PILOT UGB EXPANSION PROCESS FOR AFFORDABLE HOUSING

RAC MEETING AGENDA

Meeting 6

October 24, 2016

1:00 p.m. to 4:00 p.m.

DLCD Basement Hearing Room, 635 Capitol St. NE, Salem

Please read:	Background materials attached. Please review materials in advance of the meeting.
Please bring:	Your RAC binders with all background materials.
Meeting Objectives:	• Understand draft rule structure • Review application process • Discuss minimum requirements and commission considerations • Determine whether items of consensus require additional discussion

1:00 pm – 1:15 pm	Orientation to Draft Rule Structure and Parts	Gordon Howard
1:15 pm – 1:45 pm	Application Process *Discussion:* • *Have we struck the right balance between giving the commission sufficient information to select the best pilot projects and not being too burdensome for prospective applicants?*	Carrie MacLaren
1:45 pm – 2:15 pm	Basic Requirements *Discussion:* • *Is the seven housing units/acre minimums (for transit feasibility) correct?* • *Did staff capture concerns about provision requiring cities to explain why project not likely to be developed elsewhere in UGB?*	Gordon Howard
2:15 pm – 2:30 pm	Affordable housing on pilot project site *Discussion:* • *Will the phasing requirement for mixed-income developments function for project development and ensure affordable housing is built?*	Gordon Howard
2:30 pm – 2:35 pm	*Break*	
2:35 pm – 3:00 pm	Affordable housing on pilot project sites, continued *Discussion:*	Gordon Howard

	• *Did staff capture common amenities access accurately?* • *What is the support for a floor higher than a 20% requirement?* • *Is there general consensus that a 30 unit minimum for larger cities works?* • *Do we have the right minimum requirements and additional considerations?*	
3:00 pm – 3:20 pm	Housing Measures Inside UGB *Discussion:* • *Do we have the right minimum requirements and additional considerations?* • *RAC agree to include vertical housing and inclusionary zoning with points suggested?*	Gordon Howard
3:20 pm – 3:45 pm	Consensus items Purpose – 0000 Definitions – 0010 Compliance with Goals – 0030 Provision of Public Facilities and Services – 0040 Impacts on Natural Resources and Nearby Farm and Forest Uses – 0050 Subsequent Events – 0090 Reporting Requirements – 0100 *Discussion:* • *Are there items in the consensus list that need discussion?*	Gordon Howard
3:45 pm – 3:55 pm	Public Comment *The maximum time for all public comments under this agenda item will be limited to 10 minutes. If you bring written materials or other materials to handout please provide 20 copies.*	Evan Manvel
3:55 pm – 4:00 pm	Next Steps	Evan Manvel

Process Overview (summarized for brevity; see rule for precise details)

1. City Submits Pre-Application (Required)

- ❑ Site map
- ❑ Total acreage
- ❑ Land use designations and zoning
- ❑ No high value farmland
- ❑ Affordable housing units, number and type
- ❑ Market rate units, number and type
- ❑ Public facilities and services, brief statement

2. Department Reviews for Completeness

Information may be refined in final application
Department will contact each applicant

3. City Submits Final Application

All of the above, plus:

- ❑ Development phasing
- ❑ Income limits for affordable housing
- ❑ Affordable housing unit prices
- ❑ Comprehensive plan and land use regulation amendments
- ❑ Public facilities and services, more information
- ❑ Buffering from farm and forest zones
- ❑ Natural resources on site
- ❑ Natural hazards
- ❑ How mixed income supports affordable housing
- ❑ Resolution of city to annex, implement concept plan
- ❑ Resolution of support, county
- ❑ Resolution of support, any special district serving site
- ❑ Property owner consent statements
- ❑ Housing measures adopted to encourage affordable housing
- ❑ Data on how project serves those in need of affordable housing
- ❑ Why project development won't happen elsewhere
- ❑ Plan for ensuring affordable housing is such for 50 years

4. Department Determines if Application Qualifies

- ❑ Adjacent to UGB
- ❑ No high value farmland
- ❑ Total site ≤ 50 acres
- ❑ Gross density at least 7 dwelling units/acre for affordable housing units
- ❑ Gross density at least 7 dwelling units/acre for market rate units
- ❑ Can be provided with public facilities/services
- ❑ Avoids/minimizes impacts to natural resources and farm/forest uses
- ❑ Enough housing measures adopted to encourage affordable housing within UGB
- ❑ Sufficient affordable housing units and phasing
- ❑ Project will serve population needing affordable housing
- ❑ Project unlikely to happen elsewhere

Department may solicit additional information

5. Commission Selects Sites by Written Order

6. Pilot Projects Move Forward

- ❑ Amend the UGB
- ❑ Annex site into city
- ❑ Adopt plan/zone designations
- ❑ Adopt measures ensuring affordable housing stays such for 50 years
- ❑ Prior to construction, city submits balance sheet
- ❑ Issue permits for development
- ❑ After construction, city submits revised balance sheet

