To: Mayor Christopher and City Councilors

Cc: Chris Eppley, City Manager

From: Maria Meier, Planning Director

Date : September 24, 2001

Re: Field Examples of Infill Development in the City of Keizer

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The following sites are examples of infill development that has occurred in the City of Keizer. Please consider visiting these sites to have a frame of mind some of the issues that we are discussing in the Committee meetings. Infill development occurs in a variety of ways. This brief list identifies examples that represent the majority of infill in Keizer.

- Section 2.102.102.05(A)(1) allows newly created parcels with a minimum of 5,000 square feet for detached single family dwellings and newly created parcels with a minimum of 4,000 square feet for zero lot line dwellings. Zero Lot Line dwellings can be constructed in accordance with Section 2.404 (See attached).

  Properties in the 4700 block of Fillmore Street between Dearborn and Evans have partitioned into lot sizes for Zero Lot Line Development. Property located at 4770 Fillmore contained an existing dwelling, and the new property line was placed on the south edge of the dwelling and retrofitted to meet building code requirements for development along the property line (fire-wall standards). This parcel was less than 5,000 square feet, however met the 4,000 square foot minimum lot size for zero lot line development. The newly created parcel to the south met the 5,000 square foot minimum for detached single family dwelling standards.

  Property located at 4750 Fillmore contained a single family dwelling on the site. The lot was requested to be partitioned with the existing dwelling to be on a lot meeting the 5,000 square foot minimum. The applicant requested the newly created parcel to the south to be less than 5,000 square feet, and to receive a variance to still build a detached single family residence – rather than a zero lot line dwelling built adjacent to a side property line.

- Property located at 4848 Rickman (southeast corner of Rickman and Dunlin Ct) was partitioned to create two 4,000 square foot minimum lots and created attached zero lot line dwellings.

- McLeod Acres Subdivision located on Saundra Lee Way (Private Street) and McLeod Lane, directly across Northtree Drive has generated a lot of discussion amongst the community. The subdivision contains a private street to the standards allowed in the Keizer Development Code. The width of the street is a 25-foot easement, with a 20-foot wide improvement – No parking on either side of the street. The developer chose to create larger lots rather than create on-street parking. The larger lots will require three parking spaces on each lot, instead of the standard two on-site, and one off site.

- Gander Subdivision is located at 5030 Windsor Island Road N. This property is on the east-side of Windsor Island Road, the third lot north of Chemawa Road. This subdivision was created with a 20 foot access easement to serve four dwellings.

- Jordon Run Subdivision is located at the 3800 block of Brooks Avenue NE. The subdivision is served by a private street named Angie Way NE. The improvement is 29 feet with a 1 foot reserve strip along the north side of the street. Essentially, this improvement design (plus the one foot additional improvement) is what is being recommended for infill streets serving more than 4 lots.

- Property located at 1840 Claxter Road NE, at the far east end of the street on the south side of the road. A 30-foot wide access and utility easement with a bulb cul-de-sac design services the three lots created in the back of the lot.

- Property located at 531 Cummings Lane N. was partitioned into three lots. Notice the 20-foot wide access easement that services the lots. These lots were created at a time when the minimum lot size was 4,000 square feet and the access easement was included in the minimum lot size. Following the development of this property, the City increased the minimum lot size to 5,000 square feet and the access easement cannot be included in the minimum area for a parcel.

Please visit these locations sometime before the next City Council session. This will assist you with the physical development issues we are discussing. Thank you for your time and efforts with participating in this project. We are making progress in improvements to our standards to promote quality development in our community. Thanks again.

7.0 CONCLUSIONS

The City has been experiencing rapid growth and has seen an increase in the number of infill and redevelopment projects. Based on data from the buildable residential land inventory, more infill and redevelopment can be expected as the supply of vacant residential land within the City diminishes.

This section recommends specific implementation measures to achieve the City's infill and redevelopment goals.

Overall Infill and Redevelopment Strategy

1. Adopt special infill and redevelopment standards for residential infill projects.
Because potential residential infill areas are scattered throughout the City, adopting special standards for infill development is preferred to creating an infill overlay district. The special standards should allow greater flexibility in lot dimensional standards and in providing access to infill areas. To be successful the standards must precisely state when infill development standards apply. Because the infill standards will generally be less restrictive, care must be exercised to ensure that they are applied only as intended.

