Local Standards Review – A Comparison of Peer Cities

Read Stapleton, Land Use Planning Group Manager
February 7, 2024

Introduction

As a component of the on-going design standards update for the City of Bozeman, DOWL has been contracted to research, review and summarize the efforts of three peer cities that currently have housing action, climate action and/or over-arching sustainability plans and are currently evaluating code updates to remove barriers to housing affordability and sustainable development. This paper summarizes DOWL's findings.

Peer Cities

To complete this white paper, DOWL sought to identify cities with corollary characteristics to Bozeman with regard to geography, growth trends, housing price pressures, and policy initiatives focused on housing affordability and climate change/sustainability. The communities identified for this peer review study are Vancouver (WA), Bend (OR), and Flagstaff (AZ).

Vancouver, WA

Community Profile

Vancouver is located on the Columbia River in Southwest Washington immediately north of the City of Portland, Oregon. According to the Washington Municipal Research Center's 2023 population estimate, the City has a population of 199,600. The City has seen significant growth in the last 20 years, with a 30 percent population increase since 2000. As the community has grown, the City has continued to see significant upward pressures on housing prices as housing production has failed to keep up with demand. In June 2023, Vancouver issued a report indicating that the City has a current deficit of 5,600 housing units and would need to ensure housing production of at least 2,500 units per year over the next 10 years to meet demand. For comparison, the City has averaged 1,600 units per year in each of the last three years.

With an influx of residents arriving from other areas of the west coast, including the Portland metropolitan area, Vancouver's policy has also trended towards greater awareness and concern regarding climate change and reducing dependency on fossil fuels. For example, in 2018 Tesoro-Savage abandoned plans for a fossil fuel storage terminal at the Port of Vancouver after significant community concern was raised about the safety of the rail transport of the crude oil as

well as overarching concerns about the climate-altering effects of fossil fuel usage.

Policy Framework

Vancouver's land use policy has sharpened its focus on housing affordability and climate change in recent years and it is currently working on multiple initiatives to combat these challenges. The City is in in the process of kicking off it's 2025 comprehensive plan update that will involve a holistic review and update of its land use and infrastructure policies. One of the key components of that update will be the implementation of House Bill (HB) 1220, recent Washington state legislation that requires each City in the state to ensure that land use plans accommodate the range of affordability experienced in the community. Washington cities, including Vancouver, will be required to determine ranges or "bands" of affordability within their jurisdiction and ensure that sufficient lands are zoned to allow development that can meet those affordability targets. In addition, jurisdictions are required to evaluate the infrastructure service to all residential lands and ensure that, if lands are targeted to accommodate affordability needs, City capital facilities plans are developed to identify and prioritize capital facility service needs for residential properties.

With regard to environmental policy, the City of Vancouver took a bold step in 2022 with the adoption of a Climate Action Framework. The framework identifies a broad framework of policies collectively designed to achieve carbon neutrality by 2040.

Policy Implementation Status

The City of Vancouver is in the very early stages of implementing operational and code changes to respond to its current housing and environmental/sustainability policy framework. They are currently in the process of an internal review of City codes and policies that could facilitate greater housing production and efficiency. Per a discussion with Chad Eiken, City of Vancouver Community Development Director on July 17, 2023, various strategies are being considered. These include (1) adopting new State Environmental Policy Act (SEPA) categorical exemption thresholds that would allow multi-family development projects to avoid SEPA review, thereby minimizing the risk of an appeal, which is often a delay/obstruction tactic of project opponents, (2) making multi-family housing a Type 1 land use review, a 30-day review process rather than the current 120-day Type 2 land use review process, (3) zone changes to allow greater density in areas that can be supported by transportation and utility infrastructure, including transit.

In advance of determining specific actions to address the City's Climate Action Framework, the City has taken steps in recent years to address sustainability policies. These include: (1) implementation of a Tree Canopy Achievement Program (CAP) that is striving for 28% of the City to be covered by tree canopy by the year. Goals of the program are to improve neighborhood livability, reduce the heat island effect of paved surfaces and minimize stormwater runoff. (2) focus on implementing "complete streets" throughout the City including in new developments. This policy is to establish a "safe, accessible street system that benefits all users, ages, and abilities, regardless of how they choose to travel; a convenient and interconnected transportation network that improves accessibility." In practice, the City is working on projects to retrofit specific segments of their network to focus on multi-modal cross sections that provide greater pedestrian and bicycle accessibility to ensure complete non-motorized transportation systems throughout the City. The City is implementing multiple multi-modal supportive transportation projects throughout the

City and is requiring complete-street-compliance cross sections for new privately-implemented road projects throughout the City.

