



Department of Land Conservation and Development

2019-21 TECHNICAL ASSISTANCE GRANT APPLICATION

Please complete each section in the form below. Type or write requested information in the spaces provided. **Submit completed applications by October 1, 2019.**

Date of Application: September 30, 2019

Applicant: City of Philomath

Street Address: 980 Applegate Street

City: Philomath

Zip: 97370

Contact name and title: Chris Workman, City Manager

Contact e-mail address: chris.workman@philomathoregon.com

Contact phone number: 541-929-6148

Grant request amount (in whole dollars): \$50,000

Local Contribution (recommended but not required): \$20,000

Project Title:

Urbanization Study:

Economic Opportunities Analysis (EOA), Buildable Lands Inventory (BLI) & Housing Needs Analysis (HNA)

Project summary: (Summarize the project and products in 50 words or fewer)

Philomath requests assistance with funding a new economic opportunities analysis, buildable lands inventory & a housing needs analysis. The city is undertaking an overhaul of its comprehensive plan and will seek out professional consultants to assist in completing these important components.

Project Description & Work Program

Please describe the proposed project, addressing each of the following in an attachment.

A. Goals and Objectives. State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

B. Products and Outcomes. Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

C. Work Program, Timeline & Payment.

1. Tasks and Products: List and describe the major tasks and subtasks, with:

- The title of the task
- Steps to complete task
- The interim and final products for each task

2. Timeline: List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed.

3. Payment Schedule: Develop a requested payment schedule showing amount of interim and final payments. Include the products that will be provided with each payment request. The payment schedule should generally include no more than two payments – an interim and final payment.

D. Evaluation Criteria. Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

E. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (*e.g.*, will perform work under the grant; will advise; will contribute information or services, etc.).

F. Advisory Committees. List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program.

G. Cost-Sharing and Local Contribution. DLCDC funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project’s success. Cost-sharing (match) is not required, but could be a contributing factor to the success of the application.

Will a consultant be retained to assist in completing grant products? Yes No

Local Official Support

The application **must include a resolution or letter from the governing body** of the city, county, district, or tribe demonstrating support for the project. If the applicant is a council of governments on behalf of a city, a letter or resolution from the city council supporting the application must be

included. *The application will not be complete if it does not include this item.* The letter of support may be received by DLCD after the application submittal deadline, but it must be received before a grant is awarded.

Product Request Summary

Product		Grant Request		Local Contribution		Total Budget
1	\$	<u>50,000</u>	\$	<u>20,000</u>	\$	<u>70,000</u>
2	\$	_____	\$	_____	\$	_____
3	\$	_____	\$	_____	\$	_____
4	\$	_____	\$	_____	\$	_____
5	\$	_____	\$	_____	\$	_____
6	\$	_____	\$	_____	\$	_____
7	\$	_____	\$	_____	\$	_____
8	\$	_____	\$	_____	\$	_____
TOTAL	\$	_____	\$	_____	\$	_____

Submit your application with all supplemental information to:

Gordon Howard, Community Services Division Manager

E-mail (preferred): DLCD.GFGrant@state.or.us

Mail: Department of Land Conservation and Development
 635 Capitol Street N.E., Suite 150
 Salem, OR 97301

Phone: 503-503-934-0034

APPLICATION DEADLINE: October 1, 2019

City of Philomath

2019 Technical Assistance Grant Application Attachment

A. Goals and Objectives

Goal: The city's goal for this project is an economic opportunities analysis, a main street plan, a housing needs analysis, and an inventory and assessment of available buildable land that will inform the preparation of the city's new comprehensive plan and land use map, and guide the city over the next 20 years in its approach to business retention and development, affordable housing, and provision of public spaces. This is a one-year standalone project that precedes a \$9.7 million urban renewal downtown safety and streetscapes project in Philomath.

