

Lincoln City Code-UP Staff Report and Findings

to **City of Lincoln City**

from **Emma-Quin Smith, Brandon Crawford, and Darci Rudzinski, MIG**

re **Mass Timber Code-UP Staff Report and Findings
DLCD Mass Timber Code-UP Project**

date **05/10/2024**

PURPOSE

The proposed amendments to the Lincoln City Municipal Code (LCMC) Title 17 Zoning Code (“Code”) are intended to help facilitate the construction of prefabricated, modular, and manufactured housing products. The proposed LCMC modifications remove local barriers to permitting and siting housing that is constructed of components manufactured off site, regardless of construction materials. At the same time, proposed local regulatory changes implement the recommendations from the DLCD Mass Timber Code-UP project, a federally funded effort to advance mass timber as a viable construction component in housing manufacturing. The Code-UP project provides technical assistance to ten jurisdictions to update their development codes consistent with guidance and recommendations identified in the Oregon Prefabricated and Modular Housing Model Code and Audit Workbook.

This report includes a Summary of Proposed Amendments; the proposed text amendments are in a legislative amendment, adoption-ready format in Appendix A. The report concludes with findings to support local adoption of the proposed changes to the LCMC. For more background on the project and the rationale behind the proposed policy and regulatory modifications specific to Lincoln City, refer to Appendix B. Lincoln City Code Updates.

SUMMARY OF PROPOSED AMENDMENTS

The recommended amendments to the LCMC are in Appendix A to this report. Proposed modifications are focused on removing regulatory barriers to the approval and siting of prefabricated, modular, or manufactured housing products and changing or adding provisions to better support these housing opportunities. Amendments are proposed in the following LCMC chapters:

- **LCMC 17.08.010 Definitions.** Revise or add to existing housing definitions to be inclusive of prefabricated dwellings and create new definitions that support prefabricated and modular housing products.
- **LCMC 17.16.020 Permitted uses.** Update the permitted uses in the R1 zone to use the term “manufactured dwelling park” instead of manufactured home park.
- **LCMC 17.20 Multiple-Unit Residential.** Allow ADUs in this zone.
- **LCMC 17.80.040 Standards for mobile or manufactured home parks, recreational vehicle parks, and tiny house developments.** Update the Mobile or Manufactured Home Park section to use the term “manufactured dwelling park.”
- **LCMC 17.80.110 Accessory Dwelling Unit Standards.** Update certain standards to increase flexibility for ADU opportunities.

It is worth noting that the City has already adopted Code amendments to implement some of the recommendations from the 2022 Code Barriers Report. As a result, many of the City's existing Code standards that have implications for prefabricated and modular housing opportunities are already fairly permissive and support these housing types. Previous legislative updates include the following:

- Added a new definition for “prefabricated structure” and updated definitions for “manufactured dwelling,” “manufactured home”, and “mobile home park” to be more consistent with state laws and recent legislation (House Bill 4064).¹
- Changed manufactured dwelling and mobile home parks from being allowed as a conditional use to being permitted outright in the R1 zone.
- Updated certain Accessory Dwelling Unit (ADU) standards to be clear and objective.
- Updates for consistency with HB 4064, which requires cities to allow prefabricated dwellings in manufactured dwelling parks and to ensure requirements that apply to manufactured and prefabricated dwellings on individual lots are no more restrictive than requirements that apply to single-family detached homes.
- Updates to the definition of “tiny house” to include mass timber building materials.

The current proposed action includes additional Code modifications that are informed by state-of-the-practice guidelines related to prefabricated and modular housing, specifically those in the Oregon Prefabricated and Modular Housing Model Code and Audit Workbook.

FINDINGS

Statewide Planning Goals

Goal 1. Citizen Involvement

To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Comprehensive Plan Consistency:

The following Citizen Involvement goals and policies from the Lincoln City Comprehensive Plan are supportive of Goal 1 and applicable to the proposed amendments:

Goal: *Provide opportunities for all Lincoln City residents to learn about and be engaged in all phases of the land use planning process; ensure learning and engagement activities are accessible, equitable, and inclusive.*

Policy 3: *Provide information regarding land use planning applications and land use planning projects in a variety of accessible and easy to understand formats, including other languages where appropriate.*

Policy 7: *Identify options to increase participation with the community's marginalized and underrepresented groups in the land use planning process, including but not limited to Tribal representatives and renters.*

¹ House Bill 4064. <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4064>

Supportive Findings:

The proposed amendments were coordinated with activities that were intended to engage underrepresented communities to share information about mass timber and prefabricated housing opportunities and understand their thoughts and concerns.

