

Tillamook County



DEPARTMENT OF COMMUNITY DEVELOPMENT
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MEMO

Date: January 23, 2023
To: Tillamook County Board of Commissioners
From: Sarah Absher, CFM, Director
Subject: #851-22-000402-PLNG: Accessory Dwelling Unit (ADU) Standards

Included with this memorandum is a copy of the record for #851-22-000402-PLNG, a legislative text amendment request to amend Article 5: Special Use Standards and Exceptions of the Tillamook County Land Use Ordinance (TCLUO) to include Section 5.110 to establish the use of and development standards for placement of an Accessory Dwelling Unit (ADU) on residentially zoned properties located within Tillamook County Unincorporated Communities. Policies contained within the Goal 10: Housing element of the Tillamook County Comprehensive Plan are consistent with the requested legislative action.

Maps of affected areas are included as “Exhibit A” of the staff report dated December 1, 2022. A draft copy of TCLUO Section 5.110 as initially proposed is included as “Exhibit B” with an updated version attached to this memorandum. Letters of testimony received are included in “Exhibit C” of the staff report initially dated December 1, 2022. The staff report reflects an updated dated of January 23, 2023 to add additional testimony to “Exhibit C”. There are no additional updates to the staff report.

Also included with this memorandum is a copy of the criteria outlined in Article 9 of the TCLUO. Criteria for a legislative text amendment is found in Section 9.030 and is the basis for decision of this request. There are no proposals for comprehensive plan and zone map amendments.

Copies of the record including the draft ordinance, oral and written testimony received and evidence submitted can also be found on the Community Development Land Use Application page: <https://www.co.tillamook.or.us/commdev/project/851-22-000402-plng>.

Summary of Action Taken by the Tillamook County Planning Commission:

The Tillamook County Planning Commission heard this matter at publicly noticed hearing on December 8, 2022, where public comment was taken. An audio copy of the proceedings can be accessed at <https://www.co.tillamook.or.us/commdev/project/851-22-000402-plng>.

The Tillamook County Planning Commission considered this amendment request on the basis of the criteria contained in Article 9 of the Tillamook County Land Use Ordinance, findings of fact and conclusions contained within the staff report, public comments, evidence and information presented, written and oral testimony received at the hearing, and staff presentations.

The Planning Commission took action at the hearing on December 8, 2022, and voted unanimously, 6 in favor and 0 opposed, to recommend approval of proposed Section 5.110 as presented at the December 8, 2022, hearing with the following items to be further considered by the Board of County Commissioners:

- Section 5.110(B) *Number*. The proposed language states, *Only one ADU shall be permitted per lot or parcel*. The intent of this language is to allow one (1) ADU per property. There was concern that the language does not reflect the intent of this limitation and there was extensive conversation regarding using terms *lot or record*, *lot* and *parcel*. Staff is proposing *lot or parcel* be replaced with *property* to meet the intent of the limitation for placement of an ADU on a property.
- Discussion of Section 5.110(I) *Transient Lodging Prohibition* largely focused on concerns of restricting a future use of property and how the prohibition will be implemented. Staff will be prepared to further share in detail these concerns at the January 30, 2023, hearing.
- There was also discussion regarding existing non-permitted ADUs that are known to exist throughout Tillamook County, and the Planning Commission encouraged staff and the Commissioners to further explore solutions to permit these ADUs.

A public hearing is scheduled with the Tillamook County Board of Commissioners at 9:00am on Monday, January 30, 2023, in the Board of County Commissioners Meeting Room located in the Tillamook County Courthouse, 201 Laurel Avenue, Tillamook, OR 97141.

The January 30, 2023, hearing is a *de novo* hearing with opportunity for public comments.

Please visit <https://www.co.tillamook.or.us/bocc/page/board-commissioners-meeting-schedule> for access information for Board of County Commissioner meetings.

If you have any questions regarding the information received, please do not hesitate to contact me at 503-842-3408 x3412, email: sabsher@co.tillamook.or.us or email Lynn Tone, Office Specialist 2, at ltone@co.tillamook.or.us.

Sincerely,



Sarah Absher, CFM, Director

ARTICLE IX
AMENDMENT

SECTION 9.010: AUTHORIZATION TO INITIATE AMENDMENTS

An AMENDMENT to a zoning map maybe initiated by the Board, the Commission, the Department, or by application of a property owner. Anyone may initiate proceedings to AMEND the text of this Ordinance.

SECTION 9.020: MAP AMENDMENT PROCEDURE AND CRITERIA

The following provisions shall govern the consideration of a MAP AMENDMENT request:

- (1) Review procedures shall be determined pursuant to Section 10.040; notice of a proposed AMENDMENT shall be distributed according to the provisions of a Type III or Type IV review.
- (2) The applicant or, if County initiated, the Department shall prepare an analysis of the site and the surrounding area in the form of a map and report, considering the following factors:
 - (a) Size, shape and orientation of the subject parcel.
 - (b) Surrounding parcel sizes.
 - (c) Topography, drainage, hazards, and other physical site characteristics.
 - (d) Parcel ownership and current use.
 - (e) Economic and population data for the affected area that may be contained in the Comprehensive Plan.
 - (f) Traffic circulation.
 - (g) Zoning history of the subject parcel.
 - (h) Compatibility of the proposed new zone with the surrounding zoning and land uses.
 - (i) Availability and feasibility for development of nearby properties in the proposed zone.
 - (j) Aesthetics.
 - (k) Availability of public facilities and services.
 - (l) Land use objectives of both the applicable and the proposed zoning.
- (3) The Commission shall consider an AMENDMENT request at the earliest practicable public hearing after it is proposed. In hearing the request to establish a new zoning designation, the Commission shall consider all of the following criteria. A zone MAP AMENDMENT may be approved only if all five criteria can be met.
 - (a) The proposed new zone is consistent with applicable Comprehensive Plan policies.
 - (b) The proposed new zone shall not result in the conversion of resource lands to non-resource use without an approved exception to applicable state resource protection Goals.

- (c) The site under consideration is better suited to the purposes of the proposed zone than it is to the purposes of the existing zone.
 - (d) Development anticipated to result from the proposed zone shall not impair the actual or the legally designated uses of surrounding properties.
 - (e) The amendment must conform to Section 9.040 Transportations Planning Rule Compliance.
- (4) The Director shall report the Commission's recommendation to the Board. The Board shall conduct a public hearing on an AMENDMENT to modify or change an existing zone on a zoning map subsequent to receiving the report and recommendation of the Planning Commission. Zone MAP AMENDMENTS shall be adopted by the Board of County Commissioners by Ordinance.
 - (5) The Board's decision on a zone MAP AMENDMENT shall be final.
 - (6) A copy of all zone MAP AMENDMENTS shall be forwarded to the County Assessor's office.

SECTION 9.030: TEXT AMENDMENT PROCEDURE

- (1) A COMPREHENSIVE PLAN TEXT or ORDINANCE AMENDMENT may be requested by any person, subject to the requirements of a Type IV procedure and Article 10. The proponent of COMPREHENSIVE PLAN or ORDINANCE AMENDMENT shall arrange a pre-application conference with the Department, pursuant to Section 10.030.
- 2) The applicant or, if County initiated, the Department shall prepare an analysis of the proposed AMENDMENT, addressing such issues as the intent of the provisions being amended; the affect on land use patterns in the County; the affect on the productivity of resource lands in the County; administration and enforcement; and the benefits or costs to Departmental resources resulting from the proposed text.
- (3) Criteria. Commission review and recommendation, and Board approval, of an ordinance amending the Zoning Map, Development Code or Comprehensive Plan shall be based on all of the following criteria:
 - (a) If the proposal involves an amendment to the Comprehensive Plan, the amendment must be consistent with the Statewide Planning Goals and relevant Oregon Administrative Rules;
 - (b) The proposal must be consistent with the Comprehensive Plan. (The Comprehensive Plan may be amended concurrently with proposed changes in zoning);
 - (c) The Board must find the proposal to be in the public interest with regard to community conditions; the proposal either responds to changes in the community, or it corrects a mistake or inconsistency in the subject plan or ordinance; and
 - (d) The amendment must conform to Section 9.040 Transportations Planning Rule Compliance.

SECTION 9.040: TRANSPORTATION PLANNING RULE COMPLIANCE

Proposals to amend the Comprehensive Plan, Zoning Map or Ordinance shall be reviewed to determine whether they significantly affect a transportation facility pursuant with Oregon Administrative Rule (OAR) 660-012-0060 (Transportation Planning Rule - TPR). Where the County, in consultation with the applicable roadway authority, finds that a proposed amendment would have a significant affect on a transportation facility, the County shall work with the roadway authority and applicant to modify the request or mitigate the impacts in accordance with the TPR and applicable law.

SECTION 5.110: ACCESSORY DWELLING UNIT (ADU) STANDARDS

DEFINITION: Accessory Dwelling Unit (ADU): a subordinate dwelling unit which provides complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, cooking, eating and sanitation on the same lot or parcel as the primary dwelling and which is incidental to the main use of the property. In no case shall the ADU exceed in area, extent or purpose, the primary dwelling.

An Accessory Dwelling Unit (ADU) may be either integrated into the same structure as the primary dwelling or constructed as a separate freestanding dwelling. If constructed within or as an addition to an existing or under-construction primary dwelling, the ADU shall conform to all building code requirements for fire separation between the two units. Attached or detached, an ADU shall be subordinate to the primary dwelling and shall meet the following use and development standards:

(A) *Location.* An ADU may be sited on a lawfully established lot or parcel located in unincorporated community residential zoning districts. There is no minimum land area requirement for an ADU.

(B) *Number.* Only one ADU shall be permitted per lot or parcel property.

(C) *Setbacks.* For a detached ADU, the minimum rear yard setback shall be five feet; the minimum side yard setback shall be five feet and where applicable, the minimum street-side yard setback shall be ten feet. The required front yard setback of the underlying residential zone shall apply or the required front yard setback for small lots allowed under Section 4.100 and Section 4.110, where applicable. A detached ADU shall be physically separated from the primary residence by a minimum distance of six feet. A covered walkway which contains no habitable space may connect the two buildings without violation of the setback requirements.

If constructed within or as an addition to an existing or under-construction primary dwelling, the ADU shall conform to the setback requirements of the underlying zone or the required setbacks for small lots allowed under Section 4.100 and Section 4.110, where applicable.

(D) *Design.* An ADU shall be set on a permanent foundation; have any wheels, tongues, and running gear removed; and be connected to domestic sewer and water or connect to an onsite wastewater treatment system for those lots or parcels in unincorporated communities not served by sewer. A Recreational Vehicle (RV), yurt, travel trailer or other non-habitable structures not intended for residential occupancy shall not be utilized as an ADU.

(E) *Area.* The floor area of an ADU shall not exceed 75% of the living space of the primary residence or 800 square feet, whichever is less. If free-standing, the building footprint of the ADU shall also not exceed 75% of the building footprint of the primary dwelling or 800 square feet, whichever is less.

(F) *Height.* The maximum height of a freestanding ADU shall not exceed the height of the primary residence or the allowable maximum height of the underlying zone, whichever is less. An ADU built within or as an addition to the primary dwelling unit or over a detached garage shall not exceed the maximum height of the zone.

(G) *Lot Coverage.* Where applicable, maximum lot coverage requirements of the underlying zone shall not apply to the placement of an ADU. Maximum lot coverage requirements for properties developed under TCLUO Section 4.100 shall apply.

(H) *Parking.* One off-street parking space shall be maintained for the ADU. The parking space shall be a minimum of 8-feet by 20-feet in size.

(I) *Transient Lodging Prohibition.* The ADU shall not be utilized for transient lodging purposes.

(J) *Non-Conforming Structures.* Any legal nonconforming structure may be allowed to contain, or be converted to, an ADU, provided the ADU does not increase the nonconformity and meets applicable building and fire code requirements. Expansion of a Non-Conforming structure to accommodate an ADU may be allowed, subject to the provisions of Article VII: Nonconforming Uses.



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LEGISLATIVE TEXT AMENDMENT REQUEST
#851-22-000402-PLNG: ACCESSORY DWELLING UNIT (ADU) STANDARDS

STAFF REPORT DATE: December 1, 2022

TILLAMOOK COUNTY PLANNING COMMISSION HEARING DATE: December 8, 2022

BOARD OF COMMISSIONERS HEARING DATE: January 30, 2023

PREPARED BY: Sarah Absher, CFM, Director

UPDATED: January 23, 2023, to add additional testimony to “Exhibit C”

I. GENERAL INFORMATION

Requested actions: Legislative text amendment request to amend Article 5: Special Use Standards and Exceptions of the Tillamook County Land Use Ordinance (TCLUO) to include Section 5.110 and the establishment of use and development standards for placement of an Accessory Dwelling Unit (ADU) on residentially zoned properties located within Tillamook County Unincorporated Communities.

Initiated By: Tillamook County Department of Community Development

II. BACKGROUND

The Tillamook County Housing Commission completed a Housing Need Analysis¹ (HNA) in December 2019. The HNA provided comprehensive review of the County’s housing shortages and forecasted housing demands for the next 20 years. Over the past twenty years, the HNA determined new housing production has not kept pace with demand, leading to a severe shortage of housing availability and affordability issues. Most new construction over the past two decades has occurred in coastal “resort” towns, and 66%-80% of the total housing stock is owned by part-time residents. Approximately one in three local workers now reside outside Tillamook County.

¹ Housing Needs Analysis for Tillamook County can be found on the Tillamook County Housing Commission page under Housing Commission History:
https://www.co.tillamook.or.us/sites/default/files/fileattachments/housing_commission/page/57834/tillamook_hna_final_report_v2.pdf

The HNA estimated an increase of 2,936 residents in the 20-year projection between the base and forecast years with significant socio-economic and demographic shifts. Accordingly, the number of housing units necessary to ensure an adequate supply is expected to increase in tandem with the variety of housing types needed to accommodate a diversity of new residents. The HNA concludes that renters—the vast majority of new residents—will demand medium- and high-density housing types.

The 2019 HNA forecasts the housing needs for Tillamook County under four scenarios and underlying assumptions to determine the additional housing units needed by 2039. Future demand for attainably priced housing will largely require the development of medium density “missing middle” housing types. The likely forecast housing mix corresponds to single-family detached homes, accessory dwelling units (ADUs), multifamily housing units including townhomes and condominiums, and manufactured housing units. With the exception of accessory dwelling units (ADUs), the aforementioned housing types are listed in several unincorporated community residential zones as uses permitted outright or conditionally.

The Department recognizes the benefits that accessory dwelling units (ADUs) provide as a housing option where such benefits consider and are balanced with other community goals. If adopted, the proposed ordinance will further the County’s efforts to meet the demands identified in the 2019 HNA.

III. APPLICABILITY & PURPOSE

The proposed Accessory Dwelling Unit (ADU) ordinance provisions apply to lots or parcels in residential zoning districts located within the Tillamook County Unincorporated Communities of Neahkahnne, Mohler, Barview/Twin Rocks/Watseco, Idaville, Oceanside, Netarts, Siskeyville, Beaver, Hebo, Cloverdale, Pacific City/Woods, and Neskowin (Exhibit A). In accordance with the Comprehensive Plan Goal 14; Urbanization Element, accessory dwelling units (ADUs) are not permitted in rural residential zones, resource zones, or any other zoning districts located outside of these unincorporated communities.

The purpose and intent of creating an ordinance for allowance of an Accessory Dwelling Unit (ADU) on residentially zoned properties located in Tillamook County unincorporated communities is to:

- (a) Ensure that accessory housing is clearly subordinate to the primary use on the property;
- (b) Accommodate unique or special housing needs and circumstances such as caretaker housing;
- (c) Increase and diversify long-term rental housing options throughout the County to meet the needs of the local workforce;
- (d) Provide for the general convenience of area property owners to accommodate family and guests with independent living quarters;
- (e) Create alternative housing opportunities that promote more efficient use of existing or planned public and private utilities, transportation facilities, public transit and other facilities;
- (f) Facilitate accessory housing where public and private utilities, transportation facilities, public transit and other facilities already exist;
- (g) Ensure that adequate sanitation facilities are available to serve the accessory housing.

A summary of the standards listed in proposed Section 5.110 are described in the following section of this report.

IV. SUMMARY OF SECTION 5.110 (ARTICLE 5 OF THE TCLUO)

TCLUO Article 5: Special Use Standards and Exceptions contains supplemental standards for permissible land uses in unincorporated Tillamook County zoning districts. The proposed standards outlined in Section 5.110 establish standards that control size, scale and compatibility of use of an Accessory Dwelling Unit

(ADU) on a lot or parcel. The proposed amendment includes a definition of Accessory Dwelling Unit (ADU) and limit density to no more than one (1) ADU allowed per lot or parcel.

