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MINUTES

PLANNING COMMISSION MEETING December 16, 2021

5:30 p.m.

VIA ZOOM

PRESIDING:	Cody Cornett, Chair	
COMMISSIONERS PRESENT:	Karly Aparicio, Alan Easling, Linda Miller, Mark Poppoff, one position vacant	
COMMISSIONERS ABSENT:	Philip Mascher	
STAFF PRESENT:	Director Alice Cannon, Senior Planner Dawn Hert, City Engineer Dale McCabe, Secretary Paula Webb	

CALL TO ORDER

The meeting was called to order by Chair Cornett at 5:32 p.m.

PLEDGE OF ALLEGIANCE

Chair Cornett led the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Miller and seconded by Easling to approve the agenda as presented. The motion carried 5/0; Aparicio, Cornett, Easling, Miller, and Poppoff voting in favor, none opposed, Mascher absent, one position vacant.

APPROVAL OF MINUTES

It was moved by Easling and seconded by Poppoff to approve the minutes as submitted. The motion carried 5/0; Aparicio, Cornett, Easling, Miller, and Poppoff voting in favor, none opposed, Mascher absent, one position vacant.

PUBLIC COMMENT

Brian Lauterbach, 1900 E. 23rd Street, The Dalles

Mr. Lauterbach commented on the future presentation referring to the potential use of buildings in the Central Business Commercial (CBC) District. Lauterbach preferred Option 2, if it was

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modified to place a 60% cap on Third Street for commercial development, with 40% limited to residential use.

STAFF COMMENTS / PROJECT UPDATES

Director Cannon stated Staff will be working on minor housekeeping amendments to the Code for presentation to the Commission in January.

Todd Carpenter applied to the Historic Landmarks Commission and received approval for modifications to the rear of his building. Carpenter is on track to meet the deadline established with the Urban Renewal Agency. The final portion of work may require an extension for completion.

Environmental clean-up continues on the Tony's Building. The next step is removal of an underground storage tank, followed by soil testing. Staff will pursue funding assistance for asbestos removal.

The First Street project is on time and on budget. It will be under construction in 2023. Work continues on determining the structural integrity of the basalt walls and checking for archeological artifacts.

Mary Hanlon, 315 E. Tenth Street, The Dalles

Ms. Hanlon thanked the Commission for their consideration of changes to the CBC District. Hanlon has been looking at redevelopment of the site at 523 E. Third Street to create a mixed-use building with the primary objective of multi-family housing with ground floor commercial use. Hanlon felt both Option 1 and Option 2 are helpful; with 100% ground floor retail, problems arise with lenders. Option 2 is great due to recognition of the historic downtown. Hanlon stated she was very happy to work with the Planning Department on this project. Hanlon stated downtown housing would breathe life into downtown.

COMMISSIONER COMMENTS / QUESTIONS

None.

DISCUSSION ITEM

Potential Changes to the Land Use and Development Code (LUDO) for the Central Business Commercial (CB-C) Zoning District

Director Cannon provided a presentation on promoting neighborhood development in downtown The Dalles through flexible land uses, Exhibit 1.

Downtown is broken into three Sub-Districts. This presentation focused on Sub-District 3, as a response to interest in increased development flexibility.

Discussion:

Commissioner Miller stated Second and Third streets should be commercial on the ground floor, with residential use on the upper floors; Fourth Street should be flexible.

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Senior Planner Hert noted the Code specifically states structures originally constructed as residential units could remain residential and/or be returned to residential uses.

Chair Cornett if there was benefit to creating this Code to provide clarity for future development. Director Cannon replied there is a benefit.

Commissioner Miller does not consider First Street to be part of the core, it's almost an alley. It should have flexibility similar to Fourth Street.

Commissioner Poppoff preferred Option 1, although Option 2 would be okay if commercial spaces could remain occupied on Second Street. Fourth Street is predominantly residential with a smattering of commercial. Residential uses should be allowed since Fourth Street is not really in the core.

Commissioner Aparicio was in favor of a combination of Option 2 or 3. We need to increase options for housing throughout the City; the downtown core is an underutilized resource for housing. Aparicio agreed that First Street seems to be an alley; the most underutilized of the core area. Second Street should definitely be reserved for commercial.

