an adequate supply of suitable sites to meet identified needs for a variety of different parcel sizes at locations which have direct access to an arterial or collector street without having to pass through residential neighborhoods. (Ord. 4961, January 8, 2013)*

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**Finding: SATISFIED.** The City's 2013 Economic Opportunities Analysis (EOA) identified a surplus of industrial lands to address the 20-year land need. The criteria for designation of the Floating Zone require that the site or sites not exceed the amount of surplus identified in the City's most recent buildable lands inventory or other more recent information about development that has occurred since the inventory was conducted. There are site selection criteria for the floating zone designation for pilot projects which address site compatibility. Only two pilot project sites would be authorized, and the pilot project program would not create entire neighborhoods served by exclusively or primarily neighborhood streets.

49.02 *The location, type, and amount of industrial activity within the Urban Growth Boundary shall be based on community needs as identified in the Economic Opportunities Analysis. (Ord. 4961, January 8, 2013)*

**Finding: SATISFIED.** The City's 2013 Economic Opportunities Analysis (EOA) identified a surplus of industrial lands to address the 20-year land need. The criteria for designation of the Floating Zone require that the site or sites not exceed the amount of surplus identified in the City's most recent buildable lands inventory or other more recent information about development that has occurred since the inventory was conducted.

49.03 *In designating new industrial properties, and in redesignating properties to industrial zoning from other designations, the City shall work to provide employment opportunities in locations that are reasonably accessible to McMinnville residents, while minimizing the need to drive through existing or planned residential neighborhoods. (Ord. 4961, January 8, 2013)*

**Finding: SATISFIED.** The proposal doesn't designate or re-designate properties to industrial zoning. However, the site selection process for pilot projects provides an opportunity to address compatibility between pilot projects and adjacent uses, while also providing for proximity to potential nearby vocational training opportunities.

## CHAPTER V HOUSING AND RESIDENTIAL DEVELOPMENT

### GOAL V 1: TO PROMOTE DEVELOPMENT OF AFFORDABLE, QUALITY HOUSING FOR ALL CITY RESIDENTS.

#### *General Housing Policies:*

58.00 *City land development ordinances shall provide opportunities for development of a variety of housing types and densities.*

**Finding: SATISFIED.** The focus of the pilot project program is transitional housing, rather than permanent housing. The City has a deficit of residential lands in the Urban Growth Boundary, and has critical needs for the lowest income residential and special needs populations. The proposal would provide an opportunity to meet these critical needs through transitional housing with oversight of management and design.

67.00 *Subsidized low-cost housing shall be dispersed throughout the McMinnville urban area. Dispersal plans shall be coordinated with appropriate agencies.*

**Finding: SATISFIED.** The focus of the pilot project program is transitional housing, rather than permanent housing. The pilot project program provides additional opportunities for dispersion of housing that has an immediate and critical need. It also provides opportunities to co-locate transitional housing on sites that can provide supportive services.

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**GOAL V 2: TO PROMOTE A RESIDENTIAL DEVELOPMENT PATTERN THAT IS LAND INTENSIVE AND ENERGY-EFFICIENT, THAT PROVIDES FOR AN URBAN LEVEL OF PUBLIC AND PRIVATE SERVICES, AND THAT ALLOWS UNIQUE AND INNOVATIVE DEVELOPMENT TECHNIQUES TO BE EMPLOYED IN RESIDENTIAL DESIGNS.**

69.00 *The City of McMinnville shall explore the utilization of innovative land use regulatory ordinances which seek to integrate the functions of housing, commercial, and industrial developments into a compatible framework within the city.*

**Finding: SATISFIED.** The pilot project program is intended to provide an innovative land use regulatory ordinance that seeks to integrate these functions in a way that can address immediate critical needs, provide for compatibility of adjacent uses through a site-selection process, providing opportunities for co-location of transitional housing and supportive services, and proximity to potential vocational training opportunities for a path to self-sufficiency.

70.00 *The City of McMinnville shall continue to update zoning and subdivision ordinances to include innovative land development techniques and incentives that provide for a variety of housing types, densities, and price ranges that will adequately meet the present and future needs of the community.*

**Finding: SATISFIED.** There are no policies specific to transitional housing. The pilot project program provides an innovative technique to help achieve this type of housing to meet an immediate critical need.

*Low-Cost Housing Development Policies:*

84.00 *Multiple-family, low-cost housing (subsidized) shall be dispersed throughout the community by appropriate zoning to avoid inundating any one area with a concentration of this type of housing.*

**Finding: SATISFIED.** While this policy specifically addresses multiple-family housing, the pilot project program provides for dispersion of needed transitional housing. The pilot program further limits the number of pilot project sites, which avoids concentration of transitional housing thought this program.

*Multiple-family Development Policies:*

92.01 *High-density housing shall not be located in undesirable places such as near railroad lines, heavy industrial uses, or other potential nuisance areas unless design factors are included to buffer the development from the incompatible use. (Ord. 4796, October 14, 2003)*

**Finding: SATISFIED.** This policy specifically addresses high-density housing. The pilot program authorizes transitional housing the different from permanent high-density housing. The standards only authorize transitional housing at densities lower than provided for in the City's high density R-4 zone. The selection and siting criteria for pilot projects, together with design and development standards are designed to provide for buffering and compatibility between pilot projects and surrounding properties.

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*Urban Policies:*

99.00 *An adequate level of urban services shall be provided prior to or concurrent with all proposed residential development, as specified in the acknowledged Public Facilities Plan.*

**Finding: SATISFIED.** The pilot project siting criteria specify that there shall be no foreseeable issues with providing the property and proposal with necessary public facilities and services.

## CHAPTER VI TRANSPORTATION SYSTEM

### **TRANSPORTATION DISADVANTAGED**

*Policies:*

106.00 *The City of McMinnville, through public and private efforts, shall encourage provision of facilities and services to meet the needs of the transportation disadvantaged.*

**Finding: SATISFIED.** This issue will need to be addressed through the site selection criteria, as well as the specific pilot project proposal. The pilot program also authorizes on-site co-location of transitional housing with supportive services. There is also potential for transitional housing in proximity to vocational training opportunities.

## CHAPTER X CITIZEN INVOLVEMENT AND PLAN AMENDMENT

### **GOAL X 1: TO PROVIDE OPPORTUNITIES FOR CITIZEN INVOLVEMENT IN THE LAND USE DECISION MAKING PROCESS ESTABLISHED BY THE CITY OF McMINNVILLE.**

*Policies:*

188.00 *The City of McMinnville shall continue to provide opportunities for citizen involvement in all phases of the planning process. The opportunities will allow for review and comment by community residents and will be supplemented by the availability of information on planning requests and the provision of feedback mechanisms to evaluate decisions and keep citizens informed.*

**Finding: SATISFIED.** The concept and draft ordinance has been prepared, reviewed, and revised through several iterations with the Affordable Housing Task Force and the Planning Commission. Informational meetings have also occurred with businesses and business representatives. Information was mailed to property owners within the proposed eligibility area, and public testimony is accepted in advance of, and during the public hearing.

### **McMinnville's City Code:**

The McMinnville Zoning Ordinance is Title 17 of the McMinnville City Code. The following Sections of the McMinnville Zoning Ordinance (Ord. No. 3380) are applicable to the request:

### **Purpose Statements:**

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1. **Section 17.03.020. Purpose.** The purpose of the ordinance codified in Chapters 17.03 (General Provisions) through 17.74 (Review Criteria) of this title is to encourage appropriate and orderly physical development in the city through standards designed to protect residential, commercial, industrial, and civic areas from the intrusions of incompatible uses; to provide opportunities for establishments to concentrate for efficient operation in mutually beneficial relationship to each other and to shared services; to provide adequate open space, desired levels of population densities, workable relationships between land uses and the transportation system, adequate community facilities; and to provide assurance of opportunities for effective utilization of the land resources; and to promote in other ways public health, safety, convenience, and general welfare.

