



HOUSING PRODUCTION STRATEGY

FINAL DRAFT- MAY 25, 2023



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TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
OVERVIEW.....	3
ENGAGEMENT SUMMARY	3
HOUSING NEEDS IN MONMOUTH.....	5
<i>Housing Needs and Conditions</i>	5
<i>Future Housing Needs - 20-Year Projections (2019 - 2039)</i>	6
<i>Housing Needs of Vulnerable and Underserved Populations</i>	6
FAIR AND EQUITABLE HOUSING OUTCOMES	7
STRATEGIES AND ACTIONS.....	7
<i>Land Supply and Regulatory Strategies</i>	7
<i>Financial and Regulatory Incentives</i>	8
<i>Funding Sources</i>	8
<i>Programs and Partnerships and Other Strategies</i>	8
MONMOUTH HOUSING NEEDS.....	10
SOCIO-ECONOMIC AND DEMOGRAPHIC TRENDS AFFECTING HOUSING NEEDS	10
MARKET CONDITIONS	16
HOUSING AFFORDABILITY CONSIDERATIONS	20
BARRIERS TO DEVELOPING NEEDED HOUSING	23
UNDERREPRESENTED COMMUNITIES WITH SPECIAL HOUSING NEEDS.....	25
STRATEGIES AND ACTIONS	28
CATEGORY 1: LAND SUPPLY AND REGULATORY STRATEGIES.....	30
1.1 <i>Rezone Land from Low or Medium Density to High Density</i>	30
1.2 <i>INCREASE the Allowed Density or Range of Housing Types</i>	32
1.3 <i>Evaluate Mixed Use and Commercial Zones for Housing Capacity</i>	33
1.4 <i>Long-term supply of buildable land</i>	35
1.5 <i>Zoning Incentives for Affordable/Needed Housing</i>	37
1.6 <i>Code Amendments to Allow for Small Housing Types</i>	39
1.7 <i>Provisions for Single Room Occupancy (SRO) Housing</i>	40
1.8 <i>Land Acquisition and Banking</i>	42
1.9 <i>Incentivize and Promote Accessible Design</i>	44
1.10 <i>Require Accessible Design for Publicly Supported Units</i>	46
CATEGORY 2: FINANCIAL AND REGULATORY INCENTIVES.....	48
2.1 <i>Inclusionary Zoning</i>	48
2.2 <i>Pre-Approved Plan Sets for Middle Housing Types and ADUs</i>	50
2.3 <i>Tax Abatements</i>	52
2.4 <i>System Development Charge (SDC) Deferrals, Exemptions or Reductions</i>	53
2.5 <i>Expedite Permitting for Affordable/Needed Housing</i>	55
CATEGORY 3: FUNDING SOURCES.....	57
3.1 <i>Construction Excise Tax (CET)</i>	57
3.2 <i>Community Land Trust</i>	59
3.3 <i>Financial Assistance Programs</i>	60
CATEGORY 4: PROGRAMS AND PARTNERSHIPS AND OTHER STRATEGIES.....	62
4.1 <i>Public-Private Partnerships (PPPs)</i>	62
4.2 <i>Tenant Protection Programs and Policies</i>	63
4.3 <i>Support Expanded Transit Service in Monmouth and Key Destinations</i>	65
4.4 <i>Coordination Between Affordable Housing Developers and Property Owners and Service Providers</i>	66
4.5 <i>Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options</i>	67

FAIR AND EQUITABLE HOUSING OUTCOMES..... 69
MONITORING PROGRESS AND OUTCOMES 72
LIST OF APPENDICES FOR MONMOUTH HPS..... 74

EXECUTIVE SUMMARY

OVERVIEW

Cities with a population over 10,000 are required to adopt a Housing Production Strategy (HPS). When the project was launched, the City of Monmouth was under the 10,000-population threshold and voluntarily elected to create a HPS to further the City Council’s goal of affordable housing development and to proactively address the housing needs. The HPS outlines a list of tools, action, and policies the City of Monmouth plans to take to address housing needs within the City. The HPS prioritizes current and future housing needs and outlines equitable and actionable policies, strategies, and implementation steps needed to encourage the production of housing.

The HPS report summarizes recommendations for adoption of a range of housing strategies or tools to study further—these include regulatory and land supply changes, incentives, fundings sources, programs, and partnerships. The HPS process focuses on strategies related to the production of new housing, recognizing the significant shortfall of housing produced in Oregon during the last two decades. However, it also will be important for the City to work with its community partners to help conserve, maintain, and rehabilitate existing housing in Monmouth, particularly where such housing also is affordable to people with low and moderate incomes.

ENGAGEMENT SUMMARY

The City of Monmouth is committed to reaching a broad range of community members to consider all perspectives related to housing and prioritizing underrepresented communities within the city. The City values openness and transparency, recognizing that successful public engagement leads to more sustainable decisions.

The public engagement for the Monmouth HPS allowed community members, stakeholders and interested parties to share their perspectives and input. This project was developed through a collaborative process among the community, the City, various public agencies, stakeholders, and consultants to ensure that multiple points of view were considered and understood.

OUTREACH METHODS INCLUDED:



Direct outreach with consumers of different types of housing and/or through organizations that represent them through interviews, focus groups, and written communication.



Stakeholder focus groups and interviews. The project team conducted small group meetings with service providers and housing developers to solicit their ideas about housing needs and potential strategies for housing production. A second round of interviews were conducted to evaluate potential strategies.



Virtual open house and survey. A virtual open house allowed for community members to learn about potential housing production strategies. An online survey allowed participants to share information about their own housing needs and provide feedback on which strategies they believe would be most helpful to Monmouth.



Story Map. An online Story Map summarizing key information from the Contextualized Housing Needs, potential strategies, prioritization and implementation. The city’s project webpage will include a link to the Story Map which in turn will incorporate a link to the Virtual Open House and Survey described above when it is available.



City Council and Planning Commission Meeting Presentations/Discussions/Written Feedback. Planning Commission meetings and City Council meetings were used to present the results of the contextualized housing need and potential strategies for housing production. The primary focus of the meetings will be to gather input from the Planning Commission and City Council about which strategies to prioritize. Opportunities to provide written feedback were also provided to the two groups.

The results of these efforts guided preparation of the HPS and development, review and prioritization of strategies in the Report in the following ways:

- Stakeholder interviews and additional interviews with housing producers and providers were instrumental in identifying and prioritizing strategies. For example, stakeholders emphasized the need for support for and partnerships with affordable housing providers, potential increases in supply of land for multi-family housing, and coordination with local property owners to help unlock opportunities for additional residential development. The results of those meetings informed many of the findings of the Contextualized Housing Needs Assessment, particularly related to underserved communities and others with specific unmet housing needs (e.g., houseless individuals, people with low incomes, students, and people with disabilities). See Appendix E and G for summaries of Stakeholder Interviews and Housing Producer and Provider Interviews.
- Planning Commission and City Council work sessions were used to review, refine, and prioritize specific strategies included in the HPS. Planning Commission and City Council members reviewed, commented on and provided guidance on initial priorities and refinements to them. Commission and Council members also served as resources for obtaining and evaluating information included in the Contextualized Housing Needs Assessment. See Appendix H: City Council and Planning Commission Feedback about Housing Strategy Priorities Memorandum
- The online survey and open house conducted in the middle stages of the project was used to gauge community support for strategies identified in the HPS. In general, results of the survey aligned with HPS priorities. See Appendix F for the Open House and Survey Summary.

HOUSING NEEDS IN MONMOUTH

Monmouth residents, workers, and students face a variety of current and future housing needs to ensure that community members are able to obtain the types of housing they need and can afford. Information in this section comes from the Housing Needs Analysis conducted for the City in 2019, as well as the Contextualized Housing Needs Assessment prepared as part of the HPS process. Housing Needs are described in more detail in the following section of this Report and in both of those documents. Summary findings related to housing needs include:



Housing Needs and Conditions

The 2019 Housing Needs Analysis found there is a need for rental units at the lowest price level and there is a shortage of high-density residential land that can help accommodate this type of housing. The city faces a future of growing within limited boundaries and is likely to see increased pressure to generate denser housing. Younger and lower income generations will need a sufficient stock of multifamily rental housing. Many of these households will seek good first-time home buying opportunities, meaning a stock of existing and new homes in low- to middle price ranges is needed. The city, like many communities, currently has a persistent shortage of housing available to the lowest-income households. Monmouth residents also compete with students at Western Oregon University for some types of housing, further exacerbating this situation.

Summary of Monmouth's Housing Needs

- Monmouth has a greater share of renter households than homeowner households. The 2020 ACS shows approximately 60% of units as renter-occupied. The estimated ownership rate is higher in Polk County (66%) and statewide (61%). The estimated ownership rate in Independence is higher at 59%.
- Households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% of their incomes on housing costs. Of those earning less than \$20,000, an estimated 86% of owner households spend more than 30% of their income on housing costs and 100% of renters. The US Census estimates that over 50% of Monmouth households pay more than 30% of their income towards housing costs.
- The 2022 Severe Rent Burden in Oregon (2020 ACS)' list maintain by DLCD shows Monmouth as one of the twenty-five severely rent burden cities in Oregon (population >10,000). Note that in Monmouth this in part is related to the large student population that a low or no incomes while attending the university.
- Monmouth has an estimated 194 affordable housing units, found in five properties, according to Oregon Housing and Community Development Services (OHCS). The estimated 194 subsidized housing units in Monmouth represents 5.3% of the local housing stock (at the time of the HNA), 6% of total local households, and 10% of local renter households in Monmouth.
- Data compiled by the Mid-Willamette Valley Homeless Alliance (MWWHA) in June 2021 estimated 811 homeless people in Polk and Marion Counties. The latest available Point-in-Time Count data estimates 83 homeless households in Monmouth as of mid-2020. These include households who are unsheltered, in temporary shelter, or staying with friends or relatives.
- Detached single-family homes represent an estimated 53% of housing units in Monmouth. Units in larger apartment complexes of 5 or more units represent 31% of units, and other types of attached homes represent 12% of units. Mobile homes represent 5% of the inventory.
- The Monmouth UGB had an estimated 3,681 housing units in 2018, with a vacancy rate of 5.9% (includes

ownership and rental units). In 2020, the vacancy rate was 7.3% per the US Census. This is slightly lower than the statewide vacancy rate of 7.8%.

- In general, estimated incomes in the city have outpaced the estimated value of available housing for some owners. There is support for rentals for the lowest income households, as well as some rentals for higher-income households.
- Roughly 60% of households in Monmouth earn less than \$50k per year, meaning that the bulk of housing supply on the current for-sale market is likely too expensive for most of these households. The median monthly housing costs for homeowners with a mortgage in Monmouth is approximately \$1,580.

Future Housing Needs - 20-Year Projections (2019 - 2039)

- 3,400 new residents making a 13,375 total population for Monmouth.
- 1,200 new households making 4,700 total households in Monmouth.
- 1,200 new units needed to accommodate current needs and growth.
- The split is projected to be 70% single-family homes and 30% attached housing.
- There is a land surplus for low- and med-density housing.
- There is a small deficit of land for high-density housing.