Chair Cornett asked if our focus in on Second and Third streets, with mixed feelings about First and Fourth streets, should the boundary [red line on Option 1 map] be changed? Director Cannon replied yes; Aparicio stated it made sense.

Chair Cornett thought the northern line should go down the alley between Second and First streets. Director Cannon noted prior to changes, we should ensure there would be no loss of design standards applicable to First Street.

Commissioner Easling agreed with suggestions for Second and Third streets. He would like to encourage development and see buildings used to their full potential. He asked if other groups were involved in this discussion. Director Cannon replied The Dalles Main Street may be involved. Cannon has been speaking individually with property owners. Commissioner Easling suggested contacting the Chamber of Commerce.

Chair Cornett stated Commission consensus was open to Second and Third streets requiring commercial uses on the ground floor.

Commissioner Poppoff noted Option 2 covered just Second Street in the historic district; that would be his preferred option. He did not feel it should extend to Third Street.

In summary, Cannon stated First Street should have flexibility. Second Street should be ground floor commercial. Third Street remains a question, but she referred to an earlier suggestion for a 60/40 split between commercial and residential.

Commissioner Poppoff noted the allowance of residential on Third Street would provide a better chance to put the buildings to use.

Commissioner Miller stated Second and Third streets are our main streets for traffic entering and exiting the City. She felt commercial use was more appropriate.

Commissioner Easling stated the retention of commercial use would maintain the spirit of downtown.

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Chair Cornett asked Staff if it was appropriate to allow residential as a conditional use on Third Street. Director Cannon replied that was a good option which allows the Commission to place appropriate conditions to mitigate for any potential impacts. Senior Planner Hert agreed. She noted Codes are written to allow for development; it does not guarantee people will come just because it is allowed. Any opportunity to open something up for development and/or redevelopment to keep our downtown vibrant is a great idea. Hert noted a Conditional Use Permit would come before the Commission for review.

Commissioner Easling added he was not opposed to the Conditional Use Permit for both Second and Third streets. Director Cannon stated she had concerns about allowing too much flexibility on Second Street; it should be preserved due to its history. Senior Planner Hert also had concerns about changes in the Historic District.

Chair Cornett stated to keep the downtown vibrant, he felt Second and Third streets should be 100% ground floor commercial with no conditional uses for residential. First and Fourth streets will have flexibility for ground floor residential.

Commissioner Miller agreed. Commissioner Poppoff stated he felt the same, but addition of a conditional use for residential would add some flexibility. Commissioner Aparicio felt strongly that Second Street should be preserved but could go either way on Third Street. First and Fourth streets should have flexibility. Commissioner Easling agreed with Commissioner Aparicio.

Director Cannon summarized a mixed set of opinions: flexibility for First and Fourth streets, Second Street should be maintained, and a Conditional Use Permit available for Third Street. Cannon referred to Mr. Lauterbach's idea of a percentage allowing flexibility on Third Street. Decisions would be made at the Staff level through Site Review.

Commissioner Aparicio asked how much red tape would be added by requiring a conditional use for everything. When talking about encouraging development, but also maintaining, how do we think about the process in all this? Do all of these need to come to the Planning Commission?

Director Cannon replied in order to keep the door open to development, we need much of the work done at the staff level.

Update Summary of new legislation from the 2021 Session of the Oregon State Legislature

Senior Planner Hert provided the presentation, Exhibit 2.

Discussion:

HB 2008 - Religious-Owned Affordable Housing Siting and Property Tax Exemption

Commissioner Miller asked if we had religious-owned housing in The Dalles. Senior Planner Hert replied she thought we did not. There has been interest in building residential units in addition to a church or sanctuary. Some religious organizations have made changes to allow for shelter housing or residential care homes. There are churches that own properties, but Hert is unaware of any religious organization that owns affordable housing.

Senior Planner Hert noted this House Bill will allow any religious entity to site affordable housing. HB 2008 does not directly detail density, etc.

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HB 2583 – Occupancy Limitations

Chair Cornett asked if HB 2583 states a local government cannot set a maximum standard for the number of people living in a dwelling. Senior Planner Hert clarified this bill addresses multi-generational families or people choosing to live communally due to affordability. This bill does not prevent landlords or other private entities from setting occupancy limits for their own units.

