



# City of Prineville

## DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT

### PLANNING COMMISSION STAFF REPORT

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**File No.:** AM-2020-100

**Applicant/Owner:** City of Prineville

**Location:** City of Prineville

**PC workshop:** 9/15/2020

**Notice to DLCD:** 9/16/2020

**Newspaper Notice:** Planning Commission Notice – 10/6/2020

**Public Hearing:** Planning Commission – 10/20/2020

**Staff:** Joshua Smith,  
Planning Director

**Proposal:** Legislative Text Amendment to meet requirements of House Bill (HB) 2001 and other minor “House cleaning” updates to the land use code.

#### **Background**

HB 2001 was adopted in 2019. The purpose of this bill was to increase the potential of middle housing construction (duplex, triplex, fourplex) within City’s throughout Oregon. Cities under 25,000 population, such as Prineville were only required to accommodate duplex development. This portion of the bill stated that population “more than 10,000 and less than 25,000 shall allow the development of a duplex on each lot or parcel zoned for residential use that allows for the development of detached single-family dwellings”. The Department of Land Conservation and Development (DLCD) was tasked with creating rules based on that intent and other specific items stated in the bill. These rules are codified in Oregon Administrative Rule (OAR) Chapter 660 Division 46. DLCD was also required to create a model code that any community could adopt outright to meet these requirements. That code has been developed and is available. Communities are required to update their own land use codes by June 30, 2021 or the model code will apply directly.

The minor updates or “House Cleaning” changes are thoughts and ideas and/or corrections that arise over time that are then bundled into an update such as this. The proposed changes do not substantially change the code but help to re-organize, clarify and generally provide a more usable document for the City and public.

**Goal 10 (Housing) Findings:** State wide Planning Goal 10 is written to provide for the housing needs of citizens of the state. It states that “Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density”.

**Finding 1:** The City adopted a new buildable land inventory (BLI) and Housing Needs Analysis (HNA) on October 22<sup>nd</sup> 2019. The HNA projected the future housing need for the City over the next 20 years as shown in the tables on the following page.

**FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), PRINEVILLE**

OWNERSHIP HOUSING										
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cumulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0k - \$90k	0	0	0	0	0	0	0	0	0.0%	0.0%
\$90k - \$130k	0	0	0	0	0	0	0	0	0.0%	0.0%
\$130k - \$190k	0	0	0	0	0	0	0	0	0.0%	0.0%
\$190k - \$240k	17	21	0	7	0	59	0	104	17.8%	17.8%
\$240k - \$320k	121	0	0	0	0	0	0	121	20.7%	38.6%
\$320k - \$360k	181	0	0	0	0	0	0	181	31.1%	69.6%
\$360k - \$450k	108	0	0	0	0	0	0	108	18.6%	88.2%
\$450k - \$540k	49	0	0	0	0	0	0	49	8.5%	96.7%
\$540k - \$710k	19	0	0	0	0	0	0	19	3.3%	100.0%
\$710k +	0	0	0	0	0	0	0	0	0.0%	100.0%
<b>Totals:</b>	<b>495</b>	<b>21</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>582</b>	<b>% of All Units:</b>	<b>57.0%</b>
<b>Percentage:</b>	<b>85.0%</b>	<b>3.6%</b>	<b>0.0%</b>	<b>1.2%</b>	<b>0.0%</b>	<b>10.2%</b>	<b>0.0%</b>	<b>100.0%</b>		

RENTAL HOUSING										
Price Range	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units	Cumulative %
			2-unit	3- or 4-plex	5+ Units MFR					
\$0 - \$400	33	20	19	31	143	20	15	280	63.9%	63.9%
\$400 - \$600	0	0	0	0	0	0	0	0	0.0%	63.9%
\$600 - \$900	0	0	0	0	0	0	0	0	0.0%	63.9%
\$900 - \$1100	85	0	5	5	5	5	0	107	24.3%	88.2%
\$1100 - \$1500	0	0	0	0	0	0	0	0	0.0%	88.2%
\$1500 - \$1700	23	0	0	0	0	0	0	23	5.2%	93.4%
\$1700 - \$2100	5	0	0	0	0	0	0	5	1.1%	94.5%
\$2100 - \$2500	2	0	0	0	0	0	0	2	0.5%	95.1%
\$2500 - \$3300	22	0	0	0	0	0	0	22	4.9%	100.0%
\$3300 +	0	0	0	0	0	0	0	0	0.0%	100.0%
<b>Totals:</b>	<b>170</b>	<b>20</b>	<b>24</b>	<b>36</b>	<b>149</b>	<b>25</b>	<b>15</b>	<b>439</b>	<b>% of All Units:</b>	<b>43.0%</b>
<b>Percentage:</b>	<b>38.8%</b>	<b>4.5%</b>	<b>5.5%</b>	<b>8.2%</b>	<b>33.9%</b>	<b>5.7%</b>	<b>3.4%</b>	<b>100.0%</b>		

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
<b>Totals:</b>	<b>665</b>	<b>40</b>	<b>24</b>	<b>43</b>	<b>149</b>	<b>84</b>	<b>15</b>	<b>1,021</b>	<b>100%</b>
<b>Percentage:</b>	<b>65.2%</b>	<b>4.0%</b>	<b>2.4%</b>	<b>4.2%</b>	<b>14.6%</b>	<b>8.3%</b>	<b>1.5%</b>	<b>100.0%</b>	

Sources: PSU, City of Prineville, Census, EnviroNics Analytics, JOHNSON ECONOMICS

- The results show a need for 1,020 new housing units by 2039.
- Of the new units needed, roughly 57% are projected to be ownership units, while 43% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate in the future.
- The table shows no new need for ownership housing at the low-end of the pricing spectrum, but in the middle. This is because these are the value levels where a majority of the city's housing is currently found. Therefore, what Figure 4.3 represents is that there may be support for some units at higher price points.
- The greatest need for rental units is found at the lowest and middle price points. There is support for some units in the \$900 to \$1,100 rent levels, which is above most current market rents. This shows that there is some support for new, more expensive rental supply. There is also a need for some single-family homes for rent at higher price points.

**Finding 2:** The proposed amendments in Exhibit A and those required by HB 2001 and subsequent OAR may help provide rental housing at the lower and middle income ranges. These changes would allow duplexes to be constructed on smaller lots with less parking. They will encourage more infill by allowing detached multifamily units and will not impose design standards allowed under the adopted OAR. These changes along with our current land use code should not create any unreasonable barrier to developing middle housing. From the time the HNA was adopted in 2019 the City has under construction or completed a large portion of the projected rental housing need with 73 affordable housing units and 145 market rate units.

**Staff Conclusions and Recommendation**

Staff does not recommend adopting the State's model code as a stand-alone document as it would conflict with our existing code and cause confusion. It is also not practical to simply insert the language of the model code into our existing code as the format is different and the model code does not address all the underlying effects to the rest of the code.

Staff recommends the code edits shown in track changes on Exhibit A to satisfy the requirements of HB 2001 and make minor updates to the code in general. Staff recommends these updates be recommended to City Council for approval.

**EXHIBITS**

Exhibit A - Recommended changes