

City of Grants Pass

February 29, 2015

Doug Carlson, Director
Community Planning and Development
HUD – Oregon State Office
1220 SW Third Avenue, Suite 400
Portland, OR 97204-2830



RE: City of Grants Pass Analysis of Barriers to Affordable Housing

Dear Mr. Carlson:

As specified in **24 CFR 91.25(h)**, Section SP-55 of the Consolidated Plan requires identification of negative effects of public policies that serve as barriers to affordable housing and a strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing.

24 CFR 91.25(h). Barriers to affordable housing. The consolidated plan must describe the jurisdiction's strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing, as identified in accordance with § 91.210(e), except that, if a State requires a unit of general local government to submit a regulatory barrier assessment that is substantially equivalent to the information required under this paragraph (h), as determined by HUD, the unit of general local government may submit its assessment submitted to the State to HUD and shall be considered to have complied with this requirement.

HUD authorized the City to defer completion of Section SP-55, and complete the Analysis of Barriers to Affordable Housing as a task in the year one Action Plan. Any identified actions to address the barriers would be undertaken in program years two through five of the City's Consolidated Plan.

I have reviewed these requirements, the guidance provided in the HUD publication, "*Why Not in Our Community?: Removing barriers to Affordable Housing*," and the Affordable Housing Plans of several communities, which includes sections addressing regulatory barriers. After reviewing these items, I believe we have already undertaken an assessment that is substantially equivalent to the information required under paragraph (h), and also taken actions to ameliorate the negative effects. Accordingly, I am submitting this letter and the attached documentation for your determination as specified in paragraph (h). The most common barriers discussed in the HUD publication and the Affordable Housing Plans of other communities were addressed in the analysis and actions recently adopted by the City of Grants Pass and acknowledged by the Oregon Department of Land Conservation and Development through an extensive public process.

While Form HUD-27300, the *Questionnaire for HUD's Initiative on Removal of Regulatory Barriers*, appears to have expired on November 30, 2014 and is no longer mandatory, it provides a useful tool for the assessment, and I am attaching it together with the documentation from our previous assessment and actions. I haven't found any specific requirements or other guidance for the format, content, or process.

Doug Carlson
February 29, 2016
Page 2 of 2

Please let me know if you concur and determine this submittal complies with the requirement of 24 CFR 91.25(h) for completion of Section SP-55 of the Consolidated Plan.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Schauer', with a long horizontal flourish extending to the right.

Tom Schauer, AICP
Senior Planner

enc. Form HUD-27300 and attachments
cc: Jason Triplett, CPD Representative, US Department of Housing & Urban Development

Public reporting burden for this collection of information is estimated to average 3 hours. This includes the time for collecting, reviewing, and reporting the data. The information will be used to encourage applicants to pursue and promote efforts to remove regulatory barriers to affordable housing. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Questionnaire for HUD’s Initiative on Removal of Regulatory Barriers

Part A. Local Jurisdictions. Counties Exercising Land Use and Building Regulatory Authority and Other Applicants Applying for Projects Located in such Jurisdictions or Counties
[Collectively, Jurisdiction]

