



1 Department of Land Conservation and Development

2019-21 TECHNICAL ASSISTANCE GRANT APPLICATION

Please complete each section in the form below. Type or write requested information in the spaces provided. **Submit completed applications by October 1, 2019.**

Date of Application: September 30, 2019

Applicant: Baker City

(If council of governments, please also include the recipient jurisdiction name if applicable)

Street Address: 1995 Third Street, Ste 131

City: Baker City

Zip: 97814

Contact name and title: Holly Kerns, Planning Director

Contact e-mail address: hkerns@bakercounty.org

Contact phone number: 541-523-8219

Grant request amount (in whole dollars): \$45,000

Local Contribution (recommended but not required): \$15,000

Project Title:

Baker City Housing Needs Analysis & Strategy Development

Project summary: (Summarize the project and products in 50 words or fewer)

Baker City is requesting a technical assistance grant to address housing challenges through a housing needs analysis and updated buildable lands inventory for residential lands that can be incorporated into the Baker City Comprehensive Plan, and strategies Baker City can use to address housing needs.

Project Description & Work Program

Please describe the proposed project, addressing each of the following in an attachment.

A. Goals and Objectives. State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

B. Products and Outcomes. Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on

development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

C. Work Program, Timeline & Payment.

1. Tasks and Products: List and describe the major tasks and subtasks, with:

- The title of the task
- Steps to complete task
- The interim and final products for each task

2. Timeline: List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed.

3. Payment Schedule: Develop a requested payment schedule showing amount of interim and final payments. Include the products that will be provided with each payment request. The payment schedule should generally include no more than two payments – an interim and final payment.

D. Evaluation Criteria. Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

E. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (*e.g.*, will perform work under the grant; will advise; will contribute information or services, etc.).

F. Advisory Committees. List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program.

G. Cost-Sharing and Local Contribution. DLCDC funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project’s success. Cost-sharing (match) is not required, but could be a contributing factor to the success of the application.

Will a consultant be retained to assist in completing grant products? Yes No

Local Official Support

The application **must include a resolution or letter from the governing body** of the city, county, district, or tribe demonstrating support for the project. If the applicant is a council of governments on behalf of a city, a letter or resolution from the city council supporting the application must be included. *The application will not be complete if it does not include this item.* The letter of support

may be received by DLCD after the application submittal deadline, but it must be received before a grant is awarded.

Product Request Summary

Product	Grant Request	Local Contribution	Total Budget
1	\$ <u>30,000</u>	\$ <u>10,000</u>	\$ <u>40,000</u>
2	\$ <u>15,000</u>	\$ <u>5,000</u>	\$ <u>20,000</u>
3	\$ _____	\$ _____	\$ _____
4	\$ _____	\$ _____	\$ _____
5	\$ _____	\$ _____	\$ _____
6	\$ _____	\$ _____	\$ _____
7	\$ _____	\$ _____	\$ _____
8	\$ _____	\$ _____	\$ _____
TOTAL	\$ <u>45,000</u>	\$ <u>15,000</u>	\$ <u>60,000</u>

Submit your application with all supplemental information to:

Gordon Howard, Community Services Division Manager

E-mail (preferred): DLCD.GFGrant@state.or.us

Mail: Department of Land Conservation and Development
635 Capitol Street N.E., Suite 150
Salem, OR 97301

Phone: 503-503-934-0034

APPLICATION DEADLINE: October 1, 2019

Baker City Housing Needs Analysis & Strategy Development

To the Grant Review Committee,

Thank you for reviewing Baker City’s request for technical assistance to complete a Housing Needs Assessment and Strategy Development. Baker City is a community with a population of approximately 9,757¹ people located on I-84, and is a regional hub for northeast Oregon. Our City is known for its historic downtown, friendly small town feel, and proximity to outdoor recreation. What is less known about Baker City is the complex set of economic factors that challenge our efforts to foster vibrancy, business success, and the widely shared wish that, when young people desire to remain in the community, there are job opportunities that allow them to do so.