**Finding: SATISFIED.** Consistent with the Comprehensive Plan policies identified above, the pilot project program and the floating zone designation process provide an innovative regulatory technique to meet immediate critical needs in a limited way, with an approach that evaluates site selection and pilot project characteristics in a combined manner together with standards intended to avoid conflicts; provide for mutually beneficial relationships between transitional housing, supportive services, and vocational training opportunities; and demonstrate adequacy of public facilities and services. The intent is to address these needs and also reduce health and safety issues which can be presented by unmanaged living situations.

**Other Criteria: Finding: NOT APPLICABLE.** There are no additional stated criteria elsewhere in the Zoning Ordinance for amending the text of the Zoning Ordinance.

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# **CITY OF MCMINNVILLE REQUEST FOR PROPOSALS (RFP)**

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## **INNOVATIVE HOUSING PILOT PROJECTS**

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**Proposals Due:** Month DD, YYYY by 3:00 p.m.

**Submit Proposals To:** City of McMinnville  
231 NW 5<sup>th</sup> Street  
McMinnville, OR 97128

**Refer Questions To:** **Heather Richards, Planning Director**  
503-474-5107  
Heather.Richards@mcminnvilleoregon.gov

**RFP Issue Date:** Month DD, YYYY

**City of McMinnville  
Request for Proposals (RFP)  
Innovative Housing Pilot Projects**

The City of McMinnville is accepting proposals for innovative housing pilot projects for emergency or transitional housing. Up to two proposals will be selected through this RFP process, which makes them eligible to apply for “floating zone” designation and concurrent land use approval for the project(s). The land use application fees will be waived for the selected proposal(s).

This RFP provides an opportunity for regulatory flexibility to proposers for innovative housing pilot projects. The City is not funding or developing the pilot projects.

**Purpose**

The “floating zone” designation is intended to unleash innovation and provide regulatory flexibility to encourage innovative solutions to housing challenges. Within a specified area, up to two projects are eligible for the floating zone designation and land use approval for the projects.

The floating zone authorizes uses, or a combination of uses, that may not typically be a standard land use under conventional zoning. The floating zone authorizes pilot projects that can either (a) meet a special need to serve the community at large, or (b) demonstrate an innovative solution that could be considered for broader, more widespread replicability and adoption.

The program is also intended to address externalities and reduce health and safety issues which can be presented by unmanaged living situations.

**1. Background**

**Housing Issues**

As in many communities, the City of McMinnville is experiencing challenges related to transitional housing and homelessness. As a result, the City has explored regulatory options to provide opportunities for innovative solutions to help address these issues. The Innovative Housing Pilot Project program is one approach. With the floating zone, the City intends to provide regulatory flexibility within a defined set of parameters to unleash the innovation of those in the community who seek to provide solutions that may not be suited to the conventions of the traditional zoning framework.

**Floating Zone**

In response to these issues, the City of McMinnville recently amended its Zoning Ordinance to establish an “Innovative Housing Pilot Project Floating Zone (“Floating Zone”). The Floating Zone boundary and regulations are adopted as part of the Zoning Ordinance, but the designation and regulations aren’t applied to any of the properties within the boundary unless requested by the property owner. The Zoning Ordinance specifies the applicable procedures and criteria required to apply the Floating Zone designation to a property. The designation allows uses not otherwise permitted by the underlying zoning, and it is applied to a property concurrently with a specific development proposal for the property which meets the objectives of the floating zone. This is intended to provide a good match between the proposed use and development concept given the context of its specific site and surrounding properties, uses, and public facilities.

**Up to two sites/pilot projects are authorized within the floating zone boundary.** In order to be eligible to apply for the concurrent floating zone designation and land use approval, a proposal must first be submitted and selected through this RFP process. The purpose of this RFP process is to select those proposals and pilot projects which exhibit the most potential for positive meaningful impact to proceed through the land use process.

## 2. Process, Evaluation and Selection of Proposals

This is a two-step process:

1. First, a proposer must submit a proposal through the RFP process. Selection of a proposal through the RFP process will qualify the proposer to apply for the floating zone designation and land use approval for the development.
2. Second, for a proposal selected through the RFP process, the proposer must submit the land use application to have the floating zone designation applied to the property. The applicant may submit a concurrent application for the floating zone designation and land use approval for the development.

Proposals must meet the minimum eligibility requirements listed in Section 4. Proposals that meet these requirements will be reviewed against the evaluation criteria in Section 5. The proposals will be reviewed by a proposal review team and scored based on points in Section 5.

The City is providing this initial window for submittal of RFPs. Proposals submitted by the deadline will be reviewed. The City reserves the right to select no projects if it is determined that none of the proposals sufficiently address the applicable criteria. Proposals selected through the RFP process will be required to apply for the land use approvals within six months of selection of the proposal.

If no proposals are submitted or selected through the initial RFP submittal window, the City may specify one or more additional RFP submittal windows.

After the close of one or more RFP submittal windows, if the maximum number of authorized proposals has not been submitted and approved, the City may at its discretion (a) choose to end the pilot project program or (b) accept land use applications for “floating zone” designation and project approval through the standard land use application process without the prior RFP selection process, until the maximum number of pilot projects has been designated and received land use approval.

## 3. Submittal Requirements

**Note:** *A proposer may submit more than one proposal for a property and/or may submit proposals for more than one property. In any case, each proposal shall be submitted separately and each proposal will be evaluated separately.*

**The proposal shall include the information listed below:**

1. Introductory cover letter referencing the “**Innovative Housing Pilot Projects RFP**”
2. Authorization from the property owner of the proposed site, if different from the proposer.

3. Contact Information:
  - a. Name, Mailing Address, Phone, and E-mail Address Property Owner & Proposer
4. Property Information:
  - a. Address and Tax Lot Information
  - b. Location Map
  - c. Property Size/Acreage
5. Proposal:
  - a. Conceptual Site Plan (drawn to a standard scale)
  - b. Narrative describing the use, physical, and operational characteristics of the proposal, how the proposal addresses the selection criteria, and addressing the following:
    - i. Project Feasibility:
      1. Development and Operating Budget
      2. Please identify time-sensitive funding sources outside of applicant's control which would be required for this proposal (grant deadlines, etc.)
      3. Approximate Project Timeline
    - ii. Qualifications and Experience:
      1. Information demonstrating the proposer has the capability to successfully develop and operate the proposed use.
      2. Examples of relevant projects and references to demonstrate this capability.
6. Letters of Support (optional)

#### **4. Minimum Eligibility Requirements**

Proposals must be responsive to this RFP, include all of the requested information, and meet the minimum eligibility requirements below to be considered.

1. The proposal includes all of the submittal requirements and was submitted before the deadline.
2. The subject property is within the Floating Zone boundary
3. The proposal doesn't include any uses which are specifically prohibited in the floating zone.