2. Provide economic and regulatory incentives for infill development.
Infill and redevelopment projects are usually more expensive than "greenfield" development, but less burdensome to the City. Economic and regulatory incentives should be used to encourage infill development.

3. Improve neighborhood quality by orienting infill development buildings toward the street.
Orienting infill buildings toward the nearest street or access lane is beneficial because windows and entryways along the street create opportunities for social interaction, increase neighborhood security through improved surveillance, and add to the visual interest of the streetscape. Whenever possible, infill buildings should face one another along a common street or lane.

4. Create disincentives for flag lots.
Flag lots represent the least-cost approach to infill development for many developers and property owners. Flag lots create a haphazard land use pattern that can be detrimental to neighborhood quality. By making it more difficult and expensive to create and develop flag lots, property owners and developers are more likely to pursue other alternatives. Flag lots should only be allowed where no other reasonable options are available.

5. Strike an optimal balance between competing community objectives.
Some of the objectives identified by the community are conflicting. For example, the objective of Reasonable Access conflicts with the objective of Easy Access for Deliveries and Haulers.

Some proposed infill development standards (e.g., public street standards applied to small infill projects) may make small- or medium-sized infill projects more difficult or expensive to complete. If such standards are adopted, only partitions of small lots or larger infill subdivisions that involve property assemblages are likely to occur.

Zoning Revisions

(1) The City should adopt a separate set of infill standards that apply only to infill projects.
(2) The City code will need to include definitions of the terms "infill" and "redevelopment" and well-crafted criteria that projects must meet if infill standards are to be applied.

Development Standards

Infill Standards – Infill standards should include the following key action items:

(1) Craft a definition for infill development parcels along with criteria that must be met for infill standards to apply.
(2) Amend minimum side and rear yard standards to insure compatible building height of infill development.
(3) Develop infill street and access lane standards for infill projects.
(4) Where access is constrained by buildings or landscaping, develop minimum standards to allow narrow streets of limited length as an acceptable alternative means of providing vehicular access to infill parcels. The constrained access concept should only be used when no other alternative is possible.
(5) Allow relaxed street alignment standards for infill streets intersecting a local streets.
(6) Require street trees for infill projects and ensure they are sited where they will not interfere with public utilities.
(7) Require infill development projects to include streetscape design elements, such as lighting, street trees, and buildings oriented toward the street, to make streetscapes more attractive.
(8) Prevent garages from becoming the dominant architectural element of infill projects.
(9) Adopt a building orientation requirement.

Revisions to General Standards -

(10) Allow for the continuation of streets to provide access or permit a satisfactory future division of adjoining land.
(11) Modify zero side yard dwelling standards to avoid "blank walls."

Public Works Standards

(1) Revise public works standards to comply with new city street and access lane standards.
(2) Evaluate the impacts of new infill development on the City's storm water infrastructure as a part of site plan review.

Capital Improvement Projects

No specific capital improvement projects have been identified.

Procedural Changes

1. Create a pre-application process that includes notice to surrounding property owners.
2. Allow serial partitions for infill and redevelopment projects subject.

Comprehensive Plan Revisions
Amendments to the Comprehensive Plan should include more aggressive infill policies and language that will enable the City to execute economic and regulatory strategies to promote infill and redevelopment.

Incentive Programs
The development cost analysis discussed at the end Chapter 6 posed three public policy questions that are critical to the viability of small infill and redevelopment projects within the City.

- How much does the public street requirement add to the cost of housing?
- Is there a financial incentive to get property owners to work together?
- Is the public street requirement for infill development a disproportionate burden to property owners?

The cost analysis concluded that the public street requirement for the Shady Lane property added $1,375 per lot to development cost. It seems reasonable to assume that the actual cost to infill consumers (buyers or renters) might be somewhat higher, since the hard cost in the analysis doesn't include a return on investment to the developer.

In answer to the second question, the cost analysis concluded:

> *Because the total estimated development cost per lot in Scenario 2 ($15,231) is higher than in Scenario 1 ($13,905), one can assume that development cost will not act as an incentive for property owners to work together to generate more efficient development schemes.*

Even if development costs were somewhat lower when property owners worked together, the difficulty of assembling the property needed and reaching an equitable agreement among property owners would probably offset any financial advantage that might be gained. The answers to the first two questions imply that additional financial incentives are certainly needed, but also suggest that little cooperation is likely to occur without an equitable framework for sharing the cost of public infrastructure.