Objectives:

- 1) **Promote economic development** with completion of an updated economic opportunity analysis.
- 2) Prepare a main street plan that guides future development and investment into Philomath's downtown area.
- 3) Develop realistic expectations and a cohesive strategy and vision for economic development for the downtown area and the city's industrial zones.
- 4) Provide an economic component for the city's new comprehensive plan update that meets Statewide Goal 9.
- 5) **Promote affordable and workforce housing** with completion of a housing needs analysis.
- 6) Assess adequacy of available residential lands and land use regulations to meet the city's housing needs with a focus on new or innovative housing options (e.g. cottages, tiny homes) as identified in the Regional Solutions Mid-Valley Priorities.
- 7) Provide a housing component for the city's new comprehensive plan update that meets Statewide Goal 10.
- 8) Develop an updated buildable lands inventory, recognizing sustainability and resiliency, as well as needs and opportunities for the community.
- 9) Define specific policies and implementation measures that will achieve the community's development aspirations.
- 10) **Update the comprehensive plan** and plan map with the findings of each of the analysis.

B. Products and Outcomes

The City proposes to contract with consultants who have the expertise to prepare a new economic opportunities analysis, a main street plan, a housing needs analysis, and a buildable land inventory and assessment. By combining the studies, the city hopes to attract more proposals, get more for the money, and produce a superior, more comprehensive product.

The City of Philomath last evaluated buildable lands and economic trends in a comprehensive manner with the preparation of the 2003 Comprehensive Plan. The 2003 document utilizes data from the 1990's, which predates the housing boom, recession, and conversion of the highway into a couplet. The study pre-dates newer studies and plans for the city's utilities and transportation, and predates new sewer technology that increases development potential for land within the UGB that before was not economically viable. It also predates the city's capability for

accurately analyzing slopes and soils, and new information from state agencies regarding hazards, current flood maps, and recent changes in the NFIP (National Flood Insurance Program), all of which affect the cost of development. The 2003 plan does not address the importance of good, reliable communications systems (e.g., fiber optics), which are increasingly critical for all businesses, and especially potential cyber businesses. A new study would reflect these new technologies and realities.

When ODOT converted the city's Main Street into two-road, one-way-each-street couplet, it changed the look and feel of downtown. The 80-foot right of way makes it difficult to cross the street and feels unsafe and uninviting for pedestrians. Some investment has been seen in old storefronts, but a focused plan for main street with appropriate zoning, uses and development and design standards will help Philomath's downtown thrive again.

The city has implemented some of the regulatory measures recommended in the 2003 plan to increase affordable housing, but the lack of affordable housing continues to frustrate the city's employers in attracting and maintaining a quality workforce. A new study would provide direction in addressing the city's affordable housing needs and in meeting aspirations for more jobs with living wages and benefits.

Philomath's economy is predominantly based on retail and professional services, with a mix of a few large industrial employers. The city's proximity to Corvallis and Oregon State University make it a natural bedroom community for faculty and staff; however, Philomath does have a robust economy and plans to revitalize the downtown district and attract additional industrial employers. The city is in good shape financially, but our businesses lack qualified workforce and work-force housing. The city has a growing number of retirees and students, who generate additional demand for affordable housing, as well as business for service providers and retailers. The city's physical constraints (e.g., wetlands) and hazard potential (floodplain) limit options for location of new industry, large-scale service and retail buildings, and critical facilities, and add cost to development.

A well-researched current economic opportunities analysis would help the city assess the need to diversify by identifying new businesses and industries that could thrive within the Philomath UGB in the Central Willamette Valley. A current buildable lands analysis would show how the city's physical environment could accommodate new business and adequate affordable housing in a resilient and sustainable manner without compromising our small town character.

A fresh look at our economy and buildable lands is particularly timely, given the recent and upcoming developments:

- 1) Two large apartment complexes of 256 and 88 units were recently constructed, adding 860 new residents, a 18% population increase in just one year. The larger of the two complexes was built on land previously zoned for industrial development.
- 2) The city has approved five separate subdivisions with a total of 249 new single-family houses to be built over the next ten years. The largest subdivision sits on 30 acres that was previously zoned for residential use.