HB 3040 - SDC Study and Reporting Requirements

Commissioner Easling asked if the Study would look at only the City's SDCs, or would it include Parks and Recreation? Senior Planner Hert assumed the Study would look at all System Development Charges collected at a local level with a building permit. Senior Planner Hert will follow up on this question.

<u>SB 8</u> – Affordable Housing Land Use Requirements

Senior Planner Hert will return to the Planning Commission with further details. Director Cannon noted SB 8 is more complex than this brief description.

SB 458 - Middle Housing Land Division

Senior Planner Hert noted this may lead to extensive Code revisions. Additional details will be provided.

ADJOURNMENT

Chair Cornett adjourned the meeting at 7:22 p.m.

Submitted by/ Paula Webb, Secretary Community Development Department

SIGNED:

DocuSigned by Cody Cornett

1/24/2022 | 3:55 PM PST

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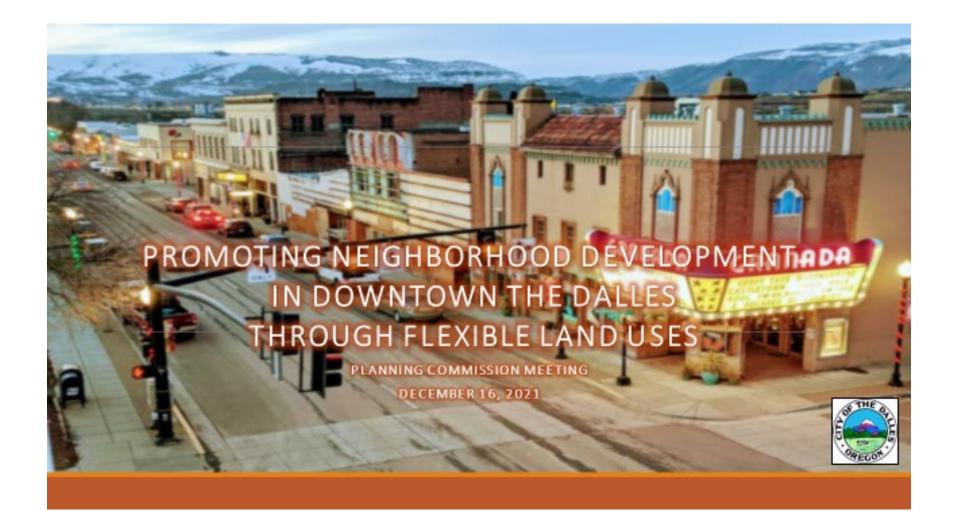
ATTEST:

Paula Webbs

Paula Webb, Secretary Community Development Department

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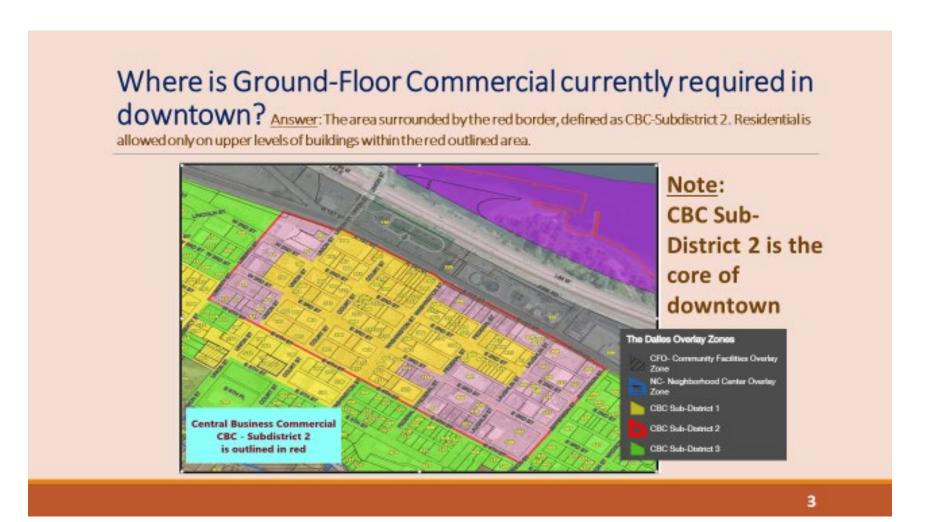


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Some questions to consider during the discussion:

- What is a healthy mix of commercial and residential land uses in the downtown area, considering the rise of online shopping and remote work?
- How can the land use regulations promote more residential development within ¼ mile of the historic downtown shopping district to:
 - --Support and sustain the historic downtown?
 - --Address the regional housing shortage?