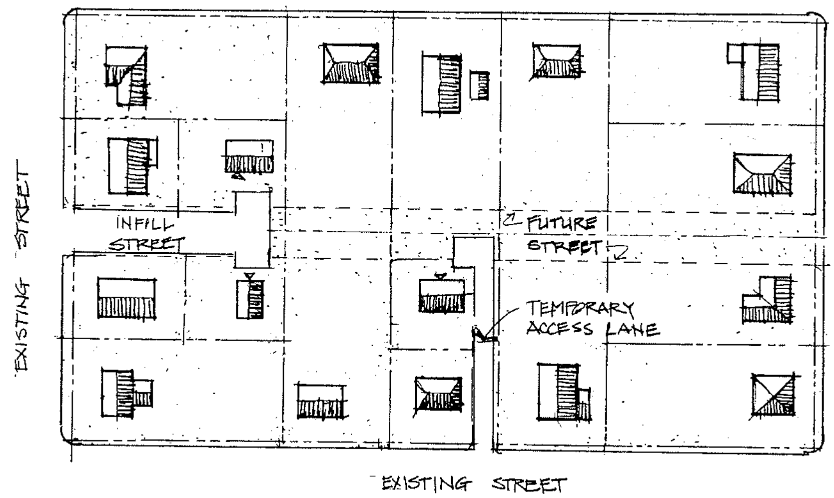
To adequately answer the third question, one must first understand how the cost of developing public streets might be shared under the current system. Too often, the first development project in an infill area (or pioneer) gets saddled with constructing public street improvements, water, and wastewater utilities that are oversized to meet future requirements. Typically, subsequent developments take advantage of that initial infrastructure investment without bearing a fair share of the cost. The community development process should establish a framework for a more equitable sharing of the cost of public infrastructure and reward developers and property owners whose projects meet local public policy and community objectives.

The drawing below illustrates how infill access might be provided to a typical block. Property owners or developers that wish to initiate an infill project often are responsible for all of the following:

1. providing access to the lot or lots to be developed,
2. dedicating a right-of-way for a public street that may serve future infill development, and
3. contributing their fair share of the construction cost of the public street.

The City may wish to allow internal lots that are not located adjacent to a public street to develop temporary access to infill lots as flag lots. The City may also wish to require infill lots located adjacent to public streets to construct public street spurs along the right-of-way.

While economic incentives can be used to reduce the additional per lot cost of developing a public street ($1,375), additional techniques or incentives must be used to reduce the disproportionate burdens placed on the "pioneer" development projects, and address difficulties associated with coordinating the timing of the development of public infrastructure.



As an additional incentive, the City may also wish to consider more flexible approaches to locating utilities to serve infill development. Utility easements and spur lines can be used to serve infill projects without the need to oversize the lines.

This sections that follow outline a number of incentive programs that can help overcome some of the inherent obstacles to infill and redevelopment. Together these techniques can be use to provide financial incentives and policy structure to make incremental infill projects economically viable and enable them to meet the desired community infrastructure standards.

While infill redevelopment access standards (e.g. reduced street widths) are intended to provide the primary incentive needed to promote infill and redevelopment, a variety of other incentives are available to make infill and redevelopment projects viable. In addition to financial incentives, other incentives can include regulatory modifications, operational changes, and education. Each of these categories is discussed below.

Financial Incentives

<u>Recapturing Initial Infrastructure Cost</u>

To address disproportionate burdens placed on the "pioneer" development projects as described in the previous section. Possible solutions include:

- A developer "pay-back" system, in which a developer who constructs public streets to or extends services into infill areas obtains a cost recovery agreement with the City. The City collects fees from future developments as they tie into those services, and reimburses the original developer. This solution is appropriate for large-scale development projects, where up-front capital investment necessary to construct the public services poses less of a burden on the developer.
- A City/non-profit "pay-back" system, in which the City or a non-profit organization pays the up-front cost or finances the service extensions. Future developments then repay the City or non-profit organization through connection fees or other mechanisms. This solution is more appropriate for small infill projects developers or property owners cannot afford to bear the initial cost of public improvements.

