From: Dirk Knudsen
To: TAYLOR Casaria * DLCD
Cc: Dirk Knudsen; STUCKMAYER Ethan * DLCD; JOHNSON Denise * DLCD; CAUDEL Ingrid * DLCD; MADSEN Joel * DLCD
Subject: Re: Comment for the Record - Middle Housing
Date: Monday, November 9, 2026 10:45:08 AM
Attachments: image003.png
image004.png
image005.png
image006.png

You don't often get email from calldirk@gmail.com. Learn why this is important

Thank you-

If we do not get objective and clear standards that are equitable and address these inequities, we will NEVER get the home-building community to build Middle Housing.

I did the work, I researched this- and every City was different. Some surprised me with how flexible they have become and how many units are being built. Find a finished cottage custer though- the one middle housing people seem to have a seriously visceral and excited reaction to is cottage clusters. In my case, the $80 PSf costs for SDC and building permits was proof that in my town, they will never be built. Sad really -

Thank you for all you do at DLCD!

Dirk

On Mon, Nov 9, 2026 at 7:43 AM TAYLOR Casaria * DLCD <casaria.taylor@dlcd.oregon.gov> wrote:

> Good morning, Mr. Knudsen. Thank you for taking time to provide comments on the proposed rulemaking. I will forward this to the commission and include it in the record.
>
> Best,
>
> Casaria
>
> **Casaria Taylor** Hear my name
> Senior Rules Coordinator/Records Officer | Policy Office
> Pronouns: She/Her
> Cell: 971-600-7699 | Main: 503-373-0050
> casaria.taylor@dlcd.oregon.gov | www.oregon.gov/LCD
>
> ---
>
> **From:** Dirk Knudsen <dirkknudsen@gmail.com>
> **Sent:** Friday, November 6, 2026 10:45 AM
> **To:** TAYLOR Casaria * DLCD <casaria.taylor@dlcd.oregon.gov>; Dirk Knudsen <calldirk@gmail.com>; STUCKMAYER Ethan * DLCD <ethan.stuckmayer@dlcd.oregon.gov>
> **Subject:** Comment for the Record - Middle Housing
>
> You don't often get email from dirkknudsen@gmail.com. Learn why this is important
>
> November 5, 2026
>
> **LCDC Chair Allan Lazo** Land Conservation & Development Commission C/O Casaria Taylor, Rules

Coordinator 635 Capitol St., Ste. 150 Salem, Oregon 97301 **Via Email:** casaria.taylor@dlcd.oregon.gov

Subject: Public Comment on Notice of Proposed Rulemaking – Update to Middle Housing Model Code (OAR chapter 660, Division 46)

Dear Chair Lazo and Members of the Commission,

I am writing to submit public comment regarding the proposed updates to the Middle Housing Model Code. While the state's efforts to standardize and protect the production of middle housing are vital, the State of Oregon must take decisive action to intervene in cities like Hillsboro, where local leadership is intentionally weaponizing System Development Charges (SDCs) and permit fees to prevent middle housing from being built.

For over a decade, I have spoken directly to the Mayor of Hillsboro, the City Manager, the City Council, and the Planning Department about the extreme bias and inequity embedded in the city's fee structures. My advocacy on this specific issue is exhaustively documented:

- **July 2015:** I emailed the Planning Director (Colin Cooper) and city staff explicitly calling for "waivers of SDC charges for projects that provide housing in a target price range" and warning that the city was rapidly gentrifying while "South Hillsboro is not a solution".

  July 2015 Email: Warning of Gentrification and Call for Housing Options

- **March 2018:** I engaged in a prolonged email exchange with Planning Director Cooper regarding ADUs and the "missing middle," advocating for reduced SDCs, lowered utility rates, and suspended property tax increases for small studio projects aimed at affordable rents.

  March 2018 Emails with Colin Cooper re ADUs and SDCs

- **May 2023:** I emailed the planning staff, pointing out that "Cottages and the like still cost the same as large custom homes," and noted that EcoNW had explicitly advised the city to scale permit fees. I highlighted that a 400-square-foot cottage in a cluster was facing a prohibitive $50,000 in fees.

  May 2023 Email: Evergreen Battery & SDC Fees+ 1

- **December 2024:** I submitted a formal memo to the City Council regarding the Housing Production Strategy (HPS). I pointed out that a smaller cottage home is forced to pay permit and SDC fees at a rate 600% higher than a large single-family home. I demanded a timeline for scaling select SDCs by March 30, 2025, and criticized the staff's "exploratory" and "non-committal" language, citing the DLCD's own preliminary feedback that the city's actions did not outline definitive strategies.

  Dec 3 2024 Memo to City Council - Housing Production Strategy+ 1

- **January-March 2025:** I spent months attempting to schedule a meeting with Mayor Beach Pace to establish an immediate timeline to correct these discriminatory fees and to propose a dedicated Hillsboro Housing Commission.

  Email Chain: Scheduling Meeting with Mayor Pace (Jan-Mar 2025)

- **December 2025:** I provided the City Council with a comprehensive SDC Reform Package, detailing how peer cities like Bend, Eugene, Newberg, Tigard, Salem, and Portland have all successfully tiered their SDCs by unit size or created specific middle-housing categories. In response to my direct question about when the city would act, the Long Range Planning Manager (Dan Rutzick) confirmed only that the city was "finalizing a scope to select a consultant" in 2026 to study the issue.