City reports annually for ten years

Pilot projects do not impact future city findings on housing

If project cannot be implemented, city/county shall withdraw site and rezone it

Pilot Project Selection Overview (Summarized for brevity; see rule for precise details) HB 4079 RAC – October 20, 2016

Issue	Minimum Requirements	Additional Considerations
Basic Requirements (Section 0020 and 0030)	1. Adjacent to UGB 2. No high value farmland 3. Site ≤ 50 acres 4. 7+ dwelling units/acre for affordable housing units 5. 7+ dwelling units/acre for market rate units 6. Project not likely to be developed inside UGB 7. Findings of compliance with Goals 5 and 7 8. Findings of compliance with Goal 11 in regard to impact of pilot project	
Affordable housing on pilot project site (Section 0070)	1. At least 20% of units 2. For smaller cities, at least 10 units; For larger cities, at least 30 units 3. All affordable units issued certificate of occupancy prior to issuing certificates for last 50% of market-rate 4. All common amenities equally accessible to all 5. Ensure all units stay affordable for 50 years	• Total number and percentage of units • Units for those with lower than 80% AMI
Affordable housing measures inside UGB (Section 0060)	1. Three points of affordable housing measures in list 2. Twelve points combined from lists for affordable and needed housing (up to six points for alternate)	• Measures adopted beyond the minimums required
Public facilities and services (Section 0040)	1. Public facilities and services can be reasonably provided 2. Affordable housing units have fixed route transit accessible within ¾ mile, or service commitment	• Proximity and expense of public facilities/services • Quality of facilities/services for biking, walking, transit
Natural resources and farm and forestland (Section 0050)	1. Buffered from land in farm, forest zones or alternative method providing greater protection 2. Apply Goal 5 requirements	• Quality of buffers and impacts on farm and forest uses

DRAFT – HB 4079 RULES

October 20, 2016 – First RAC Draft

660-039-0000

Purpose

The affordable housing pilot program is intended to:

(1) Encourage local governments to provide an adequate supply of land within urban growth boundaries that is dedicated to affordable housing;

(2) Encourage the development of affordable housing on land dedicated to affordable housing;

(3) Protect land dedicated to affordable housing from conversion to other uses before or after the development of affordable housing; and

(4) Enhance public understanding of the relationship of land supply to the development of affordable housing.

660-039-0010

Definitions

The definitions in ORS 197.015, the statewide planning goals, and the following definitions apply to this division:

(1) "Affordable housing" means:

(a) Housing units available for rent, with or without government assistance, by households who meet applicable maximum income limits, not to exceed 80 percent of the area median income, adjusted for family size, as determined using information from the United States Department of Housing and Urban Development or its successor agency, and in a manner so that no more than 30 percent of the household's gross income will be spent on rent and utilities;

(b) Housing units available for purchase, with or without government assistance, by households who meet applicable maximum income limits, not to exceed 80 percent of the area median income, adjusted for family size, as determined using information from the United States Department of Housing and Urban Development or its successor agency, and in a manner so that no more than 30 percent of the household's gross income will be spent on home loan or mortgage payments, amortized interest, property taxes, insurance, and condominium or association fees, if any; or

(c) Spaces in manufactured dwelling parks available for rent, with or without government assistance, by households who meet applicable maximum income limits, not to exceed 80 percent of the area median income, adjusted for family size, as determined using information from the United States Department of Housing and Urban Development or its successor agency.

(2) "Affordable housing unit" means a single housing unit, or a single space in a manufactured dwelling park, that meets the definition of affordable housing.

(3) "High-value farmland" has the meaning provided in ORS 195.300.

(4) "Housing unit" means a single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

(5) "Market rate housing unit" means a single housing unit, or a single space in a manufactured dwelling park, that does not qualify as affordable housing.

(6) "Public facilities and services" means sanitary sewers, water, fire protection, parks, recreation, streets and roads, and mass transit.

(7) "Qualifying city" means any incorporated city except for:

(a) Any incorporated city within Clackamas, Marion, Multnomah, Polk and Washington Counties; and

(b) Culver, Madras, Metolius, or any other incorporated city within the portion of Jefferson County that is also within the boundary of the North Unit Irrigation District.

(8) "Site" means one or more contiguous lots or parcels.

660-039-0020

Preliminary Application and Final Application Requirements

(1) The director shall set deadlines for qualifying cities to submit:

(a) A preliminary application for a pilot project site; and

(b) A final application for a pilot project site.

(2) The director may revise either deadline under section (1) as the director determines is appropriate to accomplish the purpose of the pilot program.

