

**ASHLAND PLANNING COMMISSION
STUDY SESSION
August 24, 2021
AGENDA**

- I. **CALL TO ORDER:** 7:00 PM

- II. **ANNOUNCEMENTS**

- III. **PUBLIC FORUM**

- IV. **DISCUSSION ITEMS**
 - A. **Housing in C-1 and E-1 Zones**
 - B. **Discussion of Amendments to Chapter 18.5.8 Annexations**

- V. **ADJOURNMENT**

**CITY OF
ASHLAND**



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development office at 541-488-5305 (TTY phone is 1-800-735-2900). Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1).

Memo

DATE: August 24, 2021

TO: Ashland Planning Commission

FROM: Maria Harris, Planning Manager

RE: Housing in Employment Zones

Summary

This is a discussion item about a recommended option for land use code amendments to allow more housing in the employment zones. At the August 24, 2021 meeting, Fregonese and Associates will present a recap of the findings from the data analysis and a recommended option for land use code amendments.

Background

At the June 22 Planning Commission meeting, Fregonese and Associates presented the initial findings from an analysis of employment land consumption and job data. The Oregon Statewide Planning System requires all cities and counties in Oregon to address Statewide Planning Goal 9 Economic Development which requires cities and counties to provide an adequate land supply for economic development and employment growth.

The City Council initiated the project at the [March 16, 2021](#) business meeting. Specifically, the Council directed staff to work with the Planning Commission to evaluate the draft code language prepared by representatives of KDA Homes and propose amendments to the land use ordinance which would provide the flexibility to temporarily use the ground floor of commercial buildings for housing.

Laz Ayala and Mark Knox from KDA Homes introduced the issue to the Planning Commission at the study session meeting on [December 22, 2019](#). The KDA representatives suggested that there is a surplus of commercial space that could be used to provide housing units. The concerns raised included the decreased demand for commercial space due to ecommerce and the pandemic while housing demand continues to increase, particularly after the Almeda fire. The KDA representatives suggested amending the land use code to allow the temporary use of ground floor commercial space to be used for housing units and requiring the buildings to be constructed to commercial building code standards so the space could be converted in the future should demand for commercial space return.

Currently, at least 65 percent of the ground floor of buildings in the commercial (C-1) and employment (E-1) zones is required to be commercial and light industrial uses. The remaining 35 percent of the ground floor can be used for residential dwellings as well 100 percent of the upper stories in multi-story buildings. The exceptions are: 1) in the Transit Triangle (TT) overlay, a minimum of 35 percent of the ground floor is required to be used for commercial and light industrial uses and 2) in the commercial area of the North Mountain



Neighborhood District, the ground floor can be used entirely for housing but must be built to commercial building code standards so that the space can be converted to commercial uses in the future.

In 1992, the land use code was amended to eliminate entirely residential buildings as an allowed use in the C-1 and E-1 zones (Ord. 2688). The current standard of requiring 65 percent of the ground floor in commercial or light industrial uses was put in place at that time, as well as residential densities for each of the zones. Prior to 1992, residential buildings comprised entirely of housing units could be built in the C-1 and E-1 zones with the approval of a conditional use permit. The 1992 code update was in part due to concern about construction of residential buildings near the downtown and loss of future commercial space.

Project Goal and Objectives

Staff developed the following project goal and objectives to assist in evaluating code options. The project goals and objectives are based on City Council direction and adopted City policies. The City Council initiated the project at the [March 16, 2021](#) business meeting and directed staff to work with the Planning Commission to propose amendments to the land use ordinance which would provide the flexibility to temporarily use the ground floor of commercial buildings for housing. There are several adopted City of Ashland policies that support the project objectives including in the Housing, Economy and Transportation chapters of the Ashland Comprehensive Plan, the Housing Capacity Analysis (HCA), the Climate Energy and Action Plan (CEAP), and the Economic Development Strategy.

Project Goal: Provide more flexibility in the employment zones to respond to fluctuations and changes in the economy and demand for housing.

Project Objectives

- Maintain an inventory of employment parcels in a variety of sizes and locations to encourage new business development.
- Increase the supply of moderately-priced rental and for-purchase housing.
- Jumpstart redevelopment in areas that have trouble attracting projects and/or are in proximity to public transit and walking distance to daily service needs, such as groceries, shops, parks, etc.)

Next Steps

Staff recommends moving forward with the recommended code option and the Planning Commission reviewing draft amendments at an upcoming meeting in the Fall.



Memo

DATE: August 24, 2021

TO: Ashland Planning Commission

FROM: Maria Harris, Planning Manager

RE: Amendments to Chapter 18.5.8 Annexations

Summary

This is discussion item for the Planning Commission regarding the areas to be addressed by the amendments to Chapter 18.5.8 Annexations.

Background

The City Council initiated amendments to Chapter 18.5.8 Annexations at the [August 3, 2021](#) meeting. The Council directed staff and the Planning Commission to evaluate and draft code amendments to address issues raised on appeal before the Oregon Land Use Board of Appeals (LUBA) with the goal of addressing inconsistent and ambiguous language in the annexation chapter.