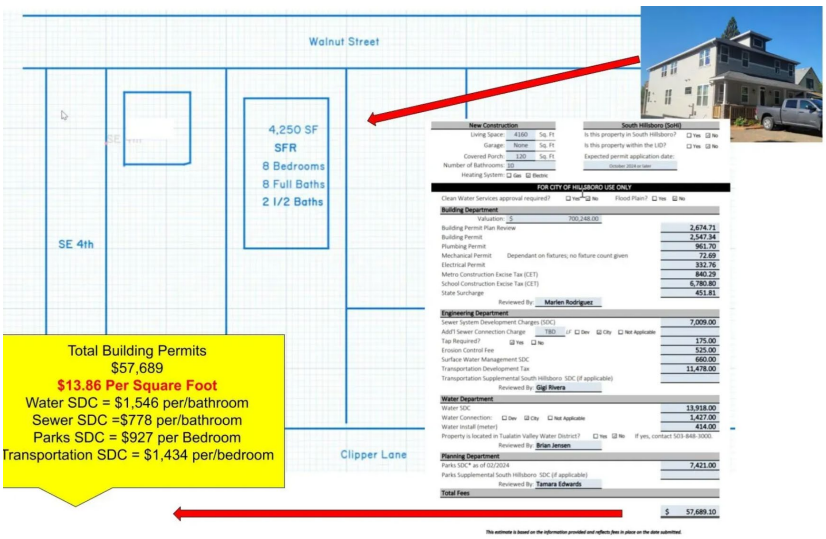
  Dec 1 2025 Email to Amber / City Council - SDC Reform+ 1

They are acutely aware that their policies act as a de facto ban on affordable middle housing. Yet, they have done absolutely nothing to repair or fix the problem. What may have once been an unintended oversight is now a calculated, intentional choice to maintain the status quo and endlessly "study" a problem that other cities solved years ago. Because local leadership refuses to act, the State must now step in.

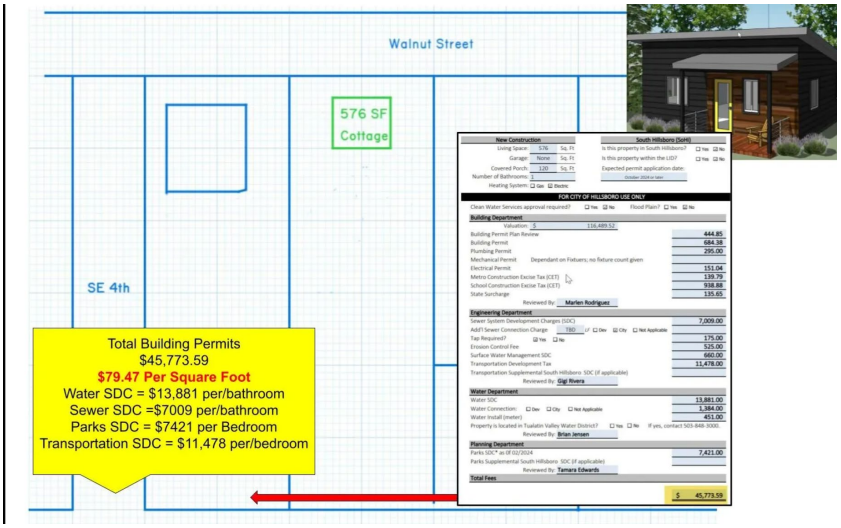
Here are the results of the 2025 investigation I conducted, which took more than 100 hours, including interviews with 7 Oregon cities and a review of all the data. This article includes graphs and detailed conclusions. That study included actual cost estimates for two proposed homes in Hillsboro. One was a massive luxury home. The other

was a 500 SF Cottage. Here are the screenshots from the research. This was completed to show that building a cottage cluster was impossible given the massive, unscaled, and inequitable costs of SDC and other charges. These costs reflect unintentional bias and punish those who want or need a smaller home, as well as the builders trying to bring them to market. Once Hillsboro was notified on the Public Record - almost two years ago now — and failed to act, the bias is exposed as intentional and purposeful. Some in Hillsboro's leadership and City Hall have expressed to me that not everyone is supportive or ready for such infill housing options.

https://hillsboroherald.com/unintended-bias-and-inequity-revealed-in-hillsboro-housing-policies/#jp-carousel-7224



And the cottage:



Summary -



The State of Oregon cannot let local fee schedules override the promises of SB 2001 and the updated Middle Housing Model Code. A flat fee applied equally to a massive luxury estate and a 500-square-foot cottage is not neutral; it is exclusionary zoning disguised as infrastructure funding.

I urge the Commission and the Department of Land Conservation and Development to strictly enforce provisions that prohibit cities from imposing unreasonable costs or delays on middle housing. The State must require cities to adopt scaled, proportional SDC methodologies that reflect the genuinely lower infrastructure impacts of smaller units.

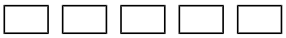
Thank you for your time, your service, and your commitment to ensuring housing equity across Oregon.

Sincerely,

Dirk Knudsen, 6750 NE Alder Street, Hillsboro, Oregon 97124

Dirk Knudsen
Broker / Founder; Dirk Knudsen Real Estate, More Realty - Main Street Hillsboro Office

503-799-8383 | www.CallDirk.com
calldirk@gmail.com
222 East Main Street , Hillsboro, Oregon, 97123



"Always turn a negative situation into a positive situation." - Michael Jordan.

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