- 3) The city's urban renewal agency is under agreement with ODOT to complete a \$9.7 million downtown safety and streetscape project beginning in 2021 that entails widening sidewalks, narrowing street crossings and adding pedestrian-scale amenities to downtown.
- 4) The city is in the initial stages of updating the parks master plan and storm master plan.

C. Work Program, Timeline and Payment

Project Team Kick-off Months 1-2

The City will hire a consultant through a competitive selection process to assist in conducting the inventory, analysis, and assessment. Staff will provide the consultant with relevant background information and lead an orientation meeting and tour of the community.

The City will form an ad-hoc advisory committee (PAC) comprised of interested citizens and persons with housing and/or economic/business expertise to provide guidance and direction throughout the process.

PAC Meeting#1 Month 2

At the initial meeting, staff and the consultant will discuss with the PAC the following:

- PAC membership and involvement of public
- Clarification of study's purpose and area
- City policies and background information that could inform the analysis
- Clarifications to the project scope and schedule
- A statement of community economic development and housing goals and objectives

Memo #1 Project purpose, the city's economic and housing goals and objectives Month 3
Following the kick-off and meeting, the consultants will prepare a memo documenting the decisions and any refinements to the scope and schedule, and initial input from the PAC.

Product: Memo #1 documenting meeting outcomes

PAC Meeting#2 Month 3

PAC will review Memo #1 and consultant's assumptions for the residential needs analysis and employment forecast.

Residential Needs Analysis Months 3 to 5

Consultants will collect, review, and evaluate relevant population and employment data and projections from city, county and other data sources (e.g. Census), analyzing the following:

- Residential demographics (e.g. age, family type, income), including information relevant for determining affordable housing needs
- Employment data
- Housing stock data:
 - Existing housing types (e.g. single family residential, multi-family, government assisted) and physical characteristics (e.g. owned vs. rental, mental health, number of bedrooms)
 - Existing densities

- Financial information necessary for conducting affordability analysis (e.g. mortgage costs, rent levels, utility costs)
- Recent building permit data
- Vacant lots and anticipated new developments

Consultants will prepare a housing needs forecast in five-year increments, extending out 20 years that will reflect expected population growth, projected demographic characteristics and trends (including income levels), and affordable housing needs in accordance with HUD guidelines. The forecast will describe a mix of housing types (with images and text) and tabulate required numbers to serve the projected employment base, commensurate with expected income levels and housing costs.

Product: Memo #2 Draft Housing Needs Report for the City of Philomath

Update Economic Data and Prepare Employment Forecast Months 3 to 5

Consultants will prepare an economic opportunities analysis that satisfies DLCDD requirements, according to OAR 660-009-0015. Consultants will review the area's economic history and available data from the city, county, region, and state. Consultants will evaluate local economic conditions and relevant national, state, regional, county and local economic development trends. Consultants will review with staff, and subsequently with the advisory committee, proposed methodology, based on the trend data, local conditions, and community goals. Consultant will prepare an employment forecast. Consultants and staff will interview targeted stakeholders and discuss with federal, state and regional agency staff ways to cooperate, participate in economic initiatives, and funding for implementation.

Product: Memo #3 Draft Economic Trends and Employment Forecast for the City of Philomath

PAC Meeting#3 Month 5

PAC will review Memos #2 and #3.

Main Street Plan Months 6 to 7

Consultants will work with the PAC and downtown business owners to write a main street plan. The plan will include recommendations for zoning and appropriate land uses and conditions within the C-1 downtown zone. Consultants will recommend development code revisions to produce the results sought in the main street plan. Consultants will also recommend design standards to give the main downtown area a consistent look or theme.

Product: Memo #4 Main Street Plan for the Philomath Downtown Area.

PAC Meeting#4 Month 7

PAC will review Memo #4.