General requirements and development standards for ADUs are outlined in this section, and include standards for building setbacks, off-street parking, and design standards that limit the size and appearance of an ADU ensuring the ADU remains subordinate as an accessory use to the primary dwelling.

Permitting Requirements: An approved building permit is required for structural alterations to an existing dwelling for an ADU, the conversion of space in an existing structure for an ADU and for new construction or placement of an ADU as a detached structure. Demonstration of compliance with applicable building codes must be reflected on the submitted plans and at the time of development. Trades permits for electrical, mechanical and plumbing are also required where applicable.

Letters confirming service availability from public facility service providers are required to be submitted in conjunction with the consolidated zoning/building permit application at the time of application submittal. Service provider letters from applicable water and sewer districts, the local fire department and the Oregon Water Resources Division for properties served by a well are necessary to confirm services are available for the construction or placement of an ADU on a property. Sanitation permit approvals are required for properties improved with an onsite wastewater treatment system to ensure the system is adequately sized for development of an ADU on a property.

Road approach permit approval from the Tillamook County Public Works Department or the Oregon Department of Transportation is required to confirm the existing road approach is adequate for the use of an ADU on the subject property. Documentation from the road authority must also be submitted to the Department at the time of consolidated zoning/building permit application submittal. Documentation can be a copy of an approved road approach permit or written confirmation that the existing approach is adequate to serve the primary dwelling and ADU.

Transient Lodging Prohibition: Accessory Dwelling Units (ADUs) shall not be utilized for transient lodging purposes, including use as a bed and breakfast enterprise or part of a motel/hotel accommodation. Prohibition language has been included in Section 5.110 and is also proposed to be incorporated into Tillamook County Ordinance 84, a separate County ordinance that regulates use of dwellings as short-term rentals in unincorporated Tillamook County. Properties with permitted ADUs will be flagged in the Department property database so that when future permit applications are received, or inquiries regarding a property with an ADU are received, Department staff will be able to advise property owners, sellers and future buyers of these prohibitions.

IV. ANALYSIS:

1. Statewide Planning Goal & Tillamook County Comprehensive Plan Discussion

Oregon's 19 statewide planning goals are adopted as Administrative Rule and express the state's policies on land use as well as land use related topics. Each county is required to have a comprehensive plan consistent with the statewide planning goals as well as zoning and land division ordinances for implementation of plan policies and objectives. The Tillamook County Comprehensive Plan contains 17 of the 19 Statewide Planning Goal Elements. A Goal 15 Element (Willamette Valley) and Goal 19 Element (Ocean Resources) are absent from the Tillamook County Comprehensive Plan as the goals and policies for the Willamette Valley do not apply to Tillamook County and the Ocean Resources Element was created after the adoption of the County's comprehensive plan.

The Comprehensive Plan provides the County with an important opportunity to make a detailed statement describing the needs and desires of its citizens for the future use of the County's land and water resources, and to guide future development of the County through agreed upon policy statements which give direction to County actions and programs. The policies provide a basis for coordination of the programs of other governmental entities and are also intended to assist the private sector in reaching development decisions which are beneficial to the citizens of the County generally as well as to the private property owner.

The plan must also be in conformance with the adopted statewide planning goals and policy statements are to be based upon required inventories of resource and other pertinent information and findings related to analysis of problems and opportunities existing in Tillamook County. The plan is intended to be used to guide actions for problem-solving, and state goals also require local adoption of implementation measures appropriate for dealing with the identified problems and needs.

- **Tillamook County Comprehensive Plan Goal 1 Element: The Planning Process**
Summary: Goal 1 calls for "the opportunity for citizens to be involved in all phases of the planning process." It requires each city and county to have a citizen involvement program containing six components specified in the goal. It also requires local governments to have a committee for citizen involvement (CCI) to monitor and encourage public participation in planning.

The proposed amendment is consistent with the Goal 1 element policies. Notice of public hearing was published in the Headlight Herald in accordance with the Article 10 of the TCLUO with notice provided to County designated Citizen Advisory Committees (CACs) at least 28-days prior to the first evidentiary hearing. Notice of the proposed amendment was also provided to local water, sewer and fire districts. As required, notice of public hearing and accompanying documents part of the PAPA process have been submitted to the Oregon Department of Land Conservation and Development at least 35 days prior to the first evidentiary hearing.

- **Tillamook County Comprehensive Plan Goal 2 Element: THE LAND USE PLAN**
Summary: Goal 2 outlines the basic procedures of Oregon's statewide planning program and describes the development of Tillamook County's Comprehensive Plan including justification for identifying exception areas.

The proposed amendment is consistent with the Goal 2 element and an exception is not required for the proposed amendment.

- **Tillamook County Comprehensive Plan Goal 3 Element: AGRICULTURAL LANDS**
Summary: Goal 3 defines "agricultural lands." It then requires counties to inventory such lands and to "preserve and maintain" them through farm zoning. Details on the uses allowed in farm zones are found in ORS Chapter 215 and in Oregon Administrative Rules, Chapter 660, Division 33.

- **Tillamook County Comprehensive Plan Goal 4 Element: FOREST LANDS**
Summary: This goal defines forest lands and requires counties to inventory them and adopt policies and ordinances that will "conserve forest lands for forest uses."

The proposed amendment does not apply to resource lands.

- **Tillamook County Comprehensive Plan Goal 5 Element: NATURAL RESOURCES**
Summary: The purpose of Goal 5 is to protect natural resources, and conserve scenic and historic areas and open space. Goal 5 covers more than a dozen natural and cultural resources such as

wildlife habitats and wetlands. It establishes a process for each resource to be inventoried and evaluated. If a resource or site is found to be significant, a local government has three policy choices: preserve the resource, allow proposed uses that conflict with it, or strike some sort of a balance between the resource and the uses that would conflict with it.

Findings: The proposed amendment does not reduce existing protections or resources, or natural features reflected in the policies of the Goal 5 Element.

- Tillamook County Comprehensive Plan Goal 6 Element: AIR, WATER AND LAND RESOURCES QUALITY

Summary: This goal requires local comprehensive plans and implementing measures to be consistent with state and federal regulations on matters such as groundwater pollution and noise control in Tillamook County.

Findings: The proposed amendment does not reduce existing protections or resources, or natural features contained in the policies of the Goal 6 Element.

- Tillamook County Comprehensive Plan Goal 7 Element: HAZARDS

Summary: Goal 7 deals with development in places subject to natural hazards such as floods or landslides. It requires that jurisdictions apply "appropriate safeguards" (floodplain zoning, for example) when planning for development there. In Tillamook County, the purpose of addressing hazards is not meant to restrict properties from development, but to institute policies concerning potential problems, so they can be considered before financial losses and possible injury which may be avoided by the application of the policies formulated in the Comprehensive Plan.

The proposed amendment does not reduce existing protections against hazards addressed in the Goal 7 element or waive requirements for satisfaction of standards intended to address hazards such as those contained in TCLUO Section 4.130: Development requirements for Geologic Hazard Areas, TCLUO Section 3.510: Flood Hazard Overlay (FH) Zone, TCLUO Section 3.530: Beach and Dune Overlay (BD) Zone and TCLUO Section 3.580: Tsunami Hazard Overlay (TH) Zone

- Tillamook County Comprehensive Plan Goal 8 Element: RECREATION

Summary: This goal calls for each community to evaluate its areas and facilities for recreation and develop plans to deal with the projected demand for them. It also sets forth detailed standards for expedited siting of destination resorts. In Tillamook County, the main issue surrounding recreation is that of quantity, location and orientation. This Goal element recognizes that the tourism sector of the County's economy is rapidly growing and some feel tourism places too large a burden on local public facilities and services.

Recreation opportunities are not prohibited or limited by the proposed amendment.

- Tillamook County Comprehensive Plan Goal 9 Element: POPULATION AND ECONOMY

Summary: Goal 9 calls for diversification and improvement of the economy. It asks communities to inventory commercial and industrial lands, project future needs for such lands, and plan and zone enough land to meet those needs. Projections in this Element of the Comprehensive Plan extend to year 2000. The importance of cottage industry, rural industry and light industry is recognized throughout this Element, stating that regulations be adopted to permit low-impact light manufacturing activity in suitable rural zones.

The Tillamook County Comprehensive Plan is in need of updated population projections. The

forecasted housing needs contained within the 2019 Tillamook County Housing Needs Analysis (HNA) include current population data and forecasts for housing needed for Tillamook County's workforce. Absent updated information in the Goal 9 element, updated information that supports housing needs and the need for diverse, multi-housing options can be found in the County's HNA.

The policies contained within the Goal 9 element of the Tillamook County Comprehensive Plan are directive in actions needed to be taken by Tillamook County to promote and sustain the County's economy in collaboration with special districts and others. Policies also prioritize needs of industrial and commercial lands.

Commercial and industrial zoning districts have been excluded from the list of eligible zoning districts that would allow for the placement of an ADU. Support of the proposed amendment can be considered by way of providing needed workforce housing- also needed to help sustain Tillamook County's economy. The proposed amendment is consistent with efforts to provide diverse, multiple housing options to Tillamook County's workforce.

- **Tillamook County Comprehensive Plan Goal 10 Element: HOUSING**
Summary: This goal specifies that each city must plan for and accommodate needed housing types, such as multifamily and manufactured housing. It requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. It also prohibits local plans from discriminating against needed housing types. This Goal element within the Tillamook County Comprehensive Plan focuses on the separation of housing needs and opportunities in both rural and urban areas. There is a strong tie to the Goal 11: Public Facilities and Goal 14: Urbanization elements of the Comprehensive Plan in this section.

Goal 10 requires planning for housing that encourages the availability of adequate numbers of housing units, and allow for flexibility of housing location, type and density. It is recognized that the intent of the statewide planning goals is to encourage the concentration of growth within the urban growth boundaries of cities, however this interpretation has resulted from the definition of "buildable lands" which has traditionally only included lands within urban growth boundaries.

The County's Goal 10 element supports a second interpretation of the applicability of the Housing Goal consistent with past LCDC decision- that it is unreasonable to conclude that, because Goal 10's building land inventory requirement applies only within urban growth boundaries, all housing needs must be satisfied within urban growth boundaries. Given the spatial distance of location of incorporated cities within Tillamook County, and the fact that there are no cities and urban growth boundaries from the City of Tillamook to the City of Lincoln City in Lincoln County, all housing needs cannot be satisfied within the urban growth boundaries of the seven incorporated cities in Tillamook County.

As a policy, Tillamook County interprets the Housing Goal (Goal 10) as applying to all areas of the County, not just to incorporated areas and their urban growth boundaries. Given the County's circumstances, this is the only reasonable non-contradictory interpretation of the goal.

The County can encourage the availability of housing to meet needs by: 1) zoning a sufficient amount of land for needed housing types, 2) encouraging cities and service districts to service a sufficient amount of land to meet housing needs, and 3) minimizing the effect of regulations on housing cost. The structure of the proposed amendment supports the third action listed by creating a process with clear and objective standards.

Staff finds the proposed amendment is supported by the goals and policies of the Goal 10 element of the Tillamook County Comprehensive Plan.

The Goal 10 Housing element references other applicable goal elements and discusses the relationships between housing and public facilities and services, urbanization and applicability of the housing goal to urban and rural areas. Goal elements 11 and 14 are further discussed below.

- Tillamook County Comprehensive Plan Goal 11 Element: PUBLIC FACILITIES

Summary: Goal 11 calls for efficient planning of public services such as sewers, water, law enforcement, and fire protection. The goal's central concept is that public services should be planned in accordance with a community's needs and capacities rather than be forced to respond to development as it occurs. This Element of the Comprehensive Plan outline types and levels of urban and rural facilities and services, with guidance to ensure timely, orderly and efficient arrangement of public facilities and services in Tillamook County.

Accessory Dwelling Units (ADUs) are intended to be ancillary and accessory to the primary dwelling. The development standards contained in proposed Section 5.110 establish standards that control size, scale and compatibility of use of an Accessory Dwelling Unit (ADU) on a lot or parcel. The proposed amendment includes a definition of Accessory Dwelling Unit (ADU) and limits density to no more than one (1) ADU per residentially zoned lot or parcel.

As mentioned previously in this report, ADUs would only be allowed on residentially zoned properties within unincorporated communities where public facilities and services exist. Letters from applicable public facility and service providers would be required to be submitted in conjunction with the consolidated zoning/building permit application to ensure services are available and can accommodate the proposed construction or placement of an accessory dwelling unit (ADU).

The proposed time, place and management standards ensure applicable policies contained within the Goal 11 element are not limited or compromised by the proposed amendment.

- Tillamook County Comprehensive Plan Goal 12 Element: TRANSPORTATION

Summary: The goal aims to provide "a safe, convenient and economic transportation system." It asks for communities to address the needs of the "transportation disadvantaged." Policies outlined in this Goal element of the Tillamook County Comprehensive Plan require the County to protect the function, operation and safety of existing and planned roadways as identified in the County's Transportation Plan, consider land use impacts on existing or planned transportation facilities in all land use decisions, plan for multi-modal networks, and coordinate transportation planning efforts with other jurisdictions to assure adequate connections to streets and transportation systems between incorporated and unincorporated areas.

Accessory Dwelling Units (ADUs) are intended to be ancillary and accessory to the primary dwelling. The development standards contained in proposed Section 5.110 establish standards that control size, scale and compatibility of use of an Accessory Dwelling Unit (ADU) on a lot or parcel. Staff finds that future needs or opportunities for transportation facilities are not limited or compromised by the proposed amendment.

- Tillamook County Comprehensive Plan Goal 13 Element: ENERGY CONSERVATION

Summary: Goal 13 declares that "land and uses developed on the land shall be managed and controlled so as to maximize the conservation of all forms of energy, based upon sound economic principles." Planning for energy conservation and opportunities to promote the installation of

renewable energy systems are discussed in this Goal element of the Tillamook County Comprehensive Plan.

Existing opportunities for renewable energy conservation systems and efforts to maximize conservation of existing energy facilities are not affected by the proposed amendment.

- **Tillamook County Comprehensive Plan Goal 14 Element: URBANIZATION**
Summary: This goal requires cities to estimate future growth and needs for land and then plan and zone enough land to meet those needs. It calls for each city to establish an "urban growth boundary" (UGB) to "identify and separate urbanizable land from rural land." It specifies seven factors that must be considered in drawing up a UGB. It also lists four criteria to be applied when undeveloped land within a UGB is to be converted to urban uses. This Goal element of the Tillamook County Comprehensive Plan focuses largely on development within unincorporated communities, public facility limitations to rural areas, and impacts of urban sprawl on resource lands.

Consistent with Goal 11 Comprehensive Plan policies, continued planning to ensure adequate public services such as sewer, water, law enforcement and fire protection is critical to the public health, welfare and safety of Tillamook County communities and its residents.

If adopted, ADUs would only be allowed on residentially zoned properties located in unincorporated communities where public services and facilities exist. ADUs would not be allowed on residential properties outside of residentially zoned properties within unincorporated communities (urbanizable lands).

Time, place and management regulations contained within proposed Section 5.110 are designed to avoid conflict with relevant goals and policies contained within the Goal 14 element of the Tillamook County Comprehensive Plan and ensure development does not result in urban sprawl on resource lands.

The proposed time, place and management standards ensure applicable policies contained within the Goal 14 element are not limited or compromised by the proposed amendment.

- **Tillamook County Comprehensive Plan Goal 16 Element: ESTUARINE RESOURCES**
Summary: This goal requires local governments to classify Oregon's 22 major estuaries in four categories: natural, conservation, shallow-draft development, and deep-draft development. It then describes types of land uses and activities that are permissible in those "management units." Five estuaries are inventoried and described in this element of the Tillamook County Comprehensive Plan, the Nehalem Estuary, Tillamook Estuary, Netarts Estuary, Sandlake Estuary and Nestucca Estuary.
- **Tillamook County Comprehensive Plan Goal 17 Element: COASTAL SHORELANDS**
Summary: The goal defines a planning area bounded by the ocean beaches on the west and the coast highway (State Route 101) on the east. It specifies how certain types of land and resources there are to be managed: major marshes, for example, are to be protected. Sites best suited for unique coastal land uses (port facilities, for example) are reserved for "water-dependent" or "water related" uses. Coastal Shorelands inventoried in Tillamook County as described in this element are Nehalem Estuary Shorelands, Tillamook Estuary Shorelands, Netarts Estuary Shorelands, Sandlake Estuary Shorelands, and Nestucca Estuary Shorelands.
- **Tillamook County Comprehensive Plan Goal 18 Element: BEACHES AND DUNES**
Summary: Goal 18 sets planning standards for development on various types of dunes. It prohibits

residential development on beaches and active foredunes but allows some other types of development if they meet key criteria. The goal also deals with dune grading, groundwater drawdown in dunal aquifers, and the breaching of foredunes. Several categories of dunes are described and discussed in this element of the Tillamook County Comprehensive Plan, and includes discussion about where residential, commercial and industrial uses are prohibited. Goal 18 Exception areas are also inventoried within this element which allow for residential, industrial and commercial uses in dune areas that would otherwise be prohibited.