Revolving Loan Fund

The City can develop and provide revolving loan funds to help finance the cost of infill projects. Specific eligibility requirements can be attached to these funds. This is especially useful where a particular public interest has been identified and attention to detail is required.

Infill Housing Finance

Infill developments will likely appeal to a different market segment than those that own existing homes and buyers may need access to non-traditional financing mechanisms. The City may wish to encourage home ownership, rather than allow infill to create primarily single family or multifamily rental units. Home ownership programs can provide a wider market for infill housing products, encourage residential pride in the neighborhood, and help those who might otherwise excluded from home ownership.

Financial incentives to encourage home ownership and first-time home buyers of moderate income typically involve one or more of the following elements:

- Reduced down payment requirements or down payment assistance, such as a "soft second mortgage," for which no payments are due until the house is eventually resold. Upon resale, a formula for recapturing a portion of "shared equity" often is applied.
- Below-market interest rates through a public source, such as Community Development Block Grants (CDBG), a public-private partnership, such as a lender consortium, or a combination of sources.

Oregon Housing and Community Services (OHCS) Community Incentive Fund

As a part of the Oregon Livability Initiative, the Community Incentive Fund helps communities meet four main goals:

1. *Create more jobs in distressed communities that want economic growth;*
2. *Increase the supply of affordable housing near jobs and transportation;*
3. *Reduce sprawling development patterns;*
4. *Revitalize urban centers, downtowns, and main streets.*

The Community Incentive Fund provides financial incentives such as grants, loans for income producing projects and projects within Urban Renewal Districts with tax increment financing, and partial loan guarantees to mitigate risk. Funds may not be used for planning, technical assistance, or administrative purposes. A well-defined project scope and budget and committed financial resources on the part of submitters is necessary to compete effectively for these funds.

Formation of Local Improvement Districts (LIDs)
LIDs are used to finance public improvements and facilities by distributing the cost of the improvements to surrounding property owners. Costs are typically distributed to property owners by street frontage or land area, but can also be allocated based on size or assessed value of property or building. LIDs allow property owners to finance their assessment over time at the cost of public borrowing.

LIDs can provide infrastructure improvements in areas where infill is being restricted by substandard improvements, and where the market cannot absorb the improvement costs. Using LIDs to create street access and/or utility improvements for a group of infill lots can make development of all the lots more affordable.

The LID process also offers a realistic method of financing the completion of full-street improvements after a half-street is installed. The method of assessment may depend on the level of access provided.

Tax Increment Financing (TIF)
TIF provides dedicated public funds for planned physical improvements in a specified area. The process requires establishment of an urban renewal district and an urban renewal board. Tax increment funds accumulate through increases in property values in the renewal district; the renewal board freezes current tax revenue at its present level within the renewal district, then retains incremental increases in revenue that result from rising assessed values within the renewal district. These proceeds are dedicated to improvement projects within the renewal district.

Fee Waivers/Reductions.
Waiver or reduction of fees (e.g., hookups, impact fees, etc.) for specific desired product types may be appropriate for the following reasons:

- In an existing developed area, the infrastructure already has been paid for (e.g., the street, sewer, or water line may be in place already).
- Sufficient capacity is already available and does not need to be up-sized. Note: this will be true in some but not all cases.
- New infrastructure is needed, but is less expensive on a per-dwelling-unit basis because of a higher density form of development.

Regulatory Modifications

Half-Street Improvements
The use of "half-street" improvements encourages infill by allowing a property owner/developer to construct a portion of a public street to serve new development. Generally, a half-street improvement will require sufficient pavement width to allow fire access along the edge of a property, with the remaining street section to be provided by future development. A critical

factor in allowing half-street improvements is the timing and financing for improving the second half of the street.

Record Infill Streets

The City may wish to locate future public streets alignments in areas where infill is most likely to occur. By recording future alignments the City can help ensure street connectivity and will reduce future construction and maintenance cost. Identifying future street alignments will help coordinate access planning among infill development projects and reduces uncertainty.

Operational Changes

Expedited Review

Expedited staff review can encourage infill development by assuring a timely approval and eliminating uncertainty in the approval process. This requires clear and objective administrative standards and fewer opportunities for appeal.

