



Where Life is Sweet

Members of the Planning Commission
STAFF REPORT
For the Meeting of September 9, 2026

Title/Subject

Workshop for Housing Code Update

Summary and Background

The City of Hermiston has received a housing assistance grant from the State of Oregon to update the city development code. The grant is intended to help the city comply with numerous changes in housing law at the state level. In order to complete this update, the City has partnered with Winterbrook Planning to act as the city's planning consultants to help determine the necessary code changes and to craft updated language.

The work program for the code update consists of several steps:

- Consider and review relevant statutory changes at the state level
- Audit the Hermiston code for compliance and deficiencies with state law
- Draft compliant code language for Hermiston
- Adopt new code language into the municipal code

City staff and Winterbrook staff have spent all of 2026 working on the statutory review, code audit, and draft language preparation. The code audit revealed that the statutory changes are very broad and work into the majority of the city zoning code and a considerable amount of the subdivision code as well. The legislative changes encompass approximately six years of legislation. All of the changes are known to the city and many of them have been used in practice with staff deferring to state law over city code where relevant. However, using grant funds, it is now possible to do a comprehensive update to bring the overall development code into compliance with state law. This will no longer require maintenance of multiple code references requiring staff to determine where controlling law is regarding any particular development project.

Since 2020, the legislature has passed bills in each session making substantive changes to established housing law practice. The bulk of these changes have been codified in a new chapter in the Oregon Revised Statutes, Chapter 197A *Housing and Urbanization*. Other changes have been made within Chapter 197 *Comprehensive Land Use Planning*, Chapter 92 *Subdivisions and Partitions*, and Chapter 227 *City Planning and Zoning*. Other chapters, such

as those relating to manufactured housing, have also been affected by changes which are reflected in the code amendments.

Under state law, cities must incorporate these standards by January 1, 2027. Cities which do not adopt their own set of compliant standards are subject to the statewide model code. Failure to adopt standards does not relieve the city from the requirement to comply.

Amendments to Chapter 154 Subdivisions

- For clarity the chapter title is proposed to be renamed to “Land Divisions” as it encompasses several land division types.
- Expedited land division and middle housing land division are added to the definitions and added as a new process in 154.73 and 154.74 respectively. Expedited land divisions are a new land division process for residential development under ORS 197A.140. Residential developers may choose to use the expedited land division process if it creates a development of at least 80 percent of the maximum density of the zone or if they are providing affordable housing for households making up to 120% of the median income for the county. All middle housing land divisions are to be processed as expedited land divisions.
- The jurisdiction of the planning commission changes significantly as a result of legislative changes. All preliminary plat reviews change from a planning commission process to an administrative review by city staff. Under this new law, minor partitions are approved at the staff level only. Major partitions and subdivisions still require city council approval for the final platting.
- Replats are moved from the land division process to a limited land use decision process. This change retains the public notice and comment requirement but the replat is processed administratively by planning staff.
- The subdivision design standards in 154.15 through 154.22 are modified to better incorporate the TSP standards and to clarify language which is not clear and objective.
- Preliminary plat review in 154.35 is changed to review by the planning official and explicitly classified as a limited land use decision.
- Numerous wordsmith changes are made to clarify requirements, remove requirements which are not clear and objective (i.e. open to interpretation), and add partitions to several sections or change subdivision to “land division” as necessary.

The changes to the land division code are substantive. The change in process from a planning commission review of land divisions to an administrative staff review represents a major change in city policy. The change is necessary to comply with changes to state law and is not generated at the suggestion of planning staff.

Amendments to Chapter 157 Zoning

- Middle housing amendments for large cities are voluntarily added in this amendment. Hermiston is classified as a medium city and is statutorily required to permit single-unit and duplex dwellings and one accessory dwelling per lot in all residential zones. When

Hermiston's population grows to 25,000 additional large city requirements to permit single-unit, duplex, triplex, quadplex, and cottage cluster dwellings, as well as one accessory dwelling per lot are triggered. Hermiston's population is 20,296 as of July 2025. The 25,000 threshold is likely to be crossed within five to ten years. Adding the additional housing types to comply with state rules is voluntary but recommended from an efficiency standpoint. The draft middle housing permissions are required but not required until a future population threshold.