The proposed amendment is not in conflict with the goals and policies of the coastal elements. Coastal resources areas already under policy protection will continue to remain under those protections contained within the Comprehensive Plan.

2. Tillamook County Land Use Ordinance, Article IX, Amendment Process

A. Section 9.030: Text Amendment Procedure (Amend Article 5 of the TCLUO to include Section 5.110: Accessory Dwelling Unit (ADU) Standards)

1. A COMPREHENSIVE PLAN TEXT or ORDINANCE AMENDMENT may be requested by any person, subject to the requirements of a Type IV procedure and Article 10.

If County initiated, Article 9 requires the Department to prepare an analysis of the proposed amendments addressing such issues as the intent of the applicable Comprehensive Plan policies; the intent of the provisions being amended; the effect on the land use patterns in the County; the effect on the productivity of resource lands in the County; administration and enforcement; and the benefits or costs to Departmental resources resulting from the proposed amendment.

Staff finds as follows:

- Analysis of the proposed amendment in relation to existing Comprehensive Plan policies is contained in this report.
- The proposed amendment does not impair legally designated uses permitted outright or conditionally in the established underlying residential zones. The proposed amendment is supplemental for the development of an ADU on a residential property, a residential use accessory and subordinate to the established primary use (dwelling). No effect on land use patterns is anticipated as a result.
- The proposed amendment does not have an anticipated effect on the productivity of resource lands in Tillamook County. The proposed amendment does not allow the development of an ADU on resource lands.
- The Department does not anticipate any impact on County administration or enforcement of development of an ADU on residentially zoned properties.
- A fee structure already exists for required land use, zoning and building permit application(s) which will continue to apply to development requests of properties located within unincorporated Tillamook County.
- Permitting requirements for development of an Accessory Dwelling Unit (ADU) are briefly described in this report. Permitting process will follow standard procedures and review processes currently in place to ensure compliance with applicable building, zoning and sanitation code requirements.

2. CRITERIA

- (a) If the proposal involves an amendment to the Comprehensive Plan, the amendment must be consistent with the Statewide Planning Goals and relevant Oregon Administrative Rules;*
- (b) The proposal must be consistent with the Comprehensive Plan. (The Comprehensive Plan may be amended concurrently with proposed changes in zoning);*
- (c) The Board must find the proposal to be in the public interest with regard to community conditions; the proposal either responds to changes in the community, or it corrects a mistake or inconsistency in the subject plan or ordinance; and*
- (d) The amendment must conform to Section 9.040 Transportations Planning Rule Compliance.*

Staff finds as follows:

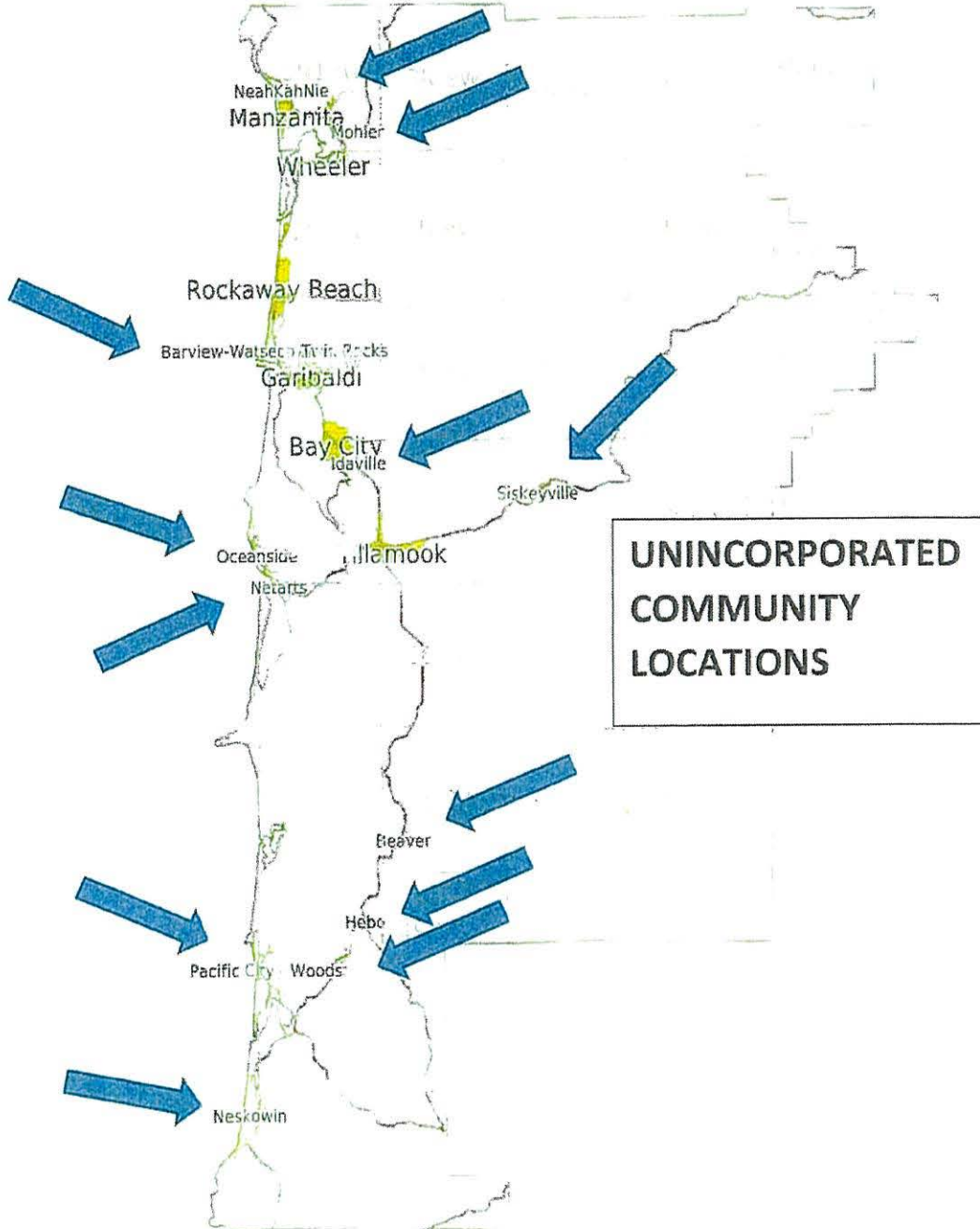
- Goals and policies reflected in the Tillamook County Comprehensive Plan are required to be consistent with the Statewide Planning Goals and relevant Oregon Administrative Rules.
- The proposed amendment does not involve an amendment to the Tillamook County Comprehensive Plan. Policies contained within the Goal 10: Housing element of the Tillamook County Comprehensive Plan support adoption of the proposed amendment.
- The proposed amendment is within the public interest regarding community conditions and known future housing needs contained within the County's Housing Needs Analysis.
- The proposed amendment is not in conflict with Section 9.040 Transportation Planning Rule Compliance, specifically this updated information will not significantly affect a transportation facility pursuant with Oregon Administrative Rule (OAR) 660-012-0060 (Transportation Planning Rule - TPR).

V. EXHIBITS:

- Exhibit A: Maps
- Exhibit B: TCLUO Section 5.110: Accessory Dwelling Unit
- Exhibit C: Public Testimony

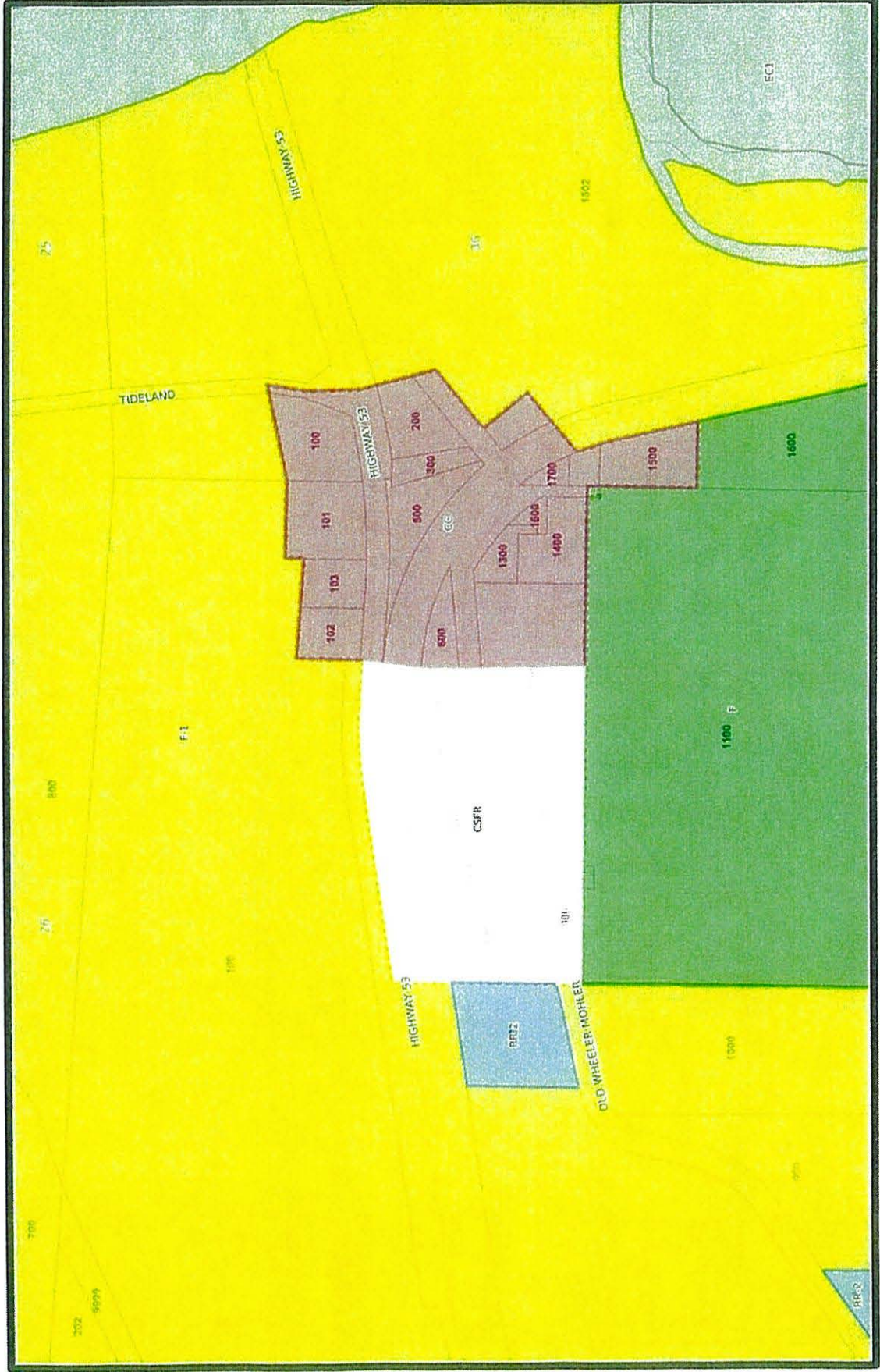
EXHIBIT A

VICINITY MAP



#851-22-000402-PLNG
TCLUO SECTION 5.110:
ACCESORY DWELLING UNIT STANDARDS

Map: MOHLER

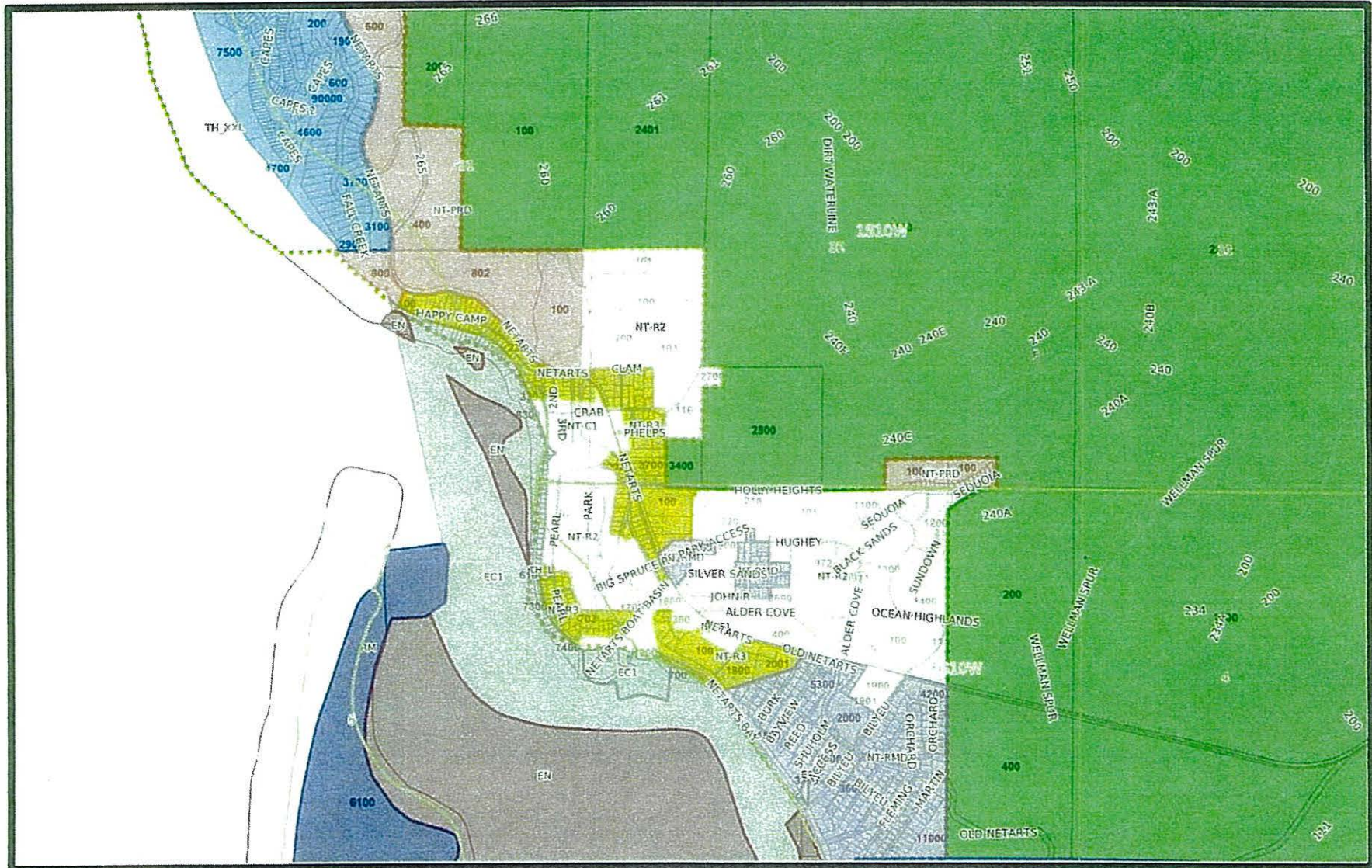


Map: BARVIEW / TWIN ROCKS / WATSELO (NORTH)