On May 12, 2021, LUBA provided their Final Opinion and Order and reversed the city's annexation approval that included two parcels totaling 16.87 acres at 1511 Highway 99N (Applicant: Kendrick Enterprise LLC and Casita Developments). In reversing the city's approval, LUBA determined that the city's annexation approval criteria do not allow for "Exceptions" to city adopted street standards because the application did not include a development proposal. Under the Ashland Municipal Code, Exceptions apply to proposals for new development or land divisions, neither of which were proposed as part of the annexation. A summary of the appellant's points raised before LUBA is included in the staff memo included in the [August 3, 2021](#) City Council meeting materials.

In January 2021, a series of land use code amendments became effective that addressed housing associated with annexations, zone changes, density bonuses for affordable housing, and conversion of apartments into condominiums. This was part of a comprehensive review during the 2019 and 2020 calendar years involving the Housing and Human Services Commission and Planning Commission. The amendments are intended to make the program easier to understand and increase predictability for those that participate in the program including households, non-profit and market rate developers, grant funders, and lenders. Several of the code amendments were intended to make the city's annexation process more understandable and predictable.

The approval standards for annexations that are currently in place were adopted in January 1997 in Ordinance 2792. There were several revisions since 1997, which were primarily to the affordable housing section of the annexation standards. When the annexation standards were updated in 1997, the City also completed an update to the Transportation chapter of the Comprehensive Plan and the first Transportation System Plan in response to the requirements of the state's "Transportation Planning



Rule.” The Transportation Planning Rule, OAR 660-012, was adopted in 1991 and implements Statewide Planning Goal 12: Transportation. The Transportation Planning Rule has been amended numerous times since the adoption but the original purpose statement (see below) expressed what was at the time a new approach to transportation planning.

TRANSPORTATION PLANNING

660-012-0000

Purpose

The purpose of this Division is to implement Statewide Planning Goal 12 (Transportation). It is also the purpose of this Division to explain how local governments and state agencies responsible for transportation planning demonstrate compliance with other statewide planning goals and to identify how transportation facilities are provided on rural lands consistent with the goals. The division sets requirements for coordination among affected levels of government for preparation, adoption, refinement, implementation and amendment of transportation system plans. Transportation system plans adopted pursuant to this Division fulfill the requirements for public facilities planning required under ORS 197.712 (2)(e), Goal 11 and OAR Chapter 660, Division 11, as they relate to transportation facilities. **Through measures designed to reduce reliance on the automobile, the rule is also intended to assure that the planned transportation system supports a pattern of travel and land use in urban areas which will avoid the air pollution, traffic and livability problems faced by other areas of the country** (*emphasis added*). The rules in this Division are not intended to make local government determinations “land use decisions” under ORS 197.015(10). The rules recognize, however, that, under existing statutory and case law, many determinations relating to the adoption and implementation of transportation plans will be land use decisions.

Project Approach

The goal of the project is to address inconsistent and ambiguous language in Chapter 18.5.8 Annexations. While the issues raised on appeal before LUBA warrant a review of the annexation standards, there are two additional reasons for evaluating and amending the standards – 1) to provide clear standards for the evaluation of needed housing and 2) to provide clarity and responsiveness in Ashland’s development process.

The 2021-2041 Housing Capacity Analysis (HCA) found that annexation of land from the urbanizing area (UGB) into the city limits is necessary to accommodate Ashland’s population growth over the next 20 years. The HCA recommended the City identify opportunities to create greater certainty and clarity in the annexation process to ensure Ashland has an adequate supply of land available and serviced to accommodate future growth. The 2019 Ashland Housing Strategy Implementation Plan found that a lack of clarity in annexation policies can impede the development of needed housing:

Existing [annexation] policies were intended to help ensure orderly growth; however, this is the role of the City’s Urban Growth Boundary (UGB). Creating obstacles to annexing land within the UGB for housing contributes to higher land costs and makes it difficult to find land for larger housing developments.

A large part of the Community Development Departments work over the past 15 years has been focused on making the development process clearer and more predictable, and improving customer service. For



example, a previous City Council goal was to “Increase the clarity, responsiveness and certainty of the development process. Develop a specific action plan to respond to the recommendation of the 2006 Zucker and Siegel reports.” Creating a Unified Land Use Code was a recommendation of the Siegel report (i.e., Land Use Ordinance Review by Siegel Planning Services, LLC, 2006) and this project was completed in 2015.

In 2017, the Community Development Department held a Developer Forum in which 30 professionals from the development fields were invited to a facilitated discussion of potential customer service improvements. Subsequently, a series of changes were made in the review process for planning and building permits including the implementation of a new permitting software program, training other City departments in commenting on pre-applications and permit applications in the new software, and the creation of the Development Services Manager position. In staff’s opinion, the clarity and predictability of the development review process, specifically the planning application process, continues to be a concern. The issue of removing barriers in the development process for housing projects was raised in the City Council discussion on [August 3, 2021](#).

Focus Areas for Code Amendments

Staff believes the evaluation of and amendments to Chapter 18.5. Annexations should be focused in three areas – providing a process for the Council to consider requests for relief from the annexation standards (e.g., exceptions and variances), creating consistency in terminology (e.g., site, parcel, lot), and providing clear, measurable standards for connections to and improvements of public utilities and the transportation system.

If the Planning Commission is in agreement with the three focus areas, staff will prepare a draft ordinance for the Commission to review at the September 24, 2021 study session. The timeline is targeted for completion by the end of the 2021 and the City Council requested that the draft amendments be brought back for their review in the Fall prior to a Planning Commission recommendation.