- Considerable modifications to the definitions in 157.002 are proposed. Many of these definitions are changing to comply with current statutes or to define new terms and requirements which are introduced later in the code. Of note, the word "family" is excised from the code and changed to "unit" where applicable (e.g. single family dwelling becomes single unit dwelling).
- The zoning standards across all residential zones are significantly changed. New uses complying with statutory requirements, such as single-room occupancy dwellings, are added to comply with ORS 197A.
- Under the new standards the city's residential zones have very similar overall permitted uses. The exception is that RV Parks remain a conditional use in the R-4 zone only. An RV Park is not considered needed housing and is still subject to the discretionary review process. Multi-unit housing is permitted in all zones except the R-1 zone. The major functional difference between zones will be the maximum density.
- Lot size and setback requirements are amended to comply with a new maximum lot depth requirement of 75 feet for townhomes. Previously the city required an 80 foot lot depth minimum. Lots may still exceed 75 in depth, but the city cannot require it. Additionally the lot requirements are moved to a table format for ease of reading.
- Manufactured dwelling parks of at least one acre become outright uses in all residential zones except R-1.
- Multi-unit apartments (i.e. multi-unit in excess of a quadplex) become an outright use in all residential zones except R-1.
- Several types of housing become permitted uses in the commercial zones. Specifically, affordable housing owned by a government or non-profit, conversion of existing commercial structures to residential use, replacement of existing dwellings, and mixed use housing. The draft amendments change the existing C-1 multi-unit conditional use permit process to an outright use as conditional use processes can no longer be used for housing. Conditional use processes by definition are discretionary permits and housing can only be permitted through a clear and objective review process.
- Amendments to the child care provisions are also proposed to comply with regulatory changes at the state level. In essence child care is also removed from a discretionary conditional use permit process.
- Affordable housing and child care are added to the M-1 Light Industrial zone. Heavy Industrial retains the current prohibition in accordance with state law.

- Emergency shelters are removed from the M-1 zone and moved to a separate permitting process at the city council level. Under amended state law emergency shelters are outright uses in all zones provided a set of prescribed standards are met.
- Planned unit developments are no longer applicable to residential uses. The planned unit development process is a very discretionary and subjective process and as noted all housing is permissible subject only to clear and objective standards. A new statewide process known as the middle housing land use adjustment provides the same function in varying development standards as the planned unit development process and is a clear and objective process. However, the middle housing land use adjustment process has a sunset date of 2032 after which the traditional PUD and variance processes will return as the controlling process.
- Manufactured dwelling and manufactured dwelling park standards are significantly amended to reflect the updated state law limiting city ability to regulate design and construction as well as building size.
- Design standards for single room occupancies, duplex, quadplex, and townhouse structures, and cottage clusters are added.
- Standards for affordable housing and conversion from commercial to residential use in commercial zones are added.
- A change in development standard policy from requiring a default option of signing a non-remonstrance agreement for future street improvements to requiring installation of improvements at the time of construction is proposed. An applicant will still have the ability to request a deferral of improvement installation.
- Parking changes to middle housing requirements are added. Under state law, a city cannot require more than one space per unit for most housing types although a builder may voluntarily construct additional parking.
- The timeline for replacement of non-conforming dwellings destroyed by fire or calamity is increased from one to four years in compliance with state law.
- Residential upzoning (i.e. a change in zoning to a higher residential density) is to be processed administratively by planning staff when connected to a residential development application. All other zone amendments remain a quasi-judicial process in front of the planning commission.
- A new section detailing all required administrative reviews is created.

This list is not comprehensive of all changes proposed. The entirety of the ordinance amendments are attached to this report. The code audit is also available but not attached to this report. The code audit details the statutory cite for each amendment proposed.

Although the bulk of these amendments are not discretionary, there are several policy issues which the planning commission may wish to discuss.

- The R-2 zone has historically allowed multi-unit housing through the conditional use process which allowed a great deal of discretion over the potential neighborhood impacts

in the R-2 zone. Should the R-2 zone transition to multi-unit housing as an outright use, remove entirely, or create a transitional multi-family density such as 10 maximum units? This would establish the R-3 and R-4 zones as the densest residential zones. Under middle housing rules, the R-2 zone will still allow up to four units per lot and potentially up to twelve tiny houses in a cottage cluster.

- The C-1 zone similarly moves multi-unit housing from a conditional use process to an outright use. Residential uses are allowed in commercial zones at this time by right under ORS 197A.445. Under state law, affordable multi-unit housing and conversion of a commercial structure to residential use (e.g. conversion of a hotel to apartments) is still permissible. Conversely, the downtown urban renewal district is undergoing an update to the plan and one of the potential projects is writing a new mixed-use residential/commercial zone for the downtown. The original urban renewal goal of converting all structures to commercial is unlikely in the modern commercial environment. A broader discussion over the future of allowing mixed uses in the city's commercial zones is warranted. Exclusive retail areas may no longer be the best fit for Hermiston and locating housing that is accessible to services may be the next step in the city's evolution. Housing in industrial zones still remains an incompatible use.
- With the new requirement for single room occupancy dwellings, should boarding and rooming houses be removed from the code?
- Design standards requiring minimum windows on middle housing and multi-unit dwelling are proposed. Adoption of several design standards for cottage cluster housing incorporated in the statewide model code are also proposed. Hermiston has traditionally not used structural design standards. Is this a standard appropriate at this time?

The September 9 workshop is informational and open to the public. Planning staff have advertised the session to the general public through the city's GoGov app and invited members of the development community. No decision is necessary for this meeting, but the city intends to receive feedback on the proposed changes and make amendments to the draft code as necessary. Hearings will be scheduled for November on this issue with a goal of adopting prior to the January 1, 2027, deadline.

Tie-In to Council Goals

N/A

Fiscal Information

N/A

Alternatives and Recommendation

This is a workshop and discussion session. No recommendation is made at this time.

Submitted By:

Clinton Spencer, Planning Director