(3) To participate in the pilot program, a qualifying city must submit a preliminary application for a pilot project site to the department. A preliminary application must include:

(a) A map of the proposed pilot project site;

(b) The total acreage of the proposed pilot project site;

(c) The existing land use designation and zoning of the proposed pilot project site, and surrounding land within a minimum one-half mile radius;

(d) Demonstration that the proposed pilot project site does not include high-value farmland;

(e) The number and type of affordable housing units, and, if the project is a mixed income project, the number and type of market rate housing units, to be developed on the proposed pilot project site; and

(f) A brief statement of how the site will be provided with public facilities and services.

(4) The department will review a preliminary application submitted under section (3) to determine whether the preliminary application is complete. If the preliminary application is not complete, the department shall notify the applicant in writing of what information is missing within 30 days of receipt of the application and allow the applicant to submit the missing information. The department will contact each pre-applicant to discuss the proposed pilot project.

(5) An applicant may revise information included in a preliminary application as part of a final application submitted pursuant to section (6).

(6) In order to be selected as a pilot project, a qualifying city that submitted a complete preliminary application must submit a final application to the department that includes:

(a) A map of the proposed pilot project site;

(b) The total acreage of the proposed pilot project site;

(c) The existing land use designation and zoning of the proposed pilot project site, and surrounding land within a minimum one-half mile radius, including demonstration that the proposed pilot project site does not include high-value farmland;

(d) A concept plan that includes:

(A) The number and type of affordable housing units;

(B) If the project is a mixed income project, the number and type of market rate housing units;

(C) The development phasing of affordable housing and any market rate housing included on the pilot project site, including a phasing timeline for the entire project;

(D) The applicable maximum income limits of households eligible to rent or purchase affordable housing on within the proposed pilot project site, expressed as a percentage of the area median income, adjusted for family size;

(E) The prices at which affordable housing units within the pilot project site will be rented or sold to eligible tenants or homebuyers;

(F) A list of the amendments to the qualifying city's comprehensive plan and land use regulations that would be required to implement the final application;

(G) Information about how the site will be provided with public facilities and services, including:

(i) the proposed network of streets and other transportation facilities designed to connect with existing street facilities and serve all modes of personal transportation, including mass transit; and

(ii) the location of parks and recreational facilities;

(H) Proposed buffering from adjacent and nearby farm and forest uses on farm and forest lands;

(I) Location of any natural resources on the pilot project site requiring analysis and protection under Statewide Planning Goal 5, or mitigation of hazards under Statewide Planning Goal 7; and

(J) If the proposed pilot project is a mixed income project, a description of how the mixed income portion supports the development of affordable housing

(e) A resolution adopted by the governing body of the qualifying city stating if the proposed pilot project is selected, the qualifying city will:

(A) Implement the concept plan; and

(B) Annex the proposed pilot project site within two years of an acknowledged urban growth boundary amendment to include the site;

(f) A resolution of support for the proposed pilot project adopted by the governing body of the county in which the proposed pilot project site is located;

(g) A resolution of support for the proposed pilot project adopted by the governing body of any special district providing urban services to the site for sanitary sewer, water, fire protection, parks, recreation, streets and roads, or mass transit;

(h) A signed and notarized statement from all owners of the pilot project site consenting to all aspects of the final application and agreeing to designation of the site as a pilot project;

(i) Citations for any code or ordinance provisions the qualifying city has adopted that implement housing measures described in OAR 660-039-0060, or any additional housing measures the qualifying city has adopted that accommodate and encourage the development of affordable or needed housing within its existing urban growth boundary;

(j) Data on how the proposed pilot project will serve identified populations in need of affordable housing, including:

(A) Household cost burden in the region, as determined using information from the United States Department of Housing and Urban Development;

(B) Conversion of manufactured home parks in the region;

(C) Availability of government assisted housing in the region; and

(D) Other data the qualifying city determines to be relevant.

(k) An explanation of why the development of a project similar to the proposed pilot project is unlikely to be developed within the existing urban growth boundary. The explanation may include, but is not limited to: land costs, redevelopment or remediation costs, site availability, or physical constraints;

(l) An explanation of how the qualifying city will ensure affordable housing developed on the pilot project site will continue to be used as provided in the concept plan for a minimum of 50 years after selection of the pilot project site through:

(A) Zoning restrictions;

(B) Guaranteed rental rates or sales prices;

(C) Incentives, contract commitments, density bonuses or other voluntary regulations, provisions or conditions designed to increase the supply of moderate or lower cost housing units;

(D) Restrictive agreements entered into with sources of affordable housing funding; or

(E) Other regulations, provisions or conditions determined by the local government to be effective in maintaining the affordability of housing on the pilot project site.

(7) The department will review a final application submitted under section (6) to determine whether the final application is complete. If the final application is not complete, the department shall notify the applicant in writing of what information is missing within 30 days of receipt of the application and allow the applicant to submit the missing information.