Lincoln City is holding public hearings with the Planning Commission on June 18th, 2024 and City Council on July 8th, 2024. The hearings are both open to the public and will provide an opportunity for community members to comment on the amendments.

Goal 2. Land Use Planning

To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to ensure an adequate factual base for such decisions and actions.

Comprehensive Plan Consistency:

The Lincoln Comprehensive Plan establishes the policy framework as the basis for land use decisions, including those related to housing. The recommended policy and regulatory updates will help promote a variety of housing types by helping to facilitate prefabricated, modular, and manufactured housing development that will utilize the City's residential land supply in an efficient manner.

Supportive Findings:

The proposed amendments are necessary for consistency with Oregon Revised Statutes related to land use planning (ORS 197 and 197A). The amendments will help ensure Lincoln City is in compliance with ORS 197.478, which requires local governments to allow prefabricated structures on any lot that allows single-family detached housing as well as in manufactured dwelling parks. In addition, the proposed amendments are consistent with state rules for clear and objective requirements for housing, pursuant to ORS 197A.400.

The findings of fact identified herein establish the factual base for the City's decision to amend the LCMC. These amendments are subject to public notice, prior to an initial evidentiary hearing before the City Council. Thus, a well-established planning process and policy framework exists within the City and has been utilized to create and adopt the proposed amendments.

Goal 4. Forest Lands

To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.

Comprehensive Plan Consistency:

The following Natural, Scenic, and Historic Resources goals and policies from the Lincoln City Comprehensive Plan are supportive of Goal 4 and applicable to the proposed amendments:

Goal: Proactively ensure that land use planning protects and preserves the community's significant natural, scenic, and historic resources in building for the future, addressing the elements of air, water, land, wildlife, and energy.

Policy 6: Utilize a variety of measures to protect native trees and vegetation.

Supportive Findings:

The proposed amendments apply to residential lands and therefore are not directly applicable to forest lands. However, the proposed amendments are supportive of goals to encourage development in residential areas in a more compact and efficient land use pattern, which helps to preserve forest lands by reducing the area needed for residential development. In addition, the proposed amendments help enable mass timber products in housing construction, enabling the opportunity for additional housing construction methods that can be more cost effective. Mass timber construction practices support the state's forest lands by promoting more sustainable and efficient forestry practices, as compared to conventional forestry practices.

Goal 5. Natural Resources, Scenic and Historic Areas, and Open Spaces

To provide natural resources and conserve scenic and historic areas and open spaces.

Comprehensive Plan Consistency:

The following Natural, Scenic, and Historic Resources goals and policies from the Lincoln City Comprehensive Plan are supportive of Goal 5 and applicable to the proposed amendments:

Goal: Proactively ensure that land use planning protects and preserves the community's significant natural, scenic, and historic resources in building for the future, addressing the elements of air, water, land, wildlife, and energy.

Policy 7: Update/maintain existing adopted inventories and create new inventories as necessary of the following: riparian corridors, wetlands, federal wild and scenic rivers, state scenic waterways, groundwater resources, approved Oregon Recreation trails, mineral and aggregate resources, energy sources, and cultural areas.

Policy 8: Review existing regulations relating to development in significant wetland, significant riparian, and/or significant fish and wildlife habitats as needed to ensure continued protection and management in accordance with state regulations.

Supportive Findings:

Statewide Planning Goal 5 requires jurisdictions to inventory lands that contain significant open spaces, scenic resources, historic and cultural resources, and natural areas. The City's natural resource regulations will continue to apply and to protect Goal 5 resources; there are no proposed changes to the standards related to water, air, or sound quality.

Goal 7. Areas Subject to Natural Disasters and Hazards

To protect people and property from natural hazards.

Comprehensive Plan Consistency:

The following Community Resilience goal and policies from the Lincoln City Comprehensive Plan are supportive of Goal 7 and applicable to the proposed amendments:

Goal: Ensure ongoing community resiliency by fostering a connected community that supports one another during crises and prioritizes access to essential resources. Protect human life, minimize

damage to the natural and built environment, facilitate rapid recovery from natural disasters and hazards, and prepare for and mitigate the impacts of climate change.

General/Overall Policy 1: *Coordinate with all applicable agencies to develop and implement strategies, including development and zoning ordinances, to mitigate the effects of natural hazards and natural disasters. Document, evaluate, and communicate ongoing progress.*

Climate Resiliency Policy 3: *Consider and apply likely future climate conditions when updating standards for planning, design, construction, and maintenance of public facilities.*

Supportive Findings:

Statewide Planning Goal 7 requires jurisdictions to apply appropriate safeguards when planning for development in areas subject to natural disasters or floods. The proposed code amendments do not include any changes to LCMC Chapter 15.16 – Flood Damage Prevention, which addresses Goal 7 by implementing standards that protect development from flood hazards. Section 15.16.55 includes regulations specifically intended to minimize the risk of flood damage to manufactured housing. Other development restrictions and standards in this chapter are intended to minimize risk to housing development more generally. The City’s flood regulations will continue to apply and to protect sensitive areas that may be included in future housing development proposals; Goal 7 does not directly apply to the action.