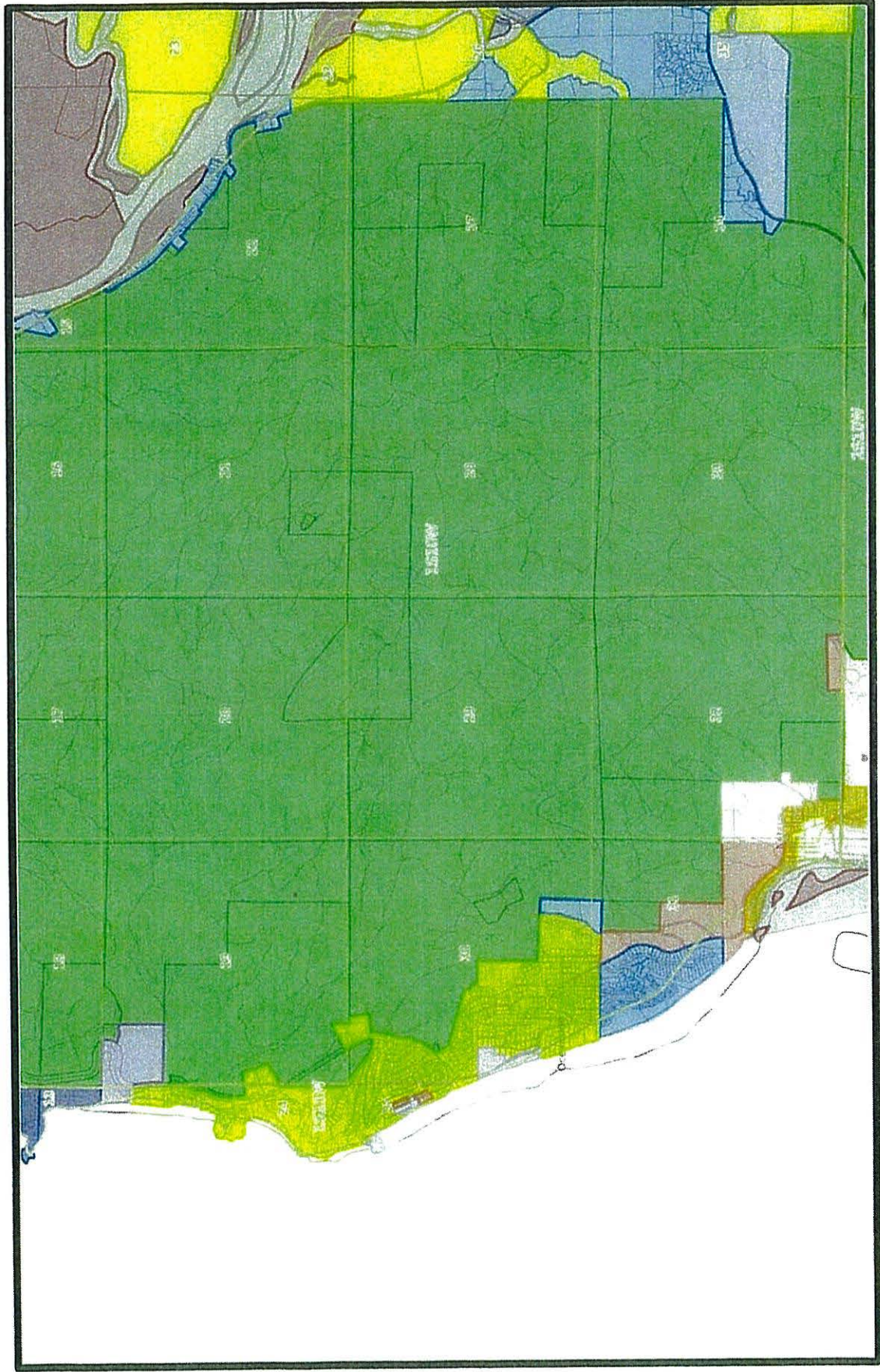
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Map: NETARTS



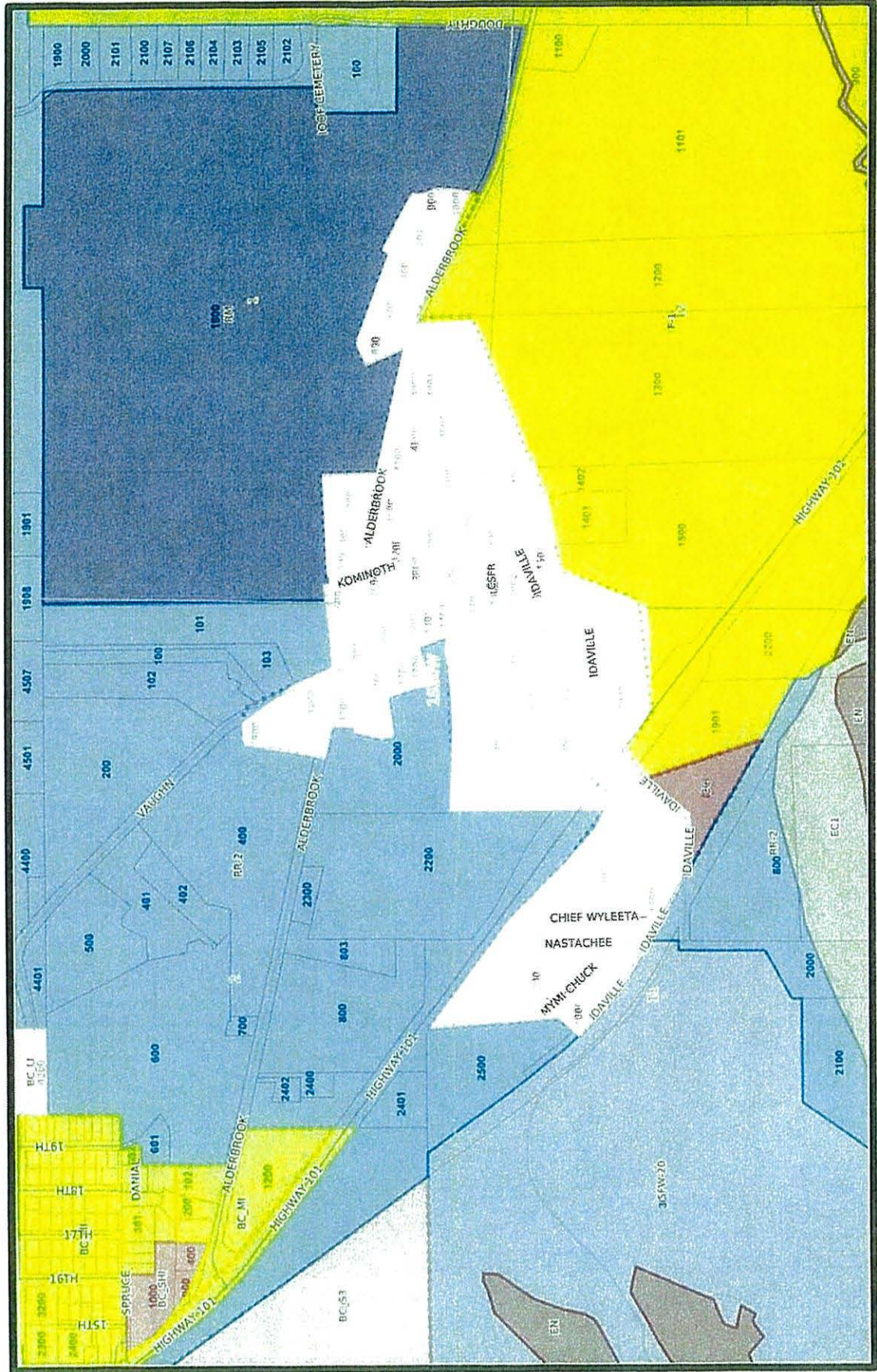
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Map: OCEANSIDE

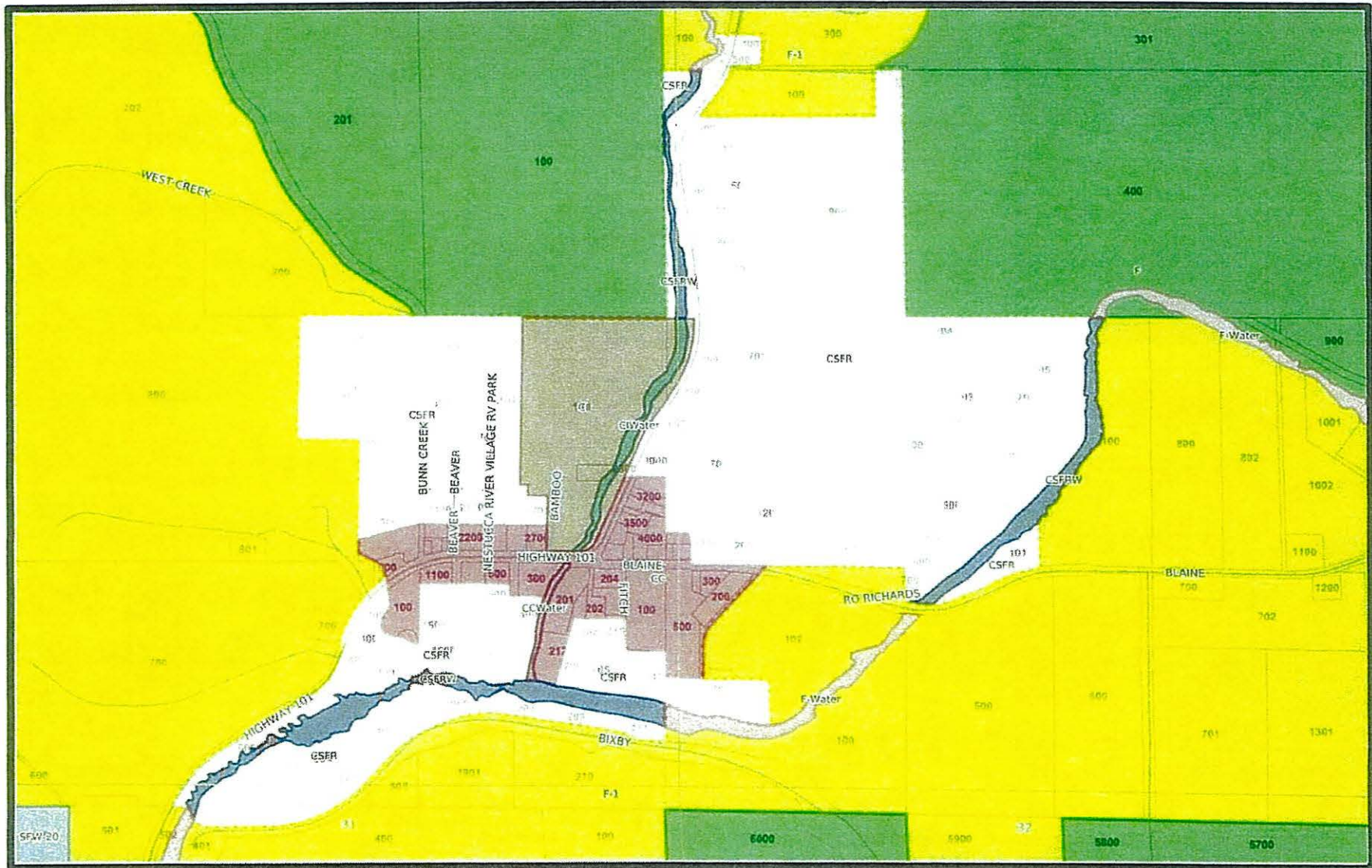


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Map: IDAVILLE

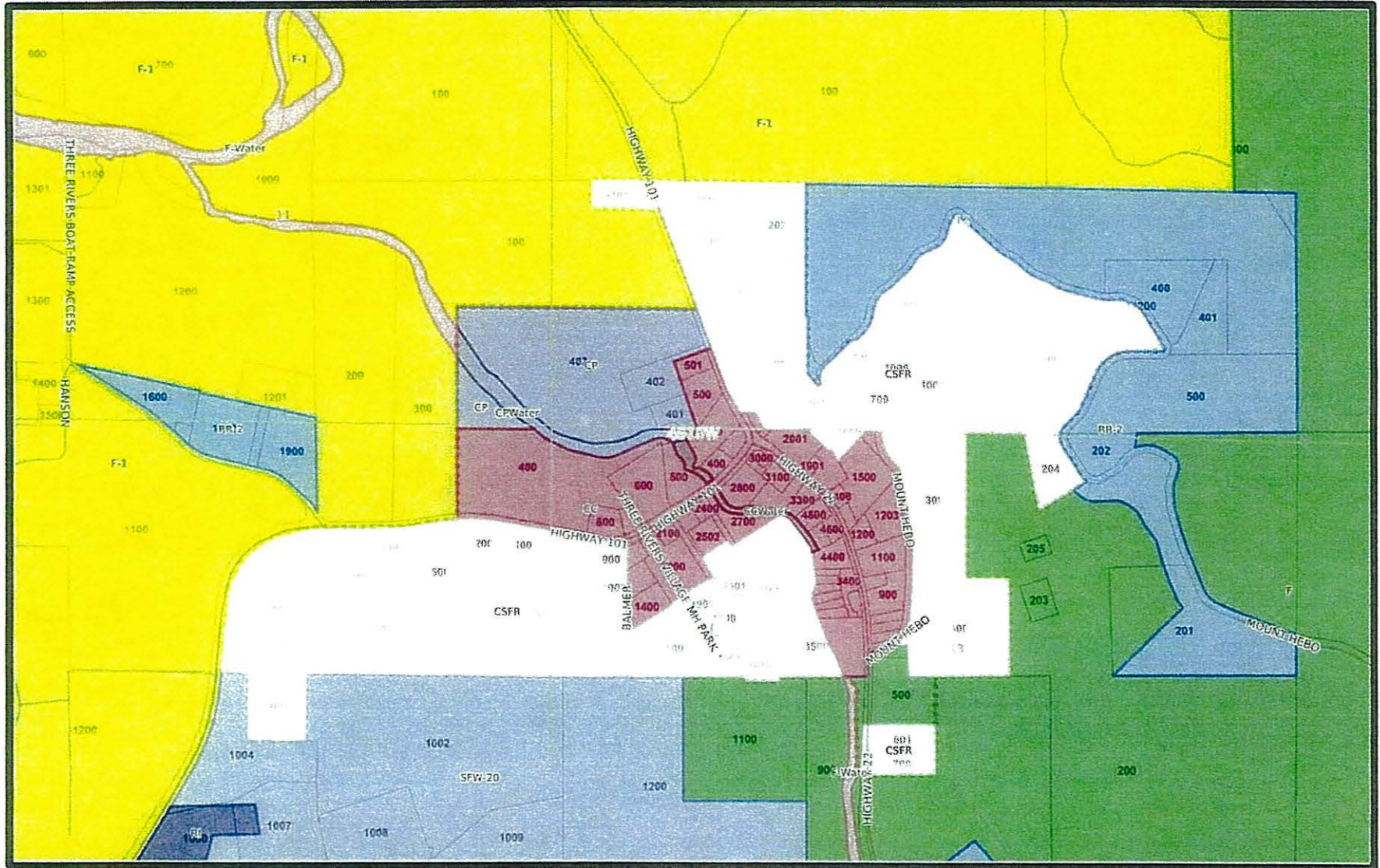


Map: BEAVER



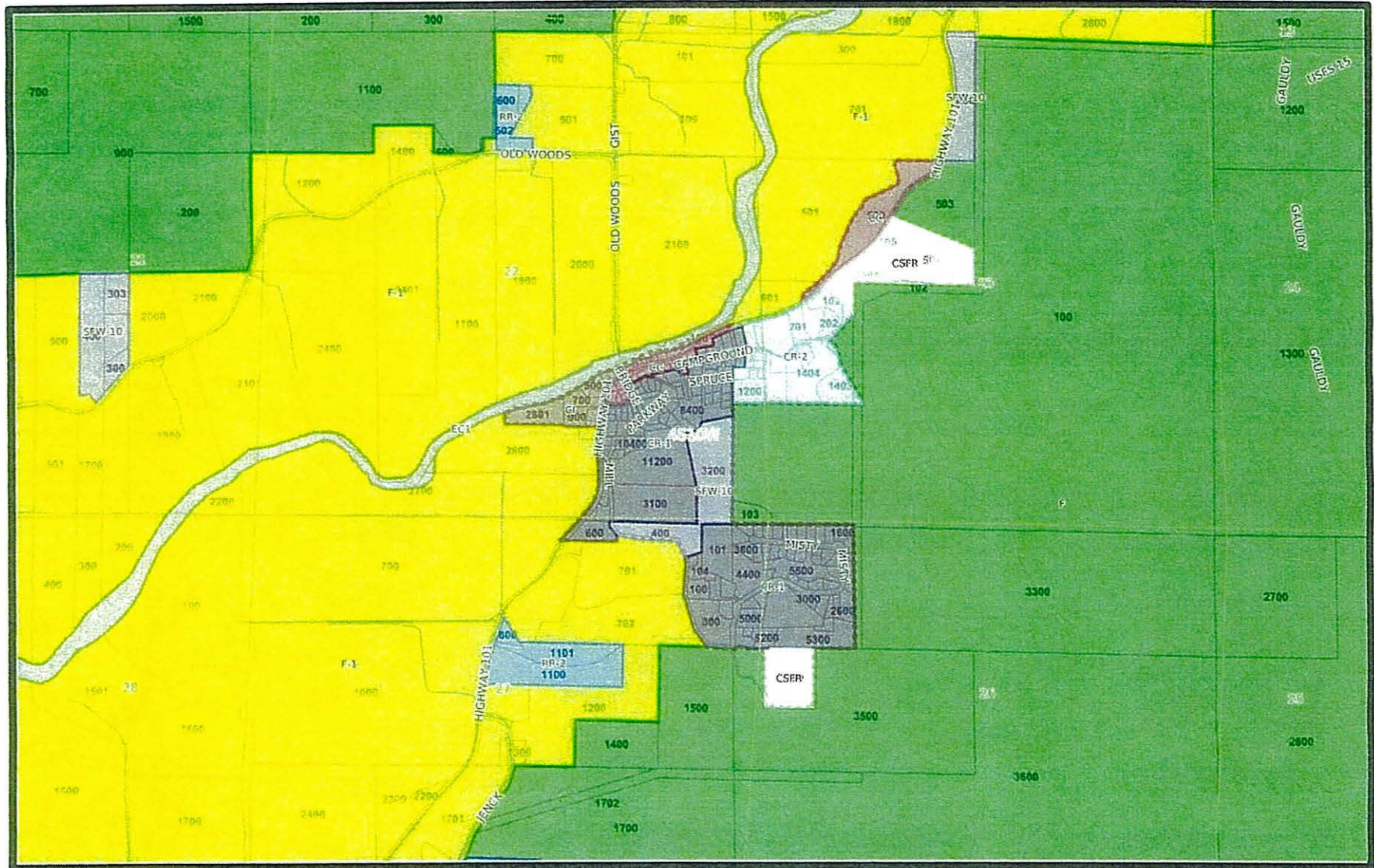
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Map: HEBO