Housing Needs of Vulnerable and Underserved Populations

- **Low-Income Households.** Monmouth has a sizable unmet current and future need of housing for the extremely low to low-income households. This demonstrates a need for subsidized affordable housing for renters and affordable homeownership.
- **People Experiencing Homelessness.** People experiencing homelessness are disproportionately affected by the lack of affordable housing.
- **Seniors.** Despite having a low share of the population of people 65 years of age and older, the senior population is vulnerable to being cost burdened and losing housing in the competitive rental market. Many seniors also have a specific need for housing that is accessible for people with mobility limitations, or physical or self-care disabilities.
- **Veterans.** This group is called out as a population with specific needs, and which is often under-represented in planning for future needed housing. In general, veterans often may have physical or mental health disabilities resulting from injuries or stress experienced during their service. They also frequently have fixed, lower incomes and need access to services.
- **People with Disabilities.** Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. In general, housing needs for people with disabilities include improved access to an affordable unit, improved physical access to housing units, access to housing with needed services, and access to housing without discrimination.
- **People of Color.** Racial and ethnic minorities are less likely to own their homes, meaning that they tend to have a greater need for rental units. Populations from racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level compared to the total population. The housing needs for many people of color in Monmouth includes greater access to affordable housing units, a greater inventory of larger rental units, assistance to avoid displacement, resources to assist in greater rates of homeownership, and access to housing without discrimination.

- **Students.** Students typically have low to no incomes and limited resources to pay for housing although resources can vary significantly based on their families’ resources. As a result, there is a demand for relatively low-cost housing for students in Monmouth. A variety of housing types can accommodate students, but most seek multi-family units) and/or shared rental housing.

FAIR AND EQUITABLE HOUSING OUTCOMES

The majority of strategies described in this report are intended to achieve fair and equitable outcomes. They do this in the following ways:

- Increasing the supply of housing to reduce costs overall.
- Expanding the range of housing choices, particularly those housing types that that the potential to be less costly to produce.
- Increasing production of housing affordable to people with low or moderate incomes and/or other underserved populations.
- Increasing housing opportunities appropriate for students as they have special housing needs .

STRATEGIES AND ACTIONS

The following tables summarize the housing strategies recommended for the City of Monmouth to pursue. Details about these strategies can be found later in this report. Additional information specific to each strategy is provided in Appendix documents.



Land Supply and Regulatory Strategies

Land supply and regulatory strategies include potential changes to the Monmouth Development Code/Development review processes and strategies that could be considered to address Monmouth’s existing land capacity and its ability to accommodate needed housing and support affordable

housing development.

STRATEGY		PRIORITY
I.1	Rezone Land Rezone Land from Low or Medium Density to High Density	High
I.2	Increase the Allowed Density or Range of Housing Types	High
I.3	Evaluated Mixed Use in Commercial Areas for Housing Capacity	High
I.4	Long-Term Supply of Buildable Land	High
I.5	Zoning Incentives for Affordable/Needed Housing	Low
I.6	Code Amendments to Allow for Small Housing Types	High
I.7	Provisions for Single Room Occupancy (SRO) Housing or Group Housing	Low
I.8	Land Acquisition and Banking	Low
I.9	Incentivize and Promote Accessible Design	Medium
I.10	Require Accessible Design for Publicly Supported Units	Medium



Financial and Regulatory Incentives

The following incentive strategies are intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.

STRATEGY		PRIORITY
2.1	Inclusionary Zoning	LOW
2.2	Pre-Approved Plan Sets for Middle Housing Types and ADUs	MEDIUM
2.3	Tax Abatements	HIGH
2.4	System Development Charge (SDC) Deferrals, Exemptions or Reductions	HIGH
2.5	Expedite Permitting for Affordable/Needed Housing	LOW



Funding Sources

Funding sources and programs are programmatic strategies that could help increase housing supply (particularly affordable housing), support existing affordable housing, and/or leverage partnerships to catalyze housing development.

STRATEGY		PRIORITY
3.1	Construction Excise Tax (CET)	LOW
3.2	Community Land Trust	HIGH
3.3	Financial Assistance Programs	MEDIUM



Programs and Partnerships and Other Strategies

The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources identified in the previous set of strategies. Strong partnerships can promote a variety of affordable housing.

STRATEGY		PRIORITY
4.1	Public-Private Partnerships (PPPs)	HIGH
4.2	Tenant Protection Programs and Policies	MEDIUM
4.3	Support Expanded Transit Service in Monmouth and key destinations	MEDIUM

4.4	Coordination Between Affordable Housing Developers and Property Owners and Service Providers	HIGH
4.5	Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options	HIGH

MONMOUTH HOUSING NEEDS

This section summarizes current housing needs and conditions, future housing needs, and the needs of underserved and vulnerable populations. It relies on information from the 2019 Housing Needs Analysis conducted for the City, as well as the Contextualized Housing Needs Assessment (Appendix A) prepared as part of the HPS process. Both of those documents provide more detailed information about this topic.

SOCIO-ECONOMIC AND DEMOGRAPHIC TRENDS AFFECTING HOUSING NEEDS

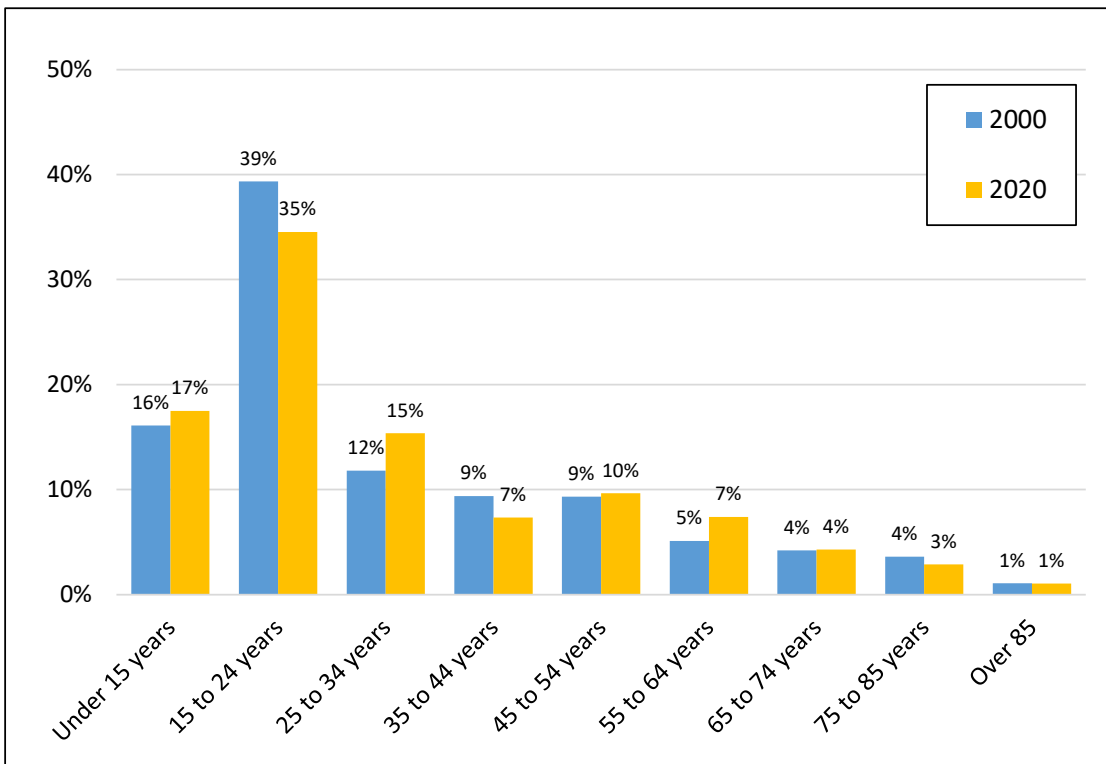
This section provides information on the housing needs in Monmouth by age, household size and composition, household income, poverty statistics, race and ethnicity, and disability.

Age Trends

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year American Community Survey estimates. As the chart shows, for the number of people in the middle age cohorts has been decreasing as share of total population, while the relative share of older cohorts has grown. This is in keeping with the national trend caused by the aging of the Baby Boom generation. At the same time, the number of younger people has remained fairly steady as a share of the total population.

- The cohorts which grew in share during this period were those aged 45 to 54 years. Still an estimated 92% of the population is under 65 years of age.
- In the 2020 ACS, the local median age was an estimated 24 years, compared to 37 years in Polk County, and 39 years in Oregon. This is due in large part to the number of Western Oregon University students living in Monmouth.
- Compared to state and national averages, Monmouth has both a larger share of households with children and smaller share of households with people 65 years old or older.

Age Cohort Trends, 2000 - 2020



SOURCE: US Census, Johnson Economics LLC
Census Tables: QT-PI (2000); S0101 (2020 ACS 5-yr Estimates)

Household Growth and Size

As of the 2018 HNA, the city had an estimated 3,464 households. Since 2000, Monmouth has added an estimated 683 households. This is an average of roughly 34 new households annually during this period. The growth since 2000 has roughly kept pace with the growth in new housing units, which have been permitted at the rate of 44 units per year.

Household growth has kept pace with population growth reflecting that the average household size has remained steady. There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Monmouth has resisted this trend, in part due to the moderating influence of student households on average household and family size.

Monmouth's average household size of 2.52 people, with 48% family households, is slightly smaller than Polk County (2.68; 68%). In comparison, Independence has a larger average household size of 2.77 people with 68% family households. This indicates the somewhat different demographic and housing roles that these communities play.

Household Income

The following figure presents data on income trends in Monmouth, from the HNA.

Income Trends, 2000 – 2018

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2018	Growth
	(Census)	(Census)	00-10	(Proj.)	10-18
Per Capita (\$)	\$14,474	\$16,497	14%	\$16,683	1%
Median HH (\$)	\$32,256	\$29,697	-8%	\$36,748	24%

SOURCE: Census, PSU Population Research Center, and Johnson Economics

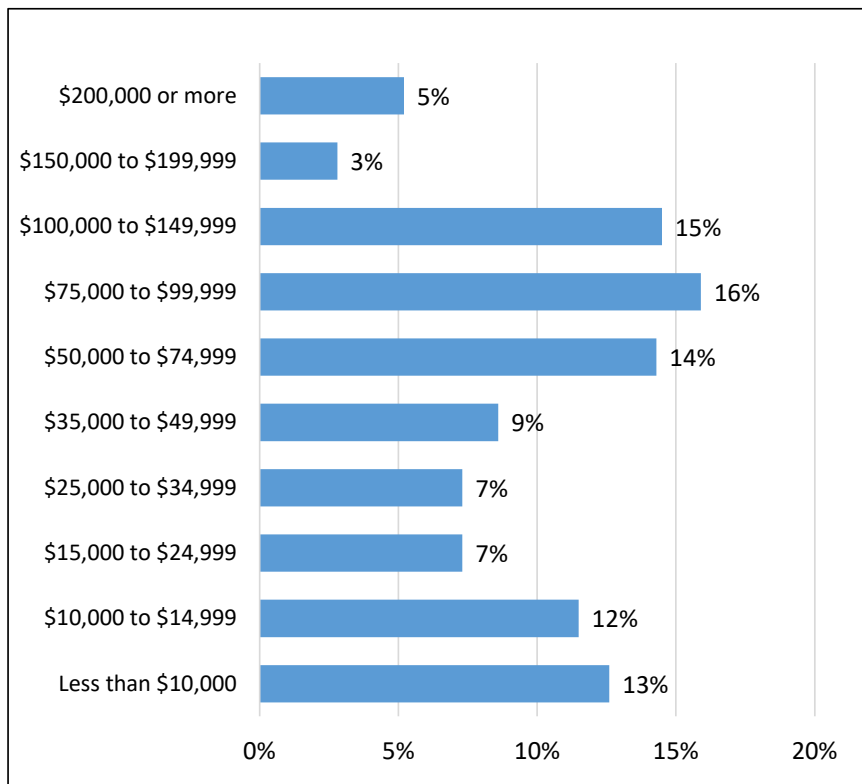
Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301, plus UGB estimate.