#### **5. Evaluation Criteria**

Proposals deemed to be responsive will be ranked on a 100-point scale under the following criteria:

<b>Evaluation Criteria (100 Points Maximum)</b>	
<b>1. Project Outcomes</b>	<b>42 Points</b>
<b>1.1. Purpose and Intent.</b> How well does the pilot project achieve the purpose and intent of pilot project floating zoning, providing outcomes that exceed minimum expectations?	8 points
<b>1.2. Critical Need.</b> How well will the pilot project serve a population or populations that are underserved and have critical needs, which can't be readily addressed elsewhere under current zoning in the short-term?	8 points
<b>1.3. Impact.</b> How many people will the pilot project benefit? How significantly will the proposal positively impact those served by the proposal?	8 points
<b>1.4. Best Practices.</b> How well does the pilot project incorporate best practices to address the needs of the populations to be served?	8 points
<b>1.5. Replicability.</b> How well does the proposal provide an innovative model to serve the community as a whole or that could be replicated elsewhere to address critical needs?	5 points
<b>1.6. Long-Term.</b> How well does the pilot project plan for a successful transition to permanent housing for those to be served?	5 points
<b>2. Site and Land Use</b>	<b>34 Points</b>
<b>2.1. Adequacy and Availability of Public Facilities and Services.</b> There are no foreseeable issues with providing the property and use with necessary public facilities and services.	8 points
<b>2.2 Site Selection.</b> The pilot project site selection is within the Floating Zone eligibility boundary and provides a good match between the siting needs of the uses and the characteristics of the selected site.	8 points
<b>2.3. Compatibility.</b> The uses and development proposal are compatible with the current and permitted surrounding use and development, and incorporate elements and practices to mitigate potential issues.	8 points
<b>2.4. Land Use Efficiency.</b> The pilot project can accomplish the project objectives in a site-efficient manner compared to feasible options to address the need.	5 points
<b>2.5. Long-Term Use.</b> Does the development present an opportunity to return the site to permitted uses in the underlying zone should current emergency need for shelter and transitional housing pass and/or be accommodated elsewhere?	5 points
<b>3. Capability &amp; Experience of Applicant to Successfully Develop &amp; Operate Use</b>	<b>24 Points</b>
<b>3.1. Experience &amp; Capability.</b> The entities developing and operating the use and facilities have demonstrated experience and capability of successfully managing the development and operation of the use and facilities of comparable scope, scale, and complexity.	8 points
<b>3.2. Financial Capability/Realistic Budget.</b> The budgets provided show a high probability that the project will be constructed as proposed and can operate successfully for several years.	8 points
<b>3.3. Readiness to Proceed/Timeliness.</b> The application indicates a strong likelihood of financial and logistical capability to proceed to the floating zone designation process, begin construction upon land use approval, and complete construction in a timely manner.	8 points



## 6. Commitments

- **Timely Submittal.** The selected proposal will commit to submit a land use application for floating zone designation and land use approval within six months.
- **Monitoring and Reporting.** For a selected proposal that successfully completes the land use approval process and proceeds to development, the proposer agrees to the following: Between 12 and 18 months from the date of occupancy, the proposer shall provide a brief report and/or presentation to the City on what has been accomplished to date with the project and any information that would help inform potential replicability of the project to address critical needs.

## 7. Questions and Clarifications

Questions and requests for clarification regarding this RFP solicitation must be directed in writing (either email or fax is acceptable) to:

**Heather Richards, Planning Director**

City of McMinnville  
231 NE Fifth Street  
McMinnville, OR 97128

Phone: (503) 474-5107  
Fax: (503) 474-4955  
Email: [Heather.Richards@mcminnvilleoregon.gov](mailto:Heather.Richards@mcminnvilleoregon.gov)

**The deadline for submitting questions or requests for clarification is seven (7) days prior to the proposal due date.** If a substantive clarification is necessary, an addendum will be issued no later than 72 hours prior to the due date to all recorded holders of the RFP solicitation. Note that statements made by the City are not binding upon the City unless confirmed by written addendum.

## 8. Standard Terms

### 1. Cancellation, Delay or Suspension of RFP Solicitation; Rejection of Proposals

Nothing in this RFP shall restrict or prohibit the City from cancelling, delaying, or suspending the RFP solicitation at any time. The City may reject any or all proposals, in whole or in part, if in the best interest of the City, as determined by the City.

### 2. Withdrawal of Proposal

No Proposal may be withdrawn after it has been submitted to the City unless the Proposer so requests in writing.

### 3. Irregularities

The City reserves the right to waive any non-material irregularities or information contained in this RFP, or in any received proposal.

**4. Proposal Costs**

Proposers responding to this proposal do so solely at their expense, and the City of McMinnville is not responsible for any expenses associated with the preparation of the proposal.

**5. Selection Process for Next Highest Ranked Proposals at City's Discretion**

If the highest ranked proposals don't proceed to the land use approval process or development, the City at its sole discretion may select the next highest-ranked proposal without a new RFP process.

**6. Availability of RFP Responses, Proprietary Information**

Per the terms of ORS 279C.107, the City will open the proposals so as to avoid disclosing the contents to competing proposers during the process of negotiation. Proposals will not be available for public review until after the issuance of the Notice of Intent to Award.

The City will withhold from disclosure to the public trade secrets, as defined in ORS 192.501, and information submitted to the City in confidence, as described in ORS 192.502, that are contained in the proposal. Proposals must clearly identify such material, keep it separate, and provide separate notice in writing of the status of this material to:

**Heather Richards, Planning Director**

City of McMinnville  
231 NE Fifth Street  
McMinnville, OR 97128

Phone: (503) 474-5107  
Fax: (503) 474-4955  
Email: [Heather.Richards@mcminnvilleoregon.gov](mailto:Heather.Richards@mcminnvilleoregon.gov)

All proposals shall become part of the public file for the project.

**7. Proposal Protest and Request for Change Procedures**

Protests concerning either a request for change in the proposal or the consultant selection process shall follow the procedures set forth in the Oregon Administrative Rules (OAR), Division 48 (137-048-0240, Protest Procedures).

The City shall consider the protest or request for change, and may reject the protest or request for change, issue an addendum, or cancel the RFP.

Protests or requests for change must be submitted in writing to:

**Heather Richards, Planning Director**

City of McMinnville  
231 NE Fifth Street  
McMinnville, OR 97128

Phone: (503) 474-5107  
Fax: (503) 474-4955  
Email: [Heather.Richards@mcminnvilleoregon.gov](mailto:Heather.Richards@mcminnvilleoregon.gov)

## 9. Other Questions and Inquiries

Inquiries other than those described in **Section 8 “Questions and Clarifications”** should be directed to Heather Richards, Planning Director by phone (503) 474-5107 or e-mail: [Heather.Richards@mcminnvilleoregon.gov](mailto:Heather.Richards@mcminnvilleoregon.gov), or by coming to the office at the Community Development Center, 231 NE 5<sup>th</sup> Street, McMinnville, Oregon, during regular business hours.

## 10. Attachments

- **Draft Floating Zone Ordinance**

**ORDINANCE NO. XXXX**

**AN ORDINANCE AMENDING TITLE 17 OF THE MCMINNVILLE CITY CODE TO ESTABLISH AN “INNOVATIVE HOUSING PILOT PROJECT FLOATING ZONE”**

**RECITALS:**

Availability of housing affordable to residents across the income spectrum is a critical issue in McMinnville and Yamhill County, with especially critical needs for the lowest income residents and special needs populations.

The 2018 Yamhill County Point in Time Homeless Count counted 1,386 persons as living in shelters, in unsheltered locations, or couchsurfing during the 2018 Homeless Count, up from 1,066 in 2017 and 1,197 in 2016:

- In 2018, 240 persons were counted as living in some type of shelter on the night of the Homeless Count, up from 223 in 2017.
- In 2018, 417 persons were counted as living unsheltered, up from 270 in 2017.
- In 2018, 729 persons were counted as living in a couchsurfing condition, up 573 from 2017.

Yamhill County is the 10<sup>th</sup> most populated county in Oregon, yet has the 7<sup>th</sup> highest population by county of persons who are literally homeless; the 2<sup>nd</sup> highest number of persons who are homeless and fleeing domestic violence; and the 5<sup>th</sup> highest number of persons who are homeless with serious mental illness.

