ASHLAND CITY COUNCIL
STUDY SESSION MINUTES
Monday, November 4, 2024

Mayor Graham called the meeting to order at 5:30 p.m.Mayor Graham and Councilors Hyatt, DuQuenne, Bloom, and Kaplan were present. Dale and Hansen were absent.

I. **Public Input**
(15 minutes – Public input or comment on City business not included on the agenda)
None

II. **Climate Friendly Area Update**

Brandon Goldman Community Development Director introduced Derek Severson Planning Manager, Scott Fregonese of 3J Consultants, Elizabeth Decker of Jet Planning, and Becky Hewitt of ECONorthwest. Goldman summarized the project team's public engagement efforts and related recommendations for the climate friendly areas (CFAs) project since his last presentation to Council on July 15, 2024. Goldman shared that the City received an extension of the deadline from the DLCD (Department of Land Conservation and Development) to June 30, 2025. Goldman spoke this new deadline allows for integration of citywide walkable design standards to be done simultaneously under the Climate Friendly and Equitable Communities (CFEC) project.

Fregonese outlined the CFEC program scope including parking reform (completed), CFA identification, upcoming Transportation System Plan (TSP) updates and reviewed CFA designation criteria. Fregonese spoke that Phase 1 of the CFA study is underway with code analysis, market study, and community engagement prior to code adoption planned for mid-2025.

Decker discussed the code analysis on the candidate CFA's: the Railroad Property, Transit Triangle, and Croman Mill. Preliminary recommendations focus on two of the sites: the Railroad Property and the commercial portion of the Transit Triangle which would fulfill the State's CFA housing capacity requirements while minimizing impact on already developed residential areas. Developing CFA's as an overlay zone will allow for more flexibility for future use elsewhere. Decker summarized the benefits of CFA overlay for these areas adding that existing height and density bonuses for deed-restricted affordable housing would be permitted outright with additional bonuses permitted by state statute. Decker outlined key CFA overlay standards: allow multifamily residential (with ground-floor mixed-use), townhouses, commercial/office/civic uses, at least 50-foot building height, require at least a minimum density of 15 du/ac (dwelling units per acre), and apply no maximum density.

Kaplan clarified that the Railroad Property being discussed is not the historic railroad district. Hewitt discussed related market factors that may drive potential development within these areas. Buildings over three stories are less likely to be built even if allowed. Commercial development tends to concentrate along busier streets near existing retail nodes. Townhouses are a strong form of development potential for the local market. Mixed-use development can be challenging but works best where both ground floor retail and apartments/condos are desirable.

Bloom asked about ramifications for developers of having the CFA as an overlay instead of an underlying zone. Goldman clarified that developers of this scale are familiar with such zoning overlays. Graham confirmed with Goldman that a CFA overlay would be easier to apply to other areas in the future. DuQuenne asked what staff is doing to recruit development in these areas. Goldman responded that recruitment is outside the scope of the CFA program but reviewed previously adopted incentives. Kaplan asked for confirmation that townhouses would be allowed under the remediation requirements at the Railroad Property and Goldman responded he will follow up with DEQ. Kaplan asked about the zoning for the Croman Mill area. Goldman responded that the potential applicants would plan to re-zone these areas.

Hyatt spoke that the planning commission noted that downtown has similar requirements to CFA's. Goldman confirmed that minor adjustments in underlying zoning would bring the area into alignment with CFA goals while maintaining current historic preservation requirements. Kaplan asked for rent and vacancy trends for commercial development which Hewitt provided. Kaplan and Hyatt asked about the presented difficulties of actualizing (versus allowing) mixed-use development which Hewitt explained. DuQuenne noted the difference between the City's housing need for multifamily units and the market analysis that showed this potential as weak. Hewitt confirmed that the market for development is still stronger for single family dwellings compared to the City's need for affordable multifamily rental units for its workforce demographic. Removing density limits will allow these units to better compete. Graham asked about the minimum square footage requirements which Goldman provided.