(8) A final complete application must demonstrate the following to be considered for selection as a pilot project by the commission:

(a) The proposed pilot project site is adjacent to the existing urban growth boundary of the applicant qualifying city;

(b) No tract within the proposed pilot project site is high-value farmland;

(c) The total acreage of the proposed pilot project site does not exceed 50 acres;

(d) The proposed gross residential density on the pilot project site is:

(A) At least seven housing units per acre for areas of the pilot project site proposed for affordable housing; and

(B) At least seven housing units per acre for areas of the pilot project site proposed for market rate housing;

(e) The proposed pilot project site can be provided with public facilities and services as provided in OAR 660-039-0040;

(f) The proposed pilot project avoids or minimizes adverse effects on natural resources and nearby farm and forest uses as provided in OAR 660-039-0050;

(g) The qualifying city has adopted the required number of housing measures into its development code as provided in OAR 660-039-0060;

(h) The types of affordable housing included in the proposed pilot project are allowed as provided in OAR 660-039-0070(1);

(i) The percentage of total housing units that are affordable housing units included in the proposed pilot project meets or exceeds the requirement as provided in OAR 660-039-0070(2);

(j) The minimum number of affordable housing units included in the proposed pilot project meets or exceeds the requirements as provided in OAR 660-039-0070(2);

(k) The phasing of affordable housing units included in the proposed pilot project meets or exceeds the requirements as provided in OAR 660-039-0070(3).

(l) The project will serve identified populations in need of affordable housing; and

(m) The qualifying city has explained why the development of a project similar to the proposed pilot project is unlikely to be developed within the existing urban growth boundary.

660-039-0030

Compliance with Goals, Statutes, Administrative Rules

(1) Regarding the pilot project site, a qualifying city submitting a pilot project nomination is exempt from compliance, and the commission is not required to select a pilot project that complies, with:

(a) ORS 197A.320;

(b) The Land Need or Boundary Location provisions of Goal 14;

(c) Goals 3, 4, 6, 8, 9, 10, 12, 13, and 19;

(d) Goal 11, except that portion applicable to the impact of development of the pilot project site upon existing and planned public facilities within the qualifying city's urban growth boundary;

(e) Goal 15, unless the land is within the Willamette River Greenway Boundary; or

(f) Goals 16, 17, and 18, unless the land is within a coastal shorelands boundary.

(2) A qualifying city submitting a pilot project nomination is required to make findings showing compliance, and the commission is required to select a pilot project that complies with:

(a) Goal 5, regarding resources located on the project site; and

(b) Goal 7.

(3) Notwithstanding section (1), a qualifying city may not bring high-value farmland within its urban growth boundary to implement a pilot project.

660-039-0040

Provision of Public Facilities and Services

(1) A qualifying city submitting a pilot project nomination shall demonstrate that, for sanitary sewers, water, fire protection, parks or recreation, and streets and roads the pilot project site can be reasonably provided with public facilities and services and the provider(s) of the public facilities and services have the capacity and financial resources to serve development on the site as proposed in the concept plan.

(2) A qualifying city with a population of 25,000 or less shall demonstrate that, for mass transit corridors, the affordable housing units within the project site are accessible or can be made accessible to a transit stop served by a fixed transit corridor with at least four weekday trips in each direction, or four weekday trips at the terminus of a fixed transit corridor, that is within a three-quarters mile distance via sidewalk or pedestrian walkway. If transit service is not currently available, the qualifying city shall provide an official resolution or other action of the governing body providing mass transit service stating that, if the project is selected, mass transit service with such minimum frequency and distance from affordable housing units will be provided concurrently with development of the affordable housing units.

(3) A qualifying city with a population greater than 25,000 shall demonstrate that, for mass transit corridors, the affordable housing units within the project site are accessible or can be made accessible to a transit stop served by a fixed transit corridor with at least eight weekday trips in each direction, or eight weekday trips at the terminus of a fixed transit corridor, that is within a three-quarters mile distance via sidewalk or pedestrian walkway. If transit service is not currently available, the qualifying city shall provide an official resolution or other action of the governing body providing mass transit service stating that, if the project is selected, mass transit service with such minimum frequency and distance from affordable housing units will be provided concurrently with development of the affordable housing units.

(4) The commission may consider the following aspects of the nomination when determining the strength of the public facilities and services committed to serving the pilot project site pursuant to 660-039-0080(2)(b)(C):

(a) The proximity of the pilot project site to adequate existing public facilities and services;

(b) The projected expense of providing necessary public facilities and services to the pilot project site; and

(c) The strength and quality of the proposed transportation facilities and services provided for bicyclists, pedestrians, and mass transit users within the pilot project site and connecting to the pilot project site from other areas within the qualifying city.

660-039-0050

Impacts on Natural Resources and Nearby Farm and Forest Uses

(1) The pilot project site shall be buffered from adjacent lands in an exclusive farm use zone, forest zone, or mixed farm and forest zone, by a minimum 100 foot wide buffer on the pilot project site. The buffer shall include features, such as terrain differential, natural or introduced vegetation, and constructed berms, designed to provide additional buffering quality within the buffer area.