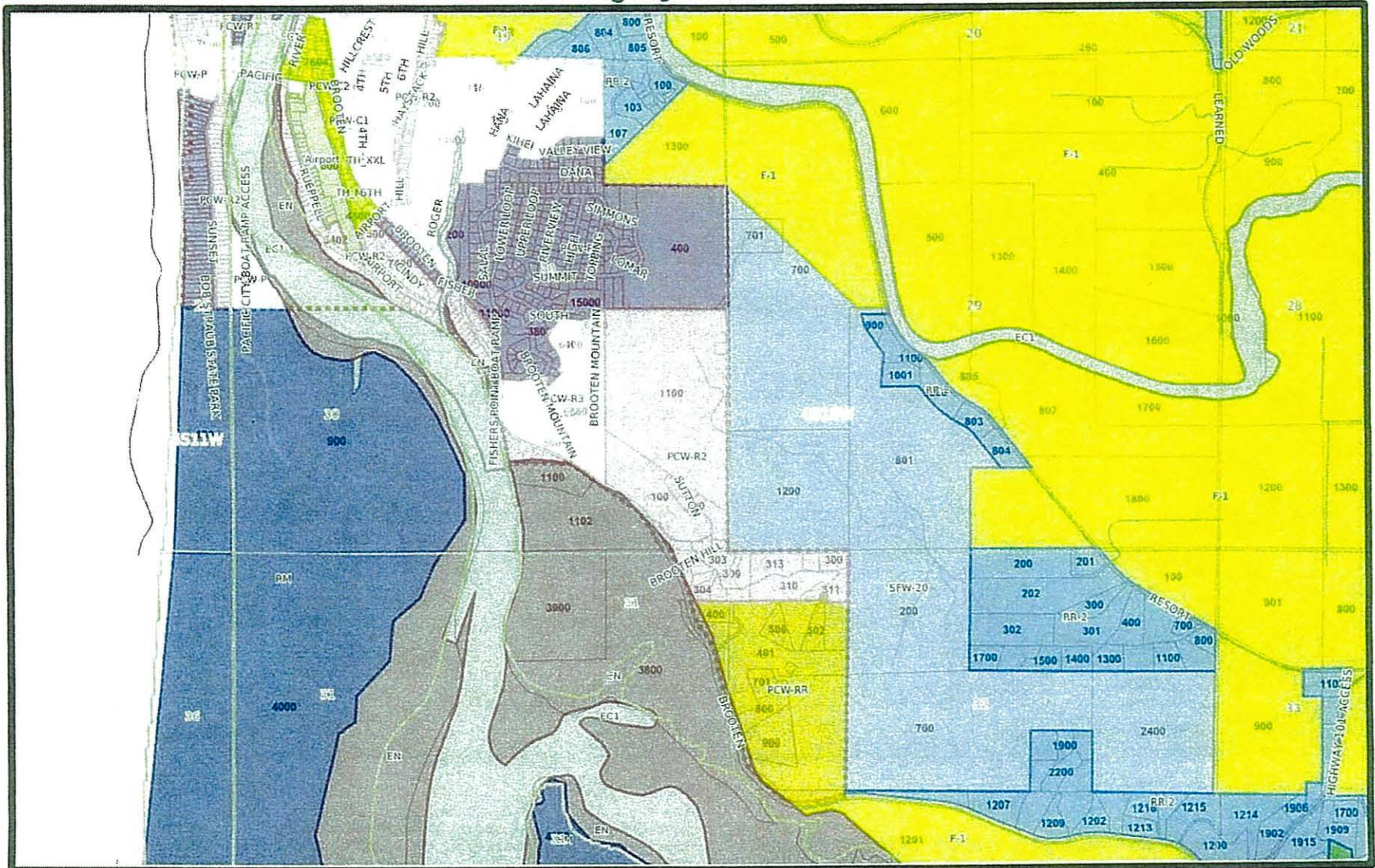
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Map: CLOVERDALE



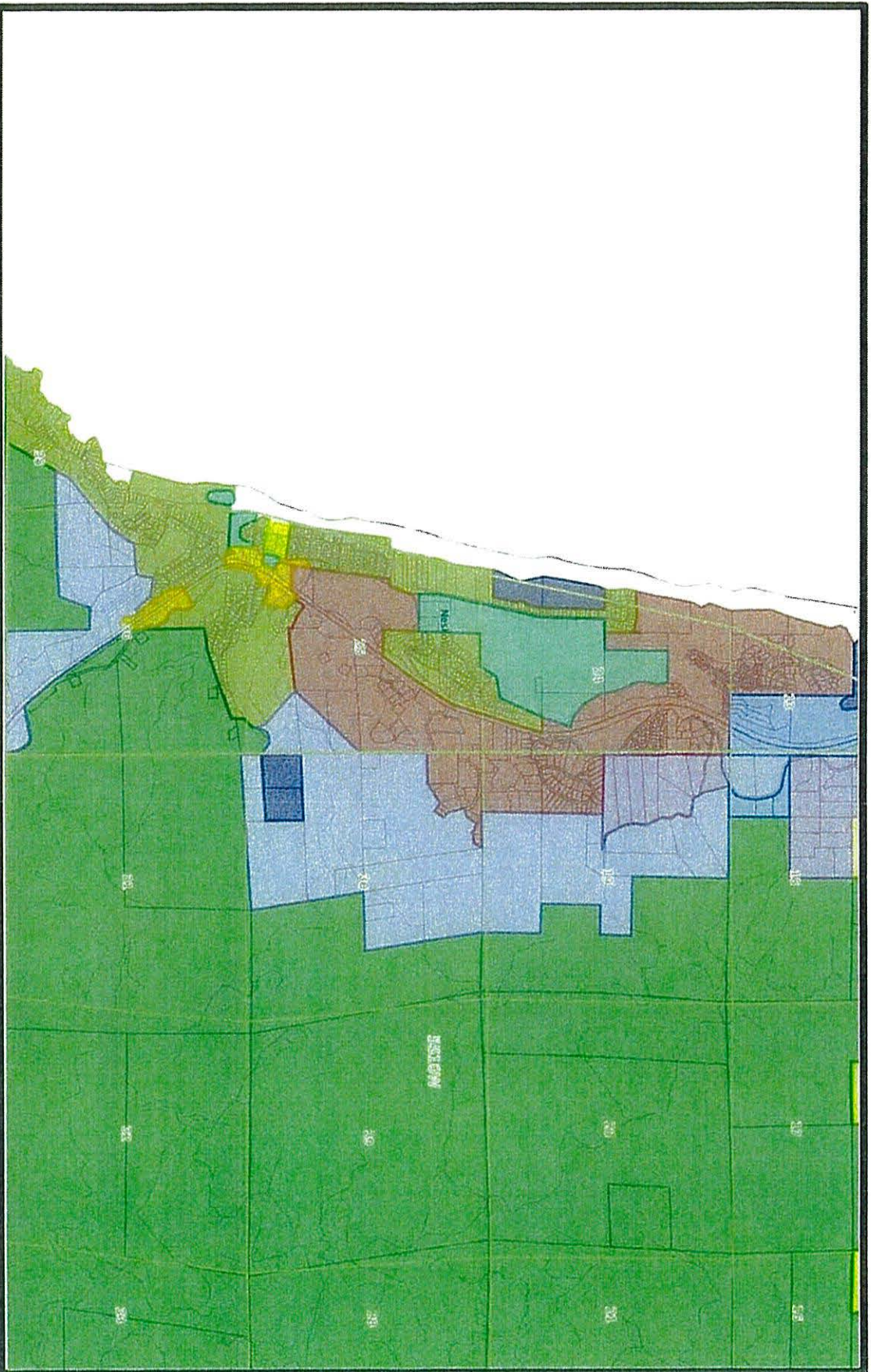
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Map: PACIFIC CITY / WOODS (SOUTH)



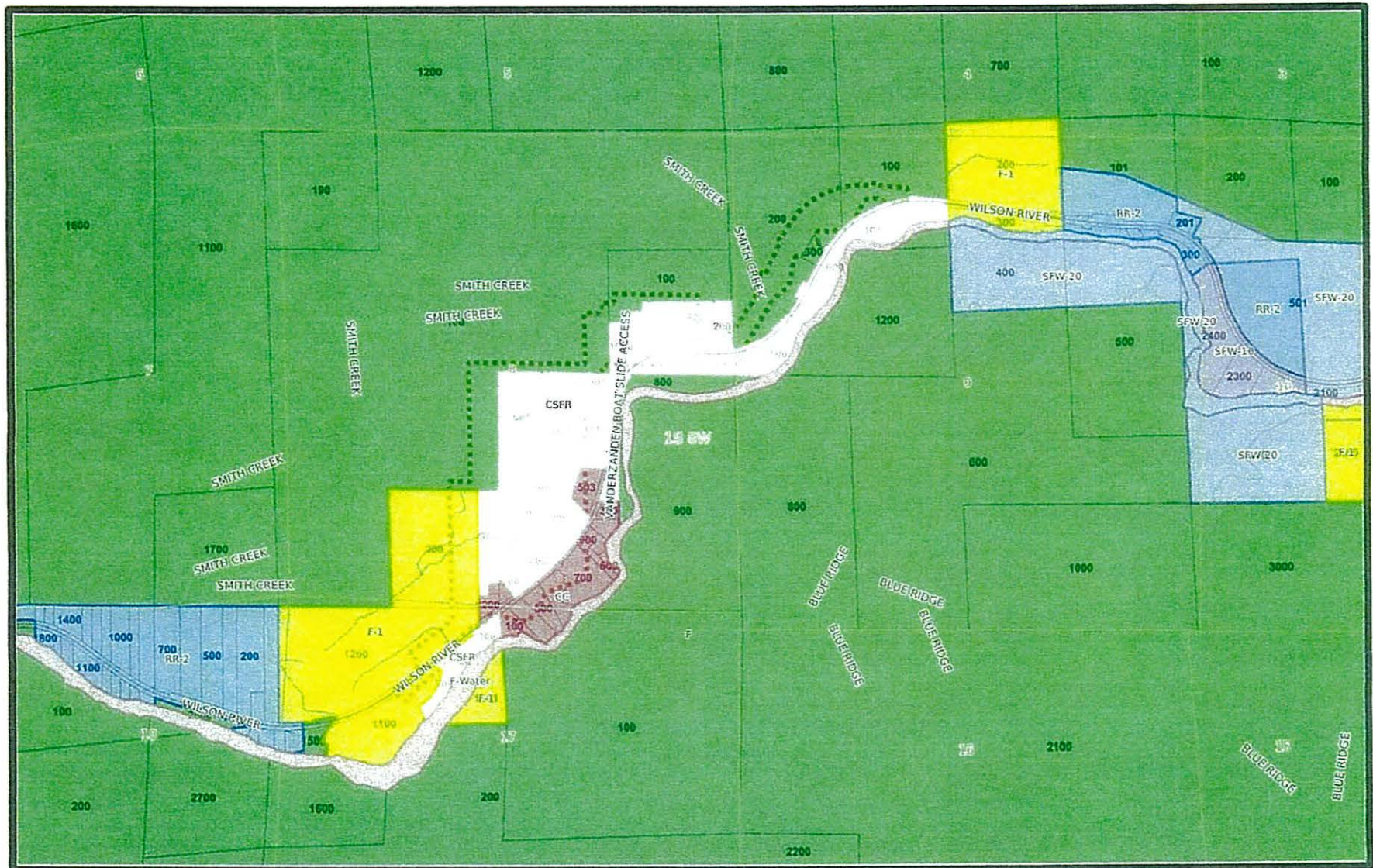
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Map: NESKOWIN



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Map: SISKEYVILLE



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EXHIBIT B

SECTION 5.110: ACCESSORY DWELLING UNIT (ADU) STANDARDS

DEFINITION: Accessory Dwelling Unit (ADU): a subordinate dwelling unit which provides complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, cooking, eating and sanitation on the same lot or parcel as the primary dwelling and which is incidental to the main use of the property. In no case shall the ADU exceed in area, extent or purpose, the primary dwelling.

An Accessory Dwelling Unit (ADU) may be either integrated into the same structure as the primary dwelling or constructed as a separate freestanding dwelling. If constructed within or as an addition to an existing or under-construction primary dwelling, the ADU shall conform to all building code requirements for fire separation between the two units. Attached or detached, an ADU shall be subordinate to the primary dwelling and shall meet the following use and development standards:

(A) *Location.* An ADU may be sited on a lawfully established lot or parcel located in unincorporated community residential zoning districts. There is no minimum land area requirement for an ADU.

(B) *Number.* Only one ADU shall be permitted per lot or parcel.

(C) *Setbacks.* For a detached ADU, the minimum rear yard setback shall be five feet; the minimum side yard setback shall be five feet and where applicable, the minimum street-side yard setback shall be ten feet. The required front yard setback of the underlying residential zone shall apply or the required front yard setback for small lots allowed under Section 4.100 and Section 4.110, where applicable. A detached ADU shall be physically separated from the primary residence by a minimum distance of six feet. A covered walkway which contains no habitable space may connect the two buildings without violation of the setback requirements.

If constructed within or as an addition to an existing or under-construction primary dwelling, the ADU shall conform to the setback requirements of the underlying zone or the required setbacks for small lots allowed under Section 4.100 and Section 4.110, where applicable.

(D) *Design.* An ADU shall be set on a permanent foundation; have any wheels, tongues, and running gear removed; and be connected to domestic sewer and water or connect to an onsite wastewater treatment system for those lots or parcels in unincorporated communities not served by sewer. A Recreational Vehicle (RV), yurt, travel trailer or other non-habitable structures not intended for residential occupancy shall not be utilized as an ADU.

(E) *Area.* The floor area of an ADU shall not exceed 75% of the living space of the primary residence or 800 square feet, whichever is less. If free-standing, the building footprint of the ADU shall also not exceed 75% of the building footprint of the primary dwelling or 800 square feet, whichever is less.

(F) *Height.* The maximum height of a freestanding ADU shall not exceed the height of the primary residence or the allowable maximum height of the underlying zone, whichever is less. An ADU built within or as an addition to the primary dwelling unit or over a detached garage shall not exceed the maximum height of the zone.

(G) *Lot Coverage.* Where applicable, maximum lot coverage requirements of the underlying zone shall not apply to the placement of an ADU. Maximum lot coverage requirements for properties developed under TCLUO Section 4.100 shall apply.

(H) *Parking.* One off-street parking space shall be maintained for the ADU. The parking space shall be a minimum of 8-feet by 20-feet in size.

(I) *Transient Lodging Prohibition.* The ADU shall not be utilized for transient lodging purposes.

(J) *Non-Conforming Structures.* Any legal nonconforming structure may be allowed to contain, or be converted to, an ADU, provided the ADU does not increase the nonconformity and meets applicable building and fire code requirements. Expansion of a Non-Conforming structure to accommodate an ADU may be allowed, subject to the provisions of Article VII: Nonconforming Uses.

EXHIBIT C

December 1, 2022

RE: SECTION 5.110: ACCESSORY DWELLING UNIT (ADU)

To Whom It May Concern:

On behalf of the Tillamook County Housing Commission and its volunteer members, we request your support for the proposed Section 5.110 ADU ordinance. This policy is one of three primary solutions we have identified to increase the number of affordable and attainable rental units to address the housing crisis in Tillamook County.

In December 2019 the Housing Commission completed a comprehensive formal Housing Needs Analysis to get the hard facts needed to look at the next 20 years of housing needs. Facts which have persisted, if not worsened, during the last three years:

- From 2014 to 2019 home prices rose by 40% but wages rose only 21%.
- Most new housing stock has been aimed at our “resort towns” where many homes are owned by part time residents.
- Vacancy rates for renters and owners plunged to near zero, pushing rents and home prices to record highs.
- One in four workers must commute over 50 miles *each way* to work.
- These severe housing affordability challenges are exacerbated by land use, environmental, and infrastructure issues as well as limited family wage jobs.