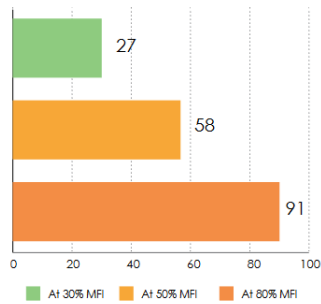
Based on 2011-2015 ACS data, Oregon Housing and Community Services (OHCS) reported approximately 1 out of 4 renters in Yamhill County were severely cost burdened, paying more than 50% of their income in rent. They found 3 out of 4 renters with extremely low incomes were paying more than 50% of their income in rent.

Based on 2012-2016 ACS data, Oregon Housing and Community Services (OHCS) found approximately 1 out of 4 renters in McMinnville were severely cost burdened, paying more than 50% of their income in rent. (1,194 of 5,065 renter households).

The Census Bureau reported 19.8% of persons in McMinnville living in poverty in 2017.

OHCS identified the following shortage of affordable units in Yamhill County based on data from HUD’s 2010-2014 Comprehensive Housing Affordability Strategy, released in June 2017:

Affordable and Available Rental Homes per 100 Renter Households, 2015



Shortage of Affordable Units, 2010-2014

Renter Affordability	< 30% MFI	< 50% MFI	< 80% MFI
Renter Households	2,905	5,180	7,515
Affordable Units	1,260	4,840	9,780
Surplus / (Deficit)	(1,645)	(340)	2,265
Affordable & Available*	770	3,010	6,875
Surplus / (Deficit)	(2,135)	(2,170)	(640)

\*Number of affordable units either vacant or occupied by person(s) in income group.

Owner Affordability	... for MFI	.. for 80% MFI	.. for 50% MFI
Max Affordable Value	\$237,890	\$190,312	\$118,945
% of Stock Affordable	53.7%	40.2%	17.6%

A portion of McMinnville’s population is need of assistance to help them move from homelessness to self-sufficiency, which may require a combination of co-located uses to provide for transitional housing together with supportive services.

Supportive services can also be also be offered on-site in a manner that provides services to others in need of these services, whether or not they are also served by on-site housing.

McMinnville’s zoning ordinance is primarily structured in a “Euclidean Zoning” manner, which generally separates uses by type, such as residential, commercial, and industrial, limiting opportunities to co-locate some types of transitional housing and supportive service uses together on a site, where such combined uses may be in the best interest of the constituents and community.

There are also some uses authorized by state enabling legislation that are available to cities subject to certain limitations, which might be suitable in McMinnville; however, the traditional zoning structure may not be the most workable way to authorize these uses in a way that is consistent with the associated statutory limitations.

The Comprehensive Plan has general policies which seek to avoid locating higher-density residential uses in areas which might create conflicts between uses or present adverse impacts such as noise, odor, etc. However, there may be combinations of uses that have unique siting requirements, and the Floating Zone concept provides an opportunity to authorize a limited number of projects that can be evaluated based on a good match between siting needs and site selection when considering project characteristics and compatibility.

There may be opportunities for site selection in areas with industrial zoning which are developed with lower-impact industrial uses such as clean indoor industry, storage of non-hazardous materials, or open space elements which can be compatible with non-industrial uses.

As the city has begun reviewing its buildable lands inventory, there is generally a shortage of land zoned for higher-density residential use and a surplus of land with industrial zoning. There is potential to continue to provide an adequate inventory of industrial sites while providing an opportunity to address a limited portion of critical housing needs on some surplus lands described above.

**NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:**

**Section 1.** The Council adopts the amendments to Title 17 of the McMinnville City Code attached and incorporated herein as **Exhibit "A"**; and

Passed by the Council this xxth day of XX 2019, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

**Section 2.** The Council hereby declares an emergency to exist. This Ordinance shall take effect immediately upon passage by the City Council.

\_\_\_\_\_

MAYOR

Attest:

Approved as to form:

\_\_\_\_\_

CITY RECORDER

\_\_\_\_\_

CITY ATTORNEY

EXHIBIT A TO ORDINANCE NO. XXXX

CHAPTER 17.49

INNOVATIVE HOUSING PILOT PROJECT FLOATING ZONE

**17.49.100. Need, Purpose, and Intent.**

**1. Need.**

- a. Availability of housing affordable to residents across the income spectrum is a critical issue in McMinnville, with especially critical needs for the lowest income residents and special need populations.
- b. The floating zone authorizes uses, or a combination of uses, that may not typically be a standard land use under conventional zoning.
- c. It is important to provide opportunities for innovation and regulatory opportunities to respond to critical short-term needs while working on long-term solutions to address needs and overcome barriers.

**2. Purpose & Intent.**

- a. To provide regulatory flexibility within compatibility parameters to address emergency and transitional housing needs on a short-term basis through provision of housing that is intended to be temporary in nature as additional longer-term housing needs are addressed.
- b. To authorize a limited number of innovative pilot projects to (a) meet a special need to serve the community at large, or (b) demonstrate an effective and innovative solution that could be considered for broader, more widespread replicability and adoption to address critical needs.
- c. To address needs in a way that addresses externalities and health and safety issues which can be presented by unmanaged living situations.

**17.49.110. Applicability.** Properties within the Floating Zone boundary will be eligible to apply to have the Floating Zone designation applied to the property. The Floating Zone boundary is shown in *Exhibit 1*.

If the City has established an RFP process for selection of eligible pilot projects, only those projects selected through the RFP process are eligible to apply for the floating zone designation, which may be concurrent with the approval of the plans for the pilot project. If specified through an RFP process, the application for the floating zone designation and pilot project master plan approval shall be submitted within the timeframe specified in the RFP selection process.

**17.49.120. Number of Pilot Projects Authorized by Floating Zone.** The City Council will specify the maximum number of pilot projects which may initially be selected and authorized to apply for the Floating Zone designation.

**17.49.130. Authorized Uses.** The Floating Zone shall allow uses which may include, but shall not be limited, to the following:

1. **Primary Uses.** As part of an approved master plan, the following uses may be permitted outright alone or in conjunction with other primary uses or secondary uses:
  - a. Temporary emergency housing affordable to persons earning at or below 60% AMI, including development types such as cottage housing clusters, tiny home villages, and mobile homes, whether there are multiple structures on the same lot or individual structures on distinct lots;
  - b. Temporary transitional housing;
  - c. Transitional housing accommodations governed by ORS 446.265, on not more than two parcels within the UGB, which the City may require be duration-limited through the decision-making process;
  - d. Emergency shelter;
  - e. Consistent with the Need, Purpose, and Intent of this Chapter: other forms of shelter, or short-term temporary housing intended to meet the needs of persons experiencing homelessness, earning at or below 60% AMI, or in need of transitional housing together with supportive services to move to self-sufficiency.
2. **Secondary Uses.** As part of an approved master plan, the following uses may be permitted, but only when in conjunction with one or more primary uses on a site or contiguous sites:
  - a. Support services provided for residents of the site, such as health services, personal counseling, food bank, food service, self-sufficiency and job skills training and coaching; which may also be offered to persons who do not reside on-site, if offered to on-site residents.
  - b. Services for direct use by residents of the site such as cooking, bathing, laundry, personal storage; which may also be offered to persons who do not reside on-site, if offered to on-site residents.