- Monmouth' estimated median household income was \$37,000 in 2018. This is significantly lower than the Polk County median of \$56,000. This reflects the prevalence of university student households in the area, which tend to have very low incomes relevant to older, non-student households. In comparison, the median income in the city of Independence is \$48,300.
- Monmouth' per capita income is roughly \$16,700.
- Median income has grown an estimated 14% between 2000 and 2018, in real dollars. Inflation was an estimated 45% over this period, so as is the case regionally and nationwide, the local median income has not kept pace with inflation.

The figure below presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$50k and \$75k, and those earning less than \$10k, at 19% of households each.

- 60% of households earn less than \$50k per year, while 40% of households earn \$50k or more.
- 35% of households earn \$25k or less.

Household Income Cohorts, 2021



SOURCE: US Census, Census Tables: S1901 (2021 ACS 5-yr Est.)

Poverty Statistics

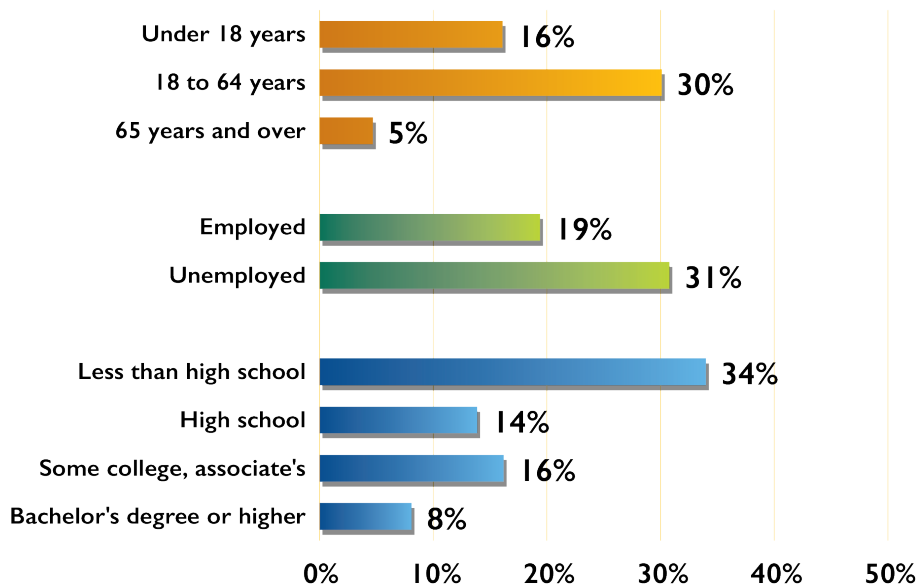
According to the US Census, the official poverty rate in Monmouth is an estimated 24% over the most recent period reported (2020 5-year estimates). This is roughly 2,300 individuals in Monmouth. In comparison, the official poverty rate in Polk County is 15%, and at the state level is 17%. In the 2016-20 period:

- The elevated poverty rate in Monmouth is likely due to the large number of students in town, many of whom may have part-time or no employment while attending the university.
- Monmouth poverty rate is highest among those between 18 and 64 years of age at 30%, which includes the college-aged cohort. The rate is 16% among those under 18 years of age. The rate is lowest for those 65 and older at 5%.
- For those without a high school diploma the poverty rate is 34%. For those with a high school diploma only, the rate is 14%.
- Among those who are employed the poverty rate is 19%, while it is 31% for those who are unemployed. The high poverty rate among those who are employed likely reflects those with part-time employment, including college students.

Poverty Status by Category (Monmouth)

Poverty Status by Category

Poverty Level



SOURCE: US Census
Census Tables: S1701 (2020 ACS 5-yr Est.)

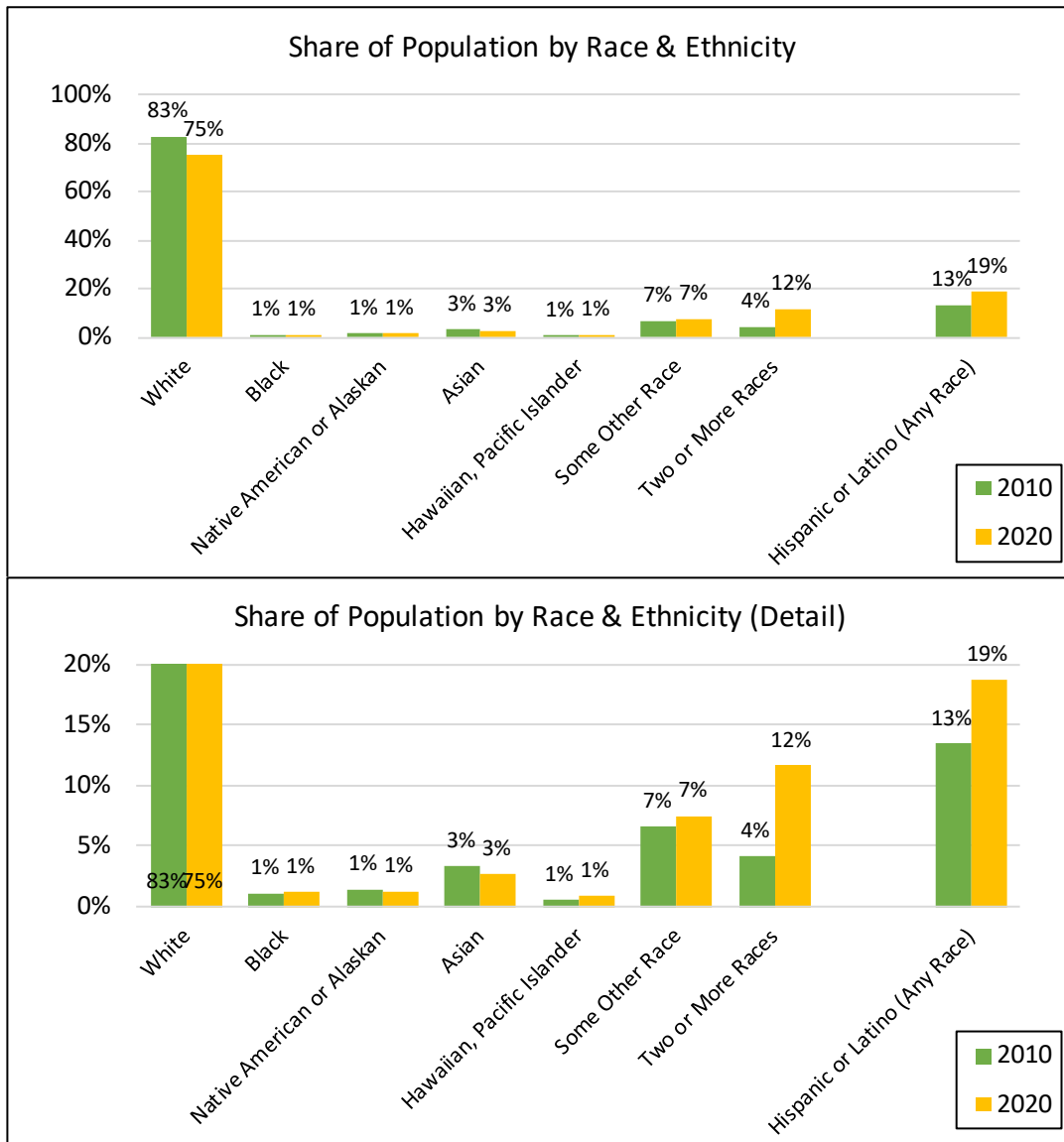
Race and Ethnicity

The following figure presents the distribution of Monmouth's population by race and Hispanic ethnicity. The community grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 83% to 75%. The share of population in any other individual racial category remains low, generally at 1% to 3%. The exceptions are

those identifying as “some other race” (7%) and those who identify as two or more races, which grew in share of population from 4% to 12%.

In comparison, the share of the non-white population statewide is lower at 17%.

Monmouth Racial and Ethnic Diversity (2010-2020)



SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: P1, P2 (2010, 2020)

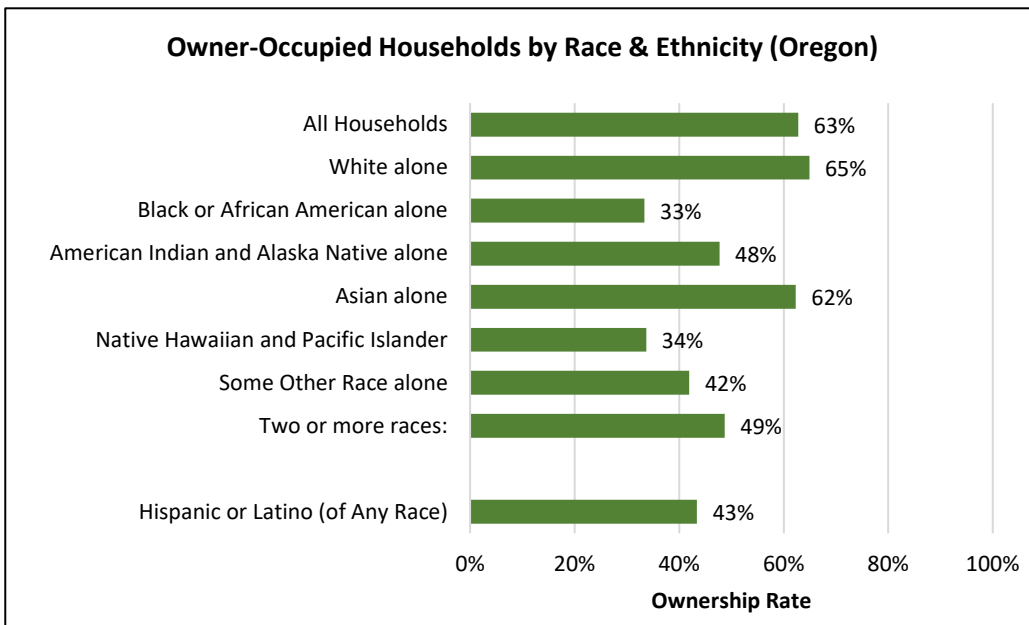
* Census data is for the population within the City limits, not within the UGB.

The share of the population identifying as Hispanic or Latino (who may also fall under any of the racial categories) has grown from 13% to 19% of the population, indicating roughly 2,000 people as of the 2020 census (within the city boundary, not UGB).

Minority households tend to have larger average household size than the average of all households (Figure 6). This indicates a need for larger housing units on average among minority households. (Data is presented for Oregon, as local data feature unusually large margins of error due to small sample size, and 2010 as latest available.)

Racial and ethnic minorities are less likely to own the homes they occupy based on statewide data (Figure 2.8) meaning that they tend to have a greater need for rental units. It also means that they could benefit from programs that increase their potential to purchase homes and take advantage of opportunities to build equity in that way. (Data again presented at statewide level for greater reliability, as of 2020.)