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<u>Code Amendment Option 1</u>: Allow maximum land use flexibility in the CBC-2 zone

Suggestion: Remove the commercial ground floor requirement in the red area.



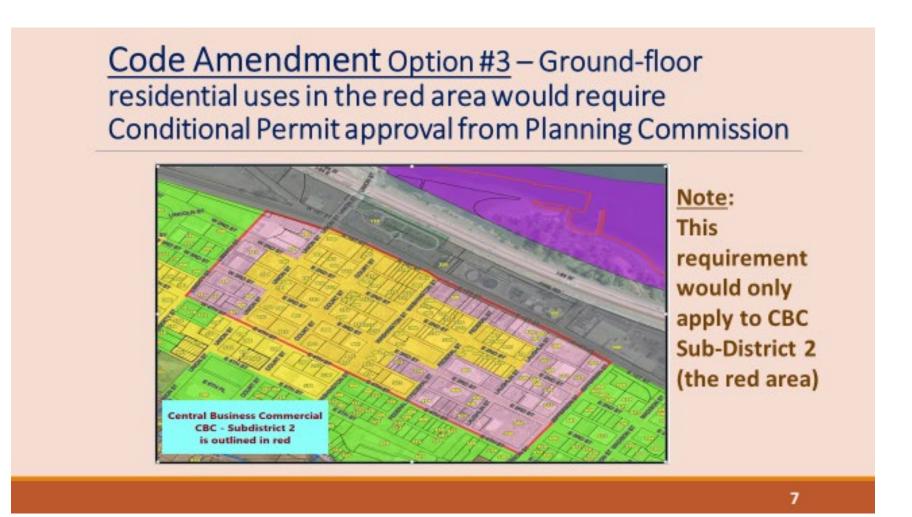


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Discussion

- Staff prefers Option #2 and welcomes Commission feedback at tonight's meeting.
- Following the discussion, staff will take the results of this discussion to stakeholders for comment and to City Council for discussion prior to a hearing.

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This Raises Another Code Issue:

 If ground-floor residential is permitted in CBC-Subdistrict 2, then we should review development standards to ensure residential compatibility on the ground floor. MINUTES Planning Commission Meeting December 16, 2021 Page 15 of 32



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CBC-Subdistrict 2 currently requires a maximum zero foot setback for all development,

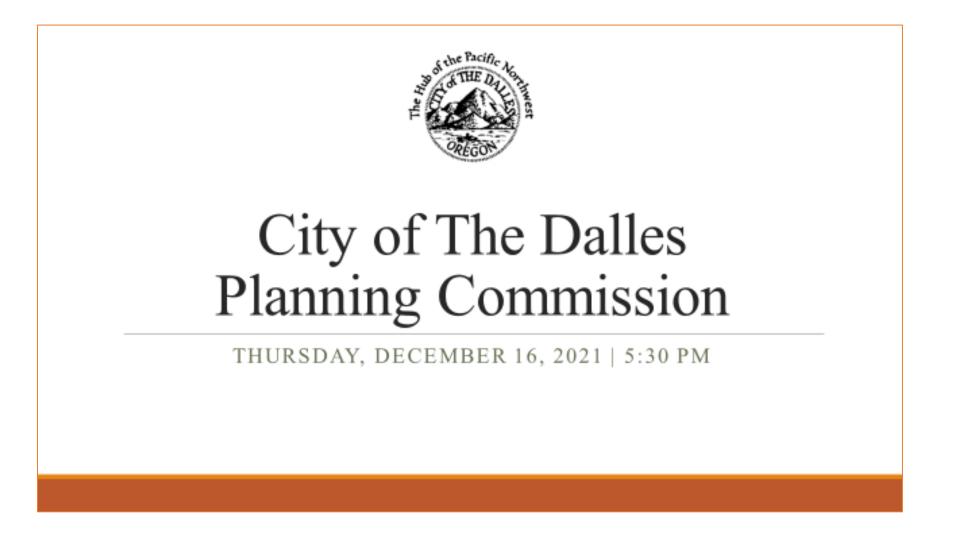
subject to footnote #2, allowing 15-foot exception where outdoor seating for food service is proposed, subject to quasi-judicial approval of the Planning Commission