Council discussed direction for staff to include the overlay, the railroad property and the transit triangle, with the option for the overlay to be extended in the future. They would like to see code updates for the downtown. Recommend staff check with DEQ that the townhome requirement would not be precluded at the Railroad Property and/or confirm that the City's CFA requirements could be met at the revised Transit Triangle location alone.

III. **Adjournment of Study Session**

The meeting was adjourned at 7:07 p.m.

Respectfully Submitted by:

City Recorder Alissa Kolodzinski

Attest:

Mayor Tonya Graham

Ashland Climate Friendly Areas

City Council

Study Session

November 4, 2024

3J CONSULTING
CIVIL ENGINEERING | WATER RESOURCES | COMMUNITY PLANNING

ECO northwest

JET PLANNING

Overview

I. CFA & Project Background

II. CFA Recommendations

III. Discussion

- Team Introductions
  - Scott Fregonese, 3J Consulting
  - Elizabeth Decker, JET Planning
  - Becky Hewitt, ECOnorthwest
  - Mackenzie Visser, ECOnorthwest

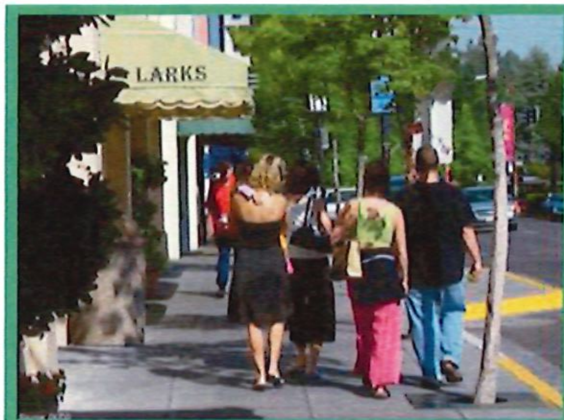
CFA & Project Background

Background

Climate Friendly & Equitable Communities (CFEC) program

- Parking Reform
- **Climate Friendly Areas**
- TSP Update

Background



Selecting Climate-Friendly Areas

- CFAs similar to downtowns and neighborhood centers:
  - Walkable area with mix of residential, office, retails, services and public uses
  - Multimodal transportation options
- Must accommodate 30% of projected housing needs in one or more areas