Home Ownership by Racial and Ethnic Category, Oregon (2020)



SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: B25003A-H, (State of Oregon, 2020 ACS 5-year)

* This data is presented on a statewide basis using the most recent Census data available (2010). The data for the Monmouth or Polk County geographies feature unusually large margins of error due to small sample size.

Populations from racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level compared to the total population. This is correlated with their greater share of renter households and will also impact the types of housing they consume, as discussed in more detail below.

People with a Disability

Of the non-institutionalized population in Monmouth, an estimated 9.5% or 988 people report having some form of disability. This is lower than the statewide rate and county rate of 14%.

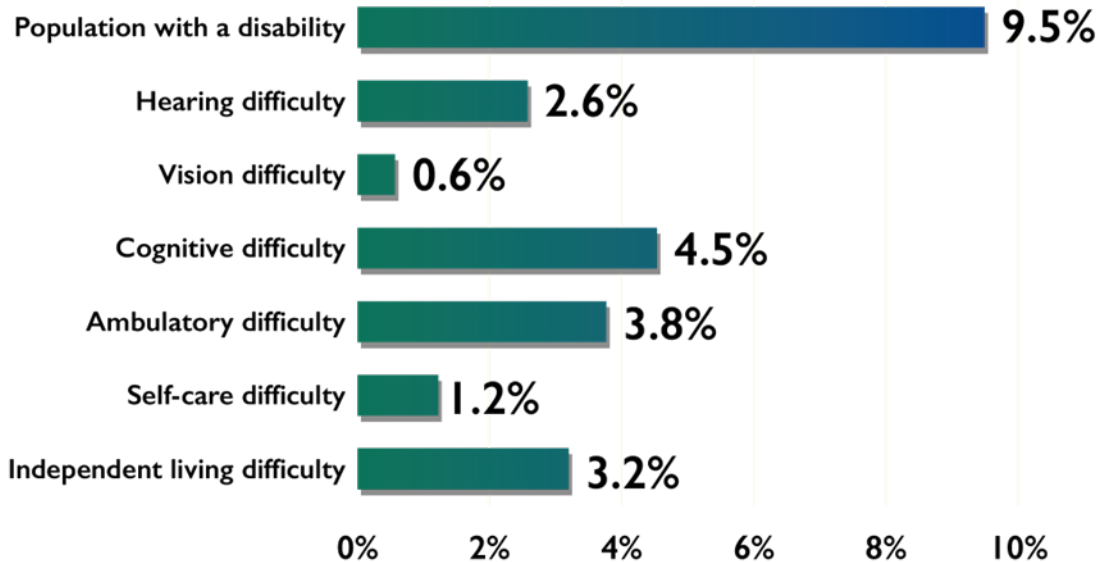
The following figure presents Census estimates of the types of disability reported among Monmouth residents. Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Those with an ambulatory disability often need units with expanded access for a wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who cannot always be directly monitored. Over half of people with a disability in Monmouth have one of these forms of disability.

Monmouth Population with a Disability, by Type (2020)

Socio-economic & Demographic Information

Population with a Disability, by Age (2020)

Share of Population (Non-Institutionalized Pop.)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP02, (2020 ACS 5-year)

Older residents are more likely to report a disability, including 40% of those over 65 years of age. Of those in prime working years, 7% of the local population reports a disability, and 5% of children.

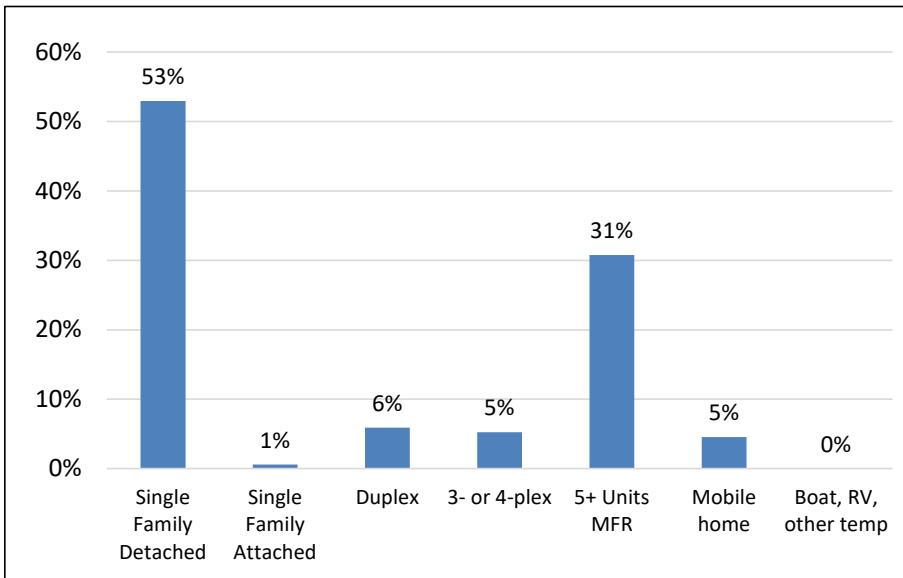
MARKET CONDITIONS

The information on housing market conditions provides a look into the way the housing market is meeting or not meeting the needs of the residents of Monmouth.

Housing Stock

As shown in figure below, the Monmouth UGB had an estimated 3,681 housing units in 2018, with a vacancy rate of 5.9% (includes ownership and rental units). In 2020, the vacancy rate was 7.3% per the US Census. This is slightly lower than the statewide vacancy rate of 7.8%. The housing stock has increased by roughly 750 units since 2000, or growth of 25%.

Estimated Share of Units, by Property Type, 2017



SOURCE: US Census, City of Monmouth, Housing Inventory 2017

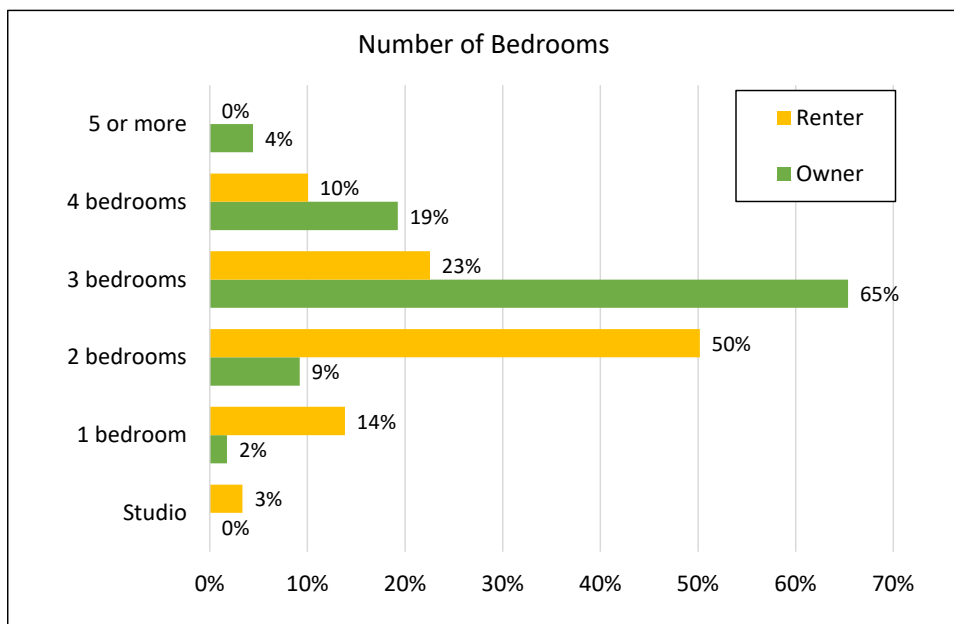
The figure shows the estimated number of units by type in 2017 based on US Census data and an inventory of built housing in the community by the City of Monmouth. Detached single-family homes represent an estimated 53% of housing units.

Units in larger apartment complexes of 5 or more units represent 31% of units, and other types of attached homes represent 12% of units. (Attached single family generally includes townhomes, some condos, and plexes which are separately metered.) Mobile homes represent 5% of the inventory.

Number of Bedrooms

The figure below shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter-occupied units are much more likely to have two or fewer bedrooms.

Number of Bedrooms for Owner and Renter Units, 2017



SOURCE: US Census
Census Tables: B25042 (2017 ACS 5-year Estimates)

Housing Tenure (rental vs ownership)

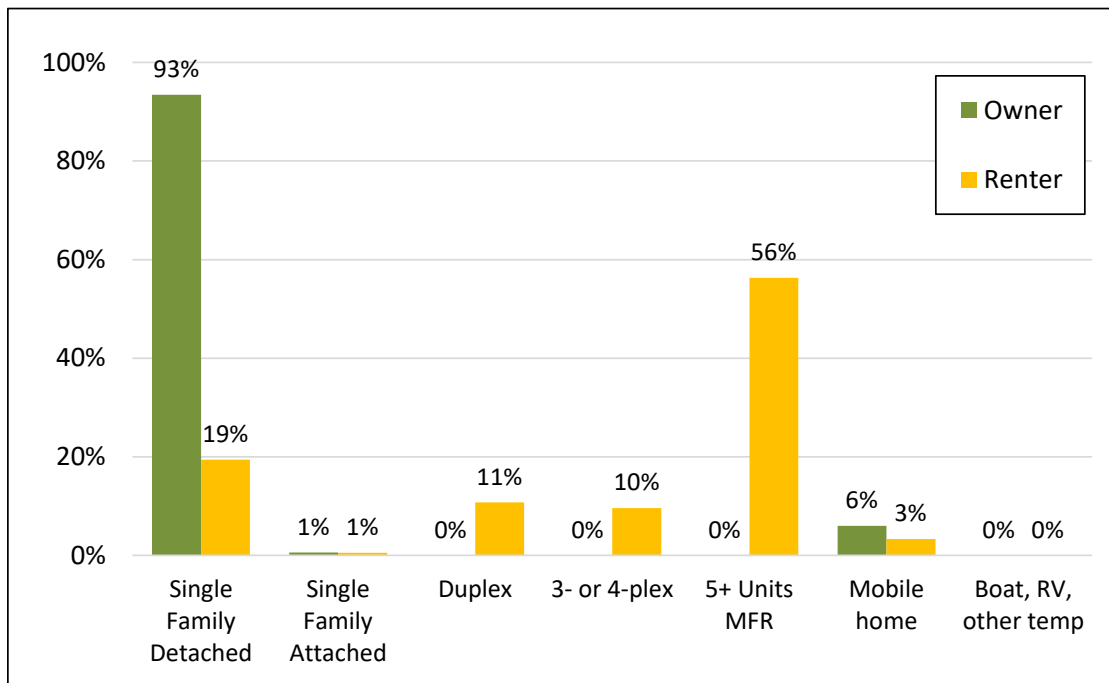
Monmouth has a greater share of renter households than homeowner households. The 2017 American Community Survey (ACS) estimates that 45% of occupied units were owner occupied, and 55% renter occupied. The 2020 ACS shows approximately 60% of units as renter-occupied. In 2010, the estimated rental rate was 51%. The ownership rate in Monmouth has stayed fairly stable since 2000. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%).

The estimated ownership rate is higher in Polk County (66%) and statewide (61%). The estimated ownership rate in Independence is higher at 59%.