	1	2
<p>1. Does your jurisdiction's comprehensive plan (or in the case of a tribe or TDHE, a local Indian Housing Plan) include a “housing element? A local comprehensive plan means the adopted official statement of a legislative body of a local government that sets forth (in words, maps, illustrations, and/or tables) goals, policies, and guidelines intended to direct the present and future physical, social, and economic development that occurs within its planning jurisdiction and that includes a unified physical plan for the public development of land and water. If your jurisdiction does not have a local comprehensive plan with a “housing element,” please enter no. If no, skip to question # 4.</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>2. If your jurisdiction has a comprehensive plan with a housing element, does the plan provide estimates of current and anticipated housing needs, taking into account the anticipated growth of the region, for existing and future residents, including low, moderate and middle income families, for at least the next five years?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>3. Does your zoning ordinance and map, development and subdivision regulations or other land use controls conform to the jurisdiction's comprehensive plan regarding housing needs by providing: a) sufficient land use and density categories (multifamily housing, duplexes, small lot homes and other similar elements); and, b) sufficient land zoned or mapped “as of right” in these categories, that can permit the building of affordable housing addressing the needs identified in the plan? (For purposes of this notice, "as-of-right," as applied to zoning, means uses and development standards that are determined in advance and specifically authorized by the zoning ordinance. The ordinance is largely self-enforcing because little or no discretion occurs in its administration.). If the jurisdiction has chosen not to have either zoning, or other development controls that have varying standards based upon districts or zones, the applicant may also enter yes.</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>4. Does your jurisdiction’s zoning ordinance set minimum building size requirements that exceed the local housing or health code or is otherwise not based upon explicit health standards?</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<p>5. If your jurisdiction has development impact fees, are the fees specified and calculated under local or state statutory criteria? If no, skip to question #7. Alternatively, if your jurisdiction does not have impact fees, you may enter yes.</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>6. If yes to question #5, does the statute provide criteria that sets standards for the allowable type of capital investments that have a direct relationship between the fee and the development (nexus), and a method for fee calculation?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>7. If your jurisdiction has impact or other significant fees, does the jurisdiction provide waivers of these fees for affordable housing?</p>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
<p>8. Has your jurisdiction adopted specific building code language regarding housing rehabilitation that encourages such rehabilitation through gradated regulatory requirements applicable as different levels of work are performed in existing buildings? Such code language increases regulatory requirements (the additional improvements required as a matter of regulatory policy) in proportion to the extent of rehabilitation that an owner/developer chooses to do on a voluntary basis. For further information see HUD publication: “<i>Smart Codes in Your Community: A Guide to Building Rehabilitation Codes</i>” (www.huduser.org/publications/destech/smartcodes.html)</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <i>(state code)</i>
<p>9. Does your jurisdiction use a recent version (i.e. published within the last 5 years or, if no recent version has been published, the last version published) of one of the nationally recognized model building codes (i.e. the International Code Council (ICC), the Building Officials and Code Administrators International (BOCA), the Southern Building Code Congress International (SBCI), the International Conference of Building Officials (ICBO), the National Fire Protection Association (NFPA)) without significant technical amendment or modification. In the case of a tribe or TDHE, has a recent version of one of the model building codes as described above been adopted or, alternatively, has the tribe or TDHE adopted a building code that is substantially equivalent to one or more of the recognized model building codes?</p> <p>Alternatively, if a significant technical amendment has been made to the above model codes, can the jurisdiction supply supporting data that the amendments do not negatively impact affordability.</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>10. Does your jurisdiction’s zoning ordinance or land use regulations permit manufactured (HUD-Code) housing “as of right” in all residential districts and zoning classifications in which similar site-built housing is permitted, subject to design, density, building size, foundation requirements, and other similar requirements applicable to other housing that will be deemed realty, irrespective of the method of production?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes

<p>11. Within the past five years, has a jurisdiction official (i.e., chief executive, mayor, county chairman, city manager, administrator, or a tribally recognized official, etc.), the local legislative body, or planning commission, directly, or in partnership with major private or public stakeholders, convened or funded comprehensive studies, commissions, or hearings, or has the jurisdiction established a formal ongoing process, to review the rules, regulations, development standards, and processes of the jurisdiction to assess their impact on the supply of affordable housing?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>12. Within the past five years, has the jurisdiction initiated major regulatory reforms either as a result of the above study or as a result of information identified in the barrier component of the jurisdiction's "HUD Consolidated Plan?" If yes, attach a brief list of these major regulatory reforms.</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>13. Within the past five years has your jurisdiction modified infrastructure standards and/or authorized the use of new infrastructure technologies (e.g. water, sewer, street width) to significantly reduce the cost of housing?</p>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
<p>14. Does your jurisdiction give "as-of-right" density bonuses sufficient to offset the cost of building below market units as an incentive for any market rate residential development that includes a portion of affordable housing? (As applied to density bonuses, "as of right" means a density bonus granted for a fixed percentage or number of additional market rate dwelling units in exchange for the provision of a fixed number or percentage of affordable dwelling units and without the use of discretion in determining the number of additional market rate units.)</p>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
<p>15. Has your jurisdiction established a single, consolidated permit application process for housing development that includes building, zoning, engineering, environmental, and related permits? Alternatively, does your jurisdiction conduct concurrent, not sequential, reviews for all required permits and approvals?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>16. Does your jurisdiction provide for expedited or "fast track" permitting and approvals for all affordable housing projects in your community?</p>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
<p>17. Has your jurisdiction established time limits for government review and approval or disapproval of development permits in which failure to act, after the application is deemed complete, by the government within the designated time period, results in automatic approval?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>18. Does your jurisdiction allow "accessory apartments" either as: a) a special exception or conditional use in all single-family residential zones or, b) "as of right" in a majority of residential districts otherwise zoned for single-family housing?</p>	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
<p>19. Does your jurisdiction have an explicit policy that adjusts or waives existing parking requirements for all affordable housing developments?</p>	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes
<p>20. Does your jurisdiction require affordable housing projects to undergo public review or special hearings when the project is otherwise in full compliance with the zoning ordinance and other development regulations?</p>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<p>Total Points:</p>		