(2) In lieu of the buffer required under section (1), a qualifying city may propose an alternative method to avoid or minimize adverse effects on natural resources and nearby farm and forest uses that would provide greater protection to land zoned farm, forest or mixed farm and forest than would otherwise be provided through the buffer.

(3) The commission shall consider the following when determining the strength of buffers pursuant to OAR 660-039-0080:

(a) The amount and percentage of the project site perimeter that is not adjacent to lands in an exclusive farm use zone, forest zone, or mixed farm and forest zone;

(b) A proposed buffer that is wider than 100 feet, or that uses more thorough techniques within the buffer area to reduce impacts to farm and forest lands;

(c) The type and characteristics of farm and forest practices on the proposed pilot project site over the past 20 years;

(d) The type and characteristics of farm and forest practices on lands adjacent to the nominated site;

(e) The impact of the proposed pilot project development on adjacent farm and forest practices including movement of farm and forest vehicles and equipment; and

(f) The impact of the proposed pilot project development on fire protection, if adjacent to forest practices.

(4) If a qualifying city submits factual information demonstrating a Goal 5 resource site, or the impact areas of such a site, is included in the proposed pilot project site to be added to the urban growth boundary, the qualifying city shall apply the requirements of OAR chapter 660, division 23. For purposes of this section, “impact area” is a geographic area within which conflicting uses could adversely affect a significant Goal 5 resource, as described in OAR 660-023-0040(3).

660-039-0060

Measures to Accommodate and Encourage Needed and Affordable Housing within Existing Urban Growth Boundary

(1) A qualifying city submitting a pilot project nomination must demonstrate that its acknowledged comprehensive plan, acknowledged development code, or other relevant adopted city codes or other governing documents include:

(a) Affordable housing measures from the list in subsection (3)(a) equaling at least three points; and

(b) Affordable housing measures from the list in subsection (3)(a) or needed housing measures from the list in subsection (3)(b) equaling at least twelve points combined.

(2) For up to six of the twelve points required under subsection (1)(b), the qualifying city may demonstrate that its acknowledged comprehensive plan, acknowledged development code, or other relevant adopted city codes or other governing documents include an alternative housing measure not on the list of measures in section (3) that the qualifying city demonstrates, with appropriate findings, have a positive effect upon needed or affordable housing equal to or greater than an equivalent measure in section (3).

(3) A qualifying city may satisfy subsection (1)(a) and section (2) through adoption of the following measures, or alternative measures pursuant to subsection (1)(b), to accommodate and encourage the development of needed housing and affordable housing within its existing urban growth boundary:

(a) Affordable housing measures

(A) Density bonus for affordable housing (three points maximum):

(i) Three points if code has a density bonus provision for affordable housing of at least 20 percent with no additional development review standards than required for development applications that do not include a density bonus, with reservation of affordable housing units for at least 50 years; or

(ii) One point if code has a density bonus provision for affordable housing of at least 20 percent, with additional development review standards than required for development applications that do not include a density bonus.

(B) Systems development charges (three points maximum):

(i) Three points for provisions that eliminate systems development charges for affordable housing units described in subsection (3)(a)(A)(i), or reduce systems development charges for such units by at least 75 percent when compared to similar units that are not reserved for affordable housing; or

(ii) One point for provisions deferring systems development charges for affordable housing units described in subsection (3)(a)(A)(i), to the date of occupancy of the housing unit.

(C) Property tax exemptions (Nine points maximum):

(i) Three points for code provision authorizing property tax exemptions under ORS 307.515 to 307.537 for low income housing development, under criteria in both ORS 307.517 and 307.518, with no additional development review standards;

(ii) Three points for code provisions authorizing property tax exemptions under ORS 307.540 to 307.548 for non-profit corporation low-income housing development, with no additional development review standards; and

(iii) Three points for code provision authorizing property tax exemptions under ORS 307.600 to 307.637 for multiple unit housing, with no additional restrictions on location of such housing in addition to those contained within ORS 307.600 to 307.637, and with required benefits pursuant to ORS 307.618 that are clear and objective and do not have the effect of discouraging the use of the property tax exemption through imposition of unreasonable cost or delay.

(D) Other property tax exemptions or assessment freezes (two points maximum):

(i) One point for code provision authorizing property tax exemptions for ORS 307.651 to 307.687 – single-unit housing in distressed areas – with clear and objective design standards that do not have the effect of discouraging use of the property tax exemption through unreasonable cost or delay; and

(ii) One point for code provision authorizing property tax freezes under ORS 308.450 to 308.481 – rehabilitated residential property – if the boundaries of the distressed area consist of at least 10 percent of the qualifying city's total land area, and clear and objective standards that do not have the effect of discouraging use of the program through unreasonable cost and delay.

(E) Inclusionary Zoning: Three points for code provision imposing inclusionary zoning requirements consistent with the provisions of ORS 197.309.