Housing Units by Housing Type and Tenure

The figures below show, a large share of owner-occupied units (93%) are detached homes, or mobile homes (6%), which is related to why owner-occupied units tend to have more bedrooms. Renter-occupied units are much more distributed among a range of structure types. 23% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. Over 56% of rental units are in larger apartment complexes.

Current Inventory by Unit Type, by Share



OWNERSHIP HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	825	25	19	19	19	58	0	966	80.0%
Percentage:	85.4%	2.6%	2.0%	2.0%	2.0%	6.0%	0.0%	100%	

RENTAL HOUSING									
Unit Type:	Single Family Detached	Single Family Attached	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	28	6	31	28	141	8	0	241	20.0%
Percentage:	11.4%	2.6%	12.7%	11.6%	58.2%	3.3%	0.0%	100%	

TOTAL HOUSING UNITS									
Unit Type:	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	852	31	50	47	160	66	0	1,207	100%
Percentage:	70.6%	2.6%	4.1%	3.9%	13.2%	5.5%	0.0%	100%	

Sources: US Census, Johnson Economics, City of Monmouth

HOUSING AFFORDABILITY CONSIDERATIONS

The information on housing affordability considerations provides a look into the way the incomes in Monmouth relate to housing costs of the residents.

Rent Burdened Households

The figure below shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.) This figure includes money spent on mortgage or rent and utilities. For example, a household with four people earning the median income in Monmouth of \$48,000 could afford to spend about \$1,200 per month without spending more than 30% of their income on housing. The median monthly housing costs for homeowners with a mortgage in Monmouth is approximately \$1,580. This means that over half of Monmouth residents would not be able to afford the average monthly housing costs if they own a home with a mortgage without paying significantly more than 30% of their income on housing.

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% of their incomes on housing costs. Of those earning less than \$20,000, an estimated 86% of owner households spend more than 30% of their income on housing costs and 100% of renters.

Even roughly 50% of those households earning \$35,000 to \$49,000 pay more than 30% of income towards housing costs. Only those earning more than \$50,000 have a relatively small percentage paying more than 30%.

The ‘2022 Severe Rent Burden in Oregon (2020 ACS)’ list maintain by DLCD shows Monmouth as one of the 25 severely rent burden cities in Oregon (population >10,000). “Severely rent burdened” means households spending more than 50% of their income on rent. Note that in Monmouth this in part is related to the large student population that a low or no incomes while attending the university.

In total, the US Census estimates that over 50% of Monmouth households pay more than 30% of income towards housing costs (2017 American Community Survey, B25106).

Share of Households Spending More than 30% on Housing Costs, by Income Group

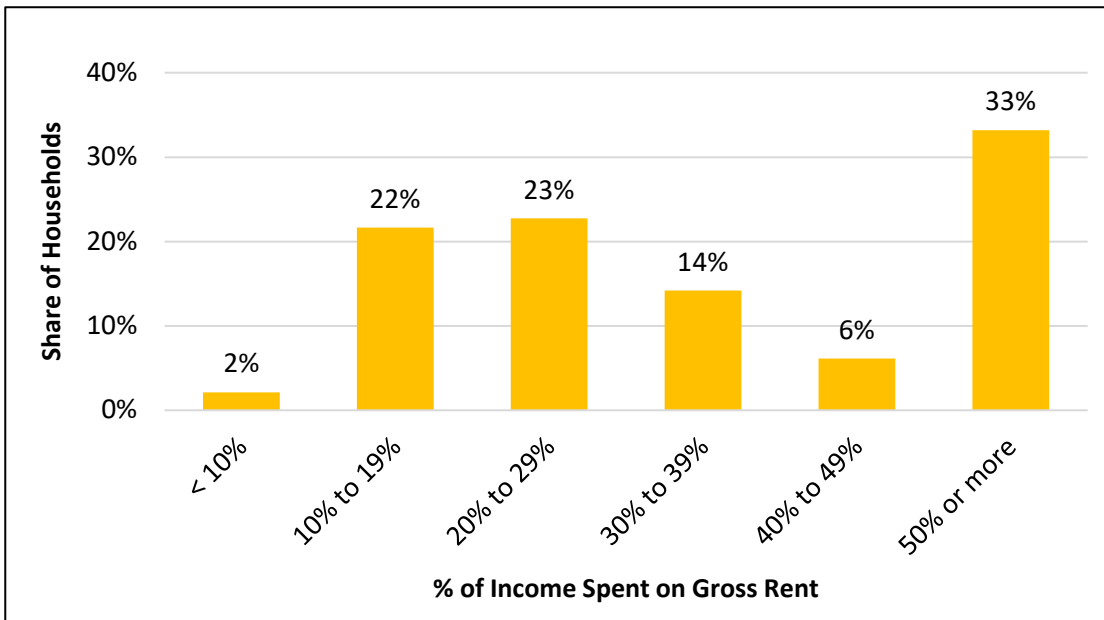


Sources: US Census, Johnson Economics
 Census Table: B25106 (2021 ACS 5-yr Estimates)

The following figures show the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that not only are 74% of renters spending more than 30% of their income on rent, but an estimated 43% of renters are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs is felt more broadly for these households, and as the analysis presented in later section shows, there is a need for more affordable rental units in Monmouth, as in most communities.

Percentage of Household Income Spent on Gross Rent, Monmouth Renter Households



Sources: US Census, Johnson Economics
 Census Table: B25070 (2021 ACS 5-yr Estimates)

The largest income cohorts are those households earning between \$50k and \$75k, and those earning less than \$10k, at 19% of households each.

- 60% of households earn less than \$50k per year, while 40% of households earn \$50k or more.
- 35% of households earn \$25k or less.

Projected Need for Housing Affordable at Low Income Levels, Monmouth

Affordability Level	Income Level	Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
		# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI \$19,530	763	22%	945	20%	182	15%
Very Low Income	50% AMI \$32,550	1,296	37%	1,575	34%	279	23%
Low Income	80% AMI \$52,080	2,081	60%	2,559	55%	478	40%

Sources: OHCS, Environics Analytics, Johnson Economics

* Income levels are based on OHCS guidelines for a family of four.

Publicly Assisted Housing

Monmouth has an estimated 194 affordable housing units, found in five properties, according to Oregon Housing and Community Development Services (OHCS). These properties are funded through tax credits and other programs which guarantee subsidized rents for qualified households.

None of the public housing units operated by the West Valley Housing Authority are located in Monmouth. The Housing Authority administers 700 housing choice vouchers which may be used in Monmouth or other communities in the jurisdiction.

The estimated 194 subsidized housing units in Monmouth represents 5.3% of the local housing stock (at the time of the HNA), 6% of total local households, and 10% of local renter households in Monmouth. Despite this, the high number of renters paying over 30% of their income towards housing costs means that there is an ongoing need for rental units at the lowest price points.

Monmouth does not currently have any properties dedicated to agricultural workforce housing. There are two such properties in Independence with a total of 57 units.

People Experiencing Homelessness

Precise data on the number of homeless people in an area can be hard to find. This population often is transitory, and/or may be distrustful of contacts with agencies and officials trying to do a census. Data compiled by the Mid-Willamette Valley Homeless Alliance (MWWHA) in June 2021 estimated 811 homeless people in Polk and Marion Counties.

- Of the 811 homeless people, 352 individuals (43%) were estimated to be chronically homeless, which HUD defines as: *“either (1) an unaccompanied homeless individual with a disabling condition and continuously homeless for a year+, or (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.”*
- Of the 811 homeless people, 592 (73%) were single individuals, while the remainder were homeless families of two or more persons.

The MWWHA uses a “Local Coordinated Entry” method among partner organizations to attempt to quantify this population and considers it a more accurate estimate than the point-in-time count. A greater share of the estimated two-county homeless population is estimated to be in Marion County.

The latest available Point-in-Time Count data for the two counties (2019) counted 11% of the combined total in Polk County, and 89% in Marion County. Polk County had an estimated 121 homeless individuals. 46% were estimated to be chronically homeless. 58% were male, and 42% were female.

A recent analysis prepared for OHCS to test a potential approach for preparing Housing Needs Analyses on a regional basis, included estimates of homeless population in Oregon communities, including Monmouth. The approach utilizes a combination of data from the bi-annual Point-in-Time count and from tracking of homeless school-aged children in keeping with the McKinney-Vento Act. The analysis estimates 83 homeless households in Monmouth as of mid-2020. These include households who are unsheltered, in temporary shelter, or staying with friends or relatives. These households represent a component of current and future housing needs.

BARRIERS TO DEVELOPING NEEDED HOUSING

MIG I APG conducted interviews with a variety of key stakeholders involved with the provision of needed housing in Monmouth. The key themes of the information gathered in the interviews identified the existing and expected barriers to the development of needed housing. Both the producers and the consumers participated in the identification of the barriers. The information gathered in these interviews related to barriers to the development of needed housing, along with the data and information on housing trends, market conditions, and housing affordability considerations, should provide a thorough context of the housing needs in Monmouth and the formation and evaluation of housing production strategies.

Following is a summary of recurring themes and comments from the interviews regarding the barriers to the production of needed housing in Monmouth and the barriers to consumers to acquiring affordable housing.

- **Lack of buildable land supply zoned at cost-effective densities to support affordable housing development.** There is a lack of buildable land zoned and available for housing at densities that would allow for middle housing types or multi family housing in Monmouth. For housing affordable to households with lower incomes, an allowed or built density of 50 units per acre is ideal or 40 units per acre minimum. The need for more land zoned at higher densities was the biggest barrier to building affordable housing cited by respondents. Some participants suggested converting a portion of the low-density zoned land to high-density zoned land (i.e., at least 15% of the existing supply).
- **Location of buildable land supply not in the correct locations in the City.** Several respondents commented that the location of the buildable land in Monmouth is not in the areas that would be beneficial to the residents of affordable housing. The lack of transit in the City means that it can be challenging to locate housing units near the university or support services and/or where people can walk to needed services or key local destinations.
- **High cost of land.** In the current market the cost of the land is too high for housing development that is affordable to households with low or very low incomes without significant subsidies.
- **Townhomes, duplexes, triplexes and particularly quadplexes are desired and would be affordable housing types that would fit the housing needs of Monmouth residents but they have not been built to a large degree in recent years in most zones.** A combination of land supply issues and possible development code barriers may be contributing to this issue. There is a need for units for first time homebuyers, family sized workforce housing at 50-60% area median income (AMI), and the students at the University. Quadplexes with common areas can work particularly well for housing the student population. Students renting off campus prefer these housing types to apartments or dorms. Land should be zoned for desired housing types with other types restricted to ensure that land is developed for intended densities and housing types.
- **Neighborhoods do not allow a mix of housing types or a spectrum of densities that would increase opportunities for housing.** Increasing the types of housing allowed in existing neighborhoods would be a tool to build more affordable housing units. Infrastructure costs could be reduced by infill in existing neighborhoods, but the codes need to allow for more housing types and higher densities.
- **Mixed Used development in Monmouth's Commercial zone is not permitted and is a missed opportunity to provide needed housing.** Amending Monmouth's zoning ordinance to allow for mixed use development (residential above commercial) could provide opportunities for additional housing.
- **There are very few current options and opportunities to produce housing for the housing insecure and houseless populations.** The low vacancy rate of rental housing, particularly lower cost rental units, is causing an increase in the need for shelters and transitional housing in Monmouth. There is a need for stable housing, for 3-6 months' time periods, in the form of apartments or middle housing with supporting services for

residents. Public housing subsidies do not provide enough resources to cover market rate rent of stable housing without supplemental income which many recipients do not have available. Interviewees also noted that housing is needed for people with complicated backgrounds, bad housing records, criminal backgrounds and without adequate funds for deposits which can be three times the rent.