Goal 9. Economic Development

To provide adequate opportunities throughout the state for a variety of economic activities liable to the health, welfare, and prosperity of Oregon's citizens.

Comprehensive Plan Consistency:

The following Economic Development policy from the Lincoln City Comprehensive Plan is supportive of Goal 9 and applicable to the proposed amendments:

Policy 4: *Increase opportunities for residents to live close to where they work by continuing to expand the variety of housing and types of commercial businesses and services available throughout the city.*

Supportive Findings:

The proposed amendments will remove regulatory barriers to the development of prefabricated and manufactured housing products, thereby enabling additional housing options to be developed in Lincoln City. Improving opportunities for a broader range of housing types, including those that can help provide for workforce housing, is one way in which Lincoln City can provide a supportive environment for the development and expansion of desired businesses and industry.

Goal 10. Housing

To provide for the housing needs of citizens of the state.

Comprehensive Plan Consistency:

The following Housing goals and policies from the Lincoln City Comprehensive Plan are supportive of Goal 10 and applicable to the proposed amendments:

***Overall Policy 4:** Ensure that all housing options, including those for sheltering and both affordable and workforce housing are dispersed throughout the city versus being concentrated in specific areas or zones.*

***Affordability, Sheltering, and Special Needs Policy 1:** Establish enough zones, and allowed housing and sheltering options within those zones, to facilitate the development of a wide variety of housing throughout the city. Rezone for higher-density development, reduce barriers to development, and allow the use of lower cost types of housing units, including prefabricated, modular, and manufactured dwelling units.*

Supportive Findings:

Goal 10 requires jurisdictions to encourage the availability of adequate numbers of needed housing units in price ranges and rent levels commensurate with the financial capabilities of the jurisdiction's households, and to allow for flexibility of housing location, type, and density. Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes."

Local code amendments are proposed to expand the community's housing options by removing regulatory barriers to the development of prefabricated and manufactured housing products, as well as changing or adding provisions to better support opportunities for more affordable housing, including units constructed of mass timber. Smaller housing units, the components of which are manufactured off-site efficiently, may be more affordable than larger, site-built units. Facilitating construction of prefabricated and manufactured housing will enable more housing choices within existing and new neighborhoods, consistent with Goal 10's requirements around housing flexibility, and may result in housing that is more affordable than existing options.

Goal 11. Public Facilities and Services

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Comprehensive Plan Consistency:

The following Public Facilities and Services goals and policies from the Lincoln City Comprehensive Plan are supportive of Goal 11 and applicable to the proposed amendments:

***Goal:** To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for the city's urban development. Timely, orderly, and efficient refers to systems or plans that coordinate the type, locations, and delivery of public facilities and services in a manner that best supports the existing and proposed land uses.*

Supportive Findings:

Public facilities and services standards will apply to prefabricated and manufactured housing, and the procedures for the review of building permits and land use will continue to apply. Therefore, the City's public facilities will support additional housing options.

Goal 12. Transportation

To provide and encourage a safe, convenient and economic transportation system.

Comprehensive Plan Consistency:

The following Transportation goal from the Lincoln City Comprehensive Plan are supportive of Goal 12 and applicable to the proposed amendments:

***Goal:** Provide a safe, convenient, efficient, sustainable, and accessible multi-modal transportation system in and throughout Lincoln City to facilitate the movement of goods and people.*

Supportive Findings:

City and County street standards and transportation-related requirements will apply to any future housing development – including those that are proposed that will utilize prefabricated or manufactured construction methods. Current adopted transportation standards will help ensure a safe transportation system to support the City's growth, including meeting its obligation to have adequate housing opportunities to meet future housing needs.

Goal 13. Energy

To conserve energy.

Comprehensive Plan Consistency:

The following Energy goals and policies from the Lincoln City Comprehensive Plan are supportive of Goal 13 and applicable to the proposed amendments:

***Goal:** Proactively ensure that land use planning protects and preserves the community's significant natural, scenic, and historic resources in building for the future, addressing the elements of air, water, land, wildlife, and energy.*

Supportive Findings:

The proposed amendments support energy conservation by helping to facilitate construction of prefabricated/modular and manufactured housing products that, when constructed as single-family dwellings, are generally smaller forms of housing with a lower energy demand. These housing types can be constructed of mass timber panels or modular products which have enhanced insulation properties, thereby promoting energy efficiency by improving home heating and cooling performance. Reducing barriers to permitting and siting prefabricated and modular housing products may also promote a more compact form of housing development, which helps reduce the community's energy use through reduced travel distances and more efficient provision of public services and facilities.

