



Oregon

Tina Kotek, Governor

HPAC Work Group Recommendation Template

Last Update: June 21, 2023

Work Group

- Availability of land
- Land development permit applications
- Codes and design
- Workforce shortages
- Financing

Recommendation

- Rules governing cottage clusters as a current middle housing option should be modified as follows:
- a. Cottage cluster with five or less living units should not require a courtyard.
 - b. Cottage clusters should not be required to have separate utilities for each unit if the units sharing utilities are either a) part of an HOA which assumes responsibility for maintenance and costs associated with use of the utility or b) otherwise restricted by deed to assure maintenance and costs sharing associated with use of the utility

Related Work Plan Topics

Remove barriers and make it less complex to build smaller, more affordable homes.

Adoption of Recommendation

Consensus

Co-chairs Guidance: Standards for Analysis

1. Clearly describe the housing production issue that the recommended action(s) will address.

Both infill and new development would benefit from this recommendation. Infill development generally does not have separate utilities (water/sewer) to accommodate middle housing. Because the developer would need to add new water and sewer services for every unit, this can be a very expensive and lengthy process, and often prevents the project from moving forward.

New development can install multiple services for future units and be considerably less expensive than infill mentioned above. But knowing which lots will be used for middle housing is often difficult. Depending on the market conditions, what was planned for middle housing may end up single family. Or conversely, single family lots may have reason to be middle housing. To bring multiple services to all lots in a subdivision is prohibitively expensive and impractical. Providing the option for determining which lots will work for middle housing after the subdivision has been built will unquestionably increase opportunity for middle housing.

On smaller middle housing projects (four or less units), requiring courtyards can be difficult due to the size, topography, trees and geometry of the parcel. Removing this requirement will create more opportunity for cottage clusters.

2. Provide an overview of the housing production issue, including quantitative/qualitative context if available.

This recommendation came from members of the group and others who have found these conditions (requiring courtyard and separate utilities) are often insurmountable impediments to design and economic viability of projects. Generally speaking, any additional flexibility which is created will almost certainly help increase production. We have focused on these because of their critical nature.

3. To assess the issue and potential action(s), include subject matter experts representing all sides of the issue in work group meetings, including major government, industry, and stakeholder associations.

From discussion with SME's, there was little push back on the removal of courtyards as part of this recommendation. The removal of the separate utility requirement was certainly more challenging. Our discussions with Public Works Directors did inform and help us to craft and re-write this recommendation. Generally, the concern revolves around maintenance and a reliable method for charging customers. Using HOA's and other deeded restriction methods seemed like a compromise that would work with the cities which were involved in our meetings.

4. Provide an overview of the expected outcome of the recommended action(s), including quantitative/qualitative context if available.

This change could immediately (once local jurisdiction revise their codes) open up many single family building lots to a cottage cluster option. In generally, the separate utility provision is one of the biggest hurdles to this middle housing option.

5. Estimate of the time frame (*immediate, short, medium, long-term*), feasibility (*low, medium, high*), and cost (*low, medium, high*) for implementation of the recommended action(s).

Time Frame	Feasibility	Cost
<input checked="" type="checkbox"/> Long-term	<input type="checkbox"/> x High	<input type="checkbox"/> High
<input type="checkbox"/> Medium-term	<input type="checkbox"/> Medium	<input type="checkbox"/> Medium
<input type="checkbox"/> x Short-term	<input type="checkbox"/> Low	<input checked="" type="checkbox"/> Low
<input type="checkbox"/> Immediate		

6. Provide a general overview of implementation, the who and how for the recommended action(s).

Implementation has a cost associated with rewriting local codes which, according to our SME's, would likely require additional funding from DLCDC to help with that transition.

7. Outline the data and information needed for reporting to track the impact and implementation of the recommended action(s).

Tracking the success in terms of increased production would likely need to be from local jurisdiction permits and land use applications.

8. Identify any major externalities, unknowns, tradeoffs, or potential unintended consequences.

Some might argue that the deletion of the courtyard in middle housing will reduce the livability. While there may be some truth to this argument, there are many excellent housing options which do not need or otherwise benefit from a courtyard or shared open space.

As already mentioned, cities are concerned about long term maintenance and methods of payment for utilities. Potential dissolution of an HOA might jeopardize cities' ability assure maintenance and future payments.

We did bring up private submetering to SME's who were not generally opposed to this occurring as a solution to cost sharing with multiple units (e.g. one unit might use significantly more water than another but with submetering the parties would be responsible for their own usage).

Please include any relevant reports, data analyses, presentations, or other documents that would be informative and useful for the full HPAC as the recommendation is discussed and considered.