- **Improved coordination and support for affordable housing developers.** Respondents commented that the City could provide coordination connecting land owners with affordable housing developers; and developers with funding opportunities. This would help get more units built. More collaboration and foresight to obtain land for affordable housing is needed in instances where the City has knowledge about land availability. A matchmaking system between landowners and affordable housing developers would be beneficial. City staff note that they typically do not know that a property is for sale until after it has been listed and other developers are inquiring about it. For most landowners, the decision about who to sell their property to often comes down to who is the highest bidder.
- **Need for more funding options and opportunities for cost reduction.** Lack of funding to make affordable housing pencil out is a significant issue. For new housing construction to be affordable, subsidies or cost reduction measures are needed. Local funding is not available and projects with local funds are more likely to secure state and federal funding. The availability of tools such as property tax abatements, publicly owned lands for housing, PILOT (payment in lieu of taxes) programs, system development charge (SDC) deferrals or reductions, community land trusts, and other funding options would make lower cost housing more feasible. Affordable housing developers go to cities and jurisdictions where property tax abatement is already established. Consider reducing or waiving building and development fees (can be up to 10% of cost of development) for multi-unit and affordable housing.
- **Lack of partnerships and programs to assist with affordable housing development, management, and occupancy.** Churches are a good potential resource for partnerships and also hold a large amount of available land. Allowing churches to build new housing by right would be one strategy to take advantage of these conditions and opportunities. Partnering with the county, state, regional partners and non-profit organizations that operate and/or build affordable housing, provide resource assistant to those needing housing, would further the success of getting units built and occupied by those in need. The City and those seeking to develop lower cost housing should look for developer, operator, and owner partnerships in advance. They also should take advantage of OHCS gate keeping funds and regional solutions. The University should be considered a partner as well, given that they have a large amount of housing on campus and are able to implement residency requirements.
- **Community education is needed to counter resistance to higher density development, especially adjacent to established neighborhoods.** Having the City lead efforts in educating citizens on affordable housing so groundwork is laid before the affordable housing developers arrive would save time and resources. General community resistance to higher density development, especially adjacent to established neighborhoods, is a barrier. This includes concerns such as building heights, loss of sun exposure, parking, and traffic dominate the conversations. Community education on housing types would be beneficial.
- **Homeownership is important to wealth generation and has been a barrier particularly to the minority population.** Entry level housing is difficult to find, especially for those without resources to get a foot in the door. The student population at the University takes up a large percentage of the units that would otherwise provide inventory for homebuyers at lower price points in Monmouth. The residents of Monmouth need more opportunities for homeownership, especially the minority population and those who have experienced housing insecurity.
- **Limited transit and accessibility are barriers to providing housing to low-income and disabled persons.** There is very little transit available in Monmouth. A more comprehensive transit system that serves Monmouth and the neighboring cities is needed, especially given that there is a university in Monmouth. The lack

of transit limits where affordable housing can be built is a barrier. The lack of transit also affects where students' rental units are located. All new units should be accessible, particularly affordable units and those serving as transitional housing and housing for seniors or disabled residents.

- **Parking requirements.** Stakeholders recommended that the City consider reduced parking requirements for affordable housing. Affordable housing is under-parked compared to market rate development. Parking takes away from the number of units that can be built on smaller sites and decreases the square footage of those units. The City also could consider reducing the parking requirements for the housing types that would house students.
- **Land supply challenges.** City staff note that a combination of property owner disinterest in development and costs associated with wetland mitigation are barriers to land development in Monmouth. The City could use state agency assistance in addressing these issues.

UNDERREPRESENTED COMMUNITIES WITH SPECIAL HOUSING NEEDS

This contextualized housing needs assessment identifies the following groups as priorities with unmet housing needs. Both the data and information gathered from the stakeholder interviews found these groups to have disproportionately higher housing needs. In general, the private housing market produces detached single household units without public and non-profit assistance and intervention. The people in these groups have housing needs not met with the housing type and price points the market provides. Producing housing for the special needs of these groups requires public intervention in order to increase the inventory of needed housing. The HPS will evaluate the strategies with a focus on the following underserved groups. The contextualized housing needs analysis finds disproportionate housing needs for the following groups.

- **Low-Income Households.** Monmouth has a sizable unmet current and future need of housing for the extremely low to low-income households. This demonstrates a need for subsidized affordable housing for renters and affordable homeownership. In 2017, the US Census estimated that over 50% of the Monmouth households pay more than 30% of income towards housing costs. Households in the extremely low to very low incomes were the most cost burdened. Monmouth's estimated median household income was \$37,000 in 2018, which means over half the households are very low income. It is worth noting that this is significantly lower than the Polk County median of \$56,000. This reflects the prevalence of university student households in the area, which tend to have very low incomes relevant to older, non-student households. With the low vacancy rate, competition for lower-priced affordable units and subsidized units is high, and many cannot afford the rents or housing sales prices without cost burdening themselves. HUD housing vouchers frequently do not provide enough money to cover market rate rent of stable housing without supplemental income which many recipients do not have available. In addition, the number of available units that accept vouchers is limited and typically is much lower than the number of vouchers that otherwise could be used in the community. Housing stakeholders indicate that this is the case in Monmouth. Renters, especially those with lower incomes, are at risk of losing stable housing due to increases in rental costs and competition. The low vacancy rate of rental housing (3%), which is likely even lower for lower cost rental units, is causing an increase in the need for shelters and transitional housing in Monmouth which is pushing the extremely low and very low income people onto the threshold of homelessness and needing those services in order to be housed.
- **People Experiencing Homelessness.** People experiencing homelessness are disproportionately affected by the lack of affordable housing. There were an estimated 112 people counted as homeless and unsheltered in Polk County as of 2019, but an estimated 83 homeless individuals in the Monmouth area in 2020 by a different count. In addition, an estimated 22% of households in Monmouth may be at risk of homelessness because they have incomes at or below 30% of MFI. Most of these households are cost burdened and likely many are severely cost burdened. Housing needs for people experiencing homelessness vary by reason for homelessness. The

broad housing needs for this group includes needs for immediate assistance (including rent support), permanent supportive housing (including supportive housing with services), and improved access to an affordable unit. The housing needs of people experiencing homelessness who are also a senior, disabled, or a Person of Color include the housing needs of those groups as well. The housing needs for people at-risk of becoming homeless may be the same as for people experiencing homelessness.

- **Seniors.** Due to Monmouth being a town with a university, the proportion of the population over 65 is low compared to surrounding communities, in the state, and nationally. In 2017, the estimate was 9% of the population was over 65 years of age. In addition, Monmouth's poverty rate was lowest for those 65 and older at 9%. Despite having a low share of the population of people 65 years of age and older, the senior population is vulnerable to being cost burdened and losing housing in the competitive rental market. Many live on fixed incomes with increasing housing costs. The 2000 Census and the most recent 5-year American Community Survey shows a trend for the older cohort have grown in share of population. Many seniors also have a specific need for housing that is accessible for people with mobility limitations, or physical or self-care disabilities. This includes housing with adequate accessibility features and/or single-story units. As this group grows, Monmouth will need more housing that is affordable, physically accessible, and in proximity to needed services (such as nearby health care or in-home assistance). The input from the stakeholders demonstrated the importance of planning for accessible units, as well as housing that has access to transit and healthcare for seniors and people with disabilities. The senior population has special housing needs with regards to these factors.
- **Veterans.** This group is called out as a population with specific needs, and which is often under-represented in planning for future needed housing. In general, veterans often may have physical or mental health disabilities resulting from injuries or stress experienced during their service. They also frequently have fixed, lower incomes and need access to services provided by the US Veterans Administration or other service providers. As a result, they share many of the same unmet needs described here for people with disabilities, low-income households, and in some cases senior residents.
- **People with Disabilities.** Of the non-institutionalized population in Monmouth, an estimated 9.5% or 988 people report having some form of disability. This is lower than the statewide rate and county rate of 14%. As with other demographics in Monmouth, this might be due to the large student population that is younger than the surrounding communities. Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Housing needs of people with one or more disabilities vary by type of disability, but in general housing needs include improved access to an affordable unit, improved physical access to housing units, access to housing with needed services, and access to housing without discrimination. The stakeholders identified for Monmouth the need for units with access to transit and expanded number of units that are physically accessible for those with wheelchairs, walkers or scooters. While middle housing types are targeted to bring greater housing affordability, increasing their supply must not create a barrier to increasing the supply of physical accessible units.
- **People of Color.** Monmouth grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 83% to 75%. The largest minority group, Hispanic or Latino, making up 19% of Monmouth's population. The share of Monmouth's population in any other individual racial category remains low, generally at 1% to 3%. Minority households tend to have larger average household size than the average of all households. Racial and ethnic minorities are less likely to own the homes they occupy based on statewide data, meaning that they tend to have a greater need for rental units. Populations from racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level compared to the total population. This is correlated with their greater share of renter households and will also impact the types of needed housing. The stakeholders emphasized the importance of homeownership to wealth generation and that has been lack of homeownership opportunities and resources has barrier to the minority population. The housing needs for many people of color in Monmouth includes greater access to affordable

housing units, a greater inventory of larger rental units, assistance to avoid displacement, resources to assist in greater rates of homeownership, and access to housing without discrimination.

- **Students.** A number of housing stakeholders noted that university students in Monmouth face specific housing needs and also compete with other Monmouth residents for the supply of lower cost rental housing. Many students at Western Oregon University live in campus housing but the University does not provide or guarantee available housing for all students. Students typically have low to no incomes and limited resources to pay for housing although resources can vary significantly based on their families' resources. As a result, there is a demand for relatively low-cost housing for students in Monmouth. A variety of housing types can accommodate students, but most seek multi-family units (apartments) and/or shared rental housing (e.g., single-family homes with multiple bedrooms). Students also would benefit from other forms of housing with shared bathroom and kitchen facilities (sometimes referred to as "single-room occupancy (SRO)" housing or "micro-housing" units. It will be important to continue to increase the supply of all these forms of housing to accommodate the housing needs of both students and other residents who share similar housing needs.

STRATEGIES AND ACTIONS

The Housing Production Strategy identifies strategies and actions that the City of Monmouth and community partners can take to promote housing development that meets the needs of the community, with a focus on more equitable and affordable housing options for a wider range of incomes, needs, and preferences.

The HPS report summarizes key information for each of the recommended strategies and identifies steps needed for implementation. The report goes into greater detail for those strategies identified as higher priority.

