



Oregon

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January 25, 2024

Anne Catlin, AICP
Comprehensive Planning Manager
City of Albany Community Development Department



RE: DLCD Comments on the City of Albany's Climate-Friendly Area Study

Dear Ms. Catlin,

Thank you for submitting your climate-friendly area (CFA) study in compliance with Oregon Administrative Rule (OAR) 660-012-0315(4) and (5). The department published the study on our website for public comment on November 20, 2023. One comment was received, which we are providing to you (see attachment). This comment letter from DLCD and any associated comments from the public should be considered in the next step in the CFA process, which is to determine which climate-friendly area or areas the city will designate and to adopt zoning and development standards, as needed, to implement the CFA requirements.

OAR 660-012-0315(4) lists the required elements of a CFA study, which include the following:

- a) Maps showing the location and size of all potential climate-friendly areas.
- b) Preliminary calculations of zoned residential building capacity.
- c) A community engagement plan for the designation of climate-friendly areas.
- d) Analysis of how each potential climate-friendly area complies, or may be brought into compliance, with the requirements of OAR 660-012-0310(2).
- e) A preliminary evaluation of existing development standards within potential climate-friendly areas and changes to the standards necessary to comply with CFA requirements.
- f) Plans for achieving fair and equitable housing outcomes in climate-friendly areas, including analysis of whether zone changes for CFAs might displace residents who are members of state and federal protected classes.

Your submitted materials meet the requirements in OAR 660-012-0315(4). We appreciate the work you have done thus far and your timely submittal!

The following comments are intended to inform your community's next step, which is to designate sufficient climate-friendly areas with a zoned residential capacity to accommodate at least 30 percent of the community's total housing needs. As part of that process, we are happy to provide support for a market study to better understand how to optimize mixed-use development in Albany.

Here is some of the preliminary data we have gleaned from your study and other sources:

2022 Population Estimate (PSU):	57,322	Total Housing Need:	29,535 dwelling units through 2040
Methodology:	Prescriptive (0320(8))	30% of Housing =	8,861 dwelling units
Primary CFA Requirements:	25 DU/acre 85 foot allowed bldg. height		

Preliminary Candidate CFAs:

- a. Downtown, estimated capacity: 1,447 dwelling units (DUs) (low) – 1,861 DUs (high)
 Current development status – downtown mixed use development with 106 current estimated DUs
- b. East Albany, estimated capacity: 2,876 DUs (low) – 3,834 DUs (high)
 Current development status – vacant land and multi-family residential with 548 current estimated DUs
- c. North Albany, estimated capacity: 1,865 DUs (low) – 2,487 DUs (high)
 Current development status – “big box” development pattern, with some single- and multi-dwelling development with 41 current estimated DUs, and some vacant areas
- d. 14th and Waverly – estimated capacity: 4,622 DUs (low) – 6,162 DUs (high)
 Current development status – “big box” development pattern with large parking lots and vacant area. sixty-three current estimated DUs
- e. Queen/Geary Street – estimated capacity: 573 DUs (low) – 764 DUs (high)
 Current development status – Existing apartments with 333 current estimated DUs, proposed apartments, vacant big box store, and vacant area
- f. South Albany/Hwy 99E – estimated capacity: 1,356 DUs (low) – 1,809 DUs (high)
 Current development status – vacant area and commercial development with two current estimated DUs

Total of all capacity estimates= 12,739 (low estimate) – 16,917 dwelling units (high estimate)

We appreciate the City’s use of an alternative methodology (per OAR 660-012-0320(10)), which provides a more conservative estimate of housing capacity in your potential CFAs. As we understand it, your less conservative estimate assumes that public buildings and buildings under historic designation or within historic districts will not be redeveloped. Although that may not be the case in every circumstance, we support including these pragmatic assumptions in your study. Additionally, your low capacity analysis provides a lower estimate that also assumes public and historic buildings will not redevelop, and which also includes more conservative estimates on the proportion of land that will be needed for lot coverage, setbacks, parking, and other site needs with development and redevelopment (30% in more intensive zones, 40% in

less intensive zones). This approach is responsive to concerns expressed by Bob Cortright, in his December 11, 2023, comment letter on the Ashland and Albany CFA studies (attached to this letter). Mr. Cortright's letter expresses skepticism that development and redevelopment in CFAs meeting only the minimum requirements using the prescriptive standards in OAR 660-012-0320(8) will reach the goal of housing 30% of Albany's households. Your analysis, "Ground Truthing the Capacity Estimates," also provides some "real world" context from recent development in Albany. We are glad that we are able to support market analysis work to allow you to further optimize walkable, mixed-use development as you consider where and how to designate CFAs in Albany.