Goal 14. Urbanization

To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.

Comprehensive Plan Consistency:

The following goal from the Economic Development chapter of the Lincoln City Comprehensive Plan are supportive of Goal 14 and applicable to the proposed amendments:

***Policy 9:** Provide for the orderly and efficient transition of land within the urban growth boundary from rural/forestry to urban uses, and from lower density to higher density development.*

Supportive Findings:

The proposed amendments support sustainable residential growth, fully utilizing planned residential land, and efficient land use patterns that discourage low-density sprawl. The amendments also support residential land use patterns and housing types that take full advantage of Lincoln City's zoned residential land, thereby reducing the need for vehicular travel and dependency on the private automobile. Reducing barriers to, and creating more opportunities for, prefabricated and manufactured housing can also facilitate efficient provision of public services and facilities and permit building configurations which increase efficient energy use. The proposed amendments clear the land use approval path to more types of housing, housing options that have the potential to be more affordable for the community and that use residential land more efficiently within the urban growth boundary.

Comprehensive Plan Goals and Policies – Housing

Goal 1: Ensure Lincoln City residents have affordable housing through community partnerships and progressive planning.

Supportive Findings:

The proposed amendments represent progressive planning that contributes to more affordable housing opportunities for Lincoln City residents.

Goal 2: Create and maintain a community that cares about those in need and works together to provide housing and sheltering options for all income levels and ages—especially for our most vulnerable populations.

Supportive Findings:

The proposed amendments support housing and sheltering options for all income levels and ages, as well as for vulnerable populations, by lowering barriers to developing prefabricated and manufactured housing, types that are likely to be more affordable than site built homes.

Goal 3: Enable creative redevelopment and/or rehabilitation of existing residential neighborhoods to make them more sustainable.

Supportive Findings:

The proposed amendments support creative redevelopment and/or rehabilitation of existing residential neighborhoods. Prefabricated housing provides an opportunity for infill development that may be more affordable than site built homes.

Lincoln City Zoning Code Text Amendment Approval Criteria

17.77.130 Text amendment.

D. Approval Criteria. In order to approve a text amendment, the review authority shall make findings of fact, based on evidence provided, that the following criteria are satisfied:

1. The text amendment is consistent with relevant goals and policies of the comprehensive plan and any applicable adopted master plans; and

Supportive Findings:

See the report findings for the applicable Residential goals and policies in the Lincoln City Comprehensive Plan as well as the “Comprehensive Plan Consistency” goals and policies that support Statewide Planning Goals and are applicable to the amendments.

2. The text amendment is consistent with relevant provisions of the statewide planning goals, the Oregon Administrative Rules, and state statutes.

Supportive Findings:

See the findings for all applicable Statewide Land Use goals in this report.

CONCLUSIONS

The proposed LCMC text amendments are consistent with the Comprehensive Plan policies and the Statewide Planning Goals. In particular, the proposed amendments to remove barriers to prefabricated and manufactured housing will support Statewide Planning Goal 10 to provide for the housing needs of residents and will support the City’s policies to provide a variety of housing choices to meet the needs and means of wider range of households.

Appendix A. Lincoln City Municipal Code Amendments

Chapter 17.08 Definitions

Section 17.08.010 Definitions.

“Cottage” means a detached ~~single-unit~~ dwelling unit that is part of a cottage housing development and that contains ~~1,000~~1,250 square feet or less of gross floor area.

“Cottage cluster” means a group of four to 12 cottages, arranged around a common open space. Cottage clusters that meet the definition of “manufactured dwelling park” or “mobile home park” may be subject to additional requirements, pursuant to ORS 446.003 through 446.140.

[...]

“Detached single-unit dwelling” means a single dwelling unit that is not attached to any other dwelling unit by any means, has no roof, wall, or floor in common with any other dwelling unit, and is on its own lot or parcel. Detached single-unit dwellings may be constructed off site, e.g., prefabricated dwellings and manufactured homes.

“Manufactured dwelling park” means any place where four or more manufactured dwellings or prefabricated dwellings structures, that are relocatable and more than eight and one-half feet wide, are located within 500 feet of one another on a lot, tract, or parcel of land under the same ownership, the primary purpose of which is to rent or lease space or keep space for rent or lease to any person for a charge or fee paid or to be paid for the rental or lease space or keep space for rent or lease to any person for a charge or fee paid or to be paid for the rental or lease or use of facilities or to offer space free in connection with securing the trade or patronage of such person. “Manufactured dwelling park” does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.192.