CBC Central Business Commercial		Standard		
	Sub-district 1	Sub-district 1	Sub-district 3	
	Historic Districts	Dovestown Care	Dewntown Fringe	
Serbacks				
Front Yard and Corner Side Yard	0 ft. maximum, 10 ft. maximum where overlaps Sub- district 3 ¹	0 ft. marinum ²	10 R. maximum ³	
Side and Rear Yards	No minimum/maximum, except 15 ft, where shares lot line with residentially zoned property, saless there is a vertical grade shange between adjacent zone districts greater than 20 free			
Lot Size, Width, Depth	No minimum one full City Work maximum provided any public rights-of-way are maintained			
Building Height	35 ft. maximum, except 73 ft. maximum with a conditional use permit			
Bulding Orientation	New buildings and major remodels of existing buildings increasing floor area by more than 20% shall be oriented primarily toward a street or designated accessway rather than a paking area			
Pederbian Access	All building entrances shall have a clear pedestrian connection to the street/sidewalk in accordance with Section 10.3.030.070(C): Pedestrian Walkways			
Off-Street Parking (Bicycles and Vehicles)	See Chapter 10.7 - Parking Standards			
Landvorping	See Article 6.010: Landscaping Standards			
Accessory Uses, Buildings and Structures	See Article 6.000: Accessory Development			
Access Management	See Article 6.050: Access Management	See Article 6.050: Access Management		
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Staff would like to discuss possible modifications to this requirement at the meeting.

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Exhibit 1



PLANNING COMMISSION

Legislative Update – Housing & Land Use

- <u>HB 2003</u>: Regional Housing Needs Analysis, Effective Date: June 26, 2019 (Previous Session status update)
- HB 2006: Emergency Shelter Siting, Effective May 12, 2021
- HB 2008: Religious-Owned Affordable Housing Siting and Property Tax Exemption, Effective Sept. 25, 2022
- <u>HB 2583</u>: Occupancy Limitations, Effective January 1, 2022
- <u>HB 2918</u>: Surplus Land Reporting for Affordable Housing, Effective January 1, 2022
- <u>HB 3040</u>: SDC Study and Reporting Requirements, Effective July 19, 2021
- <u>HB 3109</u>: Childcare Facility Siting, Effective January 1, 2022
- HB 3261: Motel Conversion Siting, Effective May 1, 2021
- <u>SB8</u>: Affordable Housing Land Use Requirements, Effective January 1, 2022
- <u>SB 458</u>: Middle Housing Land Division, Effective January 1, 2022

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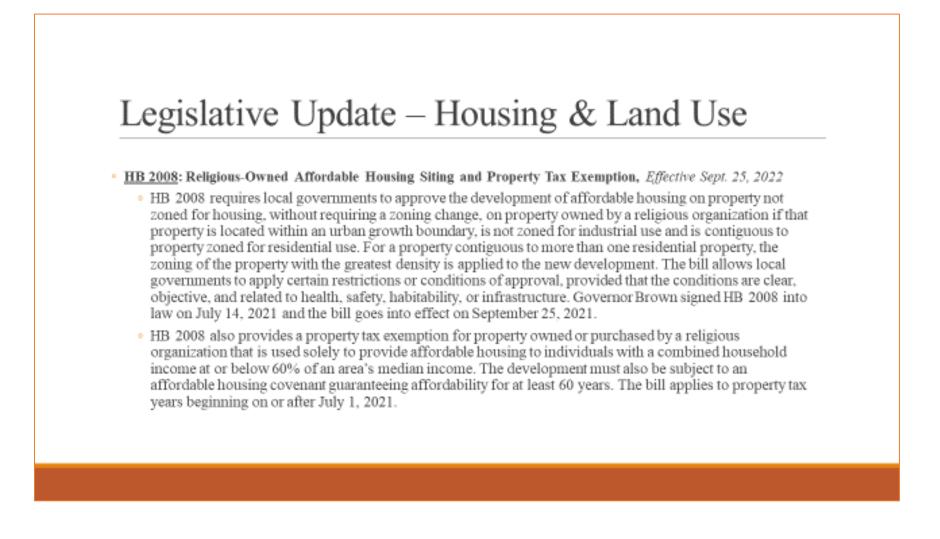
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Legislative Update - Housing & Land Use