**17.49.140. Development Standards.**

1. **Minimum Lot Size.** Minimum lot size shall be one-half acre.
2. **Yard Requirements.** No yard shall be less than 20 feet.
3. **Maximum Height & Number of Stories.** Structures shall not exceed two stories, and shall not exceed 35 feet in height.
4. **Density.** Density shall not exceed 18 units per acre. If sleeping facilities are provided independent of shared common cooking and bathing facilities, each independent sleeping facility will be considered a separate dwelling unit for purposes of calculating density.
5. **Parking.** Parking shall be provided as specified in Chapter 17.60 of the Zoning Ordinance. In the event a proposed use is not listed in Chapter 17.60, the required number shall be determined in accordance with Section 17.60.090 for the most



comparable use and/or other commonly accepted data sources for parking generation. Parking shall not be permitted within any required yard.

6. **Fencing.** The property shall be fenced at interior lot lines abutting other properties. Chain link slats shall not be used.
7. **Landscaping and Screening.** In addition to the landscaping requirements of Chapter 17.57, the following landscaping requirements shall apply to the landscape plan:
  - a. A minimum of 10% of the site shall be landscaped. Additional landscaping may be required for certain uses such as central common areas for cottage clusters.
  - b. Interior yards shall be landscaped, which may include berming, to provide year-round screening between properties.
8. **Signs.** One monument sign shall be permitted, not to exceed six (6) feet in height and forty-eight (48) square feet in area. The sign shall be non-illuminated or indirectly illuminated.
9. **General Provisions.** Other applicable development standards of the Zoning Ordinance shall be applicable to the property.
10. **Use Limitations.** No outside storage shall be permitted, except within a securable, screened enclosure.
11. **Effect on Ordinance 4135.** Section (5)(d) of the Northeast Industrial Area Planned Development Overlay (Ordinance 4135) specifies certain use restrictions within 500 feet of a residentially designated area or any area in residential use. For purposes of applying that Section to surrounding industrial properties, that requirement may be waived or reduced when the master plan for the property with the Floating Zone designation includes site-specific mitigation and/or on-site buffering to prevent conflicts with specified uses, and upon a finding that the use on the surrounding property doesn't pose a hazard to the use of the property with the Floating Zone designation.
12. **Effect on Yard Requirements for Abutting Properties.** Where the zoning of adjacent properties specifies increased yard requirements when adjacent to a residential zone, the, additional yard requirements can be fully or partially addressed on the property with the Floating Zone designation rather than the adjacent property if specified by the applicant as part of the master plan, and may be measured to buildings to be occupied for shelter or residential use.

**17.49.160. Floating Zone Designation/Land Use Review Process.** Within six (6) months of selection as an eligible pilot project through an RFP process, the property owner and applicant shall apply to have the Floating Zone designation applied to the property. The application shall be accompanied by a master plan, including a site plan and a project narrative with description of operating characteristics, consistent with the approved pilot project concept. The Floating Zone designation will be applied to the property on the official zoning map, and the master plan and conditions of approval will guide the development and use of the property.

1. **Procedure.** The proposed designation will follow the procedures for a quasi-judicial Zoning Map amendment. Prior to submittal of the application, the applicant shall conduct a neighborhood meeting as specified in the Zoning Ordinance.
2. **Submittal Requirements.**
  - a. **Application.** Complete application on forms provided by the Director, signed by the property owner and applicant.
  - b. **Narrative.** Narrative addressing Floating Zone Designation Criteria and Master Plan Review Criteria in Section (3).
  - c. **Site Plan.** Site Plan drawn to a standard scale, showing existing conditions, natural features, and proposed improvements.
  - d. **Use, Operations, and Management Plan.** Provide a description of proposed uses, proposal for preventing, minimizing, and responding to any potential conflicts that may arise. For temporary uses, provide a description of the expected duration and criteria used to determine when the use will cease operation, the proposed closure plan, and plan for removing improvements to ready the site for a return to other uses.
  - e. **Capacity Analysis.** If deemed necessary, the City may require analysis of public facility capacity to support the proposed use or uses, especially if they have demand and use characteristics substantially greater than uses permitted by the underlying zone.
  - f. **Landscape Plan.** The applicant shall submit a landscape plan for review by the Landscape Review Committee. This may be submitted concurrent with, or after the application for the floating zone designation and master plan approval.
3. **Criteria.** The Floating Zoning designation may be applied to a property upon findings of compliance with all of the following criteria:
  - a. **General.**
    - i. The proposal is consistent with the Need, Purpose, and Intent of this Chapter.
    - ii. The pilot project will serve a population or populations which are underserved and have critical needs.
  - b. **Site Selection & Locational Criteria.**
    - i. The pilot project site selection is within the Floating Zone eligibility boundary
    - ii. The uses and development proposal are compatible with surrounding use and development and future uses and incorporate elements and practices to mitigate potential issues.

- iii. The proposal provides a good match between siting needs of the uses and the characteristics of the selected site.
- iv. There are no foreseeable issues with providing the property and proposal with necessary public facilities and services.
- c. **Land Supply.** The site or sites will not consume more industrial land for non-industrial uses than was identified as surplus in the City's most recent buildable lands inventory or other more recent information about development that has occurred since the inventory was conducted.
- d. **Site Design, Development, and Operation.** The proposed master plan satisfies the following requirements, or can be made to satisfy the following requirements through conditions of approval.
  - 1. Consistency with applicable development standards, and sufficient justification for any development standards modified as part of the proposed master plan.
  - 2. Compatibility of the uses and site design with existing surrounding uses.
  - 3. Prevention or mitigation of potential conflicts between proposed uses, existing surrounding uses, and uses which are permitted on surrounding properties.
  - 4. Safe on-site and off-site circulation
  - 5. Measures to provide for a safe and suitable living environment for residents.

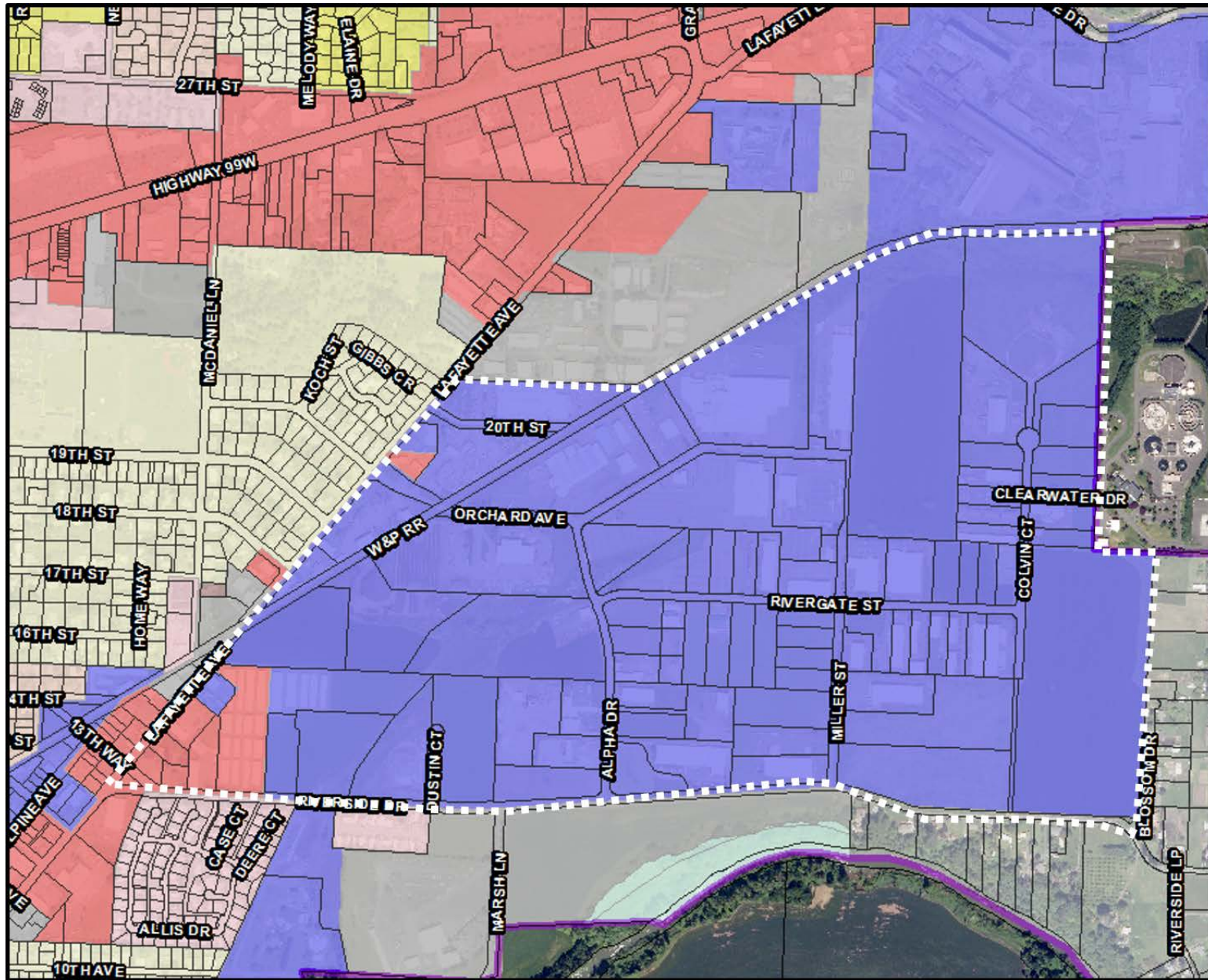
**17.49.170. Expiration.** If the applicant has not commenced construction within 12 months of Floating Zone designation, the designation shall expire, and revert to the prior zoning. The applicant may request a 12-month extension prior to expiration.