[...]

“Mobile home park” means any place where four or more manufactured dwellings or prefabricated dwellings are located within 500 feet of one another on a lot, tract, or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. “Mobile home park” does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the municipality unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.192.

[...]

“Prefabricated dwelling” means a prefabricated structure, as defined in ORS 455.010, that is designed for residential occupancy in accordance with Lincoln City’s building regulations.

Chapter 17.16 Single-Unit Residential (R1) Zone

Section 17.16.020 Permitted uses.

[...]

12. Mobile home parks or manufactured ~~home~~ dwelling parks subject to the provisions of LCMC 17.80.040.

Chapter 17.18 Vacation Rental (VR) Zone

Section 17.18.020 Permitted Uses.

[...]

O. Mobile home parks or manufactured ~~home~~ dwelling parks subject to the provisions of LCMC 17.80.040. (Ord. 2023-26 § 8; Ord. 2023-24 § 7; Ord. 2022-41 § 2; Ord. 2022-36 § 2; Ord. 2022-25 §§ 12, 13; Ord. 2022-15 § 9; Ord. 2019-24 § 6; Ord. 2019-02 § 2; Ord. 2017-09 § 3; Ord. 2014-21 § 2)

Chapter 17.20 Multiple-Unit Residential (RM) Zone

Section 17.20.030 Accessory Uses.

[...]

J. Accessory dwelling units, subject to the provisions of LCMC 17.80.110.

Chapter 17.80 Provisions Applying to Special Uses

[...]

Section 17.80.040 Standards for mobile home parks or manufactured ~~home~~ dwelling parks, recreational vehicle parks, and tiny house developments.

[...]

Section 17.80.040 Standards for mobile home parks or manufactured ~~home~~ dwelling parks, recreational vehicle parks, and tiny house developments.

A. Mobile Home Park or Manufactured ~~Home~~ Dwelling Park Standards.

1. All mobile home park or manufactured home dwelling parks shall comply with state statutes. ORS 197.493 allows the siting of RVs occupied as dwellings in a mobile home park or manufactured home dwelling park that is lawfully connected to utilities.

2. If space for a mobile home or manufactured home dwelling in the park is located more than 500 feet from a public fire hydrant, the mobile or manufactured home park shall install and maintain hydrants so that no mobile home or manufactured home dwelling within the mobile home park or manufactured home dwelling park shall be more than 500 feet from a hydrant when the park is fully occupied. Each hydrant shall be adjacent to a vehicular way within the mobile home park or manufactured home dwelling park and shall conform in design and capacity to the public hydrant standards in the city.

3. Except at driveway accesses, a sight-obscuring fence at least five but no more than six feet in height shall be located 10 feet back from the outer boundary of the mobile home park or manufactured home dwelling park. The mobile home park or manufactured home dwelling park shall be landscaped in accordance with Chapter 17.55 LCMC and reviewed as part of development review pursuant to LCMC 17.77.070.

4. Storage space (for boats, campers, etc.) shall be provided within the mobile home park or manufactured home dwelling park at the rate of one 10-foot by 20-foot space in size for every four mobile homes or manufactured homes dwellings within the park's designed maximum capacity. Adequate maneuvering room shall be provided.

5. *Repealed by Ord. 2023-26.*

6. Every mobile home park or manufactured home dwelling park must have a resident manager. The resident manager shall maintain a permanent residence within the mobile home park or manufactured home dwelling park and shall be either the owner or owner's authorized agent charged for the care and control of the mobile home park or manufactured home dwelling park. The owner of the mobile home park or manufactured home dwelling park shall notify the director of the name of the original resident manager and all changes thereto within 14 days after any change takes place.

[...]

Section 17.80.110 Accessory dwelling unit standards.

[...]

2. Floor Area. Accessory dwelling units shall not exceed ~~750~~ 800 square feet of floor area or ~~50~~ 75 percent of the floor area of the principal dwelling unit, whichever is less. However, accessory dwelling units that result from the conversion of a level or floor (e.g., basement, attic, or second story) of the principal dwelling may occupy the entire level or floor, even if the floor area of the accessory dwelling unit would be more than 800-900 square feet.

[...]

9. Exemptions. Accessory dwelling units are exempt from the maximum building coverage standards in Table 1. Minimum lot dimensions for R1 Zones.