For each housing strategy, the HPS report provides the following information:

PRIORITY	Each strategy is assigned a “high,” “medium,” or “low” priority to indicate which strategies may be more applicable in addressing the City of Monmouth’s more immediate housing needs and could have the greatest impact while achieving the City’s goals, values and vision.
DESCRIPTION	The strategy description provides an overview of the strategy and how the strategy can work towards increasing the availability and/or affordability of housing in Monmouth. The description describes the potential outcomes for what the strategy is attempting to achieve.
HOUSING NEED ADDRESSED	Identified Housing Need being fulfilled (tenure and income) and an assessment of the income and demographic populations that will receive benefit and/or burden from the strategy, including the communities with special housing needs identified in the Contextualized Housing Needs.
MAGNITUDE OF IMPACT	Approximate magnitude of impact, including (where possible/applicable) an estimate of the number of housing units that may be created and the effect on needed housing for populations with special housing needs. Also includes the time frame over which the strategy is expected to impact needed housing.
OPPORTUNITIES AND CONSTRAINTS	Any opportunities, constraints or negative issues associated with adoption of the housing policy or strategy.
IMPLEMENTATION ACTIONS AND TIMELINE	What actions will Monmouth and other stakeholders need to implement the strategy? Who leads the implementation? What is the approximate timeline for the adoption and initial implementation of the strategy? What is the fiscal impact to the City?

The strategies are organized into four general categories:



1. Land Supply and Regulatory Strategies

Land supply and regulatory strategies include strategies includes potential changes to the Monmouth Development Code/Development review processes and strategies that could be considered to address Monmouth’s existing land capacity and its ability to accommodate needed housing and support affordable housing development.



2. Financial and Regulatory Incentives

The incentive strategies are intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.



3. Funding Sources

Funding sources and programs are programmatic strategies that could help increase housing supply (particularly affordable housing), support existing affordable housing, and/or leverage partnerships to catalyze housing development.



4. Programs and Partnerships and Other Strategies

The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources identified in the previous set of strategies. Strong partnerships can promote a variety of affordable housing programs or projects and include partnerships from multiple public, private, and non-profit entities.



CATEGORY I: LAND SUPPLY AND REGULATORY STRATEGIES

The following set of strategies includes potential ways to increase the supply of residential land available for the development of future housing.

I.1 REZONE LAND FROM LOW OR MEDIUM DENSITY TO HIGH DENSITY

<p>PRIORITY</p>	<p>High</p>
<p>DESCRIPTION</p>	<p>Rezone land from a lower density to a higher density designation. The size of the rezone should be of a scale appropriate for multi-family development and identified needed housing and cushion for future housing needs. This is about 40 units/acre. Changes to Comprehensive Plan and Zoning designations can be undertaken either as property-owner initiated efforts or as legislatively-driven processes initiated by the City.</p> <p>Suggested considerations for rezone/up-zone:</p> <ul style="list-style-type: none"> • Proximity to existing high-density areas. Extending an existing area of high-density land would reduce impacts on the transition between Lower and higher density areas and could increase the level or potential for support from surrounding property owners. • Proximity to services. Ideally, higher density areas should be close to supporting commercial and other services (schools, parks, etc.) to help ensure that residents can easily access these services and daily needs by walking, biking or driving. • Size. The City has a relatively modest deficit of land zoned for high-density housing (about 3 acres). However, rezoning a somewhat larger area (e.g., 3-7 acres) would provide more flexibility in terms of the size or scale of a potential multi-family development and provide some cushion for meeting future housing needs as the City continues to grow.
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Affordability target: All income levels</p> <p>Income: 0 to 120+% AMI</p> <p>Housing tenure/type: For rent or sale; high-density multi-family housing</p> <p>Special Housing Need Addressed: Low-income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>MAGNITUDE OF IMPACT</p>	<p>Rezoning land would have a relatively high impact on the availability of land zoned for multi-unit residential development by increasing its supply of land available for high density development. Additional capacity for more development creates opportunities for multi-unit housing that is generally more affordable to Low- and Moderate-income households.</p>

	<p>Estimated Number of Units Created: The number of units created will depend on how much land is rezoned, the difference in allowed density between previously zoned and rezoned land, and the market feasibility of future development. For example, rezoning three to 10 acres of medium-density land to a high-density, assuming allowable densities of 12 and 30 units per acre respectively, and assuming development at 80% of allowed densities, would result in an additional 43-144 units of housing.</p> <p>Timeframe for Impact: 1-3 years (adoption)</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Up-zoning land and requiring higher density development in Monmouth that have capacity for more development provides more opportunities for multi-unit housing types and middle housing types that is generally more affordable to Low-income and Moderate-income households. Housing development at higher densities also has the potential to increase the supply of housing available to populations with special housing needs.</p> <p>There may be Moderate legal risk associated with this strategy, depending on the willingness of landowners. As with any review of existing policies, there may be a Moderate administrative burden and a Low cost associated with zoning and land use designation updates. General community support for rezoning may be Low or Moderate. The changes need to make sense to residents, be amenable to property owners, and be consistent with overall land needs in the City.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth or Property-Owners</p> <p>Actions: Zone Map Amendment and possible Comprehensive Plan Map Amendment</p> <p>Partners: Property Owners and Development community (coordination and information)</p> <p>Level of Effort: Medium</p> <p>Timeline: Medium-term</p> <p>Fiscal Impact: Low-Medium</p>

* See Implementation Guide in Appendix D for further information on this strategy



I.2 INCREASE THE ALLOWED DENSITY OR RANGE OF HOUSING TYPES

PRIORITY	High
DESCRIPTION	<p>Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas; expand the range of housing types allowed in one or more zones.</p> <p>Monmouth, concurrent with the HPS, engaged in a TGM Code Update Project which was completed Spring 2023. The code amendments directly address housing density and range of housing types permitted in Monmouth Title 18 Zoning Code.</p> <p>Below is a high-level summary of the many changes to the Monmouth Municipal Code, Title 18 Zoning Code related to increasing density and range of housing types:</p> <ul style="list-style-type: none"> ✓ Allow more housing types in the residential zones. ✓ Establish simple design standards for new housing. ✓ Implement appropriate parking requirements for new housing. ✓ Allow small, neighborhood-scale commercial uses in residential areas. ✓ Update standards for accessory dwelling units. ✓ New standards for cottage cluster development. ✓ New and revised definitions for housing types. ✓ Streamline approval processes and updated review processes.
IDENTIFIED HOUSING NEED ADDRESSED	<p>Affordability target: Low-income to Moderate-income households</p> <p>Income: 30 – 120% AMI</p> <p>Housing tenure/type: For rent or sale; multi-family housing</p> <p>Special Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities</p>
MAGNITUDE OF IMPACT	<p>Increasing the allowed density or range of housing types in the City’s medium and/or Low-density zones and allowing a broader mix of housing types is likely to have a medium impact on housing development opportunities by decreasing existing barriers to developing middle housing in more areas of the city.</p>

	<p>Estimated Number of Units Created: The number of units created will be determined by the difference between previous and newly approved allowed density, the amount of land that is developed at the new densities, and the market feasibility of future development. For example, assuming development of approximately 10 acres of high-density land and 20-acres of medium density land (per the Monmouth HNA estimate of future need), a change in allowable density in medium and high-density areas of 12 to 16 and 20-30 acres, and development at 80-100% of maximum density, this strategy would result in an additional 144-180 housing units.</p> <p>Timeframe for Impact: 1-3 years</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Facilitating the development of range of housing types through a code amendment is likely to decrease many of the existing barriers to developing needed housing types and more affordable housing in Monmouth. This may be particularly impactful in new or greenfield developments and less impactful in existing neighborhoods although some infill of middle housing types could occur in existing neighborhoods.</p> <p>There is Low risk involved in adopting a zoning code that allows for greater range of housing types and Lower minimum lot sizes. The City will have to ensure compliance with all applicable state statutes.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: Development Code Amendments.</p> <p>Partners: Development community and housing advocates for supporting amendments; development community for implementation; DLCD and ODOT as the project as funding by a TGM Grant.</p> <p>Level of Effort: Low, as code update has been completed</p> <p>Timeline: Short-term</p> <p>Fiscal Impact: Low (City received TGM grant for the code amendments)</p>

I.3 EVALUATE MIXED USE AND COMMERCIAL ZONES FOR HOUSING CAPACITY

<p>PRIORITY</p>	<p>High</p>
<p>DESCRIPTION</p>	<p>The City allows residential uses in some of its commercial areas, particularly the Main Street zone in the city's downtown area, but does not require mixed use when developing. The City should monitor development in this area and also could encourage and incentivize mixed use development in this area in the future.</p>

	<p>In evaluating the supply of land available for high density residential development in Monmouth, the buildable lands inventory only assessed land within residential zoning designations. The City also allows residential uses in some of its commercial areas, particularly the Main Street zone in the city’s downtown area. The City could monitor development in this area and also could encourage or incentivize mixed use development in this area in the future, either through code amendments to require a residential component or through informal partnerships with local property owner or developers who may be interested in this form of development. The City could also evaluate the supply of land available if they allowed Mixed Use to be developed in other commercial zones in the City outside of its downtown area and, if appropriate, could encourage and incentivize mixed use development in those commercial areas in the future.</p>
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Affordability Target: All income levels</p> <p>Income: 0 – 120+% AMI</p> <p>Housing tenure/type: For rent or sale; multi-unit</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities</p>
<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact could be medium. The physical impact will be limited primarily to the city’s downtown area, but the impact to the housing stock would benefit the entire city. The additional units in the downtown area close to services could serve the special housing needs of students, seniors and people with disabilities as the type of development would have greater accessibility. If expanded to commercial areas outside of downtown the impact could be greater.</p> <p>Estimated Number of Units Created: The number of units will depend on the number of acres of land with capacity for future mixed-use development and the success rate of the City and developers in implementing this strategy. If approximately 30-50% of land within the Main Street zone were developed for mixed use with a residential component at 30 units per acre, this would result in approximately 90-130 additional housing units.</p> <p>Timeframe for Impact: 1-3 years for adoption; -5+ years for implementation</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Mixed-use development provides an opportunity for multi-family housing development that provides Low- to Moderate- income housing units. It is important for the City to balance projections for future commercial development needs and land availability in the downtown area. Looking at commercial areas outside of downtown could be an additional opportunity.</p> <p>This strategy allows the City to optimize land uses in the City’s commercial areas and involves a medium amount of effort to implement. The legal risk involved is relatively Low. The administrative and cost burdens associated with implementing this strategy are Moderate. Monmouth’s commercial zones are intended to support a mix of uses—not just residential. The City should carefully balance its employment and economic goals in considering strategies to encourage more residential development in these areas.</p>

IMPLEMENTATION ACTIONS AND TIMELINE	<p>Lead: City of Monmouth</p> <p>Actions: Initial evaluations of the capacity for development and an audit of development standards likely will require City staff involvement or hiring a consultant although some preliminary recommendations may result from this planning process. Requiring mixed use in the Main Street Zone would require Development Code Amendments.</p> <p>Partners: Development community; downtown property owners</p> <p>Level of Effort: Medium</p> <p>Timeline: Medium-term</p> <p>Fiscal Impact: Low-Medium</p>
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I.4 LONG-TERM SUPPLY OF BUILDABLE LAND