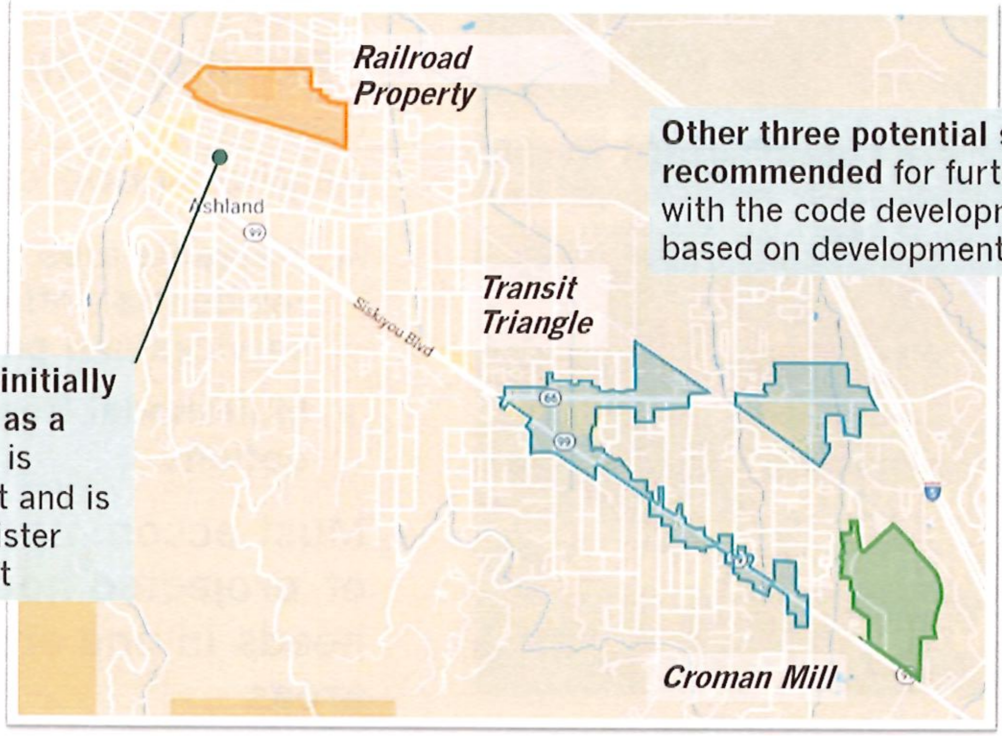
Project Overview

Designate one or more Climate Friendly Areas (CFAs) and update zoning code and maps to implement

1. Build on Phase 1 CFA Study
2. Code Analysis
3. Market Study
4. Community Engagement
5. Code Adoption (mid 2025)

Potential Climate Friendly Areas

Council Phase 1 Direction



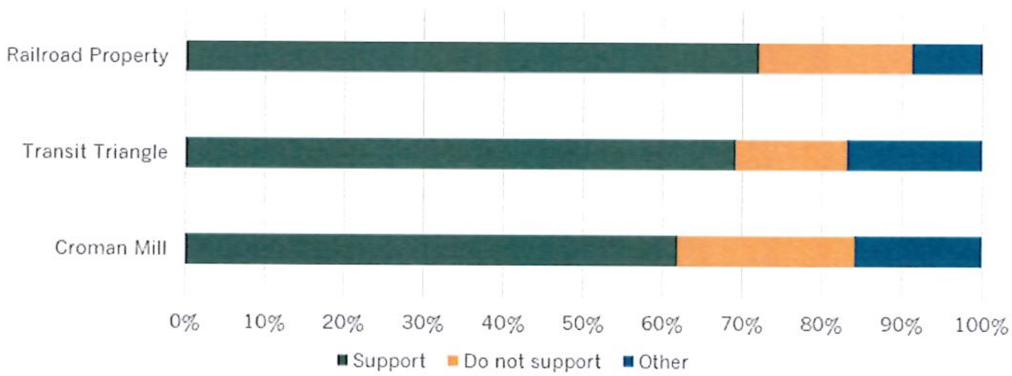
Other three potential sites recommended for further analysis with the code development phase based on development potential

Downtown not initially recommended as a CFA because it is largely built out and is a National Register Historic District

Engagement

- Developer interviews
- Discussions with City commissions
- Public open house and online survey