Bend, OR

Community Profile

Like Vancouver, Bend has seen significant population growth in recent years as residents have been attracted to the City due to its outdoor recreation opportunities, beautiful scenery, culture, food and sunny weather. The City has nearly doubled in size over the last 20 years, from a population of approximately 52,000 in 2000 to over 102,000 residents today. With this growth, the City has seen significant upward pressures on housing prices and political change over this period reflective of the emerging metropolitan attraction of the City.

Policy Framework

Much of the policy framework for the City of Bend's housing and sustainability initiatives stems from State of Oregon legislation that has emerged in recent years. Specifically, the State of Oregon has passed multiple legislative bills in recent sessions intended to encourage greater housing production across the state. Those measures include:

HB 2001: This bill, passed in 2019, requires jurisdictions with a population of greater than 25,000 to allow 2-4 unit multiplexes (townhomes) and cottage clusters, i.e. "missing middle housing types" in all single family residential zones.

HB 2003: In 2019, the Oregon Legislature passed House Bill 2003 which requires Oregon cities with a population over 10,000 to study the future housing needs of their residents and to develop strategies that encourage the production of housing their residents need.

SB 458: In 2021 the Oregon state legislature passed Senate Bill (SB) 458, which expedited the process to subdivide properties for missing middle housing projects.

Code Evaluation Status

In response to HB 2001, Bend adopted code updates directed from a stakeholder advisory group consisting of members of City Council, Planning Commission, Affordable Housing Advisory Committee, Neighborhood Leadership Alliance and others.

Climate Friendly and Equitable Communities (CFEC) Rulemaking: In March 2020, Kate Brown, then governor of Oregon, signed into law Executive Order 20-04, which directed state agencies, including the Department of Land Conservation and Development (DLCD) to take actions to reduce and regulate greenhouse gas emissions. In response, the Land Conservation and Development Commission (LCDC), the body overseeing DLCD, has adopted interim rules that apply to the state's eight most populated areas, including Bend. The rules are intended to address the goals posed by Executive Order 20-04, which seeks to reduce carbon emissions in the state to at least 45 percent below 1990 emissions levels by 2035 and at least 80 percent below 1990 levels by 2050.

Policy Implementation Status

Since the adoption of HB2001 and HB2003, the City has been actively updating its codes to better accommodate missing middle housing types and has made other procedural changes to attempt to facilitate more housing and, in particular, affordable housing. Through discussions with Brian Rankin, Long Range Planner at the City of Bend, DOWL has obtained a preliminary list of these changes, which include:

- Removal of parking requirements to enhance infill and middle housing. Not much time has passed to evaluate its effectiveness, but it is expected this will yield new housing projects.
- Duplex, triplex, quadplexes and cottage clusters have all now been allowed outright in standard residential density areas.
- System Development Charges (SDCs) for ADUs have been reduced.
- 100% affordable housing projects receive streamlined permitting.
- The city has instituted multi-departmental teams focused on solving infrastructure issues to move big housing projects. Collaboration across departments has focused on getting things done faster and better for the sake of creating more housing of all types.
- The City has updated land division standards to better allow missing middle housing types.
- The City has increased the buffer between allowable short term rentals from 250-feet to 500-feet to preserve more housing and reduce conversions to short term rentals.
- The City pro-actively worked with the state in the formation of HB 3450 which allowed a one-time expansion of the City's urban growth boundary (UGB) and developed code that allows 40 acres of the expansion area designated for Commercial use to be developed for multi-family residential without going through a standard review process under statewide land use planning Goal 9 (Economic Development).
- The City amended code to allow accessory dwelling units (ADUs) without the need for a conditional use permit, allowed an increase in the unit size and removed a requirement for adjacent sidewalks
- The City created micro units and small dwelling unit development standards.
- The City adopted requirements for new UGB expansion areas in which a minimum mix of residential product types and densities are now required to avoid large developments defaulting to single family residential (SFR)-only residential developments.
- The City changed code to allow mixed use with a 65-foot height limit in commercial zones and has seen significant mixed use development since this change in 2016.
- The City has a construction excise tax (CET) which is collected and used to match funding for affordable housing projects. This financial instrument has been successfully implemented and leveraged many times over to create deed-restricted affordable housing.