Appendix B. Code Updates Memo

to City of Lincoln City and DLCD
from Brandon Crawford, Darci Rudzinski, and Kate Rogers, MIG
re Draft Code Updates
DLCD Mass Timber Code-UP Project
date 3/5/2024

Introduction and Background

This memo proposes updates to the [Lincoln City Municipal Code \(LCMC\) Title 17 Zoning Code \(“Code”\)](#) that are intended to help facilitate the construction of mass timber and other modular or prefabricated housing products. The recommended updates to the Code are guided by the Prefabricated and Modular Housing Model Code and Audit Workbook. This work was also informed by the review and recommendations in the 2022 Planning and Building Code Barriers Analysis Report developed for the Department of Land Conservation and Development (DLCD) and the Port of Portland as a part of the Build Back Better Regional Challenge (BBBRC) grant project.

This update to the Code is part of the DLCD Mass Timber Development Code Update (Code-UP) project, which includes three parts:

- 1) Create a Prefabricated and Modular Housing Model Code and Audit Workbook to assist local governments in updating their development codes to facilitate all types of prefabricated and manufactured housing development.
- 2) Provide technical assistance to ten jurisdictions (including Lincoln City to update their development codes consistent with guidance and recommendations identified in the Prefabricated and Modular Housing Model Code and Audit Workbook.
- 3) Engage underrepresented communities to share information about mass timber housing opportunities and understand their thoughts and concerns. Assist each participating jurisdiction in communicating the regulatory changes necessary to allow mass timber modular housing and other types of prefabricated and manufactured housing and provide support through the legislative code amendment/adoption process.

The Code-UP project is a component of a wider initiative being led by the Oregon Mass Timber Coalition (OMTC) to promote the development of mass timber construction in Oregon. Mass timber modular housing is an innovative construction approach that combines the use of engineered wood products (mass timber) with the benefits of off-site modular or prefabricated construction. The Code-UP project is also occurring in conjunction with the Mass Timber Equitable Engagement project, which is intended to inform communities about mass timber modular housing and understand each community’s views and potential concerns related to mass timber.² For more information and background on the Code-UP project, visit the OMTC website (www.masstimbercoalition.org/projects).

² Public outreach is the focus of the Equitable Engagement activities. To support adoption of updated land use regulations, the project management team consisting of the consultant and DLCD staff will provide information and support through the legislative code amendment and public adoption process.

Comprehensive Plan Review

A review of the City’s housing policies in the adopted 2023 Comprehensive Plan confirmed that the City supports prefabricated, modular, and manufactured housing. Specifically, Chapter 2 – Housing and Transportation – includes the following objective:

1. *Establish enough zones, and allowed housing and sheltering options within those zones, to facilitate the development of a wide variety of housing throughout the city. Rezone for higher-density development, **reduce barriers to development, and allow the use of lower cost types of housing units, including prefabricated, modular, and manufactured dwelling units.***

The recommended Code updates directly support the Comprehensive Plan Objective cited above by removing regulatory barriers to the development of prefabricated, modular, and manufactured housing. There are no Comprehensive Plan goals, policies, or objectives that conflict with the recommended Code updates.

Code Amendments

The recommended Code updates are primarily focused on removing regulatory barriers to the development of prefabricated and modular housing products and changing or adding provisions to better support housing opportunities. Prefabricated and manufactured housing are both forms of factory-built housing and they share many characteristics. Therefore, manufactured housing is also addressed in the recommendations, with several modifications directly related to compliance with state requirements for manufactured housing and prefabricated housing.

It is worth noting that the City has already adopted multiple Code amendments to implement some of the recommendations from the 2022 Code Barriers Report. As a result, many of the City’s existing Code standards that have implications for prefabricated and modular housing opportunities are already fairly permissive. These recent updates include the following:

- Added a new definition for “prefabricated structure” and updated definitions for “manufactured dwelling,” “manufactured home”, and “mobile home park” to be more consistent with state laws and recent legislation (House Bill 4064).³
- Changed manufactured dwelling and mobile home parks from being allowed as a conditional use to being permitted outright in the R1 zone.
- Updated certain Accessory Dwelling Unit (ADU) standards to be clear and objective.
- Updates for consistency with HB 4064, which requires cities to allow prefabricated dwellings in manufactured dwelling parks and to ensure requirements that apply to manufactured and prefabricated dwellings on individual lots are no more restrictive than requirements that apply to single-family detached homes.
- Updates to the definition of “tiny house” to include mass timber building materials.

The terms “prefabricated” and “modular” are sometimes used interchangeably; the term “prefabricated” is recommended in the proposed Code text for consistency with state statute.

