

# Affordable Housing Pilot Project RAC Notes

AUGUST 18, 2016

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<b>RAC Attendees</b>	Lisa Bates; Erin Doyle; Jason Elzy; Bill Hall; Mary Kyle McCurdy; Paige Townsend; Kim Travis; Steve Wheeler
<b>Absent</b>	Shawn Cleave; Bart Eberwein; Marissa Grass; Robin McArthur; Brian Rankin
<b>Staff Attendees</b>	DLCD: Dan Eisenbeis; Gordon Howard; Evan Manvel; Casaria Taylor; U of O: Emily Brown; Rebecca Lewis; Andrew Martin
<b>Note Taker</b>	Casaria Taylor

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## Agenda Topics

1:00pm – 1:30pm	Clarify scope of RAC work in context of overall HB 4079 work, specific research that will inform rule provisions, and complementary efforts on affordable housing
1:30pm – 2:00pm	Initial research from University of Oregon (Task 3) and upcoming research memos
2:00pm – 2:20pm	Preventing conversion of buildable lands within the UGB that are planned and zoned for needed housing to another use
2:20pm – 2:35pm	Definition of “High-Value Farmland”
2:35pm – 3:00pm	Avoiding and minimizing impacts to natural resources and nearby farm and forest uses
3:00pm – 3:25pm	Public Facilities and Services
3:25pm – 3:35pm	Public Comment
3:35pm – 4:00pm	Next steps

**Agenda item: Clarify scope of RAC work in context of overall HB 4079 work, specific research that will inform rule provisions, and complementary efforts on affordable housing**

**Staff: Dan Eisenbeis**

**Discussion**

*What specific questions do RAC members have about how their work will proceed, and how it fits with the University of Oregon research?*

- Dan Eisenbeis presented slides, including Commissioner McArthur’s overarching questions posed to the RAC at the July 19<sup>th</sup> meeting.
- Mary Kyle McCurdy: Certain issues must be addressed in the rule – asks herself what things need to be addressed and are we addressing those issues in the conversations and research occurring in the RAC process.
  - Dan Eisenbeis: Will clearly point out rule provisions to be informed by research later in the presentation.
- Dan Eisenbeis: Items on the work plan that were scheduled for “late September” are now scheduled for early October. The schedule for the remaining RAC meetings is:

Date	Time
<b>Tuesday, September 27</b>	9:00am – 12:00pm
<b>Wednesday, October 12</b>	9:00am – 12:00pm
<b>Monday, October 24</b>	1:00pm – 4:00pm
<b>Monday, November 14</b>	1:00pm – 4:00pm

- Lisa Bates: Don’t fully understand how the questions are “research” and what we are looking for.
  - Dan Eisenbeis: Defer detailed explanation to Rebecca, who is next on the agenda. UO has reviewed academic research looking at benefits of mixed income housing. We are looking for survey info on mixed income housing areas and the proportions of units.
- Lisa Bates: Would like to know what level of mixed income housing has to be created and how does that link with academic literature research.
  - Dan Eisenbeis: Staff anticipates that if mixed income development is authorized, specific rule provisions will be required about the proportion of units allowed on a pilot site. For determining the proportion we will be looking to the RAC for guidance.
- Mary Kyle McCurdy: Another potential policy issue is that two communities will get a UGB expansion that they wouldn’t otherwise get – the state should get as much affordable housing out of that as possible.
- Erin Doyle: Research will help frame the larger policy conversation that individuals on the RAC have with their members. The research will be good for not only how to have a successful pilot program but how to develop successful communities as well.

**Agenda item: Initial research from University of Oregon (Task 3) and upcoming research memos**

**Staff: Rebecca Lewis**

**Discussion**

*Do the case study research and upcoming research memos align with the desired project outcomes and policy deliberations of the RAC?*

- Rebecca Lewis: Reviewed the status of UO research work.
- Rebecca Lewis: Described work on the forthcoming affordable housing memo, which related to Section 5(1) of the bill.