- **Streamlined Review –** Streamlining of staff review for infill projects can be accomplished by resolving issues at pre-development meetings for infill projects. These meetings give the City the opportunity to set forth the basic requirements for approval.

- **Time Commitment for Review –** The City can pass an ordinance committing to a maximum administrative approval time for certain types of infill development. This will provide developers with benefits in time and costs for infill projects. In addition, an illustrative critical path schedule for infill projects can be prepared. The critical path would demonstrate the process and timing for infill development review.

- **Clear Standards –** The use of clear and objective standards will allow administrative decisions to be made efficiently. Standards that are clearly written and do not require the exercise of discretion by staff can eliminate the need for public notice and hearing requirements. These standards should be made readily available to applicants to provide certainty in the approval process.

Administrative Adjustments.

The creation of administrative procedures for minor adaptations in development standards, often referred to as "adjustments," can help an applicant get approvals in a timely way without committing substantial resources to a project. However, any adjustment process introduces uncertainty and should be relied on only to handle exceptional cases. For example, using a 10% dimensional rule for varying "clear and objective" standards, such as setbacks, provides an easy guideline for such minor adjustments.

Education

Maintain Parcel Information Base

Maintaining a database of infill parcels would provide prospective developers with opportunities to seek out an infill project and take advantage of the special provisions for these types of projects. This also should include notifications to the owners of the parcels that these special development provisions are available, should they decide to develop their property.

Provide Prototype Information

Infill can be encouraged by showcasing infill projects in Pocatello, Chubbuck, or other jurisdictions on a bulletin board or in handouts. This information can provide ideas for new applicants. A workbook of housing plans for small infill lots could be made available to builders and developers.

Neighborhood Meetings

Neighborhood meetings in areas with potential for infill development can preempt neighborhood opposition to increased densities by discussing the benefits of infill development (i.e., increased property values, reduced infrastructure costs, environmental benefits, design compatibility).

Date: August 29, 2001

To: City Council Members

Issue: Public Hearing - Infill

From: Marcia Bednarczyk

Rcd
8-30-01
CC✓
CM✓
Plan✓

Please reconsider modifications to the existing code regarding infill development, and allow much more discussion on these issues. As you well know, the majority of real discussion will be at this level, rather than at Council. Most of the planning commission members have experience dealing with land use issues.

* It has been apparent at the various meetings that citizens are not aware of what would be covered under 'subdivision' codes and infill., and when an 'infill' would fall under the 'subdivision' code.

* A few infill developments have been poorly planned, but those have been incidents, and the entire code should not be changed because the City could not say 'no' to something they thought was inappropriate. How many "inappropriate"developments have been subdivisions, rather than infill ?

* If you are going to require increased setbacks and road requirements (for livability and quality), **those same setbacks should apply to all development in Keizer**; as 2 potential infill lots, joined together would fall under the codes for subdivisions!
Requiring these additional requirements for small lots places an undue financial burden on the owners of small property, while allowing developers of subdivisions to profit from the lack of those same restrictions regarding the subdivision code. If it is good planning for infill, it should be good planning for the subdivisions as well.

* The code revisions do not help those citizens with lots of 99/100 feet wide utilize their property.
With the wider road requirements and increased set backs, single lot owners will find it very difficult and cost prohibitive to build.

* The wider road and sidewalk requirements will increase hard surface in small areas.
With regard to wider streets for fire access ,to my knowledge none of the land use applications for Clear Lake in the past have ever had any statement from the fire department that the street codes were inadequate, and all have been approved by the Fire Dept.

Please allow much more debate on these issues.

Thank you.

Marcia Bednarczyk

Marcia Bednarczyk

BUILDING PERMIT AND LAND USE DATA
1996 TO 9/12/01

	NSFD	NDUP	APT BLDGS	SUBDIVISIONS	PARTITIONS
Year to date	77	3	0	2	6
				27 lots	15 lots
2000	204	2	7	10	11
			52 units	183 lots	22 lots
1999	259	11	0	6	11
				199 lots	27 lots
1998	298	10	18	4	18
			148 units	35 lots	42 lots
1997	259	12	6	10	22
			44 units	306 lots	52 lots
1996	277	22	12	4	16
			Unit data not available	157 lots	42 lots

Created by DBrown 9/12/01