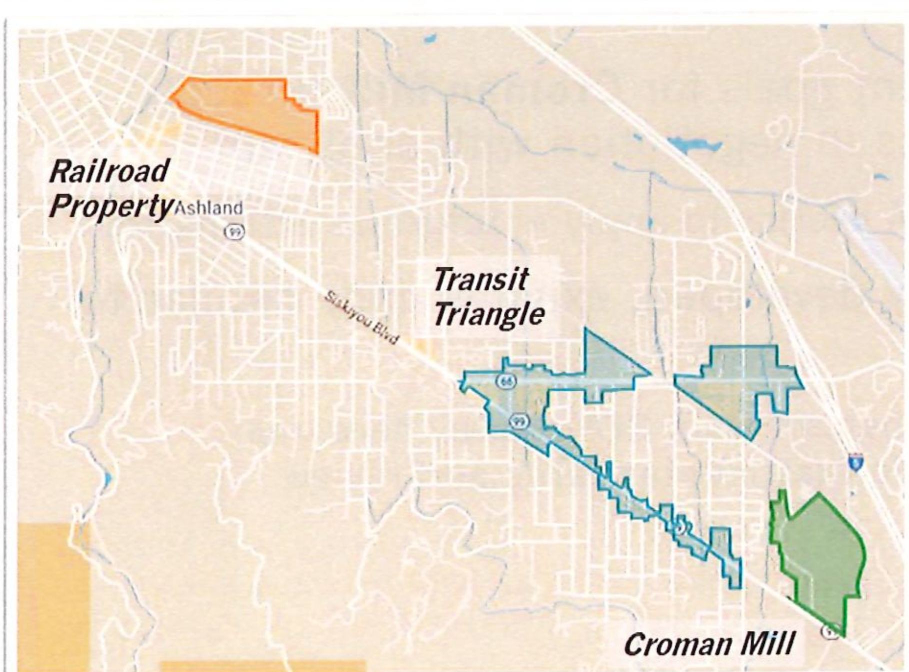
Support for CFA Designation



Survey open through November 18

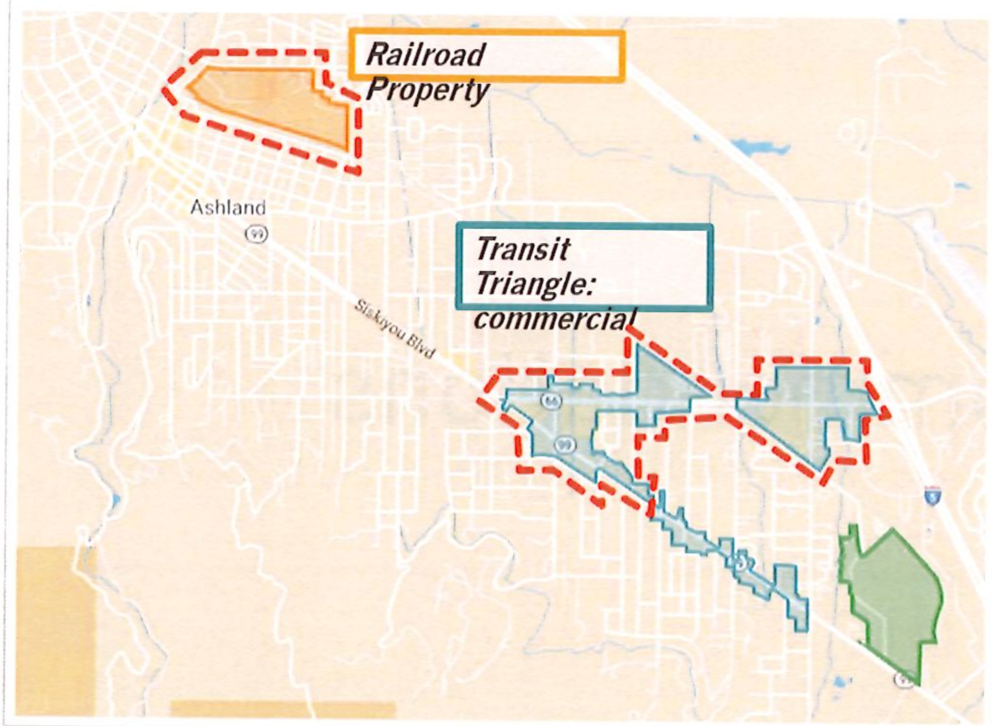
CFA Recommendations

Candidate CFAs



- Reviewed three sites through code audit and market study
- Designate one or more with updated zoning now, future consideration in TSP
- Use designation to advance City goals for the area(s), beyond state reqs

Preliminary CFA Recommendations



- **Two initial CFA overlay designations**
- **Railroad Property:** Near downtown, existing mix of development, significant gap between existing zoning and potential development, further study height impacts
- **Commercial portion of Transit Triangle:** Aligns with intent for area, near SOU, need to update existing overlay, limit changes within residential areas

Add'l Preliminary Recommendations

- Address development goals for **Croman Mill** through master plan process in negotiation with applicant
  - City would have CFA overlay to apply in future as alternative
- **Downtown** is largely developed, existing code similar to CFA standards
  - Limited additional benefit from CFA overlay here, may conflict with Historic District standards and review