<u>HB 2006</u>: Emergency Shelter Siting, Effective May 12, 2021

 HB 2006 requires local governments to approve an application for an emergency shelter regardless of state or local land use laws, if the application meets specific approval criteria outlined in the bill. HB 2006 removes state requirements for mailed notice, public hearing, or solicitation of public comment on an application, and there is no requirement for a city to make a decision within a particular period of time. Decisions made under HB 2006 may not be appealed to the Oregon Land Use Board of Appeals but may be appealed using the writ of review process provided under ORS 34.010 - 34.100. The bill does not specify a process for local jurisdictions to review and approve shelters. Jurisdictions may require applicants to demonstrate they meet the requirements of HB 2006 through a letter and other formal documentation or they may choose to require applicants to submit an application. Cities should fully document their findings and justification for either approving or denying a shelter under HB 2006 and consult with legal counsel to ensure they are documenting findings appropriately to respond to potential appeal under ORS 34.010 - 34.100. The siting authority in HB 2006 sunsets on July 1, 2022, but shelters approved under the bill may remain in operation after the sunset. Should a shelter cease to operate, the standard land use regulations would apply again. HB 2006 went into effect upon signing on May 12, 2021. Shelter applicants must submit applications between May 12, 2021 and June 30, 2022 to qualify under HB 2006. The Legislature enacted an earlier, pilot version of the bill during the first special session of 2020 through HB 4212, which was in place for 90 days, during which time several cities approved multiple emergency shelters under the expedited siting provisions. The LOC advocated for and gained technical improvements to HB 2006 in 2021 to improve local implementation and testified in support for the bill, which passed with strong bipartisan support.

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Legislative Update - Housing & Land Use

- <u>HB 2583</u>: Occupancy Limitations, Effective January 1, 2022
 - HB 2583 prohibits local governments from imposing occupancy limits based on familial or non-familial relationships. The bill does not prevent landlords and other private entities from setting occupancy limits for their own units (within existing law; ORS 90.262). Because it only applies to limits based on relationships, the bill also does not prevent local governments from addressing overcrowding, enforcing fire and building codes, or imposing limits on short-term rental occupancy. HB 2583 goes into effect on January 1, 2022.
- <u>HB 2918</u>: Surplus Land Reporting for Affordable Housing, Effective January 1, 2022
 - HB 2918 requires local governments to submit an inventory of their surplus real property owned by the agency or district to the Oregon Department of Land Conservation and Development (DLCD) on January 1 of each evennumbered year. The DLCD is charged with developing and maintaining an online database but is not responsible for verifying the accuracy of inventory uploaded by local governments. The bill includes a new, optional process that a city may use to sell property for the purpose of developing affordable housing as an alternative to ORS 221.725 or 2241.727. If a city chooses to use the alternative process, it is required to satisfy certain requirements established in the bill. HB2918 took effect immediately upon signing and cities are required to submit a list of surplus real property to DLCD by January 1, 2022.

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Legislative Update - Housing & Land Use

HB 3040: SDC Study and Reporting Requirements, Effective July 19, 2021

- HB 3040 directs and funds Oregon Housing and Community Services (OHCS) to conduct a comprehensive study of system development charges (SDCs) in consultation with the Oregon Department of Land Conservation and Development, the Department of Environmental Quality, the Department of Revenue, and the Oregon Business Development Department. The scope of the study must include the role of SDCs and their fee rates, the history and methodologies of SDCs, the impact of SDCs on overall housing costs, the costs and benefits of payment deferrals, and aspects of transparency related to fee rates. Local governments are required to comply with reasonable requests from OHCS, or from a third party conducting the study or any portion of the study, for information in furtherance of the study. OHCS is required to provide a preliminary report by December 31, 2021 and a final report by June 1, 2022.
- The bill also requires any local jurisdiction that charges SDCs and maintains a website to include the current SDC fee rates for each type of development, the SDC methodology used to determine fee rates, the list of capital improvement projects that will receive funding from SDC fee revenue, and contact information for a local official responsible for answering questions about system development charges. Jurisdictions without a public website must provide that information to the public free of charge upon request. The bill went into effect upon signing on July 19, 2021 and jurisdictions must meet the reporting requirements by January 1, 2022.