A Housing Summit held in October 2019 generated significant momentum for creating housing solutions. The Housing Commission and the Department of Community Development were joined by over 70 community stakeholders to collaborate in addressing critical housing issues.

Three proposed solutions were endorsed by the majority of Summit participants:

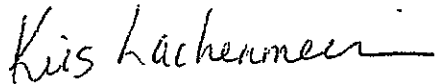
- Create a tax abatement program for multifamily housing.
- Establish a nightly fee from short terms rentals to provide funding to address housing issues.
- Promote the allowance of accessory dwelling units on single family home lots in unincorporated Tillamook County.

We are pleased to report the success of the first two solutions. This ADU proposal addresses the third solution to promote accessory dwelling units, in alignment with recent Oregon state senate bill SB391 which "authorizes counties to allow owner of lot or parcel within rural residential zone to construct one accessory dwelling unit on lot or parcel, subject to certain restrictions."

Passage of this ordinance as written can help provide a near-immediate response to our current housing crisis. Where permissible, ADUs can be constructed or designated on existing properties with minimal potential barriers. Available only to long-term renters, this ordinance provides a win-win-win scenario. Homeowners gain an added source of income, employers benefit from an increased supply of workforce housing and home-seekers will have more rental options at rents they can afford. Additionally, ADUs support more efficient and flexible housing use; accommodating young people just starting out, homeowners no longer needing a large single-family home, and older adults still able to live independently, thereby freeing up stock for others in need.

Our members have reviewed the criteria and intent of this ordinance, contributing to the final proposal for your consideration. Please join us in supporting and codifying this important policy.

Respectfully Submitted,

A handwritten signature in black ink that reads "Kris Lachenmeier". The signature is written in a cursive style with a horizontal line at the end.

Kris Lachenmeier
Vice Chair
Tillamook County Housing Commission

Lynn Tone

From: Biff <biff@pineconedb.com>
Sent: Wednesday, November 30, 2022 4:17 PM
To: Lynn Tone
Subject: EXTERNAL: Re: Local Contractor and Resident in Support of ADUs
Attachments: nmhc_cost-of-regulations-flyer.pdf; 2022-nahb-nmhc-cost-of-regulations-report.pdf

[NOTICE: This message originated outside of Tillamook County -- **DO NOT CLICK** on links or open **attachments** unless you are sure the content is safe.]

Hi Lynn,

Sorry, I forgot to attach the documents to my previous email to the commissioners for the Dec. 8 public hearing about ADUs. They are attached here.

Thank You and Have a Lovely Day!

~Biff Schlicting

On Wed, Nov 30, 2022 at 3:51 PM Biff <biff@pineconedb.com> wrote:
Tillamook County Commissioners and Officials,

As a local resident, building contractor, experienced designer and builder of custom, small-footprint dwellings, remodels, conventional new construction *and* someone who is interested in solutions to affordable housing issues, I wholeheartedly encourage the sensible implementation of ADUs into the county land use ordinances. It is from my interest in creating more affordable housing that I offer the following thoughts.

Giving property owners more freedom to develop an additional dwelling on their property could very effectively, expediently and efficiently increase rentable housing stocks, thereby reducing the need for public programs that are well intentioned, but realistically and unlikely to fulfill that goal in a timely manner.

It is imperative though that there be sensible development standards regulating the addition of an ADU.

If a property owner would like to build a long-term rental unit or ADU, but when penciling it out is confronted with excessive engineering costs, building costs to comply with the engineering, hefty system development and other fees, along with inflated building material prices, *and*, all the time needed to comply with overly burdensome regulation; significantly fewer property owners would be incentivized to build an ADU. The property owners who could afford to pursue building an ADU, provided they would do so for a long-term rental and not just as a guest house, would likely end up having to charge a higher rent than what might be considered affordable so it would be worth their while.

It has been pointed out in a recent study (PDFs attached below), and I have definitely noticed it in my work as a contractor, that one of the greatest impediments to housing affordability are the costs associated with regulatory compliance. According to the research, "an average of 40.6 percent of total development costs can now be attributed to complying with regulations imposed by all levels of government."

It needs to be acknowledged that the study by the National Association of Home Builders may be somewhat biased toward improving the bottom line of larger developers, but the points made in the report I still find very valid, and fairly accurate, as I have seen it myself when producing budgets for modest home building projects. A couple of which have been canceled or delayed in large part due to the costs of compliance.

Certainly, the costs associated with reasonable county land use development programs and reasonable building development standards would still be a part of project costs, but when, as mentioned, projects aimed at affordable housing are cancelled largely because the cost of compliance is so high, it seems reasonable to consider what regulators can do to participate in helping make housing more affordable. From my perspective, this challenge will only be solved by realizing the status quo has not been working, a willingness to break with the established norms, subduing unreasonable fears and boldly trying new and creative solutions.

For me, the best path forward is (if it has not already been done), for the various commissioners and officials to take a very honest look at the real reasons it is so expensive to build a home. Then, after that assessment, coordinate with the people who build and develop housing to come up with fresh, creative ways to make it easier and more affordable for property owners to participate in being a big part of the solution. Done right, I feel that ADUs have the capacity to greatly improve Tillamook county's affordable housing options.

Thank You for taking the time to consider my perspective. Have a Great Day!

Biff Schlicting
Pinecone Design+Build LLC
Neskowin, Oregon

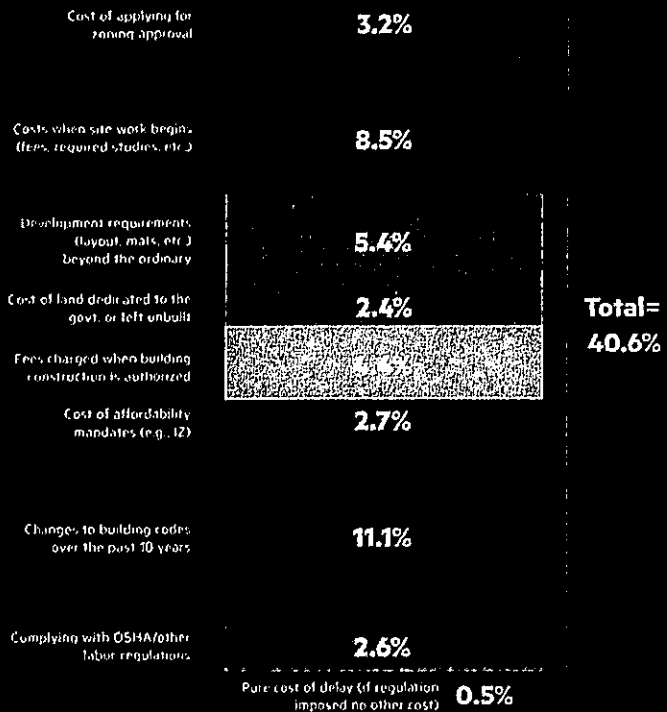
Regulations Account for 40.6% of Multifamily Development Cost, Driving Up Housing Costs and Worsening Affordability

Multifamily developers are subject to a wide range of regulations at all levels of government. While some are necessary for the health and safety of America's renters, many are not.

In addition, neighborhood opposition and affordable housing mandates can sometimes deter development altogether.

Research by the National Multifamily Housing Council (NMHC) and the National Association of Home Builders (NAHB) quantifies just how much those regulations drive up costs.

AVERAGE COST OF REGULATION AS A SHARE OF TOTAL MULTIFAMILY DEVELOPMENT COST



Note: Averages are across all multifamily properties, even those not subject to a particular type of regulation. Those are factored in as "0" when calculating.

Governments Impose Costs, But Policymakers Can Also Reduce Them Through Regulatory Reform

Examining whether some of the fees/requirements associated with these regulations are truly necessary is one way to make a dent in the affordability problem.



BUILDING CODES

Changes over the past 10 years are the largest regulatory driver of development costs.

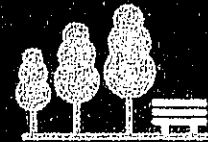
Average Cost: 11.1%



ZONING

Very little land in the U.S. is zoned for "by right" apartment development. 94% of developers reported they must dedicate resources to getting land rezoned.

Average Cost: 3.2%



PUBLIC LAND/OPEN SPACE

Local governments often require developers to donate a portion of the land for its use or leave it unbuilt.

Average Cost: 2.4%



DESIGN CHANGES

Local governments also often require developers to add certain features to their projects - such as energy-efficiency upgrades - or comply with specific design requirements.

Average Cost: 5.4%



DELAYS

Navigating the approval process, waiting for permits and inspections makes the development process take longer and time is money.

Average Cost: 0.5%



LOCAL FEES

Once developers start preparing the land for construction, local governments often impose impact fees (to be used for capital improvements, utility impact fees, specialized environmental or other impact studies).

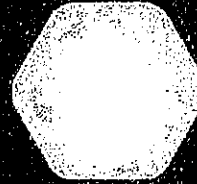
Average Cost: 8.5%

They can also charge building permit and other fees before building construction can begin. **Average Cost: 4.4%**

Community Opposition Imposes Real Costs

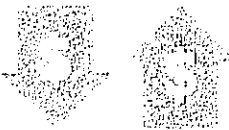


75% of respondents said they encountered "Not In My Backyard" (NIMBY) opposition to their proposed development.



Confronting NIMBYISM adds an average of 5.6% to the development cost and delays completion of the housing by an average 7.4 months.

"Quick-Fix" Affordability Mandates Make Housing More Expensive and Deter Development



Inclusionary Zoning. Mandates to require a certain number of apartments to have below market rents, mean higher rents for the rest. **Cost: 7.6% Rent Increase**



Rent Control and IZ deter some construction altogether. Developers simply avoid communities with those requirements. This translates into housing not being built in many areas where it is so desperately needed.

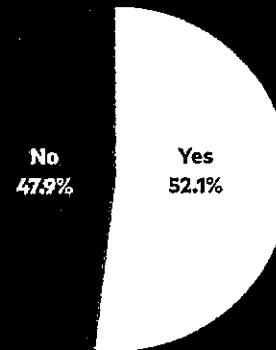


This translates into housing not being built in many areas where it is so desperately needed.

SOME MULTIFAMILY DEVELOPERS AVOID BUILDING IN JURISDICTIONS WITH THESE POLICIES

Will You Build if Affordable Housing Mandates Are Required?

Inclusionary Zoning



Rent Control



Source: NAHB and NMHC



Identifying duplicative and unnecessary regulatory costs and combatting NIMBYism are key factors as we work to address the nation's housing affordability crisis.

Learn more at www.nmhc.org/cost-of-regulations

NMHC NATIONAL MULTIFAMILY HOUSING COUNCIL

NMHC.ORG



Regulation: 40.6 Percent of the Cost of Multifamily Development

Paul Emrath, National Association of Home Builders (NAHB)

Caitlin Sugrue Walter, National Multifamily Housing Council (NMHC)

Regulation imposed by all levels of government accounts for an average of 40.6 percent of multifamily development costs, according to research by NAHB and NMHC.

Apartment development can be subject to a significant array of regulatory costs, including a broad range of fees, standards and other requirements imposed at different stages of the development and construction process. This joint research effort surveyed NAHB and NMHC members to quantify how much regulation exists and how much it is adding to the cost of developing much-needed new multifamily properties.

About NAHB

The National Association of Home Builders (NAHB) strives to protect the American Dream of housing opportunities for all, while working to achieve professional success for its members who build communities, create jobs and strengthen our economy. NAHB Multifamily provides services, benefits and opportunities to members with an interest in multifamily housing, including multifamily member meetings, newsletters, events, webinars and multifamily housing awards. It coordinates with other NAHB departments on advocacy efforts, economic studies and resources for multifamily housing. For more information, please visit NAHB Multifamily at nahb.org/nahb-community/councils/multifamily-council.

About NMHC

Based in Washington, D.C., the National Multifamily Housing Council (NMHC) is the leadership of the apartment industry. We bring together the prominent owners, managers and developers who help create thriving communities by providing apartment homes for 40 million Americans, contributing \$3.4 trillion annually to the economy. NMHC provides a forum for insight, advocacy and action that enables both members and the communities they help build to thrive. For more information, contact NMHC at 202/974-2300, e-mail the Council at info@nmhc.org, or visit NMHC's website at nmhc.org.

Introduction

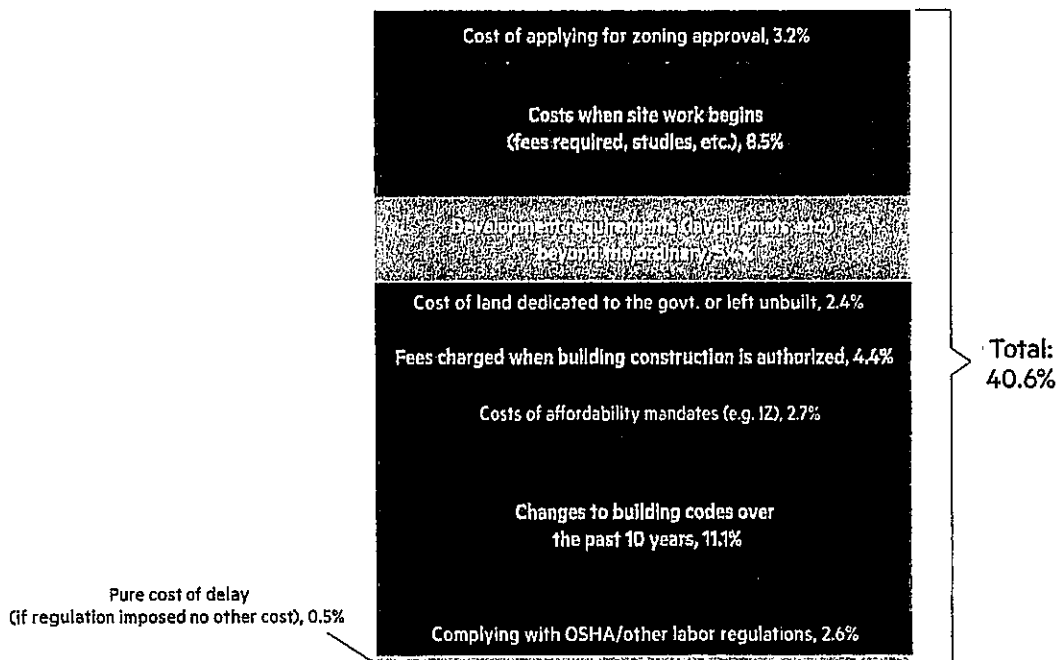
Multifamily development is subject to a variety of regulations at all levels of government. While some of these regulations are necessary to protect the health and safety of residents as well as the integrity of the building or community, it is informative to know the financial impact of each type of regulation, particularly in an era of widespread cost increases and worsening affordability problems for renters. Each added cost means the developer must increase rents for the project to remain financially feasible.

Regulations cover a wide-range of issues, and while they may be well-intentioned, the costs and burdens of any regulation must be carefully weighed against the benefits. Few would argue, for example, that basic safety standards for structures and workers are unnecessary. But, when regulation constitutes an average of 40.6 percent of a project's development costs, this raises questions about how thoroughly governments are considering the consequences of their actions. Are they aware of how much regulation currently exists? Do they realize how multiple regulations with conflicting standards can cause delays and increase costs? And do they understand the extent to which these increased costs translate into higher rents and make it difficult to build new housing that families with modest incomes can afford?

Recently, the [National Association of Home Builders \(NAHB\)](#) and the [National Multifamily Housing Council \(NMHC\)](#) undertook a joint research effort to find out how much government regulation adds to the cost of building new multifamily housing via a survey distributed to multifamily developers. (See Appendix 2).

The research finds that an average of **40.6 percent of total development costs** can now be attributed to complying with regulations imposed by all levels of government. Figure 1 shows how this percentage breaks down among the various types of regulation.

Figure 1. Average Cost of Regulation as a Percent of Total Multifamily Development Cost



Source: NAHB and NMHC

Perhaps more importantly, some of these regulatory mandates can discourage developers from building in the very marketplaces that have the greatest need for more housing. This can prove to be particularly burdensome in a world of rising costs. For example, 47.9 percent of multifamily developers said they avoid building in jurisdictions with policies such as inclusionary zoning, and a full 87.5 percent will avoid building in a jurisdiction with rent control in place.

There are also significant obstacles to development at the community level that are unrelated to governmental regulation. For instance, our research shows that “Not in My Backyard” (NIMBY) opposition to multifamily development adds an average of **5.6 percent to total development costs** and delays the delivery of new housing by an average of **7.4 months**. While most Americans agree that we need more housing and more housing affordable to middle-income households, too many change their opinion when someone proposes to put that new housing in their neighborhood. The intensity of opposition is escalated if that housing is rental housing.

About the Research

NAHB and NMHC distributed an identical survey in April 2022 to their respective memberships to access a wide range of development scales across the United States. The primary purpose was to quantify how much regulation exists for developers to contend with and how much that regulation is adding to the cost of developing new multifamily properties.