**17.49.180. Removal of Floating Zone Designation.** After a use and development authorized by the floating zone has ceased, the property owner may submit a written request to remove the Floating Zone designation from the property. No further action is required to remove the floating zone designation.

The Director shall maintain a record of properties with the floating zone designation and those with the floating zone designation that have been removed.

Upon removal of the floating zone designation, the City Council may choose to authorize a new RFP selection process whereby another property can apply for floating zone designation, subject to the maximum number of authorized pilot projects.

EXHIBIT 1. INNOVATIVE HOUSING PILOT PROJECT FLOATING ZONE





*A collaborative and caring city inspiring an exceptional quality of life.*

**PLANNING DEPARTMENT**, 231 NE Fifth Street, McMinnville, Oregon 97128  
[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

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June 7, 2019

**RE: Docket G 3-19: Zoning Ordinance Amendment to Create Provisions for an Innovative Housing Pilot Project Floating Zone**

Dear Property Owner:

Attached you will find a public hearing notice for the June 27 Planning Commission public hearing to consider an amendment to the McMinnville Zoning Ordinance to establish an "Innovative Housing Pilot Project Floating Zone."

This "Innovative Housing Pilot Project Floating Zone" is an effort to help establish up to two housing pilot projects that will hopefully address some of the housing challenges that the community is facing. The premise is fairly simple. The zone will "float" over an area of town and would only be applied to a property within that eligibility area if requested by a property owner through an application process, if the request is found to meet the requirements.

The city will issue a Request for Proposals to solicit projects that will house some of our lowest income residents and provide vocational training so that the clients can achieve permanent housing and employment.

The program is crafted deliberately as a land-use zone and a competitive RFP process so that the community can control the outcomes in terms of design and development standards, and operational and management oversight. This is an effort that is coming out of the McMinnville Affordable Housing Task Force after about 12 months of evaluation and discussion.

We are sending this to you as a courtesy because we want you to be fully informed about the dialogue so that you can participate if you choose to do so. The eligibility area being considered for the floating zone is the industrial area shown on the enclosed map and includes your property. This area was chosen because we are hopeful that the proximity to industry will inform the vocational training and establish some partnerships in our business community with this project.

This is a legislative action of the City of McMinnville and would be a final decision of the McMinnville City Council. The City of McMinnville is interested in your input. This is intended to be a community discussion to see if this something that the community wants to see move forward. Below is a summary of how the program would work.

Letter Re: G 3-19  
Date: June 7, 2019

Page 2

The current proposal to amend the zoning ordinance would create provisions for a new “Floating Zone” in the zoning ordinance and identify the eligibility area. A property owner with property in the eligibility area could apply to have the Floating Zone designation applied to a property if first selected through the specified RFP process.

The process would first require a property owner to submit a proposal in response to an RFP advertised by the City. If selected through the RFP process, the property owner could then apply through the land use process to have the floating zone designation applied to the property. A maximum of two properties/proposals would be selected through the RFP process to be eligible to apply for the floating zone designation and development plan approval through the land use process.

The current proposal to amend the Zoning Ordinance would **NOT** rezone properties within the eligibility area. The new provisions would not apply to any property if/until a property owner/applicant within the eligibility area applied for and successfully met the criteria to have the designation applied to their property, and that would occur through a future land use application with public notice and public hearings. That application would also need to concurrently include a specific plan for the property. The property owner/applicant would need to demonstrate they meet the new ordinance requirements in order to obtain the approval.

You can find additional information about the purpose, intent, and details on the City website. Materials will soon be posted at the link below, or we can email or mail you a copy of the materials.

<https://www.mcminnvilleoregon.gov/planning/page/comprehensive-plan-goals-policies-andor-zoning-ordinance-text-amendments>

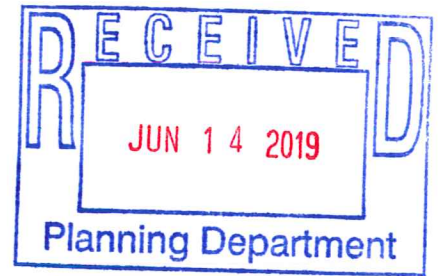
Please let us know if you would like a copy of the materials, if you have any questions, or if you would like additional information. You can reach me at (503) 474-5108 or [tom.schauer@mcminnvilleoregon.gov](mailto:tom.schauer@mcminnvilleoregon.gov).

Sincerely,

Tom Schauer  
Senior Planner

Enc.

**Joseph J. Cassin**  
2746 NE 17<sup>th</sup> Avenue  
Portland, Oregon 97212  
(503) 781-3223



June 14, 2019

Chair Roger Hall  
Planning Commission Members  
McMinnville City Hall  
230 NE 2<sup>nd</sup> Street  
McMinnville, Oregon 97128

**Re: Proposed Floating Zone Ordinance/Written Comment**

Dear Chairman Hall and Members of the Planning Commission,  
My name is Joe Cassin, and I am the owner of Alpha Drive, LLC, which owns Tax Lot R4415-2523. A map showing the location of my undeveloped industrially zoned property is attached to this letter. I have been informally approached by the owner of Tax Lot R4415-2407 regarding the possible construction of low or moderate income housing on such industrially zoned land in conjunction with the Floating Zone proposal presently before the Commission.

While I am in favor of promoting low and moderate income residential properties within the city, if such development is to occur on land presently zoned for industrial uses, such development must not limit the scope of allowable industrial uses which are presently permitted outright or conditionally permitted under the current established industrial zone.

The effect of proposed Section 17.49.140 (11) of proposed Chapter 17.49 is to subject existing and future permitted industrial uses to significant limitation or curtailment in the event a new Floating Zone residential project is sited adjacent or nearby to the existing industrial sites. This is an unacceptable "down zoning" of existing industrial parcels and is both unfair to existing property owners who relied on the existing zoning when they purchased their properties and a serious limitation on future industrial development within the city.