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Legislative Update - Housing & Land Use

HB 3109: Childcare Facility Siting, Effective January 1, 2022

HB 3109 establishes childcare facilities as a permitted use in all commercial or industrial zoned areas, except
in areas zoned for heavy industrial use. The bill prohibits local governments from enacting, enforcing, or
imposing any land use regulations or fees that prohibit or place conditions on childcare facilities that are
more restrictive than those imposed for other uses in the same zone. A local government may impose
reasonable conditions upon the establishment or maintenance of a childcare facility in an area zoned for
industrial uses, including but not limited to, siting restrictions for properties designated on the Oregon
Department of Environmental Quality's statewide list of contaminated properties as having known or
suspected releases of hazardous substances. The LOC worked with the bill sponsors on technical amendments
to clarify local government implementation. Governor Brown signed HB 3109 into law on July 7, 2021 and
the bill goes into effect on January 1, 2022.

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Legislative Update - Housing & Land Use

HB 3261: Motel Conversion Siting, Effective May 1, 2021

 HB 3261 requires local governments to allow the conversion of hotels and motels into emergency shelters or affordable housing, regardless of state or local land use laws, if the application meets specific approval criteria in the bill. Cities may still require the converted use to comply with building codes, occupancy limits, and reasonable siting and design standards if the standards do not, individually or cumulatively, prohibit the conversion through unreasonable costs or delay. HB 3126 went into effect on May 6, 2021 and applies to hotel and motel conversions or applications for conversions submitted on or after January 1, 2021. The LOC worked with the bill sponsor on amendments to narrow the scope of the original bill and clarify local implementation.

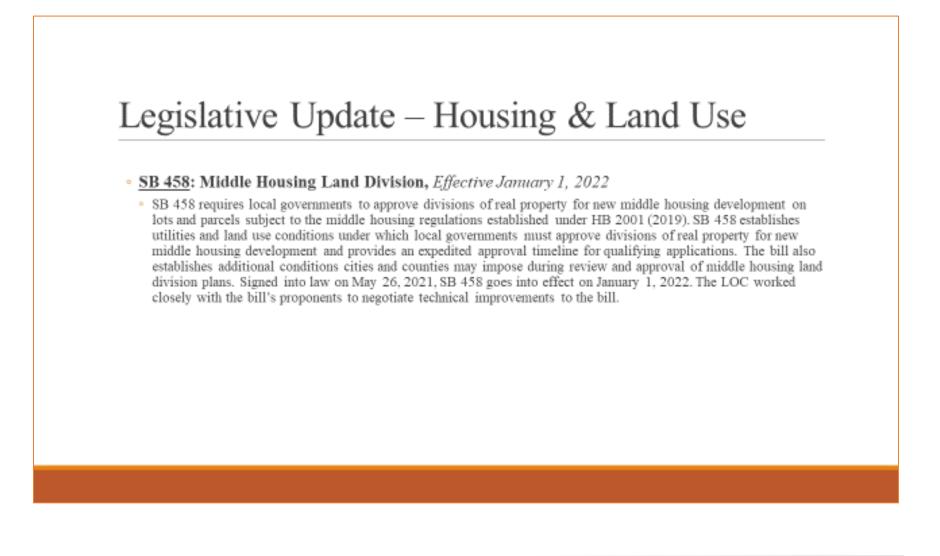
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Legislative Update - Housing & Land Use