(b) Needed Housing Measures

(A) Accessory dwelling units (three points maximum):

(i) Three points for allowing accessory dwelling units in any zoning district that allows detached single family housing units, with no off-street parking requirement, any structure type allowed, allowing owner to live in either the primary or accessory dwelling unit, with no systems development charges for water, sewer, or transportation, and with clear and objective review standards; or

(ii) One point for allowing accessory dwelling units, but one or more of the attributes in subsection (3)(b)(A)(i) missing.

(B) Minimum density standard (three points maximum):

(i) Three points if all residential zoning districts have a minimum density standard of at least 70 percent of the maximum density allowed, with optional exemptions for lands that do not qualify as buildable lands under OAR 660-008-0005(2) and lands that are being partitioned as defined by ORS 92.010(7); or

(ii) One point if all residential zoning districts have a minimum density standard of at least 50 percent of maximum density allowed, with optional exemptions for lands that do not

qualify as buildable lands under OAR 660-008-0005(2) and lands that are being partitioned as defined by ORS 92.010(7).

(C) Limitations on low density housing types (five points maximum):

(i) Three points for code provision that allows no more than 25 percent of residences in medium density residential zoning districts to be detached single family housing units, unless the detached single family housing unit is on a lot less than or equal to 3,000 square feet, with exemptions for lands that are being partitioned as defined by ORS 92.010(7);

(ii) One point for code provision that prohibits detached single family housing units in high density residential zoning districts; and

(iii) One point for code provision establishing maximum lot size for detached single family housing units in medium and high density residential zoning districts as less than or equal to 5,000 square feet.

(D) Off-street parking requirements for multiple family housing with four or more units (three points maximum):

(i) Three points if off-street parking requirement is no more than one space per housing unit in multiple family housing developments of four or more units, and no more than 0.75 spaces per housing unit in multiple family housing developments of four or more units within one-quarter mile of transit service with weekday peak hour service headway of 20 minutes or less; or

(ii) One point if parking requirements require no more than one space per housing unit in multiple family housing developments of four or more units, without additional reductions in subsection (3)(b)(D)(i);

(E) Off-street parking requirements for single family housing, duplexes, and triplexes (one point maximum): One point if off-street parking requirement for detached single family housing units, attached single family housing units, duplexes, and triplexes is no more than one space per housing unit.

(F) Amount of high density residential zoning districts (three points maximum):

(i) Three points if at least 15 percent of all residentially-zoned land in the qualifying city is zoned for high density residential development; or

(ii) One point if at least eight percent of all residentially-zoned land in the qualifying city is zoned for high density residential development.

(G) Duplexes in low density residential zoning districts (three points maximum):

(i) Three points if duplexes are allowed in low density residential zoning districts on any lot with no additional development review standards than required for detached single family dwellings; or

(ii) One point if duplexes are allowed on corner lots in low density residential zoning districts with no additional development review standards than required for detached single family housing units;

(H) Attached single-family residential housing units in low density residential zoning districts (one point maximum): One point if attached single-family residential housing units are allowed in low density residential zoning districts, with attached single-family residential lots having a minimum lot size no greater than 5,000 square feet.

(I) Residential street standards (three points maximum): Three points for allowance of local residential street pavement minimum widths of 28 feet or less with parking on both sides, 24 feet or less with parking on one side, or 20 feet or less with no parking.

(J) Mixed-use housing (three points maximum): Three points if at least 50 percent of land within commercial zoning districts in the qualifying city permits residential development with off-street parking requirement no greater than one space per housing unit and provisions for additional parking reductions for shared commercial and residential uses and in areas with approved parking management districts.

(K) Low density residential flexible lot sizes (one point maximum): One point if minimum lot size in low density residential zoning districts is at least 25 percent less than the minimum lot size that would correspond to the maximum density allowed in that zoning district.

(L) Cottage housing provisions (one point maximum): One point if development code has cottage housing code provision authorizing development at a minimum of 12 housing units per acre.

(M) Vertical housing provisions (one point maximum): One point if the Housing and Community Services Department has approved a vertical housing development zone under ORS 307.841 to 307.867 for the qualifying city;

(4) For the purposes of this rule:

(a) "High density residential zoning district" means a zoning district that allows a maximum residential density of 16 housing units per acre or more;

(b) "Low density residential zoning district" means a zoning district that allows a maximum residential density of eight housing units per acre or less; and

(c) "Medium density residential zoning district" means a zoning district that allows a maximum residential density greater than eight housing units per acre and less than 16 housing units per acre.

660-039-0070

Affordable Housing Requirements

(1) The following types of affordable housing are allowed on pilot project sites:

(a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Manufactured dwelling parks as provided in ORS 197.475 to 197.490;

(d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and

(e) Housing for farmworkers.