I believe strongly that if an inconsistent residential use is to be introduced into an industrial zone, the party developing the non-industrial use should be the party responsible for and subject to on-site mitigation measures to minimize conflicts with existing abutting and nearby industrial property owners. If buffering is needed, the buffering needs to occur wholly on the property creating the conflict by introducing a non-industrial use.

Chair Roger Hall, Letter  
June 14, 2019  
Page 2

Moreover, just as farmers are protected by Right to Farm statutes, if the city desires to create a non-industrial overlay zone to permit residential uses in an industrial zone, such a zone must include protection of the existing and future industrial uses that the industrial zone was created to allow. To do otherwise will severely hamper the potential development and marketability of existing and available industrial land within the city. Instead of being a naysayer, I can support the creation of a Floating Zone concept if it incorporates adequate protection for existing and future industrial uses. Accordingly, I have attached to this letter suggested revisions to the proposed Floating Zone Ordinance Chapter 17.49 to incorporate protections for existing property owners who own land zoned for industrial uses. I request that the Commission give favorable consideration to adoption of such revisions.

Finally, if the shoe were on the other foot, and the city was desperate for additional industrial development, and if the proposal were made for a Floating Zone to allow industrial development within land zoned for residential use, I am very confident that the Commission would be incorporating strict safeguards to ensure that such industrial development would be fully responsible for all of the measures needed to protect adjacent residential uses.

I appreciate the opportunity to present this written comment and your consideration of the revisions I have proposed to resolve the concerns noted.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Joe Cassin". The signature is fluid and cursive, with a large loop at the end.

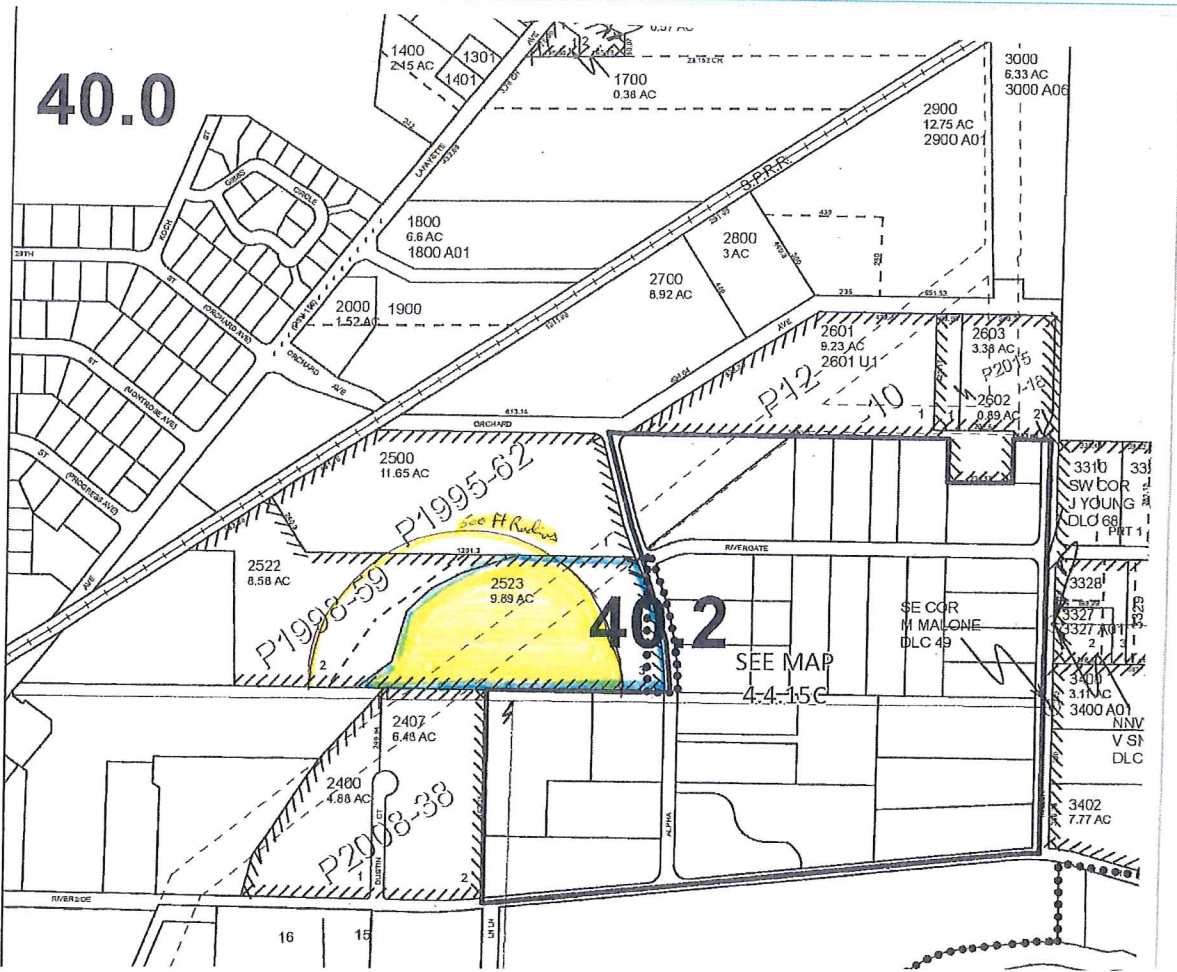
Joe Cassin, Member  
Alpha Drive, LLC

Attachments:

Revisions to Proposed MCM 17.49  
Map



40.0



40.2

SEE MAP  
4-4-15C

16

15

3310 331  
SW COR  
J YOUNG  
DLC 68  
PART 1

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EXHIBIT A TO ORDINANCE NO. XXXX

CHAPTER 17.49

INNOVATIVE HOUSING PILOT PROJECT FLOATING ZONE

**17.49.100. Need, Purpose, and Intent.**

**1. Need.**

- a. Availability of housing affordable to residents across the income spectrum is a critical issue in McMinnville, with especially critical needs for the lowest income residents and special need populations.
- b. The floating zone authorizes uses, or a combination of uses, that may not typically be a standard land use under conventional zoning.
- c. It is important to provide opportunities for innovation and regulatory opportunities to respond to critical short-term needs while working on long-term solutions to address needs and overcome barriers.

**2. Purpose & Intent.**

- a. To provide regulatory flexibility within compatibility parameters to address emergency and transitional housing needs on a short-term basis through provision of housing that is intended to be temporary in nature as additional longer-term housing needs are addressed.
- b. To authorize a limited number of innovative pilot projects to (a) meet a special need to serve the community at large, or (b) demonstrate an effective and innovative solution that could be considered for broader, more widespread replicability and adoption to address critical needs.
- c. To address needs in a way that addresses externalities and health and safety issues which can be presented by unmanaged living situations.
- d. To accomplish the foregoing purposes without materially effecting the use of adjacent and nearby property in the NE Industria Area zoned for permitted or conditionally permitted industrial purposes.

**17.49.110. Applicability.** Properties within the Floating Zone boundary will be eligible to apply to have the Floating Zone designation applied to the property. The Floating Zone boundary is shown in *Exhibit 1*.

If the City has established an RFP process for selection of eligible pilot projects, only those projects selected through the RFP process are eligible to apply for the floating zone designation, which may be concurrent with the approval of the plans for the pilot project. If specified through an RFP process, the application for the floating zone designation and pilot project master plan approval shall be submitted within the timeframe specified in the RFP selection process.