The U.S. Census Bureau estimates approximately 15% of our population is considered below the poverty line; earnings tend to be significantly lower than the state average. Baker City was fortunate to have an economic opportunity analysis conducted in 2018-2019. The effect housing constraints have on our economy came up again and again in conversations for the economic opportunity analysis, and it became clear that housing solutions have to be part of building economic vitality.

Income & Poverty	
Median household income (in 2017 dollars), 2013-2017	\$42,006
Per capita income in past 12 months (in 2017 dollars), 2013-2017	\$24,663
Persons in poverty, percent	▲ 14.5%

2

	Baker City		Baker County		State of Oregon	
Median Earnings, 25 Years and Over	\$30,514	100.0%	\$28,813	100.0%	\$33,686	100.0%
Less than high school graduate	\$17,969	58.9%	\$23,631	82.0%	\$20,970	62.3%
High school graduate (includes equivalency)	\$26,637	87.3%	\$25,476	88.4%	\$27,139	80.6%
Some college or associate's degree	\$21,566	70.7%	\$22,890	79.4%	\$31,415	93.3%
Bachelor's degree	\$41,836	137.1%	\$38,281	132.9%	\$44,881	133.2%
Graduate or professional degree	\$45,294	148.4%	\$36,964	128.3%	\$60,958	181.0%

3

A Housing Needs Analysis was identified as an important action for Baker City in the Economic Opportunity Analysis completed earlier this year:

Updated Goal 10 Housing Needs Analysis: *An important challenge to economic development identified in many parts of Baker County is the availability of appropriate housing, at affordable price points to the workforce that the area would like to attract. In some cases, employment*

^{1, 2} U.S. Census Bureau (<https://www.census.gov/quickfacts/bakercitycityoregon>)

³ Baker City Economic Opportunity Analysis 2019

may be available, but the potential workforce finds it difficult to find attractive housing options. This situation leads to difficulty in recruiting and maintaining staffing levels, and tends to encourage longer-distance commuting. The city should review the state of their latest Goal 10 Housing Needs Analysis (HNA), which forecasts 20-year housing needs and inventories residential land. An updated HNA and Housing Chapter to the Comp Plan can help identify and remedy gaps in the local housing inventory.

Baker City's housing market is tightening for affordable single family dwellings and multi-family dwellings, both for purchase and for rent. We're requesting a technical assistance grant to gather data and develop strategies to address these housing challenges, which are inextricably tied to the community's economic health. Baker City is committed to meeting the challenges facing our community, and we look forward to taking this next step. Your support for our grant application would be deeply appreciated. Specific information about how our request meets the review criteria is included on the following pages. Should you have any questions about the application, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Holly Kerns", with a stylized flourish at the end.

Holly Kerns
Planning Director

Baker City Housing Needs Analysis & Strategy Development – Narrative

A. Goals and Objectives. State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

Significant changes in the Baker City housing market have occurred over the last few years, with unusual limitation in the availability of certain types of affordable and workforce housing, including multi-family housing and single family dwellings, for purchase or for rent. Housing availability, especially workforce housing, is a limiting economic factor.

The overall goal of the project is to assess Baker City’s current and projected housing needs and buildable lands supply, then to develop strategies to address housing challenges. Accurate, up-to-date data and a set of strategies are tools the community can use to address housing availability, which in turn addresses economic health.

Specific objectives include:

- Provide the City with critical decision making information regarding housing through an assessment of current housing supply and projected needs, and an assessment of residential buildable lands supply.
- Update the Goal X housing section of the Baker City Comprehensive Plan (and any related sections of the Development Code that may need updated).
- Provide decision makers with workable strategy options to address needs or gaps related to housing.