- Mary Kyle McCurdy: Section 5(1)(b) regarding types of affordable housing – Has this been thought about? Not sure how this fits in.
  - Dan Eisenbeis: The definition of affordable housing could be limited to housing that is affordable to a certain subset of the population. Or income could be addressed as in Section 5(2) of the legislation. Affordable housing could track with the HUD definition. Ultimately this is a question of who we are trying to serve.
- Mary Kyle McCurdy: Finds the cost burden table useful information.
- Jason Elzy: First question is who will we be serving; who is the target population or target income we are trying to serve? Second question is what is affordable for that target population? This table and looking at the cost burden helps answer those questions.
- Erin Doyle: Owner occupied and renter occupied are not necessarily the most helpful indicators. Can single family vs. multifamily also be broken out?
- Rebecca Lewis: There is an assumption that manufactured dwellings will be more affordable, but we have no data to back that up. Maybe can help pull that out from case study interviews.
- Erin Doyle: For this data, what was the methodology for determining which structures are owner occupied or renter occupied?
  - Rebecca Lewis: ACS data is based on how households self-report.
- Lisa Bates: 30 percent of income is standard for determining cost burden. HUD doesn't care if you are high income what your cost burden is because HUD programs are restricted to certain income levels. Is this empirical or a values based question? Also, 2010 was a while ago (data being used) and for example the Airbnb phenomenon is recent and not accounted for in the data.
  - Dan Eisenbeis: Ultimately this is a policy question and judgement call that could be informed by data. Whether there a particular cost burden threshold for any given income cohort at which we should be concerned is something to consider.
- Lisa Bates: Look at cut more than just above/below 80% AMI. People should norm the projects to what they have identified in their consolidated plan and the groups they've identified as needing to serve. Makes sense to align reporting with current reporting that is currently going on. Not all small cities can calculate the housing cost index plus transportation cost index.
- Lisa Bates: Suggested 30/50/80/120 review.
  - Rebecca Lewis: We can do that.
- Evan Manvel: Also want to highlight feasibility of a small city implementing it.
- Paige Townsend: There are external factors. We are trying to understand what those external factors are to try to establish a framework for the pilot project. Feel like maybe we need to see what the case studies say. Feels like maybe we are too early in the process to do that. Also, feel like applicants will be able to make a case that the proposed affordable housing meets the needs of their community.
- Paige Townsend: Seeing urban facilities discussion but there isn't much discussion about transit. Would be interesting to see how close renters are to transit and if they are higher up on income/expense ratio. Concerns about talking and making decisions but haven't gone through the analysis yet. Seems like you are headed in the right direction.
  - Rebecca Lewis: Described the forthcoming mixed income housing memo.
- Lisa Bates: My concern with the literature on mixed income housing is that it is almost invariably in contexts that don't apply in this case. Housing in Chicago doesn't apply to development on the edge of the UGB in Oregon. How have you found appropriate contexts?
  - Rebecca Lewis: Mostly HUD housing voucher contexts.
- Kim Travis: Asked if Bend proposed as part of their UGB expansion bringing in land for affordable housing.
- Gordon Howard: There is a bidding war to be brought in and some landowners are proposing affordable housing as part of their bid.
- Lisa Bates: Suggest talking with Corianne Scally about her current research.

- Rebecca Lewis: Described the forthcoming manufactured housing memo, which is different than mixed income memo in that it is based on the OHCS inventory and statute/rule, and looking at data from Oregon about who is living in manufactured dwellings and park closures.
- Mary Kyle McCurdy: Manufactured housing was brought up a lot in testimony on this bill in that the pilot projects could provide housing for people who are displaced from manufactured dwelling park closures. Maybe we could draw from consolidated plans, but I know not all parts of the state are covered by consolidated plans. Are the consolidated plans robust enough that we could use them as part of this to look at housing needs that are called out?
- Kim Travis: Either a county has a plan or they use the statewide plan. Don't think manufactured housing is called out. Population type is called out in the plan. OHCS covers the balance of the state.
- Mary Kyle McCurdy: Should talk to John Van Landingham about the manufactured housing issue.
- Rebecca Lewis: Described the forthcoming cost components of housing memo. Important background information about what is driving the housing market. Looking at what is going on with housing industry and academic literature.
- Lisa Bates: Does UO have the Meyer Memorial Trust paper on this topic from last year in Oregon?
- Rebecca Lewis: Not sure if we have the paper but they are interviewing someone from Meyer Memorial Trust in a couple weeks.
- Paige Townsend: Think this requires affordable housing be in place for 50 years. Would be interested to know feasibility of a manufactured home park lasting that long. Also interested in the net density of manufactured home parks. Having a hard time seeing how manufactured housing would fit what this group is trying to do.
- Mary Kyle McCurdy: The group is required to address manufactured housing, but if we want long term affordability then maybe that could be addressed.
- Rebecca Lewis: Asked if research on housing types would be helpful or are there questions on case studies from the group.
- Erin Doyle: Asked if there is information on certain housing types being affordable. Maybe certain types should be considered more strongly than others. Information to tie fair market value to structure type would be helpful.
- Kim Travis: Asked UO to look at zoning for manufactured home parks in case studies.
  - Rebecca Lewis: Will include that in the research.