Some of these questions quantify the impact of regulations, such as inclusionary zoning and rent control, that not only may directly increase the costs of projects that are built but affect the supply and cost of housing in the community by causing some projects not to be built at all. An additional set of questions asked about the financial impact of NIMBYism, an issue that has been widely identified as one of the major cost drivers impacting affordability but where little quantifiable data currently exists.

A total of 49 usable responses were received. The responses from the survey were combined with existing public data and other survey collections to calculate the financial cost as a percent of total development cost for each regulation. A detailed description of the assumptions used in the calculations can be found in Appendix 1.

Total Cost of Regulations

Regulatory costs that exist during the multifamily development process can be divided into several categories. Table 1 shows the share of developer respondents subject to these various regulations and the average cost of each category as a percentage of the total development cost.

Table 1. Average Regulatory Costs as a Share of Total Multifamily Development

	Share With the Regulatory Cost	Regulation as a Percent of Total Development Cost	
		Average When Present*	Average Across All Properties
Cost of applying for zoning approval	93.9%	3.4%	3.2%
Costs when site work begins (fees, required studies, etc.)	98.0%	8.7%	8.5%
Dev. requirements (layout, mats, etc.) beyond the ordinary	91.8%	5.8%	5.4%
Cost of land dedicated to the government or left unbuild	51.0%	4.7%	2.4%
Fees charged when building construction is authorized	95.9%	4.6%	4.4%
Costs of affordability mandates (e.g., inclusionary zoning)	38.8%	6.9%	2.7%
Changes to building codes over the past 10 years	100.0%	11.1%	11.1%
Complying with OSHA/other labor regulations	93.9%	2.7%	2.6%
Pure cost of delay (if regulation imposed no other cost)	95.9%	0.5%	0.5%
TOTAL COST OF REGULATION	100.0%	40.6%	40.6%

* The base is different for every percentage in this column, so the line items are not additive.

Understanding Table 1

The last column of the table shows the averages across all multifamily developments in the survey, even those not subject to a particular type of regulation (i.e., the “zeroes” are averaged in). The column to the left of that shows average costs calculated *only* for those properties that are subject to the regulation.

Note that because each percentage in the “Average When Present” column is calculated for a different set of properties, the rows in that column do not add up to the total. The primary reason for including this column is so readers interested in the comparatively uncommon regulations—such as requiring developers to leave some of their land unbuild and affordability mandates such as inclusionary zoning—can see how costly these regulations tend to be when they are present.

The other categories of regulation in the table are widespread (impacting over 90 percent of multifamily developers). For them, the differences between the “Average When Present” and “Average Across All Properties” columns are negligible.

Source: NAHB and NMHC

As Table 1 indicates, the highest average regulatory cost is the result of changes to building codes over the past 10 years (11.1 percent of total development costs). The second highest are the costs imposed when site work begins (8.7 percent). The lowest average cost impact was the pure financial cost of delay, consisting of 0.5 percent when present, lower than the average cost of complying with Occupational Safety and Health Administration (OSHA) or other labor regulations (2.7 percent when present).

The first significant interaction between a multifamily developer and the government typically occurs when the developer applies for zoning approval to allow multifamily housing to be built on a particular parcel of land. Regulatory costs at this stage can vary from costs associated with fees owed to the local jurisdiction for proceeding through the approval process to market or environmental impact studies that must be commissioned from private consultants.

In some cases, a developer can acquire land that allows for multifamily structures to be built on it without requiring rezoning or a special exemption. However, this is rare, with 93.9 percent of the respondents indicating that they must dedicate resources to rezone the land to allow multifamily construction. When they exist, these costs average 3.4 percent of the total development cost.

Once site work begins, local jurisdictions often require a variety of fees or other studies. Examples of fees could include impact fees (fees charged only on a new development to be used for capital improvements) or utility impact fees. Almost all respondents (98.0 percent) reported paying some of these costs in their typical project, representing an average of 8.7 percent of total development costs when present.

Most respondents (91.8 percent) were also required by their local jurisdiction to include certain design features in their project design that go beyond what they would ordinarily include. Examples include energy-efficiency upgrades or specific design requirements for facades. When present, complying with these requirements amounted to an average of 5.8 percent of total development costs.

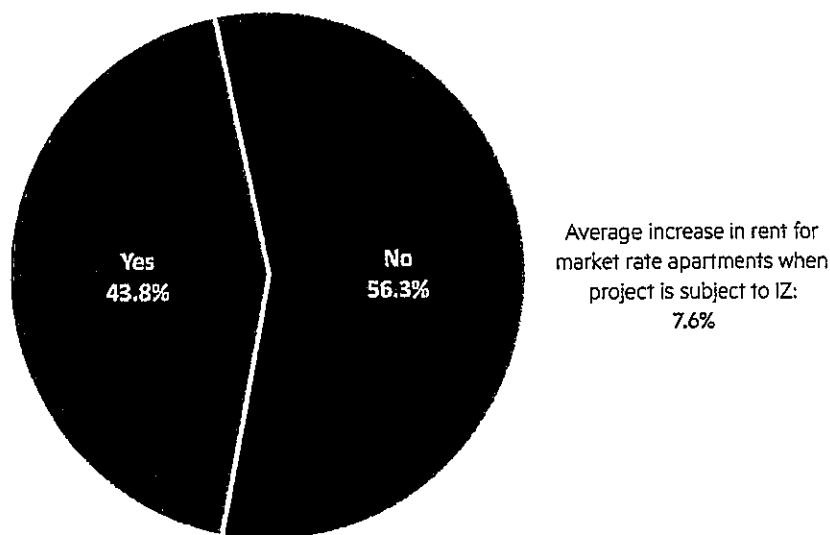
Governments can also require developers to leave a portion of the development site dedicated for government use or left unbuilt. This requirement reduces the amount of developable area, which means the revenue from that area is lost and must either be absorbed or made up for elsewhere. This requirement was present for approximately half (51.0 percent) of respondents; when present, it represented an average of 4.7 percent of total development costs.

Jurisdictions also often charge fees when site work is completed to authorize building construction. Examples of these costs include a fee when filing for a building permit or fees for additional utility hook-ups. Almost all respondents (95.9 percent) reported paying some sort of fee at this phase of development, with an average cost of 4.6 percent of total development cost when present.

Local affordability mandates are another important cost driver. These mandates are designed to increase the supply of affordable apartments. A common example is inclusionary zoning, where developers must offer a certain percentage of apartments at below-market rent levels. In many cases, a density bonus is provided to developers, which allows them to include more units in their project than ordinarily permitted by zoning to offset those lowered rents.

Unfortunately, these incentives are often inadequate and do not fully cover the lost rental revenue. In those cases, developers are forced to raise rents on the unrestricted apartments to fill the gap or to abandon the project altogether because it is no longer financially feasible.¹ These mandates were present in slightly over one-third (38.8 percent) of respondents' typical projects, and when present, they made up an average of 6.9 percent of total development costs (Figure 2). Respondents subject to inclusionary zoning report having to raise rents by an average of 7.6 percent.

**Figure 2. Is Respondent's Typical Project in a Jurisdiction with Inclusionary Zoning?
(Percent of Respondents)**



Source: NAHB and NMHC

¹ NAHB has developed an [Inclusionary Zoning Calculator Tool](#) to help developers and local jurisdictions determine if incentives are adequate to allow a project to be built.

The increase in costs to comply with changes to building codes over the past 10 years was the largest driver of development cost, amounting to 11.1 percent of total development costs.

Most jurisdictions have been adopting, revising and enforcing building codes for decades, and an entire industry has emerged supporting and encouraging changes to existing building codes. While building codes play an important role in protecting resident safety and building integrity, they have evolved well beyond their original purpose and now are also used to promote public policies like energy efficiency and sustainability.

Building code development and adoption are complex, and it is essential to consider impacts to housing affordability throughout the process. State and local jurisdictions adopt and enforce building codes, but federal policymakers are also active in the development of international model codes, and they promote the adoption of certain code editions. For example, the U.S. Department of Energy encourages states to adopt the most stringent versions of the model energy codes. Various policy groups, industry organizations and individual companies also advocate for code changes that promote specific goals. These changes do not always balance the needs of housing affordability and have the potential to drive up construction costs² without improving building safety or integrity.

Developers are also subject to complying with Occupational Safety and Health Administration (OSHA) requirements and other labor regulations throughout the development process. While measures to protect the safety and health of construction workers are essential, NAHB has argued that some OSHA policies, like applying its beryllium standards to residential construction, simply drive construction costs up without impacting health or safety.

Fully 93.9 percent of respondents said they had to comply with these regulations and that they added 2.7 percent to total development costs.

Almost all respondents (95.9 percent) also reported that complying with regulations caused some sort of delay for their typical project. We estimate that “pure” cost of delay—the financial cost that taking the time to comply with that regulation would incur—would be an average of 0.5 percent of total development costs. This may not seem like a substantial number, but in an era of rising costs and diminishing affordability, any additional cost can impact project feasibility.

Affordability Mandates and Neighborhood Opposition Can Discourage Development Altogether

Aside from increasing development costs, some regulations and restrictions can impact whether development even occurs, which is incredibly harmful given the nation’s shortage of housing.

There are many factors a developer considers when choosing a potential site for a future development; primary among them is the market demand for the proposed units. Increasingly, however, developers are also forced to consider whether their chosen jurisdiction imposes affordability mandates on new development. Two of the most popular mandates are inclusionary zoning and rent control because they are wrongly deemed to be “quick and free” fixes to housing affordability challenges.

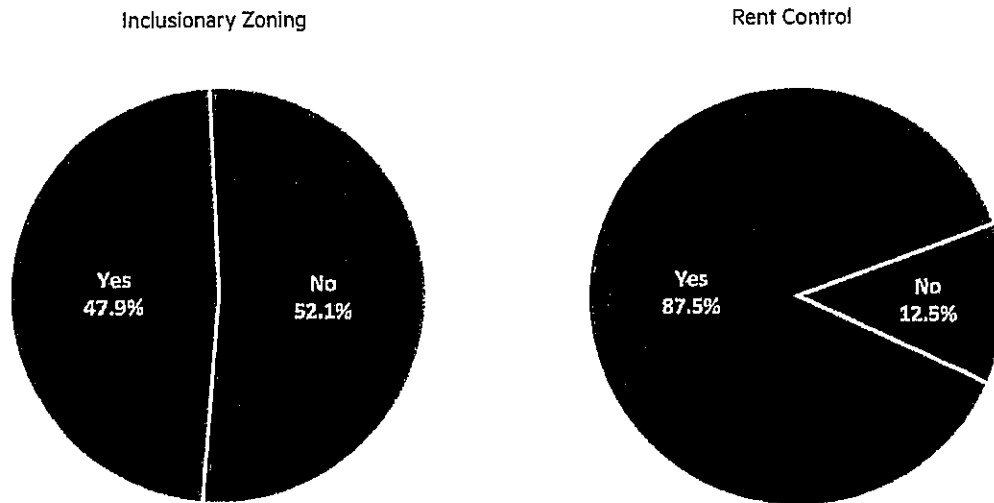
² NAHB’s subsidiary Home Innovation Research Labs has recently produced a report showing that codes adopted in 2018 increase construction costs for standard types of multifamily buildings between \$2,500 and \$25,000.

Research has shown, however, that these quick fixes, particularly rent control, have many pitfalls. One major pitfall of both, as shown in Figure 3, is that it can defer development completely. Almost half of the respondents (47.9 percent) reported that they avoid building in jurisdictions with inclusionary zoning policies. The response was more acute for rent control—the overwhelming majority of respondents (87.5 percent) reported they avoid building in jurisdictions where rent control is present.

In fact, these mandates can impact the financial feasibility of a project, both in the short-term and long term. As a result, developers may simply choose to avoid jurisdictions with these mandates because of the difficulty in making a project pencil out.

Rent control regulations similarly differ depending on the local jurisdiction. In its basic form, rent control is a restriction on how much a property owner can raise a resident’s rent, ignoring market conditions. Some rent control laws exempt new construction from price controls, and others institute a cap on how much an owner can raise a resident’s rent, often tied to the Consumer Price Index (CPI).

Figure 3. Do Multifamily Developers Avoid Building in Jurisdictions with Certain Policies? (Percent Of Respondents)

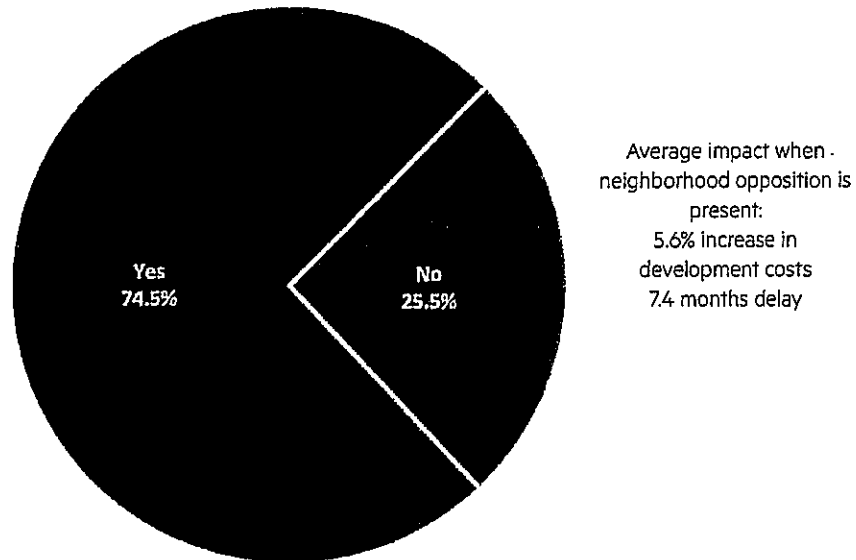


Source: NAHB and NMHC

Another major impediment to whether a project gets built can be neighborhood opposition. Opposition against multifamily development by current residents, commonly referred to as “Not in My Backyard” (NIMBY) opposition, can take many different forms. Residents may fight against rezoning attempts or may even file lawsuits to attempt to prevent development from occurring. Approximately three-quarters (74.5 percent) of respondents reported encountering neighborhood opposition to multifamily construction (Figure 4). The resources required to overcome this opposition add an average 5.6 percent increase in development costs when present. They also delay the development timeline by an

average of 7.4 months.

Figure 4. Have Developers Encountered Neighborhood Opposition To Multifamily Construction? (Percent Of Respondents)



Source: NAHB and NMHC

Conclusion

As the above discussion has demonstrated, multifamily development can be subject to many regulatory costs, including a broad range of fees, standards and other requirements imposed at different stages of the development and construction process. Because of this, it may not be surprising that regulation imposed by all levels of government accounts for 40.6 percent of multifamily development costs on average.

This research was solely restricted to the impact of regulations on total development costs. It is important to note that developers are also dealing with rapidly rising land, material, and labor costs. Combined, these costs make it virtually impossible for private sector developers to deliver housing at a price point that many working Americans can afford.

When multifamily development costs rise, it unavoidably translates to higher rents and reduced rental housing affordability. Multifamily developers cannot secure financing to build their projects unless they can demonstrate to lenders that the rents will be sufficient to cover costs and pay off the loans.

The purpose of this report is not to argue that all regulation is bad and should be eliminated, but that some of these regulations are likely duplicative as multiple levels of government impose regulations on the same project. In addition, many of these regulations do not have a relationship to resident safety or building integrity.