**City of Grants Pass
Analysis of Barriers to Affordable Housing
Background Information**

BACKGROUND:

The City of Grants Pass has at various times identified barriers to affordable housing and taken actions to ameliorate the negative effects of those barriers.

In 2014, the City adopted amendments to its Comprehensive Plan and land use regulations, expanded its urban growth boundary, and established urban reserves. This adoption was the culmination of a comprehensive, multi-year public planning process to assess and address the City's long-term needs. The adopted work products were acknowledged by the Oregon Department of Land Conservation and Development in 2015.

In 2014, the City of Grants Pass adopted amendments to its Comprehensive Plan and Development Code to:

- Adopt an updated population forecast.
- Assess residential, commercial, industrial, and other land needs for the next 30 years, based on trends and forecasts of needs of the forecast population and economy.
- Plan for how to meet these needs, including residential lands to provide opportunities for needed housing units at different price levels and rent levels, with opportunities for a variety of housing locations, types, and densities.
- Amend the Urban Growth Boundary and establish Urban Reserves to provide a land supply to meet growth needs for the next 20 years in the UGB and 10 additional years in the Urban Reserves.
- Amend the Comprehensive Plan and Development Code (development standards) to ensure an adequate supply of lands and development standards to provide opportunities for needed housing units at different price levels and rent levels, with opportunities for a variety of housing locations, types, and densities.

Analyses of existing measures and new measures to address housing needs were adopted as part of the City's Urbanization Element of the Comprehensive Plan, initially adopted in 2009 and updated in 2012 and 2014. The analysis and policies were adopted as part of the Urbanization Element, and those were implemented through planning, zoning, and code amendments in 2014.

Through this work, the City identified public policies that posed barriers to affordable housing, and adopted plan and code amendments to ameliorate negative effects of public policies that served as barriers to affordable housing.

This background information summarizes measures that were previously adopted, measures which were adopted in 2014, and measures that were identified and/or taken since that time. This background information also summarizes issues discussed in form HUD-27300 *Questionnaire for HUD's Initiative on Removal of Regulatory Barriers*.

Some of these measures also addressed fair housing, but this background information focuses specifically on affordable housing.

Previously Existing (Prior to 2014)

Consistent with state law and related case law, the city:

- Permits manufactured housing on lots where site-build single-family homes are permitted.
- Has clear and objective standards for review of residential development (‘needed housing’ as defined in state law). Note: case law regarding state law indicates that review of some development subject to clear and objective standards still involves discretion and must be subject to a quasi-judicial proceeding, rather than only ministerial issuance of a permit.
- Has inclusive provisions permitting for ‘residential homes’ and ‘residential facilities’ as provided in ORS 197, and further, has more inclusive provisions addressing case law pertaining to provisions of ORS 197 that distinguished between ‘residential homes’ and ‘residential facilities’ based on the number of residents. (This was further updated in 2014).
- Has timelines for issuing land use decisions within 120 days of submittal of a complete application, including resolution of all local appeals. Most land use decisions are issued far sooner than the 120-day deadline.

Prior to 2014, the city also:

- Established a Vertical Housing Development Zone that qualifies properties for state property tax exemptions for upper-story residential development. This state program was to sunset in 2015, but was renewed for an additional 10 years. The city submitted a letter in support of the renewal legislation.
- Adopted standards allowing private streets for smaller developments, reducing costs and allowing greater efficiency of land.
- Adopted options for ‘skinny street’ standards, reducing costs and allowing greater efficiency of land.
- Established a building renovation program for downtown buildings. The initial program provided design grants and construction loans. The program was revised to also include a construction grant program for seismic retrofitting and fire-safety improvements such as fire sprinklers and exiting. For example, this program can be used to convert upper-story space for residential use.
- Permits residential development as a ‘permitted use’ in zones where residential use is permitted, rather than a conditional use. Further flexibility is available through a Planned Unit Development (PUD process), while the certainty always remains available through the standard review process.
- Established standards for replacement of a nonconforming building destroyed by calamity without requiring all site nonconformity to be brought up to current standards.
- Does not have a separate review process or different/more-stringent zoning requirements for ‘government housing’ than other housing.
- Has a coordinated review process and internal communication protocols and decision-making for land use applications.
- For transportation SDCs, the City has a lower trip generation rate per unit for multi-family housing, based on the ITE Trip Generation Manual. (Approximately 6 trips per unit for multi-family units vs. approximately 10 trips per unit for single-family detached units). Each trip is calculated by a dollar multiplier to determine SDCs.
- Provides SDC credits for development previously existing on a site.

- Adopted a limited relief policy for the Deferred Development Agreement requirements which are intended to ensure adequate public facilities at time of development or as part of future public projects while protecting homeowners from unforeseen costs of deferred improvements.

Temporary Measures

- As a matter of policy, the City Council has chosen to charge less than the full transportation SDC rate authorized by the SDC methodology. The discount rate has varied at different times based on economic conditions and considerations. Transportation SDCs were fully discounted to \$0 for a period of time.
- The City previously extended the deadline for expiration of land use decisions including subdivisions that would have expired during the downturn in the economy. This reduced time, cost, and uncertainty that would have occurred if these developments expired and required new land use approvals.

Adopted in or After 2014

- Through a combination of measures, planned for increase in overall average residential density for new development.
- Increased the mix of higher-density zoned lands needed to meet housing needs.
- Upzoned lower-density residential lands to meet identified needs for additional lands with higher-density zoning and added additional lands in expansion areas with mix of zoning for variety of housing types and densities.
- Planned/zoned land use in consideration of proximity to services, shopping, employment, and transit.
- Adopted a land use plan and zoning which provides opportunities for a variety and mix of uses, housing types, densities, and price ranges throughout the community.
- Adopted Cottage Housing standards with provisions which allow for an automatic density bonus for development type that provides smaller homes, open space, and reduced bulk and lot coverage.
- Adopted Accessory Dwelling Unit provisions. These allow opportunities for infill development and dispersal rather than concentration of units, allowing flexibility for additional affordable rental opportunities, extended family living situations, and/or supplemental income for homeowners.
- Adopted a 20% small lot allowance in lower-density zones, allowing mix of housing and additional residential units in lower-density zones.
- Adopted lot size averaging and clustering provisions allowing for more efficient use of difficult sites and infill development and more usable lot configurations.
- Further addressed and codified new case law to be more inclusive regarding 'residential homes' and 'residential facilities.'
- Adopted standards allowing upper-story residential up to four units in Neighborhood Commercial zones, where residential use was previously not permitted.
- Provided greater parity between lot sizes/density for single-family attached housing (ownership option). For example, it was previously possible to have a duplex at higher density than two single-family attached units due to lot size provisions of zone. This amendment reduced the minimum lot size for attached housing to allow those ownership units to be built at the same density as a duplex.

- Adopted new provisions with clear and objective standards for single-family attached housing.
- Reduced minimum lot sizes for most zoning districts.
- Increased maximum allowed density in some zones and created new zones that allow higher density.
- Reduced off-street parking requirements and provided credit for counting on-street parking along the property frontage toward minimum requirements.
- Allowed greater flexibility for home occupations and allowed more home occupation types to be approved administratively without quasi-judicial land use review, reducing time and fees.
- Streamlined subdivision final plat process to reduce time and cost for review.
- Ensured lands in new higher density residential zones can't be developed with exclusively lower density single-family subdivisions/developments.
- Ensured lands in new higher density residential zones which also allow office uses can't be used/consumed exclusively for office uses.
- Ensured lands in new commercial zones that also permit residential uses aren't consumed exclusively by residential uses, while clarifying provisions that allow for residential as part of mixed use.
- Established land use patterns intended to help reduce transportation related costs (home to work distance and trips, home to shopping distance and trips, etc.) and provide access to transit.

Policies Identified but Not Yet Implemented

- Adopted policy to evaluate SDC methodology to consider not only trip generation and square footage/use, but also building footprint and associated implications for frontage/footage of required streets, sewer line, water lines, etc. so SDCs could be lower for buildings of the same size that have a more compact development footprint and require less land and public infrastructure.