Text modifications are included for the following sections of the Code:

³ House Bill 4064. <https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/HB4064>

- **LCMC 17.08.010 Definitions.** Revise or add to existing housing definitions to be inclusive of prefabricated dwellings and create new definitions that support prefabricated and modular housing products.
- **LCMC 17.16.020 Permitted uses.** Update the permitted uses in the R1 zone to use the term “manufactured dwelling park” instead of manufactured home park.
- **LCMC 17.20 Multiple-Unit Residential.** Allow ADUs in this zone.
- **LCMC 17.80.040 Standards for mobile or manufactured home parks, recreational vehicle parks, and tiny house developments.** Update the Mobile or Manufactured Home Park section to use the term “manufactured dwelling park.”
- **LCMC 17.80.110 Accessory Dwelling Unit Standards.** Update certain standards to increase flexibility for ADU opportunities.

Code updates are presented in an underline/~~strikeout~~ legislative amendment format, where underlined text indicates new text, and strikeout indicates existing, adopted text recommended for removal. A description and summary of the proposed updates are provided in the gray text boxes for each section.

DEFINITIONS (LCMC 17.08.010)

The City should update definitions that could have the effect of precluding or limiting prefabricated housing.

Cottage Cluster

Cottage cluster housing provides an excellent opportunity to utilize prefabricated construction or manufactured homes to provide more affordable housing options. However, cottage clusters that are composed of manufactured or prefabricated dwellings may overlap with the definition of “manufactured dwelling park” if they provide spaces for rent. Manufactured dwelling parks with more than six units are subject to the requirements for “Mobile Home and Manufactured Dwelling Parks” in ORS 446.003 to 446.140. We recommend noting in the cottage cluster definition that if the development also meets the definition of manufactured dwelling park, it may be subject to additional standards in ORS 446. In addition, the City should remove “detached single-unit dwelling” from the definition for “cottage” because the definition for “detached single-unit dwelling” specifies a single unit on an individual lot, whereas multiple cottages can be sited on the same lot, per LCMC 17.80.120. Finally, the gross floor area of 1,000 square feet in the definition should be updated to 1,250 square feet, consistent with LCMC 17.80.120.D.

Prefabricated Dwellings

Modular housing falls under the definition of prefabricated structures, as defined in the ORS. The City recently added a new definition for “prefabricated structure,” however the Code could further clarify the use of prefabricated construction for housing by adding a definition that is specific to dwellings. This is not required to comply with state rules, but it may help signal the City’s support for use of prefabricated materials for housing development. If the City chooses to add this new, more specific definition, then

every instance of “prefabricated structure” should be replaced with “prefabricated dwelling” wherever it is applicable (including in the “manufactured dwelling park” definition, shown below). This memo does not include every instance in which the term “prefabricated structure” is used. However, should the City proceed with this update, each amendment will be identified in the adoption drafts.

Detached Single-Unit Dwelling

The City’s definition for “detached single-unit dwelling” could be interpreted to implicitly include prefabricated dwellings and manufactured homes. However, “manufactured homes and prefabricated structures” are listed separately in many of the permitted use sections of the Code which could lead users to think those housing types are not considered “single-unit dwellings.” We recommend making this more explicit in the definition to ensure that the same development and design standards that apply to site-built single-unit dwellings also apply to prefabricated and manufactured homes. While the Code lists manufactured homes alongside single-unit dwellings in most standards, it does not always list prefabricated structures/dwellings (e.g., the landscaping standards in Chapter 17.55).

“Cottage” means a detached ~~single-unit~~ dwelling unit that is part of a cottage housing development and that contains ~~1,000~~1,250 square feet or less of gross floor area.

“Cottage cluster” means a group of four to 12 cottages, arranged around a common open space. Cottage clusters that meet the definition of “manufactured dwelling park” or “mobile home park” may be subject to additional requirements, pursuant to ORS 446.003 through 446.140.

[...]

“Detached single-unit dwelling” means a single dwelling unit that is not attached to any other dwelling unit by any means, has no roof, wall, or floor in common with any other dwelling unit, and is on its own lot or parcel. Detached single-unit dwellings may be constructed off site, e.g., prefabricated dwellings and manufactured homes.

“Manufactured dwelling park” means any place where four or more manufactured dwellings or prefabricated dwellings ~~structures~~, that are relocatable and more than eight and one-half feet wide, are located within 500 feet of one another on a lot, tract, or parcel of land under the same ownership, the primary purpose of which is to rent or lease space or keep space for rent or lease to any person for a charge or fee paid or to be paid for the rental or lease space or keep space for rent or lease to any person for a charge or fee paid or to be paid for the rental or lease or use of facilities or to offer space free in connection with securing the trade or patronage of such person. “Manufactured dwelling park” does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS [92.010](#) to [92.192](#).