Buildable Lands Inventory Months 8 to 10

Consultants will prepare a catalog of site types suitable for businesses and for workforce housing, and an inventory of buildable land within the Philomath UGB, describing:

- Existing zoning designations, and relevant zoning text

- Detailed tax lot/assessor data
- Environment constraints (e.g., limitations due to topography, transportation system, sensitive or hazardous lands)
- For housing, any areas that include incentives, such as accessory units, density bonuses
- Assumptions regarding area for infrastructure and public structures.

The result will be an inventory of suitable land for business and housing that includes (1) vacant land ready for development by land use category, (2) and inventory of built lots with high redevelopment potential, in accordance with Oregon Administrative Rules, and (3) and inventory of built lots with “additional capacity” (e.g., with excess square footage or permitted incentive bonuses). The consultants shall document all assumptions and steps used in these calculations, which staff shall approval before consultants finalize the inventory. Maps shall be in and Arc GIS-compatible format.

Product: Memo #5 Draft Buildable Lands Inventory, Documentation, and Supporting Maps
 Payment: \$25,000 (due from DLCD upon receipt of Memos 1-4 accepted by the city)

PAC Meeting #5 Month 10
 PAC will review Memo #5.

Conclusions, Recommendations, and Implementing Policies and Measures Month 5 to 10
 Consultants will compare the needs assessment and forecasts to the buildable lands inventory to determine whether sufficient buildable lands exist to serve projected housing needs. Based upon that analysis, consultants will prepare recommendations for future action, as needed, to meet projected needs. The recommendations should include changes to the Comprehensive Plan, zoning ordinance, and, if necessary, to Philomath’s UGB. For recommended plan policies or code changes, consultants will draft language for the city’s consideration. Staff will review the draft Memo #5 and consultants will make any necessary changes prior to distribution to the PAC.

Product: Memo #6 Draft Report Describing Projected Housing Deficiencies/Surpluses, and Recommended Future Actions

Final Report Months 11 to 12

The consultants will draft a final report and submit it to city staff for review. Consultants will make changes and corrections as requested, and distribute the revised draft to the PAC and to the regional Business Development officer for Oregon’s Economic Community Development Department for review. The PAC will forward the draft final report with recommendation to the City of Philomath Planning Commission and City Council.

Product: Final Reports and Accompanying Maps
 PAC meeting #6
 Joint Planning Commission/City Council workshop

Payment: \$25,000 (due from DLCD upon receipt of final report); \$20,000 from the city

D. Evaluation Criteria

At the completion of the studies:

- local planners will have needed direction for preparing a new comprehensive plan map that includes adequate area zoned for existing and future land uses
- the city will have direction regarding economic retention, development, and diversification
- over time, the city will realize new businesses and housing types, through actions recommended in the final report

E. Project Partners

The city has invited ODOT, Benton County, the Philomath Chamber of Commerce, and the F Street Road District to partner with us on this project. Both ODOT and Benton County have jurisdiction over roads that goes through Philomath, including Highway 20 which becomes Main Street within city limits. The Chamber has an interest in the economic analysis for its members, current and future, and will want to participate in the advisory committee meetings. The F Street Road District has jurisdiction of N 12th Street (previously named “F” Street), which has recently discussed adopting urban development standards and working with the city on a local improvement district that would bring the street up to city standards and remove the need for a separate taxing district for residents along this street. Other local organizations will be invited to participate on the advisory committee to contribute information and assist in outreach.

F. Advisory Committee

Interested citizens and persons with housing and/or economic/business expertise will comprise the advisory committee. The city will ask local organizations to select representatives to serve. Organizations will include the Chamber of Commerce, F Street Road District, Benton County Department of Health and Human Services, the Small Business Development Center and any others identified by the PAC in its first meeting.

G. Cost-sharing and Local Contribution

The city estimates the project will cost \$70,000. The city will provide \$20,000 (28%) in cash match and a minimum of \$8,000 in in-kind staff and volunteer time and supplies.

Local Official Support

A resolution of support will be considered by the Philomath City Council on October 14, 2019. Upon approval, the signed resolution will be forwarded to DLCD.