(2) At least [20 percent] of the total housing units proposed and developed on a pilot project site must be affordable housing units. In addition:

(a) At least 10 affordable housing units must be proposed and developed on a pilot project site from a qualifying city with a population of 25,000 or less; and

(b) At least [30] affordable housing units must be proposed and developed on a pilot project site from a qualifying city with a population greater than 25,000.

(3) Pilot project development phasing shall ensure all affordable housing units have been issued certificates of occupancy prior to issuance of certificates of occupancy to the last 50 percent of any market rate housing units included as part of the pilot project;

(4) All common areas and amenities accessible to residents of market rate housing units within the pilot project site shall be equally accessible to residents of affordable housing units;

(5) The qualifying city must ensure all affordable housing units within the pilot project site are rented or sold exclusively to households described in OAR 660-039-0010(1) or, if the pilot project includes dedicated affordable housing units proposed under subsection 6(b), to those households described, at the time of sale or rental during a period of at least 50 years after the selection of the pilot project site;

(6) The commission shall consider the following when reviewing a final application pursuant to OAR 660-039-0080(2)(c)(A):

(a) Percentages or numbers of affordable housing units greater than the minimum percentages and numbers required in section (2); and

(b) Dedication of affordable housing units for households with lower incomes than the maximum income described in the definition of affordable housing in OAR 660-039-0010(1).

660-039-0080

Commission Selection

(1) After receipt of final applications for proposed pilot projects, the commission shall select two pilot projects for implementation, one from a qualifying city with a population of 25,000 or less, one from a qualifying city with a population greater than 25,000.

(2) In selecting pilot projects, the commission may:

(a) Only consider applications that:

(A) The department determines are complete pursuant to OAR 660-039-0020(7); and

(B) The commission determines have met all of the requirements specified in OAR 660-039-0020(8);

(b) Consider recommendations of the director and select not more than one pilot project from a qualifying city in each population size category which, in the determination of the commission, best satisfies the following factors:

(A) The total number and overall percentage of affordable housing units included, and the magnitude of any reservation of affordable housing units for households with lower incomes than the maximum income in OAR 660-039-0010(1).

(B) The relative proximity and quality of public facilities and services, including transportation facilities and transit service, for the nominated pilot project site described in OAR-039-0040.

(C) The relative quality of measures to avoid or minimize adverse effects on natural resources and nearby farm and forest uses described in OAR 660-039-0050.

(D) The relative strength of measures, from among measures specified in OAR 660-039-0070(3), adopted by the qualifying city which is nominating the proposed pilot project site to accommodate and encourage the development of needed and affordable housing within its existing urban growth boundary described in OAR-039-0060.

(c) The factors in subsection (b) are interdependent. When the commission applies those factors to compare applications, the commission will consider each factor and will select the application that best achieves the purposes as provided in OAR 660-039-0000.

(3) [The commission shall select each pilot project by written order. The order shall specify the dates of submittal for necessary implementing documents.]

660-039-0090

Subsequent Events

(1) Upon selection by the commission of a pilot project for implementation, the qualifying city shall:

(a) In concert with the county in which the urban growth boundary is located, amend the urban growth boundary to include the pilot project site, and specify the provisions of law and rules pursuant to OAR 660-039-0030 relating to urban growth boundary amendments that are not applied to allow the pilot project site to be included within the urban growth boundary;

(b) Annex the pilot project site to the qualifying city within two years of the acknowledged urban growth boundary amendment;

(c) Adopt plan and zone designations for the pilot project site that authorize development of the concept plan included in the application;

(d) Adopt measures ensuring that affordable housing developed on the site remains affordable for a period of at least 50 years after the selection of the pilot project site; and

(e) Issue permits for development on the pilot project site only after annexation of the site to the qualifying city and adoption of measures ensuring that housing developed on the site will continue to be used to provide affordable housing for a period of at least 50 years after the selection of the pilot project site.

(2) For a post-acknowledgement plan amendment or land use regulation change under OAR chapter 660, division 18, that proposes amendments with any effect upon existing comprehensive plan designations or provisions that impact residential development, or land use regulations that impact residential development, the qualifying city may not, for a period of 50 years after approval of the pilot project by the commission, consider the existence of housing units existing or approved on the pilot project site when making findings regarding the proposed amendment.

(3) The qualifying city for the pilot project site selected by the commission may not plan or zone the site to allow a use or mix of uses not authorized by the commission unless the qualifying city, in concert with the county, withdraws the pilot project site from the urban growth boundary and rezones the site pursuant to law, statewide land use planning goals and land use regulations implementing the goals that regulate allowable uses of land outside urban growth boundaries.

660-039-0100

Reporting Requirements

(1) The qualifying city for a pilot project selected by the commission pursuant to OAR 660-039-0080 shall provide the following information in reports to the commission:

(a) Prior to construction of the project, a balance sheet showing land cost for affordable and market portions of project, expected infrastructure costs, permitting costs, systems development charges, affordable housing incentives or subsidies, and expected construction costs;

(b) After construction of the project is complete, a revised balance sheet showing all items indicated in subsection (1)(a).