Flagstaff, AZ

Community Profile

Flagstaff is located in North-Central Arizona, approximately 180 miles north of Phoenix and, as of the 2020 US Census, had a population of approximately 77,000 residents. The City is located just south of the San Francisco peaks and sits at an elevation of approximately 7,000 feet. Like Vancouver and Bend, Flagstaff has seen significant population growth over the last 20 years, with a population in 2000 of approximately 53,000 residents. Located at the edge of the largest contiguous Ponderosa Pine forest in the United States, the City is acutely aware of the implications of climate change on the environment and the increasing threat of wildfires that result. Similar to Bozeman, Flagstaff is home to a major state university, Northern Arizona University.

Nearly half (47%) of Flagstaff households are considered low-income, earning no more than $55,350 annually. The cost of living is 13% higher and the cost of housing is 29% higher than the national average. Since 2012, the median sales price of a home in Flagstaff rose by 166%, while the Area Median Income rose by only 36.5%. Currently, the median sales price of a home is $615,000, and the area median household income is $77,400. Additionally, 27% of homeowners and 57% of renters spend more than 30% of their monthly income on housing costs, meaning that 22,073 Flagstaff community members are housing cost burdened. Most of the housing production in Flagstaff has focused on low- and high-density extremes—detached single-family homes and mid-to-high-rise apartment buildings. These extremes are exacerbated by second homes (approximately 4,000 units), short term rentals (approximately 535 units), and the fluctuating student populations, all of which create competition for the existing housing supply.

Policy Framework

The City of Flagstaff has been focused on climate action since 2007, when it adopted the first community-wide climate plan in Arizona, and has committed to carbon neutrality by the year 2030. The City's commitment to sustainability is supported by its Climate Action and Adaptation Plan (2018), Carbon Neutrality Plan (2022), and its conservation-based Regional Plan (2014).

On June 23, 2020, the Flagstaff City Council declared a climate emergency, a measure that was driven by community members who began a petition for a Climate Emergency Resolution and then organized hundreds of community members to provide hours of public comment illuminating the need for an emergency declaration. Flagstaff residents asked the City to act more quickly than outlined in the 2018 Climate Action and Adaptation Plan (available upon request) and to adopt a goal for carbon neutrality.

In response, the City adopted the Flagstaff Carbon Neutrality Plan in June 2021 that created three fundamental goals:

(1) Achieve carbon neutrality by 2030 through a combination of dramatic emissions reductions and significant investments in carbon dioxide removal.

(2) Prepare Flagstaff's communities, systems, and resources to be more resilient to climate change impacts.

(3) Address climate change in a manner that prioritizes those most impacted and ensures the costs and benefits of climate adaptation and mitigation are equitably distributed.

To address the two major challenges facing the City right now, housing affordability and climate change, the City is now kicking off a buildable land study and code evaluation process to identify measures that the City can take to reduce barriers to affordable housing and bring the City closer to its goal of carbon neutrality by 2030.

Preliminary Code Diagnosis Results

To address procedural and code impediments to achieving carbon neutrality and greater housing affordability, the City is in the process of conducting a diagnostic code evaluation and improvement project. DOWL is currently leading this effort with a partnering firm, Cascadia Partners. The first phase of this project has involved a code and process diagnosis in which preliminary code and procedural hurdles to improving housing production and reducing carbon emissions have been identified. To help organize the different challenges and potential improvements, the team has created a matrix of "Key Outcomes" that reflect policies that align with the City's Climate Neutrality Plan and 10-year

Housing Plan. The Key Outcomes that embody the goals of the code evaluation effort were grouped into Housing outcomes and Climate outcomes as follows:

Housing

- ***Abundant Housing Supply:*** *Support an abundant supply of housing of all times and income levels.*
- ***Diversity of Housing Types:*** *Produce a diversity of housing types to meet the needs of all segments of the population.*
- ***Lower Cost Market Rate Housing Production:*** *Produce sufficient market-rate housing that could be affordable to households with lower or moderate incomes.*
- ***Income-Restricted Affordable Housing Production:*** *Produce sufficient housing that is restricted in price or rent level to be affordable to households with lower or moderate incomes.*
- ***Mixed Use Development and Neighborhoods:*** *Produce sufficient housing that is in close proximity to commercial uses that support the daily needs of residents.*
- ***Infill Development and Compact Land Use Patterns:*** *Provide flexibility and appropriate density in residential neighborhoods to provide more diverse and attainable housing opportunities.*
- ***Equity and Fair Housing:*** *Encourage housing and development that reduces inequities in access to housing including access in particular neighborhoods or the inability to continue to live in one's current neighborhood.*