This project is not proposed as part of a multi-year program. However, this project was identified as an important future action in the Baker City Economic Opportunity Analysis completed earlier this year, and Baker City considers this assessment to be a critical next step in addressing economic opportunity. The action is listed as:

Updated Goal 10 Housing Needs Analysis: *An important challenge to economic development identified in many parts of Baker County is the availability of appropriate housing, at affordable price points to the workforce that the area would like to attract. In some cases, employment may be available, but the potential workforce finds it difficult to find attractive housing options. This situation leads to difficulty in recruiting and maintaining staffing levels, and tends to encourage longer-distance commuting. The city should review the state of their latest Goal 10 Housing Needs Analysis (HNA), which forecasts 20-year housing needs and inventories residential land. An updated HNA and Housing Chapter to the Comp Plan can help identify and remedy gaps in the local housing inventory.*

B. Products and Outcomes. Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

This project will produce a housing needs analysis that can be incorporated into the Baker City Comprehensive Plan, an updated buildable lands inventory for residential lands, and strategies Baker City can use to address housing needs.

Understanding Baker City's housing needs and residential land needs, as well as identifying potential strategies for addressing needs or gaps, will provide the Baker City Planning Commission and City Council with information and tools to address our housing challenges. The project, and subsequent actions on strategies identified through the project, will provide gains in terms of residential development, livability, and socioeconomics.

Development

This project is expected to influence residential development, but the specifics on how that path forward will look will be based on understanding what types of housing are constrained and why. Potential outcomes could include reducing any regulatory hurdles identified for housing development, rezoning lands for residential development, policies addressing factors contributing to limited availability, and engaging in new ways of doing business (such as public – private partnerships) to encourage affordable and workforce housing development, etc.

Livability

The Partnership for Sustainable Communities (partnership of HUD, USDOT, EPA) adopted six principles of livability; the second is promoting equitable, affordable housing, and the third is to enhance economic competitiveness. This proposal is intended to discover ways to reduce barriers and create opportunity for affordable housing. Economically, employers have experienced significant hurdles when hiring someone from out of the area when that person struggles to find a place to live in our community, and that can ultimately kill their ability to take the job. Attracting new talent into our workforce is a critical element of keeping our economy healthy. Affordable housing and economic development are critical ingredients of a livable community; this project is designed to address challenges to both factors.

Socioeconomic Gains

When affordable and workforce housing is unavailable or significantly constrained, all income levels in a community can be impacted, but those who are significantly rent- (or mortgage-) burdened bear the strain most significantly. Addressing residential constraints with both traditional and innovative strategies can provide gains and economic relief to the most rent-burdened citizens in our community.

The project will also provide an important update to keep the City's Comprehensive Plan current, as the present housing needs projections go through 2019.

C. Work Program, Timeline & Payment.

1. Tasks and Products: List and describe the major tasks and subtasks, with:

- The title of the task
- Steps to complete task
- The interim and final products for each task

2. Timeline: List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed.

3. Payment Schedule: Develop a requested payment schedule showing amount of interim and final payments. Include the products that will be provided with each payment request. The payment schedule should generally include no more than two payments – an interim and final payment.

Task	Steps	Products	Timeline	Payment Schedule
Project Kick-Off	-Produce and send out an RFP -Review proposals and select/ contract with a qualified consultant -Revise tasks as needed -Refine project schedule -Hold kickoff meeting	Request for Proposal, contract with qualified consultant, task list, project schedule	January 2020	
Housing Needs Projection	-Collect and analyze housing needs data -Draft housing needs report -Hold meeting to review/discuss housing needs projection draft	Collected housing needs data, draft housing needs report	February 2020 – March 2020	
Residential Lands Inventory & Needs Analysis	-Draft Residential Buildable Lands Inventory and Needs Analysis report -Staff review of draft -Hold meeting to review/discuss Buildable Lands Inventory draft	Residential Buildable Lands Inventory & Needs Analysis draft	April 2020 – June 2020	\$30,000 Interim Payment
Develop Strategies to Accommodate Needed Housing	-Draft options and strategies to address the needs identified in the report	Strategies Draft	July 2020 – August 2020	