The urgency of climate change prompts us to do what we can to reduce climate pollution. Facilitating mixed use development has been shown to significantly reduce dependence on the length and number of vehicle trips needed to meet daily needs. Additionally, well-planned mixed-use neighborhoods allow for healthier lifestyles, less expensive infrastructure costs over time, and promote local businesses, services, and community vibrancy. These are all qualities that are found in abundance in Albany's downtown, and we are excited by the prospect of expanding these opportunities to other areas of your community.

We would like you to know that recent amendments to Rule 0320 now allow cities to designate CFAs at a much lower scale that may be more compatible within other areas of Albany. Specifically, OAR 660-012-0320(9) now allows an alternative approach for cities with a population of more than 50,000 to designate a non-primary CFA with either a minimum residential density of 15 units per acre or a minimum floor area ratio of 1.0, if the development code allows for a zoned building capacity of at least 60,000 square feet per net acre. Depending upon setbacks and other requirements in your existing development code, it may be possible to meet these standards with building heights of 35 feet or less. Based on the provided analysis of Albany's zoning standards, it appears that most of the current zones under consideration for CFA designation allow buildings that are at least 35 feet in height. Demonstrating that an existing zone provides adequate zoned capacity per the amended rule can be as simple as providing examples of recent development under the current zoning standards that have met or surpassed the 60,000 square feet per net acre threshold. With the flexibility available in Rule 0320(9) we're confident that CFAs can be developed and adopted that support Albany's community character and livability.

The table on the following page provides the options available for CFA designation using either the prescriptive or outcome-oriented approach. As a city with a population above 50,000, Albany may utilize any of the less intensive standards in a non-primary CFA.

Options for Land Use Requirements in Climate Friendly Areas:		Prescriptive Standards		Outcome-Oriented Standards*
Cities and Urbanized County Areas (by population)	Sizing of CFA Areas	Minimum Residential Density Requirement	Maximum Building Height No Less Than	Development Standards Must Allow:
5,001 – 10,000	At least 25 acres	15 dwelling units/net acre	50 feet	At least 60,000 sq. ft. construction/net acre
10,001 – 25,000	At least 30% of housing need	15 dwelling units/net acre	50 feet	At least 60,000 sq. ft. construction/net acre
25,001 – 50,000	At least 30% of housing need	20 dwelling units/net acre	60 feet	At least 90,000 sq. ft. construction/net acre
➤ 50,000	At least 30% of housing need	25 dwelling units/net acre	85 feet for one, 60 feet for any others	At least 120,000 sq. ft. construction/net acre

*Local governments utilizing the Outcome-Oriented Standards approach shall either apply a minimum residential density of 15 dwelling units/net acre for 100% residential development or shall apply a minimum floor area ratio requirement of 1.0 for development within the CFA.

The more flexible standards in Section -0320(9) will allow cities to better scale their CFAs within existing historic districts or near historic resources to enhance historic compatibility, while also making progress towards climate goals. OAR 660-012-0320(8) exempts redevelopment that adds residential development within existing buildings from minimum density standards. This will facilitate the adaptive reuse of existing buildings, whether or not they are designated historic resources. We also wish to clarify that minimum density requirements only apply to buildings that are exclusively residential. If a local government chooses to require ground floor office or commercial uses along with a minimum floor-area-ratio requirement of 2.0, minimum density requirements would not apply to any market-rate residential development in the zone, per OAR 660-012-0320(8). However, the rules do not allow a non-residential ground floor requirement for qualified affordable residential development, per OAR 660-012-0320(2)(a).

Lastly, we have reviewed your anti-displacement analysis and concur with your findings. We are glad to see a robust list of actions and policies identified from Albany's Housing Implementation Plan that can be implemented to mitigate for displacement that might otherwise occur, and to support opportunities for a diversity of future residents in your community. As you are likely aware, if the city determines that there is a potential for displacement with the designation of a climate-friendly area as you are preparing to adopt and zone your CFA(s), OAR 660-012-0315(6)(d) requires that the city's adoption findings identify all ongoing and newly-added housing production strategies the city will use to mitigate potential displacement of members of state and federal protected classes.

Thanks again for your submitted study. We appreciate the good work you have done and look forward to supporting the CFA designation process yet to come. Please feel free to contact me, at (503) 602-0238, or at kevin.young@dlcd.oregon.gov if you have any questions or need further assistance.