[...]

“Mobile home park” means any place where four or more manufactured dwellings or prefabricated dwellings are located within 500 feet of one another on a lot, tract, or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. “Mobile home park” does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the municipality unit having jurisdiction under an ordinance adopted pursuant to ORS [92.010](#) to [92.192](#).

[...]

“Prefabricated dwelling” means a prefabricated structure, as defined in ORS 455.010, that is designed for residential occupancy in accordance with Lincoln City’s building regulations.

“Prefabricated structure” means a building or subassembly that has been in whole or substantial part manufactured or assembled using closed construction at an off-site location to be wholly or partially assembled on site; does not mean a manufactured dwelling or a small home as defined in Section 2, Chapter 401, Oregon Laws 2019. *[No changes recommended; included for reference.]*

MANUFACTURED DWELLING PARK STANDARDS

The Code definition for manufactured dwelling park is consistent with state statute. However, other sections of the Code use the term “mobile or manufactured home park.” Mobile home park is defined in the Code, but manufactured *home* park is not. The sections using those terms should be updated with the term “manufactured dwelling park.” This memo does not include every instance in which this term should be amended; each needed amendment will be identified in adoption drafts of the Code update.

Chapter 17.16 Single-Unit Residential (R1) Zone

Section 17.16.020 Permitted uses.

[...]

12. Mobile home parks or manufactured ~~home~~ dwelling parks subject to the provisions of LCMC 17.80.040.

Chapter 17.80 Provisions Applying to Special Uses

[...]

Section 17.80.040 Standards for mobile home parks or manufactured ~~home-dwelling~~ parks, recreational vehicle parks, and tiny house developments.

[...]

ACCESSORY DWELLING UNIT UPDATES

Multiple-Unit Residential (RM) Zone (LCMC 17.20)

The RM zone allows duplexes, multi-unit dwellings, cottage housing developments and tiny house developments. New detached single-unit dwellings, including manufactured dwellings, are limited to existing lots under 10,000 sq ft. Attached single-unit dwellings are permitted. ADUs are not listed as an accessory use, but the City should consider allowing those where single-unit dwellings are allowed. As noted under the analysis of LCMC 17.16, both cottage housing and tiny house developments could provide good opportunities for prefabricated and modular housing.

Section 17.20.030 Accessory Uses.

[...]

J. Accessory dwelling units, subject to the provisions of LCMC 17.80.110.

Accessory Dwelling Unit Standards (LCMC 17.80.110)

The maximum building coverage for all housing in the R1 zones is 35%. The lot dimensions for each R1 zone are shown in Table 1. Adding an ADU to a lot will increase the overall building coverage, and therefore the existing coverage limits may prevent the opportunity to add an ADU to lots that are at or near the maximum. To increase flexibility for ADU development, the City should consider either exempting ADUs from lot coverage requirements or allowing an increased maximum lot coverage for lots with an ADU (e.g., 50% or 60%). To address storm water concerns, the City may also consider limits to impermeable surfaces or require tree planting, rather than simply coverage by structures.

To further increase flexibility, the City should consider increasing the maximum floor area to 800 square feet or 75 percent of the principal dwelling's floor area. In addition, while not an issue for prefabricated detached ADUs, internal ADUs that occupy a whole level of the primary structure (e.g., a basement unit) should also be allowed to be as large as the level's floor area.

[...]

2. Floor Area. Accessory dwelling units shall not exceed ~~750~~ 800 square feet of floor area or ~~50~~ 75 percent of the floor area of the principal dwelling unit, whichever is less. However, accessory dwelling units that

result from the conversion of a level or floor (e.g., basement, attic, or second story) of the principal dwelling may occupy the entire level or floor, even if the floor area of the accessory dwelling unit would be more than 800-900 square feet.

[...]

9. Exemptions. Accessory dwelling units are exempt from the maximum building coverage standards in Table 1. Minimum lot dimensions for R1 Zones.

Table 1. Minimum lot dimensions for R1 Zones [No changes recommended; included for reference.]

REQUIRED MINIMUMS								
Zone	Lot Area	Lot Width	Lot Depth	Front Setback ⁽¹⁾	Side Setback	Street Side Setback ⁽¹⁾	Rear Setback	Maximum Building Coverage ⁽²⁾
R1-5	5,000 sq. ft.	50' detached; 35' attached	70'	5'	5' or 0' for common wall of attached dwellings	5'	5'	35%
R1-7.5	7,500 sq. ft.	70' detached; 35' attached	80'	same as above				35%
R1-10	10,000 sq. ft.	80'	80'	same as above				35%