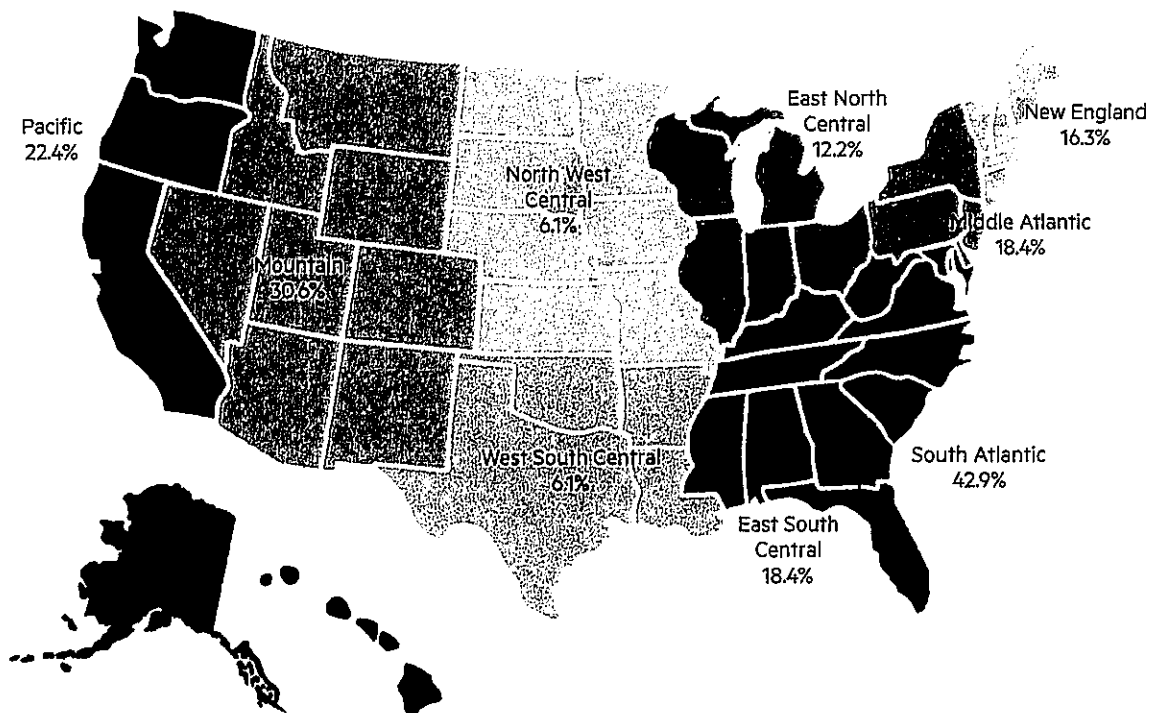
The research aims to raise awareness of how much regulation currently exists, how much it costs and to encourage governments to do a thorough job of considering the implications for housing affordability when proposing and implementing new directives. It is also to help inform local leaders that they also have the power to waive some of these duplicative costs, thus lowering the rent required for the project to remain financially feasible and improving affordability.

Respondent Profile

A total of 49 usable responses were received from multifamily developers, with a slightly higher concentration of NAHB members than NMHC members (and no duplicates). In one instance, two survey responses were accepted from one member company because the respondents represented different geographic areas.

All geographic areas in the United States were represented (see Figure 5). Respondents were able to choose more than one region of operation. The South Atlantic region (DE, DC, FL, GA, MD, NC, SC, VA, WV) had the largest representation, with 42.9 percent of respondents operating there, followed by the Mountain region (AZ, CO, ID, NM, MT, UT, NV, WY) with 30.6 percent and the Pacific region (AK, CA, HI, OR, WA) with 22.4 percent. The West North Central (IA, KS, MN, MO, NE, ND, SD) and West South Central (AR, LA, OK, TX) had the lowest representation at 6.1 percent of respondents each.

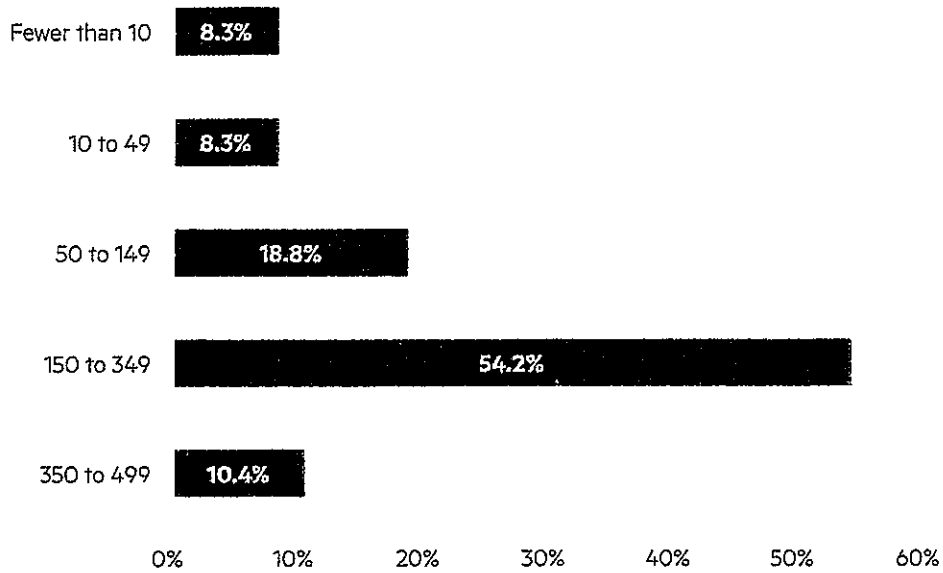
Figure 5. Share of Respondents Who Build in Each of the Nine Census Divisions



Source: NAHB and NMHC; U.S. Census Bureau

The respondents' typical project size varied widely: from fewer than 10 units to 499 (see Figure 6). The majority of respondents (54.2 percent) reported a typical project size of 150 to 349 units. Note that this is project size, not building size, meaning that each category could comprise both garden-style communities, which frequently have units spread across multiple buildings, as well as high-rise buildings, where all units are traditionally in one building.

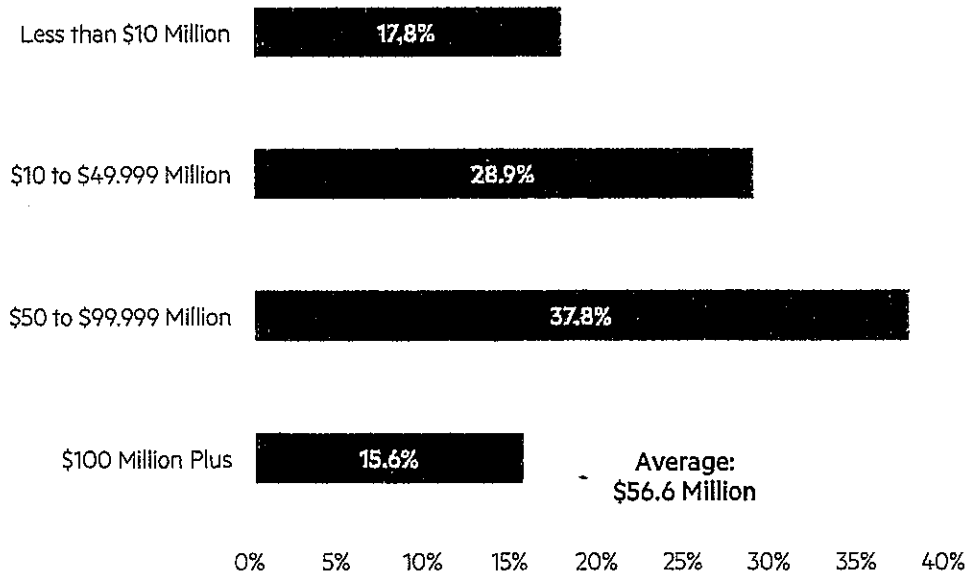
Figure 6. Number of Apartments in Respondent's Typical Project (Percent of Respondents)



Source: NAHB and NMHC

The typical total development cost varied as well but was slightly more evenly distributed (Figure 7). The average total development cost of respondents for a typical project was \$53.6 million. Barely over one-third (37.6 percent) reported a typical development cost of \$50 to \$99.99 million. Small and large projects were equally represented, with 17.8 percent of respondents reporting a cost of less than \$10 million and 15.6 percent indicating the typical project costs at least \$100 million.

Figure 7. Total Development Costs for Respondent's Typical Project (Percent of Respondents)



Source: NAHB and NMHC

Appendix 1: Assumptions Used in the Calculations

To calculate a final effect on development costs, many of the NAHB-NMHC survey responses need to be combined with additional information. Primarily these are assumptions about the terms of development and construction loans, how long construction typically takes, and how to allocate costs to different stages of the development and construction process. This appendix lists all the assumptions used in the calculations and gives the sources for each.

Loan Terms

1.1 point charged for all land acquisition, development, and construction (AD&C) loans, based on results from a Quarterly Finance Survey (QFS) that NAHB was conducting in the early to mid-2000s.

A 7.65 percent interest rate on all AD&C loans. The QFS indicates that rates are typically set one point above prime, and 6.65 percent is NAHB's estimate of the prime rate that would prevail in the long run under neutral Federal Reserve policy.

The estimates also assume that three-fourths of any category of costs are financed, based on typical AD&C loan-to-value ratios in the QFS.

Construction Lags

The source for information lags not directly collected in the NAHB-NMHC questionnaire is the Survey of Construction, conducted by the Census Bureau and partially funded by the Department of Housing and Urban Development.

Preliminary estimates are taken from the published annual tables, averaged over the 2001-2016 period:

Authorization to start = 1.71 months

Start to completion = 10.87 months

If the project is 5-9 units

- Authorization to start = 1.95 months
- Start to completion = 11.64 months

If the project is 10+ units

- Authorization to start = 1.94 months
- Start to completion = 13.21 months

The NAHB-NMHC survey collected data on how much time regulation adds to the development process. To assign this to a particular phase of the development, the following assumptions are used.

The regulatory delay is split and attributed half to the lag between applying for zoning approval and the beginning of site work and half to the period after site work begins. If half of the regulatory delay exceeds the lag between applying for approval and the beginning of site work, the excess is also attributed to the period after site work begins.

It is first assumed that the resulting regulatory delay is attributable to the period between the start of site work and the start of building construction, minus three months (the assumed minimum time it would take to do site work in the absence

of regulation, based on conversations with developers). If any regulatory delay remains after being allocated to the zoning approval and site work periods, it is then attributed to the building construction period, and the start-to-completion lag is adjusted upward beyond the SOC-based average, accordingly.

The analysis assumes all loans are paid off when the buildings are completed.

Cost Breakdown

To implement the process described in the paragraph above and calculate a “pure” cost of delay (i.e., the effect regulatory delay would have even if the regulation imposed no other cost), estimates of costs incurred during different phases of the development process are needed.

The breakdown is based on the split between lot and construction costs in NAHB’s Construction Cost Surveys (averaged over surveys conducted since 2000) and the Census Bureau’s “non-construction cost factor” for raw land. The calculations also assume three-fourths of these costs are financed, based on typical AD&C loan-to-value ratios in the QFS.

Resulting assumptions:

- Only the cost of applying for zoning occurs at the very start of the development process. Financing costs associated with this are charged to the regulatory cost of the application and not counted in the pure cost of delay.
- 10.2 percent of total development represents costs financed by a land acquisition loan at the start of the site work phase.
- 10.8 percent of total development costs represent costs financed by a development loan during the site work phase, assuming draws on the loan occur on average halfway through this phase.
- 54.0 percent of total development costs represent costs incurred after building construction has started and financed with a construction loan, again assuming draws on the loan occur on average halfway through the site work phase.

Appendix 2: Survey Questionnaire

1. What regions do you build in? Please select all that apply.

- New England (CT, ME, MA, NH, RI, VT)
- Mid Atlantic (NJ, NY, PA)
- South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)
- East North Central (IN, IL, MI, OH, WI)
- West North Central (IA, KS, MN, MO, NE, ND, SD)
- East South Central (AL, KY, MS, TN)
- West South Central (AR, LA, OK, TX)
- Mountain (AZ, CO, ID, NM, MT, UT, NV, WY)
- Pacific (AK, CA, HI, OR, WA)

2. How many units does your typical multifamily project have?

- 2-4 Units
- 5-9
- 10-49
- 50-149
- 150-349
- 350-499
- 500 units or more

3. What is the total dollar amount spent on development costs in your typical project?

\$_____

4. For a typical piece of land, how much does it cost to apply for zoning approval as a % of total development cost? (Include costs of fiscal or traffic impact or other studies and any review or other fees that must be paid by the time of application. Please enter "0" if application costs are Zero percent).

_____%

5. For a typical project, how many months does it take between the time you apply for zoning approval and the time you begin site work?

_____months

6. How much does it cost to comply with regulations when site work begins, as a % of total development costs? (Include costs of complying with environmental or other regulations as well as the cost of hook-up or impact or other fees.) Please enter "0" if cost of complying with these regulations is Zero percent.

_____%

7. How much do development requirements that go beyond what you would otherwise do (in terms of property layout, landscaping, materials used on building facades, etc.) add to your cost as a % of total development costs? (Please enter "0" if the jurisdiction's requirements don't go beyond what you would normally do.)

_____ %

8. In the typical case, what is the value of any land that must be dedicated to the local government or otherwise left unbuilt (for parks, open green space, etc.) as a % of total development cost? (Please enter "0" if dedicating land is required infrequently.)

_____ %

9. How many months does it take between the time you begin site work and the time you obtain authorization to begin construction of the apartment building(s)?

_____ months

10. How much extra time (in months) overall does complying with regulations add to the development process? (Please enter "0" if regulations typically cause no delay).

_____ months

11. When you obtain authorization to begin construction, how much do you pay in additional fees as a % of total development costs? In many cases, this will be only a permit fee but include any additional impact or hook-up or inspection fees if they kick in at this time. (Please enter "0" if fees paid during or after construction are Zero percent).

_____ %

12a. In the typical case, does a jurisdiction have inclusionary zoning/affordable housing requirements that apply to your project?

- Yes
- No

12b. [If the answer to 12a is "yes"]. In the typical case, how much do these requirements (or a fee in lieu of affordable housing) cost as a % of total development cost? (Please enter "0" if inclusionary zoning/affordable housing mandates/fees in lieu of affordable housing are encountered infrequently).

_____ %

12c. [If the answer to 12a is "yes"]. In the typical case, how much do these additional requirements raise the rents of market-rate units?

_____ %

13. Do you typically avoid building in a jurisdiction if it has an inclusionary zoning requirement?

- Yes
- No

14. Do you typically avoid building in a jurisdiction that has rent control?

- Yes
- No

15. Over the past 10 years, how much have changes in construction codes and standards added to the cost of building a typical multifamily project as a % of total development costs? (Please enter "0" if code changes have had minimal impact on costs).

_____ %

- Please select if you have not been in operation for the past 10 years

16. How much does complying with OSHA or other labor regulations cost, as a % of total development cost? (Please enter "0" if labor regulations have no impact on development costs).

_____ %

17. Have you experienced added costs or delays due to neighborhood opposition to multifamily construction?

- Yes
- No

18. In the typical case, how much costs are added to a project due to neighborhood opposition to multifamily development as a % of total development costs?

_____ %

19. In a typical case, how much extra time (in months) does it take to address neighborhood opposition to multifamily development?

_____ months

20. Comments:



Tillamook County Housing Commission

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Tillamook, OR 97141
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www.co.tillamook.or.us/bc-hc
tillamookcohousingcommission@gmail.com

December 1, 2022

RE: SECTION 5.110: ACCESSORY DWELLING UNIT (ADU)

To The Tillamook County Board of Commissioners:

On behalf of the Tillamook County Housing Commission and its volunteer members, we request your support for the proposed Section 5.110 ADU ordinance. This policy is one of three primary solutions we have identified to increase the number of affordable and attainable rental units to address the housing crisis in Tillamook County.

In December 2019 the Housing Commission completed a comprehensive formal Housing Needs Analysis to get the hard facts needed to look at the next 20 years of housing needs. Facts which have persisted, if not worsened, during the last three years:

- From 2014 to 2019 home prices rose by 40% but wages rose only 21%.
- Most new housing stock has been aimed at our “resort towns” where many homes are owned by part time residents.
- Vacancy rates for renters and owners plunged to near zero, pushing rents and home prices to record highs.
- One in four workers must commute over 50 miles *each way* to work.
- These severe housing affordability challenges are exacerbated by land use, environmental, and infrastructure issues as well as limited family wage jobs.

A Housing Summit held in October 2019 generated significant momentum for creating housing solutions. The Housing Commission and the Department of Community Development were joined by over 70 community stakeholders to collaborate in addressing critical housing issues.

Three proposed solutions were endorsed by the majority of Summit participants:

- Create a tax abatement program for multifamily housing.
- Establish a nightly fee from short terms rentals to provide funding to address housing issues.
- Promote the allowance of accessory dwelling units on single family home lots in unincorporated Tillamook County.

We are pleased to report the success of the first two solutions. This ADU proposal addresses the third solution to promote accessory dwelling units, in alignment with recent Oregon state senate bill SB391 which “authorizes counties to allow owner of lot or parcel within rural residential zone to construct one accessory dwelling unit on lot or parcel, subject to certain restrictions.”

Passage of this ordinance as written can help provide a near-immediate response to our current housing crisis. Where permissible, ADUs can be constructed or designated on existing properties with minimal potential barriers. Available only to long-term renters, this ordinance provides a win-win-win scenario. Homeowners gain an added source of income, employers benefit from an increased supply of workforce housing and home-seekers will have more rental options at rents they can afford. Additionally, ADUs support more efficient and flexible housing use; accommodating young people just starting out, homeowners no longer needing a large single-family home, and older adults still able to live independently, thereby freeing up stock for others in need.

Our members have reviewed the criteria and intent of this ordinance, contributing to the final proposal for your consideration. Please join us in supporting and codifying this important policy.

Respectfully Submitted,

Kris Lachenmeier

Kris Lachenmeier
Vice Chair
Tillamook County Housing Commission