Sincerely,

Kevin Young

Kevin Young, DLCD Senior Urban Planner

Cc: Brenda Ortigoza Bateman, DLCD Director
Kirstin Greene, DLCD Deputy Director
Matthew Ruetters, City of Albany Community Development Director
Matt Crall, DLCD Planning Services Division Manager
Patrick Wingard, DLCD Southern Willamette Valley Regional Representative

Attachments

Public Comment Received from Bob Cortright on the City of Albany's CFA Study

December 11, 2023

TO: Department of Land Conservation and Development
(DLCD.CFEC@dlcd.oregon.gov)
City of Albany & Ashland

FROM: Bob Cortright, Salem

SUBJECT: ALBANY AND ASHLAND CFA STUDY COMMENTS

The Albany and Ashland CFA studies each propose too few CFAs with too little real capacity to meet the goal of accommodating 30% of all housing within walkable, mixed use climate friendly neighborhoods. Each city - with assistance from DLCD - should conduct additional analysis to provide a realistic estimate of development capacity in its proposed CFAs - as allowed by CFEC rules - and as necessary designate additional CFAs to meet the 30% goal.

Albany

Achieving the 30% goal for climate friendly housing means that Albany should have roughly 8800 housing units in CFAs. Since proposed CFAs have only about 1100 units and the city expects 6700 new housing units to be built in the next 17 years, the city would be about 1000 units short of meeting the 30% target, even if every new housing unit built in the city were located in a CFA. In order to meet the 30% goal, the city needs to designate additional CFAs to make up this difference.

While the city can count higher density housing in abutting areas towards meeting the 30% target, the study doesn't estimate how much housing is in these nearby areas. The calculation of housing in abutting areas should evaluate whether housing is in convenient walking distance of the mixed use enemy of the CFA (pedestrian oriented shops and services) since the purpose of counting abutting areas is that they are *functionally* part of the CFA.

The city should clarify its understanding that additional planning is needed in each CFA to meet rule requirements for high quality pedestrian, transit and bicycle services. The summary table in the study includes a check mark saying that each of the proposed CFAs "complies" with this part of the rule. No supporting information is provided and a review of CFA maps and Google maps shows that the proposed CFAs (outside downtown Albany) generally lack a network of local streets and the kind of high quality pedestrian, bike and transit improvements that are expected in CFAs. The city should clarify its understanding that additional planning for each of these areas is needed to support the kind of walkable mixed use development needed to make a CFA successful.

Ashland

For Ashland, achieving the 30% goal for climate friendly housing means that the city should have roughly 3500 housing units in CFAs. However, since the three proposed CFAs are largely undeveloped and the city expects only about 900 new housing units to be built in the next 18 years, the city would be about 2600 units short of meeting the 30% target, even if every new housing unit built in Ashland were located in a CFA.

DLCD staff have not disputed this analysis and have advised that the city can comply with the CFEC rules if proposed CFAs have enough "zoned capacity" to accommodate 30% of the city's housing needs. DLCD's written advice also suggests that the city might fill this gap and meet the 30% goal "over time" as it updates the city's housing plans. However, because the three CFAs contain so little existing housing and the city is expecting only a modest amount of growth, it is completely unclear how the city can meet the 30% goal without designating additional areas as CFAs.

Ashland should also consider designating its downtown as a CFA which can, consistent with CFEC rules, be tailored to exclude or protect historic properties and structures.

Recommendations

Albany and Ashland should review available information and their adopted plans to prepare a realistic, achievable estimate of the housing capacity of proposed CFA areas - as allowed by CFEC rules. Using this revised estimate, the cities should consider and designate additional CFAs to provide enough real capacity for the city to meet the 30% goal in the CFEC rules. To accomplish this, the cities -with DLCD support - should:

1. Estimate the housing capacity of proposed CFAs using an alternative method allowed by the rule and that reflects the city's adopted plans and best judgment about likely densities for future development and rates of development /redevelopment considering market trends.
2. Estimate the number of existing and future housing units likely to be located in proposed CFAs to assess whether the CFAs are likely to meet the goal of getting 30% of all housing in CFAs.
3. Based on the results of #2, propose additional CFAs as necessary to meet the 30% climate housing goal.
4. Develop and adopt specific housing goals, including goals for affordable housing, for each CFA area to guide the city as it develops and adopts other plans to achieve the 30% goal.