Building Code

- The City of Grants Pass has adopted the latest 2014 Oregon Residential Specialty Code, which is based on the 2012 International Residential Code.

Other

- The Building Division has developed some pre-approved plans that reduce costs such as an engineer's fee to stamp simple, common buildings such as garages.

State Limitations

- State law included a prohibition on inclusionary zoning. A repeal of this prohibition was signed into law in 2016, and may provide additional opportunities for local actions to reduce barriers to affordable housing.

CONCLUSIONS:

As a result of actions over the years, and as part of a comprehensive long-term review of residential needs, the city has conducted analysis of barriers to affordable housing and taken actions to ameliorate the negative effects of those barriers. We believe the analysis was substantially equivalent to the information required under paragraph 24 CFR 91.25(h). We

further believe the City of Grants Pass has taken actions to ameliorate the negative effects of those barriers. The analysis and actions appear to be at least as comprehensive, if not more so, than the identification of regulatory barriers identified in the applicable sections of many of the Affordable Housing Action Plans reviewed in preparation for this analysis. Further, the analysis and actions appear to address common barriers identified in HUD's publication "*Why Not in Our Community?: Removing Barriers to Affordable Housing.*"

With the above documentation and with the completion and submittal of Form HUD-27300, the *Questionnaire for HUD's Initiative on Removal of Regulatory Barriers*, we believe recent work has substantially identified regulatory barriers to affordable housing and substantially ameliorated the negative effects of those public policies.

We respectfully request that HUD make the determination described in 24 CFR 91.25(h) that the assessment and actions described herein are substantially equivalent to the information required under paragraph (h), and that the City shall be considered to have complied with the requirement of paragraph (h).

Should HUD need a copy of the enacting ordinances that adopted the policies or implementing measures adopted in 2014, and acknowledged by the Oregon Department of Land Conservation and Development, we would be happy to provide that additional documentation.

Further, with the recent change in state law regarding inclusionary zoning and through consideration of additional public policies, in its next round of analysis, the City may also wish to identify additional policies with the potential to further incentivize affordable housing.

Tom Schauer

From: Triplett, Jason T <Jason.T.Triplett@hud.gov>
Sent: Wednesday, March 09, 2016 12:39 PM
To: Tom Schauer
Cc: Carlson, Doug; Scott Lindberg; Anne Ingalls; Lora Glover
Subject: RE: Analysis of Regulatory Barriers to Affordable Housing

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Tom,

As we had discussed over the phone, the City looks to have completed satisfactorily what it had pledged to provide in SP-55 of its Con Plan. If anything else is needed, please let me know. Thanks!

From: Tom Schauer [mailto:tschauer@grantspassoregon.gov]
Sent: Thursday, March 03, 2016 5:42 PM
To: Triplett, Jason T
Cc: Carlson, Doug; Scott Lindberg; Anne Ingalls; Lora Glover
Subject: RE: Analysis of Regulatory Barriers to Affordable Housing

Jason,

I wanted to follow up on our telephone conversation earlier today regarding Project #2 in the City's Year 1 Action Plan, the Analysis of Regulatory Barriers to Affordable Housing.

It is my understanding that HUD will be providing a determination via e-mail or letter that the work previously completed by the City of Grants Pass and documented in the attached February 29, 2015 letter satisfies the requirement of 24 CFR 91.25(h) and Section SP-55 of the Consolidated Plan as 'substantially equivalent' to the information required by paragraph (h). Therefore, no further work is required by the City of Grants Pass on Project #2 in the Year One Action Plan, the Analysis of Regulatory Barriers to Affordable Housing.

Thank you for your assistance.

Sincerely,

Tom Schauer, AICP
Senior Planner
City of Grants Pass
101 NW 'A' Street
Grants Pass, OR 97526
tschauer@grantspassoregon.gov
(541) 450-6072 (direct)

Parks & Community Development Phone: (541) 450-6060
Parks & Community Development Fax: (541) 476-9218

From: Tom Schauer
Sent: Wednesday, March 02, 2016 3:28 PM
To: 'Triplett, Jason T'
Cc: Carlson, Doug (Doug.Carlson@hud.gov); Scott Lindberg; Anne Ingalls; Lora Glover
Subject: RE: Analysis of Regulatory Barriers to Affordable Housing