### Discussion

*Does the staff recommendation effectively protect the provision of needed housing in cities with pilot projects?*

- Gordon Howard presented his memo.
- Erin Doyle: How long do we allow the scrutinizing process to go on? Nothing about how long the review process would be in place for the pilot program. It would be concerning if it was ad infinitum. The PAPA process is time consuming when appealed.
  - Gordon Howard: In a perfect world cities would be doing this for all of their housing amendments anyway.
- Erin Doyle: Don't want to make the process more burdensome.
- Mary Kyle McCurdy: This is required already even though not every city does it and the department does or does not review. Most often no local governments have made Goal 10 findings at all. Cities are required to make Goal 10 findings and the department isn't necessarily on top of it. Housing Land Advocates is reviewing the PAPAs for those findings.
  - Gordon Howard: Higher level than just making Goal 10 findings. Point is well taken and this should be occurring.
- Jason Elzy: Agree with Erin. See the value of these requirements but acknowledges some jurisdictions will decide that this requirement is not worth the effort and will not participate.
- Dan Eisenbeis: Asked if the group thinks an explicit requirement to make Goal 10 findings based on certain scenarios would be adequate.
- Gordon Howard: A lot of cities don't have a Housing Needs Analysis. It's a difficult situation and a matter of triage when looking at PAPAs.
- Erin Doyle: Stating clearly that a local government has to make Goal 10 findings when trying to do this process is ok. Anything that seems like above and beyond would be problematic. Am presuming that pilot project cities would have a Housing Needs Analysis.
- Mary Kyle McCurdy: This is a pilot project. One city is over 25,000. They will have an HNA. Since it is a pilot project, we want to get good information. I think it is fine if it discourages some cities. I think we want good examples. They get to break the land use laws to do this. They get to do this on farmland. I am interested in seeing what Gordon thinks Goal 10 findings would be that are a little less than this.
- Lisa Bates: A problem with evaluating pilot projects of all kinds is that they happen under special circumstances. Question is can you make the rules as they were for an all-the-time project. Don't think you can make a pilot program that lessens this recommendation if a strong recommendation applies for everything else. The comparison should be not to what everyone else is doing now, but to what would happen if the pilot applied everywhere.

### Conclusions

Consider whether the proposed requirement should have a "sunset" date after completion of the pilot project. Consider whether a lesser level of Goal 10 findings required of local jurisdictions is an acceptable outcome.

### Discussion

*Do RAC members agree with the staff recommendation to use the definition of high-value farmland in ORS 195.300 for the pilot program?*

- Dan Eisenbeis reviewed the discussion group and staff memo.
- Erin Doyle: Using the more updated definition is good even if it isn't common practice of the counties to use the newer definition.
- Mary Kyle McCurdy: agrees with Erin

**Agenda item: Avoiding and minimizing impacts to natural resources and nearby farm and forest uses**

**Staff: Dan Eisenbeis**

**Discussion**

*Are the application of Goal 5 to pilot project sites, requirements to buffer pilot project sites and consideration of the information recommended by staff sufficient to avoid and minimize impacts?*

- Dan Eisenbeis presented the staff memo.
- Mary Kyle McCurdy: Asked if trying to avoid applicant having to write findings – would this substitute for findings? Also having trouble with 1 or 2 as buffers. For 4 or 5 there is a minimum of a buffer to be inside the pilot project site.
  - Dan Eisenbeis: Primarily anticipating that a site adjacent to a water body (example) the water body may be big enough to be a buffer.
- Mary Kyle McCurdy: Doesn't want the burden on the farmer or forester to provide the buffer. Surprised that fire protection is so low down. Surprised it is something LCDC can consider when looking at projects.
- Dan Eisenbeis: The language we were trying to track is "avoid or minimize".
- Erin Doyle: The buffer makes sense because reduction in conflict is always good. Burden shouldn't be on the farm or forest property owner. Doesn't know how good cities will be at defining impact for water rights (example) and making the findings on agricultural water use, or general transportation impacts. Does the impact mean farm equipment and machinery or level of traffic?
- Erin Doyle: Needs to be "more flesh on the bones" on what this means. Maybe provide guidance to cities about who a city needs to talk to when determining water right impacts.