Climate

- ***Community Resilience, Health and Safety:*** *Increase the ability to anticipate, accommodate, and positively adapt to changing climate conditions while enhancing quality of life, reliable systems, economic vitality and conservation of resources.*
- ***Walkable Neighborhoods:*** *Support development patterns that support networks for walking and biking.*
- ***Safe and Inclusive Networks for Walking and Biking:*** *Support networks for walking and biking that are continuous, attractive, safe, comprehensive, and convenient.*
- ***Transit-Oriented Development and Transit Ridership:*** *Support development patterns that encourage transit ridership and transit efficiency.*
- ***Clean Air Status****: Proactively invest to protect Flagstaff's clean air status, such as through the creation of anti-idling loading zones, among other factors.*
- ***Adaptive Reuse and Preservation of Existing Housing Stock:*** *Encourage the adaptive reuse of existing buildings and expand efforts to preserve existing housing stock in order to prevent the carbon emissions associated with new construction.*
- ***Inclusive Recreation:*** *Ensure abundant and equitable access to recreational opportunities, parks, and open spaces.*
- ***Electric Mobility:*** *Encourage electric micro-mobility devices as legitimate, healthy, affordable, and low-carbon modes of transportation.*
- ***Clean Electricity:*** *Flagstaff will obtain as much of its electricity as possible from sources that do not produce greenhouse gas emissions.*
- ***Building Fuel Switching:*** *Shift building fuel sources from fossil fuels to renewable sources and electricity for applications including space and water*

heating, cooking, and perhaps even industrial processes

- ***Reduced Building Energy Use:*** *Significantly reduce greenhouse gas emissions from heating, cooling, and powering buildings.*
- ***Sustainable Consumption:*** *Move towards sustainable consumption, divert more organic and other materials from the landfill through reuse and recycling, and then reduce emissions from the landfill.*
- ***Water Security:*** *Ensure that water resources are distributed equitably and sustainably, the community is empowered to use water efficiently, and water and wastewater treatment minimizes greenhouse gas emissions.*
- ***Healthy Forests and Open Spaces:*** *Support thriving local ecosystems that are resilient to climate change, publicly accessible, and store carbon dioxide.*
- ***Carbon Dioxide Removal:*** *Develop a portfolio of local and regional carbon dioxide removal initiatives to meet Flagstaff's commitment to carbon neutrality.*

While a preliminary draft of potential code and procedural improvements has not yet been issued, the diagnosis effort is well underway. Through a thorough examination of the city's policies, procedures and codes as well as through outreach with development stakeholders and City staff, the DOWL team has identified the following challenges and opportunities as areas for areas for further study and potential improvements:

- Reduce barriers to allowing more dense building types including cottage clusters, triplexes and quadplexes.
- Allow greater densities in the City's Medium Density Residential zone, which is currently limited to a maximum density of 14 units per acre.
- Consider reduced parking standards, particularly in the High-Density Residential zone.
- Minimize barriers to providing housing in commercial districts, including providing greater allowance for residential-only structures, allowing greater residential densities and reduced minimum parking standards.
- Eliminate discretionary processes (e.g. Conditional Use Permit) for high occupancy housing projects and create more administrative pathways for residential development.
- Consider adjustments to City tree and slope protection requirements that may be overly restrictive and interfere with efficient site design.
- Mandatory use of development agreements and prescriptive site plan requirements with zone changes have introduced discretionary processes (risk) and have limited future flexibility in implementing residential projects.
- Preliminary subdivision requests are required to go through City Council review, extending the length of time to obtain local approvals and introducing additional uncertainty to the entitlement process.
- Transportation Impact Analysis (TIA) scoping can be a very lengthy process and significantly prolong the development schedule.
- The absence of an impact fee program, places greater burden on individual developments to identify and remedy off-site mitigation needs on a project-by-project basis. Avoidance of significant off-site requirements may drive

developers to actually retreat on development yield in certain instances.

- Transit recognition as a component of the local network is largely absent in the local long-range transportation planning, resulting in less certainty regarding when and how development projects support transit and vice versa.
- Lack of stand-alone transportation plan and policy in the City (separate from the regional transportation plan) creates a situation in which no device or funding mechanism exists to connect the vision to the execution of street function and design. As a result street types are often wider than necessary, rely on the developer to build them out, and don't support transit.
- Requirement for a conceptual plat as a preliminary step to allowing a preliminary plat adds additional review time and expense to developers.

Next Steps

As a part of the LASS-CAP project, the next steps will involve completing the diagnosis of all codes and policies affecting the land development process, followed by preliminary code recommendations. It is anticipated that the preliminary diagnosis effort will conclude in April of 2024 and that final code recommendations will be presented to City Council in late 2024.