**17.49.120. Number of Pilot Projects Authorized by Floating Zone.** The City Council will specify the maximum number of pilot projects which may initially be selected and authorized to apply for the Floating Zone designation.

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**17.49.130. Authorized Uses.** The Floating Zone shall allow uses which may include, but shall not be limited, to the following:

1. **Primary Uses.** As part of an approved master plan, the following uses may be permitted outright alone or in conjunction with other primary uses or secondary uses:
  - a. Temporary emergency housing affordable to persons earning at or below 60% AMI, including development types such as cottage housing clusters, tiny home villages, and mobile homes, whether there are multiple structures on the same lot or individual structures on distinct lots;
  - b. Temporary transitional housing;
  - c. Transitional housing accommodations governed by ORS 446.265, on not more than two parcels within the UGB, which the City may require be duration-limited through the decision-making process;
  - d. Emergency shelter;
  - e. Consistent with the Need, Purpose, and Intent of this Chapter: other forms of shelter, or short-term temporary housing intended to meet the needs of persons experiencing homelessness, earning at or below 60% AMI, or in need of transitional housing together with supportive services to *move* to self-sufficiency.
2. **Secondary Uses.** As part of an approved master plan, the following uses may be permitted, but only when in conjunction with one or more primary uses on a site or contiguous sites:
  - a. Support services provided for residents of the site, such as health services, personal counseling, food bank, food service, self-sufficiency and job skills training and coaching; which may also be offered to persons who do not reside on-site, if offered to on-site residents.
  - b. Services for direct use by residents of the site such as cooking, bathing, laundry, personal storage; which may also be offered to persons who do not reside on-site, if offered to on-site residents.

**17.49.140. Development Standards.**

1. **Minimum Lot Size.** Minimum lot size shall be one-half acre.
2. **Yard Requirements.** No yard shall be less than 20 feet.
3. **Maximum Height & Number of Stories.** Structures shall not exceed two stories, and shall not exceed 35 feet in height.
4. **Density.** Density shall not exceed 18 units per acre. If sleeping facilities are provided independent of shared common cooking and bathing facilities, each independent sleeping facility will be considered a separate dwelling unit for purposes of calculating density.
5. **Parking.** Parking shall be provided as specified in Chapter 17.60 of the Zoning Ordinance. In the event a proposed use is not listed in Chapter 17.60, the required number shall be determined in accordance with Section 17.60.090 for the most

comparable use and/or other commonly accepted data sources for parking generation. Parking shall not be permitted within any required yard.

6. **Fencing.** The property shall be fenced at interior lot lines abutting other properties. Chain link slats shall not be used.
7. **Landscaping and Screening.** In addition to the landscaping requirements of Chapter 17.57, the following landscaping requirements shall apply to the landscape plan:
  - a. A minimum of 10% of the site shall be landscaped. Additional landscaping may be required for certain uses such as central common areas for cottage clusters.
  - b. Interior yards shall be landscaped, which may include berming, to provide year-round screening between properties.
8. **Signs.** One monument sign shall be permitted, not to exceed six (6) feet in height and forty-eight (48) square feet in area. The sign shall be non-illuminated or indirectly illuminated.
9. **General Provisions.** Other applicable development standards of the Zoning Ordinance shall be applicable to the property.
10. **Use Limitations.** No outside storage shall be permitted, except within a securable, screened enclosure.
11. **Effect on Ordinance 4135.** Section (5)(d) of the Northeast Industrial Area Planned Development Overlay (Ordinance 4135) specifies certain use restrictions within 500 feet of a residentially designated area or any area in residential use. For purposes of applying that Section to surrounding industrial properties, that requirement ~~shall may~~ be waived with regard to uses permitted by the Floating Zone ~~or reduced when the master plan for the property with the Floating Zone designation includes site-specific mitigation and/or on-site buffering to prevent conflicts with specified uses, and upon a finding that the use on the surrounding property doesn't pose a hazard to the use of the property with the Floating Zone designation.~~
12. **Effect on Yard Requirements for Abutting Properties.** Where the zoning of adjacent properties specifies increased yard requirements when adjacent to a residential zone, the, additional yard requirements can be fully or partially addressed on the property with the Floating Zone designation rather than the adjacent property if specified by the applicant as part of the master plan, and may be measured to buildings to be occupied for shelter or residential use.

### 13. Protection of Industrial Activities.

- a. Any City of McMinnville ordinance or regulation now in effect or subsequently adopted that permits residential or other development in a Floating Zone which makes any otherwise lawful industrial operation a nuisance or trespass within an industrial zone, or provides for its abatement as a nuisance or trespass is invalid with respect to that industrial practice.
- b. Normal and accepted industrial practices, including but not limited to industrial noises, odors and hours of operation on lands zoned for industrial use shall not give rise to any private right of action or claim for relief under city ordinances based on nuisance or trespass upon residential improvements located within such zone. This section shall not apply to a right of action or claim for relief for damage to personal

property or for death or serious physical injury as defined in ORS 161.015. This section applies regardless of whether the industrial practice is newly established or has undergone any change or interruption.

- c. Any lease for residential or other use of improvements located within an industrial zone that were approved pursuant to a Floating Zone overlay, shall disclose in bold print the existence of this Section protecting industrial activities within such industrial zone.
- d. The City of McMinnville is not required to investigate complaints if the city has reason to believe that the complaint is based on practices protected by this subsection.

**17.49.160. Floating Zone Designation/Land Use Review Process.** Within six (6) months of selection as an eligible pilot project through an RFP process, the property owner and applicant shall apply to have the Floating Zone designation applied to the property. The application shall be accompanied by a master plan, including a site plan and a project narrative with description of operating characteristics, consistent with the approved pilot project concept. The Floating Zone designation will be applied to the property on the official zoning map, and the master plan and conditions of approval will guide the development and use of the property.

**1. Procedure.** The proposed designation will follow the procedures for a quasi-judicial Zoning Map amendment. Prior to submittal of the application, the applicant shall conduct a neighborhood meeting as specified in the Zoning Ordinance.

**2. Submittal Requirements.**

- a. **Application.** Complete application on forms provided by the Director, signed by the property owner and applicant.
- b. **Narrative.** Narrative addressing Floating Zone Designation Criteria and Master Plan Review Criteria in Section (3).
- c. **Site Plan.** Site Plan drawn to a standard scale, showing existing conditions, natural features, and proposed improvements.
- d. **Use, Operations, and Management Plan.** Provide a description of proposed uses, proposal for preventing, minimizing, and responding to any potential conflicts that may arise. For temporary uses, provide a description of the expected duration and criteria used to determine when the use will cease operation, the proposed closure plan, and plan for removing improvements to ready the site for a return to other uses.
- e. **Capacity Analysis.** If deemed necessary, the City may require analysis of public facility capacity to support the proposed use or uses, especially if they have demand and use characteristics substantially greater than uses permitted by the underlying zone.
- f. **Landscape Plan.** The applicant shall submit a landscape plan for review by the Landscape Review Committee. This may be submitted concurrent with, or after the application for the floating zone designation and master plan approval.

**3. Criteria.** The Floating Zoning designation may be applied to a property upon findings of compliance with all of the following criteria:

**a. General.**

- i. The proposal is consistent with the Need, Purpose, and Intent of this Chapter.
- ii. The pilot project will serve a population or populations which are underserved and have critical needs.

**b. Site Selection & Locational Criteria.**

- i. The pilot project site selection is within the Floating Zone eligibility boundary
- ii. The uses and development proposal are compatible with surrounding use and development and future uses and incorporate elements and practices to mitigate potential issues.

EXHIBIT 1. INNOVATIVE HOUSING PILOT PROJECT FLOATING ZONE