SB 8: Affordable Housing Land Use Requirements, Effective January 1, 2022

SB 8 requires local governments to approve the development of certain affordable housing, and not require a zone change or conditional use permit, on land zoned to allow commercial uses, to allow religious assembly, or as public lands. Qualifying land may be owned by a public body or a religious nonprofit. The bill applies to property zoned to allow for industrial uses only if the property is publicly owned, adjacent to lands zoned for residential uses or schools, and not specifically designated for heavy industrial uses. These requirements do not apply to land that a local government determines lacks adequate infrastructure, or on property that: contains a slope of 25% or greater; is within a 100-year floodplain; or is constrained by state land use regulations based on natural disasters and hazards or natural resources. Local governments may still impose development requirements based on siting and design standards and building permits. SB 8 also includes a statewide density bonus for affordable housing in areas zoned for residential use. A local government may reduce the density or height of a development as necessary to address a health, safety or habitability issue, including fire safety, or to comply with a protective measure adopted pursuant to a statewide land use planning goal. Finally, the bill broadens the ability of applicants developing affordable housing to obtain attorney fees in prevailing appeals before LUBA. SB 8 was signed into law on June 23, 2021 and the bill goes into effect on January 1, 2022.

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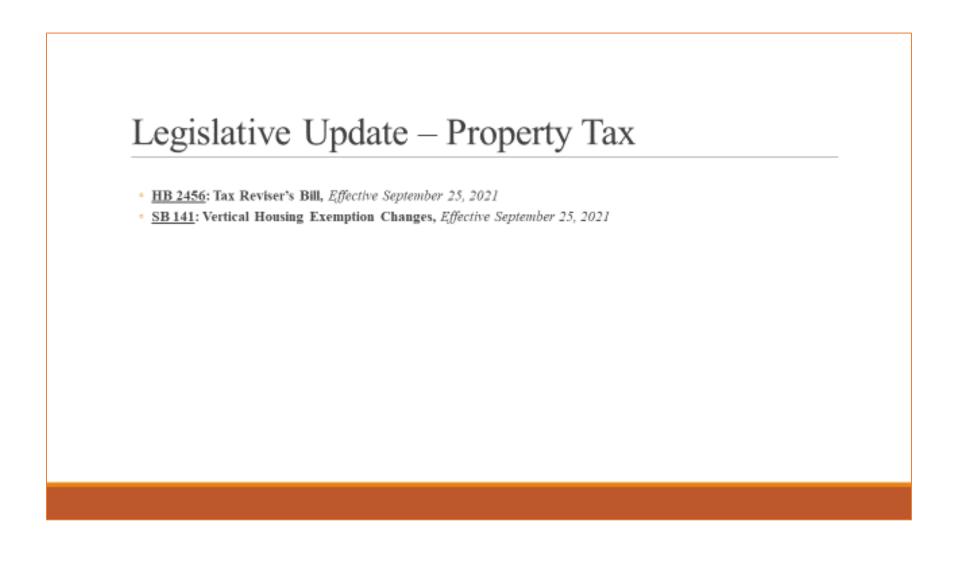


Exhibit 1

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Legislative Update - Property Tax

<u>HB 2456</u>: Tax Reviser's Bill, Effective September 25, 2021

 This annual bill makes corrections to and updates tax statutes. It allows the governing body of a local government to select the definition of "low income" from an expanded definition for purposes of certain rental property tax exemptions. HB 2456 also allows cities to extend the deadline for completion of construction for homes under the single unit affordable housing exemption. Cities may need to update ordinances or resolutions, depending on their specific language. Cities will need to review and update any program materials available on the internet or published by their offices. MINUTES Planning Commission Meeting December 16, 2021 Page 30 of 32

Legislative Update – Property Tax

<u>SB141</u>: Vertical Housing Exemption Changes, Effective September 25, 2021

Makes a percentage of partial property tax exemption for property of vertical housing development projects
proportional to allocation of floor area to residential housing or low income residential housing, without rounding
up or down. The bill is unclear on whether cities would be required to recalculate the exemption percentage for
existing projects. The exemption percentage is calculated at the time of application, and the bill does not require
reapplication for existing projects, but the calculation changes are applicable to the 2021-22 tax year. Cities may
need to update ordinances or resolutions, depending on their specific language. Cities will need to review and
update any program materials available on the internet or published by their offices.

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Legislative Update - General Government

<u>HB 2560</u>: Electronic Participation in Public Meetings, Effective January 1, 2022

Requires, to the extent reasonable, the governing body of a public body to allow for virtual or electronic participation in public meetings. Technical failures, disruptive participants and added cost beyond the de minimis render the requirement unreasonable. Cities should also evaluate their obligations under the Americans with Disabilities Act when electing not allow for virtual or electronic participation in public meetings.