and Identified Needs or Gaps	-Hold meeting to discuss and refine strategies -Refine strategies draft			
Draft Updates to Goal X Section of the Baker City Comprehensive Plan, relevant Code Sections (if applicable)	-Synthesize information collected in drafts -Draft updated information, analysis and policies in the housing section of the Baker City Comprehensive Plan	Draft updates to Comprehensive Plan, and any relevant Development Code sections	September 2020	
Finalize Drafts for “Adoption Ready” Package	-Use all feedback to create a final draft provided to the City in an “adoption-ready” format -Staff reviews document -Hold a work session with the Planning Commission -Hold 1-2+ community open houses, depending on interest	Final Draft of Housing Needs Assessment, Residential Lands Inventory, Strategies, and Comprehensive Plan/Development Code updates	October 2020	\$15,000 Final Payment
Adopt Amendments	-Hold Planning Commission Hearing -Write Adopting Ordinance -Hold 3+ public hearings before City Council	Adopted Housing Needs Assessment, adopted Goal X Comprehensive Plan update, completed list of strategies for Baker City to act on	October 2020 – December 2020	

D. Evaluation Criteria. Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

This project aligns with the grant program priorities of (1) promoting economic development and (2) promoting the provision of affordable and workforce housing.

Baker City’s housing market is tightening for affordable single-family dwellings and multi-family dwellings, both for purchase and for rent, and the availability of affordable housing is inextricably tied to economic development opportunities and economic vitality for the City.

The economic climate in Baker City is challenging (some of the challenges are outlined in the findings and analysis in the Baker City Economic Opportunity Analysis), and during community discussions for the 2019 Economic Opportunity Analysis, housing came up repeatedly as a burden in the current economic situation. The Economic Opportunity Analysis identified a Housing Needs Analysis as an important future action in addressing economic health and development.

An analysis that provides Baker City with the data, analysis of needs, and potential strategies for addressing housing constraints are tools Baker City needs to take steps to improve needed affordable and workforce housing opportunities. Addressing residential constraints with both traditional and innovative strategies will provide lifts to Baker City’s economic development and opportunities for affordable and workforce housing.

The project also aligns with several of the goals adopted by the regional solutions teams. Statewide regional solutions goals include:

- Support comprehensive solutions to barriers limiting business retention and expansion (e.g., housing, workforce development).
- Work with rural communities to plan, coordinate, fund, and install needed infrastructure *and advance community development and resiliency initiatives.* [Emphasis added]

The goals adopted by the Northeast Regional Solutions Advisory Committee include:

- Promoting Workforce Development and Stability
- Workforce Housing Availability
- Competitive Rural Communities

Workforce housing is a key priority for the Northeast Regional Solutions Team. In rural communities, workforce housing plays many different roles. Shortages in both affordable rental units (of varying types) and affordable housing available for purchase stifle the economic growth so many Eastern Oregon communities are struggling to create. Although not adopted as goal, a key project for the Northeast Regional Solutions Team is implementation of Economic Opportunity Analyses in Eastern Oregon.

Baker City has the capacity to manage this project. The City successfully manages numerous federal, state and private grants ranging in size from under \$5,000 to over \$2,000,000 every year, and the City has been and is in compliance with the requirements of those grants. Baker City managed an Economic Opportunity Analysis grant project in 2019 through the Department of Land Conservation and Development.

E. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (*e.g.*, will perform work under the grant; will advise; will contribute information or services, etc.).

Baker City plans to work with the Northeast Regional Solutions Team, the Department of Land Conservation and Development, Northeast Oregon Housing Authority, the Baker County Chamber of Commerce, realtors, lenders, affordable housing providers, builders, and others as advisors on the project.

F. Advisory Committees. List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program.

An Advisory Committee will be formed for this project comprised of citizens and subject matter experts to make recommendations to the Planning Commission and City Council. Additionally, the Baker City Planning Commission serves as the Citizen Advisory Committee in Baker City, and will do so for this project. The Planning Commission will host open houses and public meetings.

G. Cost-Sharing and Local Contribution. DLCD funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project's success. Cost-sharing (match) is not required, but could be a contributing factor to the success of the application.

All staff time will be contributed to the project in kind: \$10,000

The cost of all materials, webpage and mailings will be contributed: \$5,000

Letter of Support

A letter of support from the City Council will be provided prior to a grant being awarded.