Implementation Recommendations

- Develop CFA Overlay zone to apply to selected areas:
  - Repeal/replace existing Transit Triangle Overlay
  - Replace existing Residential Overlay in Railroad Property
  - Explore applicability of solar setbacks
- Incorporate deed-restricted affordable housing into CFAs:
  - Existing height and density bonuses to be allowed outright
  - Additional bonuses permitted by state statute

Key CFA Overlay Standards

Allow multifamily residential (with ground-floor mixed-use)

Allow townhouses

Allow commercial, office and civic uses

Allow at least **50-foot building height**

Require at least a **minimum density of 15 du/ac**

Apply **no maximum density**

Market Factors

Taller buildings are less likely even if allowed

- Higher construction costs for development >3 stories
- Rents, land costs not likely to justify higher construction costs

Commercial tends to concentrate

- Along busier streets that offer easy access and visibility
- Near existing retail nodes that already attract shoppers

Townhouses are a strong form of development

- Strong for-sale housing market
- Challenges with condo development

Mixed-use can be challenging

- Increases construction costs, complexity
- Works best where both ground floor retail and apartments/condos are desirable

Recommendations & Discussion

Discussion

- Do you support the initial CFA recommendations?
- What opportunities or concerns would you like to see addressed in the CFA overlay?
- Other questions or priorities?

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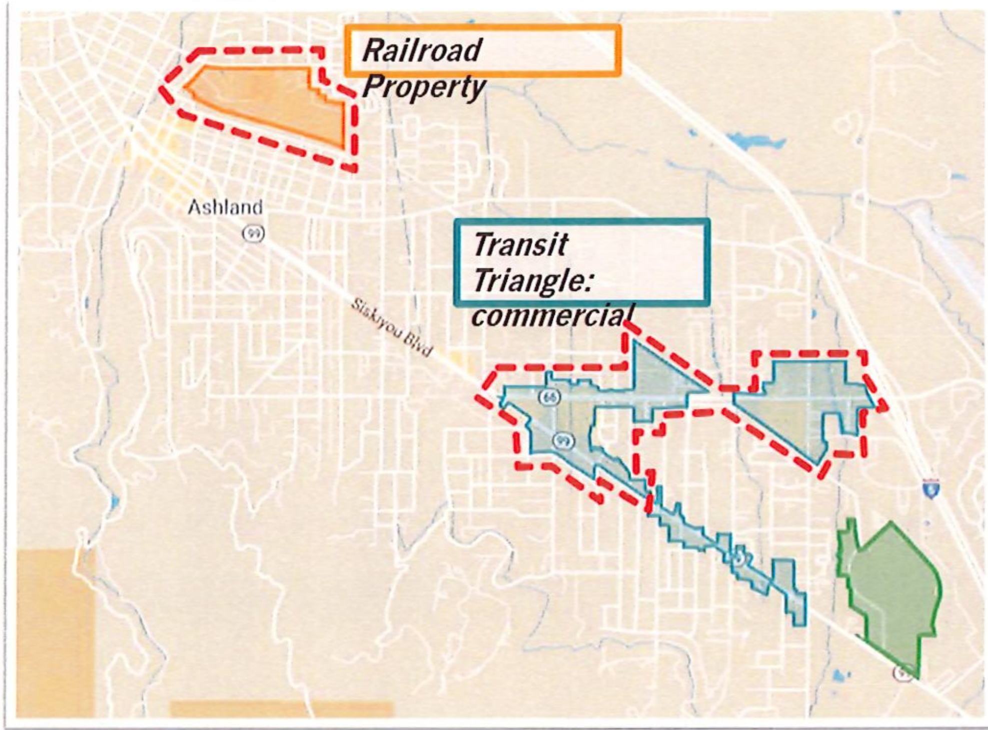

THANK YOU

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