**Agenda item: Public Facilities and Services**

**Staff: Gordon Howard**

**Discussion**

*Should proximity to existing or planned public facilities and services encompass those required in public facilities plans (transportation, water, sanitary sewers), those urban services subject to urban service agreements (sanitary sewers, water, fire protection, parks, open space, recreation, and streets, roads, and mass transit), or some other set?*

*Should LCDC require proximity to certain public facilities and services and consider proximity to other types?*

*Should cities be required to enter urban service agreements with special districts that provide urban services to the site, or have the site within their boundaries?*

- Gordon Howard reviewed the discussion group, public comment letter from the Special Districts Association of Oregon, and staff memo.
- Rebecca Lewis: Will look at Transportation System Plans in the 12 case study cities for the type of transit service provided per a request from Kim Travis.
- Erin Doyle: Not a lot of the smaller cities will have transit. Defining what constitutes a "public transit corridor" would be helpful. Also, sites may not have a transit corridor currently, but a transit provider would be willing to provide corridor service once development occurs. Having capital improvement plan for areas not inside the UGB as a "measuring stick" might be incorrect operational order, since the city will probably not be provided capital facilities to serve a site that is not currently within the UGB. Should allow for commitment to update those plans. As for special district involvement, agrees with staff recommendation that special district endorsement of the nomination if the site is provided urban services or is within the boundary of a special district is the best way forward.
- Mary Kyle McCurdy: Mostly concerned about ability of the city or special district being able to provide the service in a timely fashion to support the UGB expansion for affordable housing. In addition to Rebecca adding transit to case studies (all still good size communities) could staff talk to Oregon Transit Association for some of the rural communities. Farmworker shuttle shouldn't meet requirement because it is not publicly available.

- Gordon Howard: We are trying to be flexible and there may be some legal issues to resolve.
- Dan Eisenbeis: As a note, we did reach out to the Oregon Transit Association and Lane Transit District about the discussion group, but were unable to find someone who could attend.
- Paige Townsend: Bend, Corvallis, Dallas, Grants Pass transit are run by city or county; they are not districts. City has authority to annex land into RVTD district. Would not restrict it to being in district at time of application; should be commitment on part of district to annex into the district to provide transit. There is funding that is tied to being part of the district (property/payroll tax) but is often not enough to fund a full transit route because transit districts are so dependent on federal and other funding. Not sure a district will serve it just because you build it. Racking brain on how to make this a plausible case to have transit service available knowing funding isn't readily available. Transit looks at seven persons per acre to provide transit service with one-hour headways. A major trip generator would be helpful. Would redefine "mass transit" to "fixed route transit".
- Having it be a "fixed route" really is important. Could be on one hour headways with the densities to support it. Half-mile is optimum; that is about a ten minute walk. Eugene and other areas have found that certain population will walk up to a mile. I would recommend ¾ mile. It is consistent with the paratransit planning requirements. Important to keep in mind that the distance is to the address. Language would be the distance to the nexus of the 50 acres, or ideally that all of the 50 acres is within ¾ miles of the fixed route. There are ideas around bus passes, car share, or walking and biking that have value that could maybe be added as points for an application. Should not forget the power of requiring developers to build the infrastructure: trails, complete streets. Don't put the whole onus on the city. Make the developer do it; put it in a master plan.
- Erin Doyle: Showing capacity can be done through engineering studies. Should be a demonstration that the capacity exists or can be built by the service provider, especially sewer and water.

### Conclusions

Agreement with staff recommendation regarding special district endorsement requirements. Consider a broader definition of "transit corridor" to include public transit services that are more flexible. Consider commitment from transit service provider to provide service as an acceptable finding. Reconsider requirement that site be included in an existing capital facilities plan because of timing issues. Use the urban services list recommended by staff.

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#### Agenda item: Public Comment

Staff: Evan Manvel

#### Discussion

Public comment letter from Special Districts Association of Oregon dated August 1, 2016 was included in RAC meeting materials. No public comment at meeting.

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#### Agenda item: Next Steps

Staff: Evan Manvel

#### Discussion

- Staff will work on revising rule concepts based on the RAC comments.
- Evan Manvel provided the list of meeting dates for the remainder of the RAC meetings.
- UO will be preparing the research memos in advance of the September 27 meeting.