(c) If the project cannot be completed as approved, the contributing factors that prevented completion of the project as approved.

(d) On an annual basis once construction of the pilot project has begun, for a period of ten years:

(A) The number of affordable housing units on the pilot project site;

(B) The number of market rate housing units on the pilot project site;

(C) The vacancy rate of the affordable housing units;

(D) The vacancy rate of the market rate housing units;

(E) The current monthly rent for the affordable housing units, or sales price of the affordable housing units;

(F) The current monthly rent for the market rate housing units, or sales price of the market rate housing units;

(G) Any affordable housing incentives or subsidies applied to the pilot project site in addition to the incentives provided by the provisions of chapter 52, Oregon Laws 2016;

(H) Any housing measures from OAR 660-039-0060(3) that have been adopted or amended by the qualifying city; and

(I)

(J) A qualitative assessment of the pilot project and lessons learned from implementation of the pilot project, including the burden of reporting requirements and impacts on the city's overall housing market.

http://intranet.dlcd.state.or.us/projects/AHPP/Documents/HB4079-RAC Draft-20161024.docx

From: John VanLandingham
To: Taylor, Casaria
Subject: HB 4079 RAC re vacancy rates
Date: Monday, October 17, 2016 4:29:55 PM

Hi, Casaria. I said at the meeting last week that I would send some comments to the HB 4079 RAC about manufactured home parks. That is not this memo.

Instead I want to supplement my comments at the end of the meeting last week regarding vacancy rates.

In my comments I said that there is not good data available regarding rental housing vacancy rates in Oregon cities. For example, just today I tried to get a reliable vacancy rate figure for Eugene, for a fundraising appeal for legal aid lawyers called the Campaign for Equal Justice (in other words, me). The best I can find online is a 2014 estimate of almost 6 percent and a 2015 estimate of 3.4 percent. The housing staffer for Lane County does not know the rate nor how to find a reliable figure. I also asked the housing staffer for the City of Eugene and the leader of the statewide affordable housing advocacy group, the Housing Alliance. Both said that they do not know of a reliable source, And that the ACS and Census data are not useful. There is a private firm that does one, but it charges.

John VL

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From: John VanLandingham
To: Taylor, Casaria
Subject: HB 4079 RAC: MH Park Comments
Date: Thursday, October 20, 2016 1:07:27 AM

Casaria: I have just a few more comments regarding manufactured dwelling parks, following the RAC meeting on October 12. These comments are in response to the staff memo of October 7, "Consideration of MH Parks in the Definition of 'Affordable Housing' and Mixed Income Developments." And my comments supplement what I said at the end of the October 12 RAC meeting, during public comment – and which your minutes captured nicely, thank you very much.

1. Manufactured home (or dwelling) parks are defined in Oregon law as the staff memo describes – renting space for a MH in which the owner of the MH lives – but it omits that there must be four or more such spaces. Three or fewer spaces are not a MH park.

2. The residents of MH parks own the MH and rent the space in the park for their MH. In some cases, they are making payments on the MH in addition to paying monthly space rent. In other cases, they may have bought the MH outright, and just pay space rent. But they had to buy the MH.

3. The point of #2 is that park residents are often paying as much or more in housing costs than are apartment residents, and either way they typically must have more income to be able to afford to purchase the MH and pay the space rent. As with low income homeownership programs, the maximum allowable income to qualify under the HB 4079 pilot should be 100 percent of AMI for MH parks, not the 80 percent figure staff has suggested for rental projects. It is common in the affordable housing world to have a higher qualifying income standard for homeownership units than for rental units; MH parks are a hybrid form of homeownership.

    a. If your goal is to help lower income folks, lower than 100 percent or 80 percent of AMI, I applaud that. But do it by giving preference for proposals that will serve lower income folks, not by disqualifying proposals at 80 or 100 percent of AMI.

4. Finally I want to repeat a point I made earlier: Any park that qualifies as

a Manufactured Dwelling Park Nonprofit Cooperative should count as affordable, regardless of the incomes of the residents. This type of park is regulated by Oregon law (I negotiated and wrote the statutes, working with OHCS and the Department of Consumer and Business Services; see ORS 62.800 to .815) and is designed to promote resident ownership, which is the best way to limit rent increases and closures, two of the biggest fears of park residents. The legal definition of a MDPNP co-op requires that the residents own the park and that they not benefit financially from their ownership of the land; their membership fee cannot appreciate in value (although their homes may and typically do) and if they sell the park the proceeds must go to another charitable entity. These parks qualify for a number of the special tools available to promote affordable housing in Oregon, such as the Oregon Affordable Housing Tax Credit. Ownership of the park by the residents, as a cooperative, is a great way to create and preserve affordable housing.

Thanks. John VL

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