PRIORITY	High
DESCRIPTION	<p>It will continue to be important to monitor and maintain the supply of buildable land in Monmouth to ensure there is an adequate supply to meet long-term housing production needs. This will include assessing the willingness and feasibility of developing existing land in the city’s UGB and considering potential exchange of land within the UGB with limited opportunities for development for land outside the UGB with a greater chance of future development, if warranted. In the longer term (potentially beyond the 8-year timeframe of this HPS), if the supply of land within the UGB drops below the amount needed for future development, a UGB expansion could be considered.</p> <p>Although Monmouth’s most recent HNA does not demonstrate the need for a UGB expansion, the city has faced limitations on the current supply of buildable land because owners of large parcels are uninterested or unwilling to develop or sell their properties for future residential development. Because property ownership and/or owners’ desires to develop can shift over time, the state of Oregon’s land use planning framework does not allow cities to exclude such land from their BLIs. In addition, several large parcels in Monmouth have conservation easements that preclude them from future development. Although those properties are not included in the calculation of buildable land, they represent land in the urban area that will not be developed for urban growth.</p> <p>One way to address this situation is to remove such parcels from the UGB and add other properties whose owners are more willing or likely to develop their land for housing. State statutes and administrative rules allow for these UGB adjustments or “swaps.” These exchanges are possible through a process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. This process is guided by Oregon Revised Statutes (ORS) 197.764.</p> <p>While permitted, UGB swaps require compliance with a number of requirements applied to other UGB amendments or expansions, including the following:</p>

	<ul style="list-style-type: none"> • Location of expansion areas. The location of the land to be added to replace the land being removed. First, use OAR 660-024-0065 to determine appropriate study areas. For a city with a UGB population less than 10,000, the city must consider all land within ½ mile of the existing UGB boundary. • Exclusion areas. In considering expansion areas, the city can exclude areas that cannot be reasonably serviced with public facilities, are subject to significant natural hazards, have some a high level of environmental or natural resource value, or are federal lands. • Prioritization. The city needs to prioritize potential expansion areas in terms of rural residential “exception” lands vs. farm and forest lands, with exception lands having first priority. • Criteria for evaluating expansion areas. Cities must look at alternative expansion areas and evaluate them using the four factors for location of UGB expansions found in Goal 14.
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Affordability Target: All income levels</p> <p>Income: 0 – 120+% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Workforce housing, as well as housing for people with specific needs, depending on the location of the amended UGB and actions of landowners and developers</p>
<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact is medium to high. Removing parcels from the UGB that are not likely to develop as needed housing due to constraints or unwilling property owners and bringing land into the UGB that whose owners are more likely to develop their land for housing would have a high impact on the land available for needed housing. The UGB ‘swaps’ would ensure a supply of land that is both unconstrained and with motivated property owners.</p> <p>Estimated Number of Units Created: The number of units will depend on the net amount of land brought into the UGB and the mix and density of housing types developed. It is not feasible to estimate the impact with any reasonable degree of accuracy in this case, given the range of unknowns.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>This strategy allows the City to optimize land in the UGB designated for residential uses. The more unconstrained developable land with willing property owners creates opportunity for a high number of units to be constructed. During the process adjusting the UGB the City and affordable housing developers have opportunities identify property owners to partner with to achieve the desired housing types in Monmouth.</p>

The legal risk involved is relatively Moderate. The state statutes and administrative rules allow for these UGB adjustments or “swaps” but the process could be stalled or the state or county could oppose or deny the UGB adjustment. These exchanges are possible through a very complex process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. The administrative and cost burdens associated with implementing this strategy are high. It would be a long and expensive undertaking by the City (or consultant) to prepare the applications and supporting documents and work through the hearing process. Community support for adjusting the land in the UGB may be mixed.

<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth and Property Owners</p> <p>Actions: UGB Adjustment guided by Oregon Revised Statutes (ORS) 197.764; De-annexations and Annexations; Comprehensive Plan and Zoning Map Amendments; Public Facilities Plan Amendments</p> <p>Partners: Property owners</p> <p>Level of Effort: High</p> <p>Timeline: Medium to long-term</p> <p>Fiscal Impact: Medium-High</p>
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I.5 ZONING INCENTIVES FOR AFFORDABLE/NEEDED HOUSING

<p>PRIORITY</p>	<p>Low</p>
<p>DESCRIPTION</p>	<p>Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code.</p> <p>Some development regulations can present obstacles or add costs to housing developments. In addition to or in lieu of financial incentives, the City can offer concessions on regulatory standards that provide meaningful economic value. Concessions should be offered in exchange for the development dedicating a minimum proportion of the units to be regulated as affordable to people with Low-income or Moderate-income. The incentives typically include relief from certain development standards such as parking, setbacks, or density. Examples include the following:</p> <ul style="list-style-type: none"> •Parking reductions. In general, research shows that households with Lower incomes tend to have Lower car ownerships and driving rates, particularly when residents have ready access to shopping and other opportunities and services. A number of jurisdictions in Oregon provide reductions in off-street parking requirements for developments that are affordable to households with Low-income or Moderate-income. Typically, developments must commit to providing affordable units over a significant length of time (20-60 years).

	<p>•Height or density bonuses. Some cities allow higher density or greater height in exchange for a commitment to provide housing units that are affordable to households with Low-income or Moderate-income. Height bonuses are typically in terms of number of stories (e.g., one story in an area with an existing height limit of 35 or 45 feet). Density bonuses are typically stated in terms of a percentage of units (e.g., 10-20% is a common threshold). The amount of the bonus can be tied to the affordability levels provided and/or to the number of affordable units. Additionally, setback and bulk standards may be allowed to vary to accommodate the added density or to reduce development costs.</p>
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Extremely Low-income to Moderate-income levels</p> <p>Income: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale; income-restricted units</p> <p>Housing Need Addressed: Extremely Low-income to Low-income households, Seniors, Students, People of Color, People with Disabilities</p>
<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact is high. This strategy provides a potentially significant opportunity for Low- and Moderate- income housing development by incentivizing housing developers to develop more affordable housing to increase supply. Incentives for developers may include density or height bonuses for building affordable units. It may also help offset the costs associated with the requirements for market-rate development.</p> <p>Estimated Number of Units Created: The number of units created will depend on a variety of factors, including the number of sites and acres subject to the incentives, the difference in the number of units developed with vs. without the incentives, and the type and affordability of units created. It is not possible to estimate a precise number or range of units, given the uncertainty in assessing different factors.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>The legal risk associated with implementing zoning incentives for affordable housing is relatively Low. The City must ensure that incentive programs follow the applicable Oregon Revised Statutes (ORS) and establish clear and objective standards for implementing the incentive program, but these types of incentives have had significant application in other communities in Oregon. The City should also ensure that any density or height bonuses offered as incentives meet the fire and life-safety capacity of the City. The administrative and cost burden of creating an incentive program is Moderate. The City could consider using an incentive program in place in another community as a model in order to reduce the initial administrative burden.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth, affordable housing developers</p> <p>Actions: Zoning Code Amendment</p> <p>Partners: We suggest working closely with affordable housing providers to determine what zoning incentives would be most beneficial in supporting their work.</p> <p>Level of Effort: Medium</p>

I.6 CODE AMENDMENTS TO ALLOW FOR SMALL HOUSING TYPES

<p>PRIORITY</p>	<p>High</p>
<p>DESCRIPTION</p>	<p>Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types.</p> <p>In the TGM Code Update Project, Monmouth made significant changes to its zoning code to allow for small housing types. The code amendments were formally adopted into the Monmouth Title 18 Zoning Code in Spring 2023.</p>  <p>The code amendments allow for smaller housing types and are consistent with the objectives of this strategy. Hence, the implementation of this strategy has already begun! The code amendments directly address housing in Monmouth including and reduction of barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types.</p> <p>The TGM Code Update project began in February 2002 and ran through Spring 2023. The population of Monmouth triggered the medium size city requirements of HB 2001 which requires the adoption of code amendments to allow and reduce barriers to smaller housing types also known as “middle housing”.</p>
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Low-income to Moderate-income levels</p> <p>Income: 30 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities</p>
<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact is low to medium. This strategy provides opportunity for Low- and Moderate- income housing development by allowing housing developers to develop more smaller housing types that are typically more affordable. Modifying development standards to support housing development would have a limited impact on housing supply, as it would not work directly toward creating new units. However, the strategies discussed above would support efforts to add to the city’s housing supply and affordability by allowing more smaller housing types to be built and could increase the supply of more affordable housing types over time.</p>

<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Timeframe for Impact: Less than one year</p> <p>There is low legal risk involved in adopting a zoning code that allows for smaller housing types. The TGM code amendments are adopted and amendments are required by DLCD. There may be community concerns about prorating density calculations for smaller housing units due to concerns about impacts to traffic and parking. However, others may welcome increased density in their neighborhoods. These considerations should be evaluated as part of the City’s implementation of this strategy. The administrative burden for updating the code also is expected to be relatively low, given the project is already funded and the administrative resources already committed.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: Zoning Code Amendment</p> <p>Partners: ODOT and DLCD given the project is funded with a TGM grant. We also suggest involving affordable housing providers to determine what zoning updates would be most beneficial in supporting their work.</p> <p>Level of Effort: Medium</p> <p>Timeline: Short-term</p> <p>Fiscal Impact: Low (City received TGM grant for the code amendments)</p>

I.7 PROVISIONS FOR SINGLE ROOM OCCUPANCY (SRO) HOUSING

<p>PRIORITY</p>	<p>Low</p>
<p>DESCRIPTION</p>	<p>Single room occupancy (SRO) is a form of housing in which the units share bathroom or kitchen facilities with other units on the floor or in the building. SROs are typically aimed at those earning “very Low income” or Low-income or Moderate-income. SROs (sometimes known as “SRO hotels”) were once very common in urban areas and served as a landing place for residents with few other housing options.</p> <p>In recent years, housing advocates have urged cities to consider enabling SROs as an alternative, Low-cost form of housing for those experiencing homelessness or at risk of losing their housing. As such, SROs have opportunities to serve as a form of transitional or supportive housing. Furthermore, SROs can serve seasonal farm workers as well as serve Monmouth’s student population.</p>

	<p>Related housing types. “Micro housing” or “micro apartments” are a type of housing that have been gaining in popularity in recent years, mostly in larger cities so far. Micro housing is usually defined as units under 400 SF that may or may not share kitchen facilities with other units on the same floor. They typically have their own private bathrooms. If there are shared kitchen facilities, they may be shared among a smaller number of units than SROs, and micro apartments are typically marketed as higher-end units compared to SROs. Still, micro apartments are usually more affordable than standard apartments because the units are very small and because kitchens are expensive to build.</p> <p>The City could consider the following potential actions to implement this strategy:</p> <ul style="list-style-type: none"> • Add SROs to the Permitted Uses in residential and mixed-use zones • Ensure that definitions are incorporated into the Zoning Ordinance for micro housing or SROs. Micro housing share similarities with SROs, in that they often have shared kitchen or other facilities. However, micro housing units could be fully equipped with kitchen and bathroom facilities but could simply be very small. • Revisit density calculations for SROs, micro housing
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Extremely Low-income to Low-income levels</p> <p>Income: 0 – 120% AMI</p> <p>Housing tenure/type: For rent; smaller units</p> <p>Housing Need Addressed: Extremely Low-income and Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness</p>
<p>MAGNITUDE OF IMPACT</p>	<p>SROs and micro housing may have a medium impact on needed housing development in Monmouth but may have a high impact on the development of needed housing for specific groups with special housing needs. SROs provide an affordable housing option for Low-income individuals or other people who want to or are willing to share common kitchen and/or bathroom facilities. Removing barriers to developing SROs in the City creates an opportunity for more affordable housing particularly for the populations with special housing needs such as students, people with disabilities, and people experiencing homelessness. SROs are commonly developed by affordable housing organizations or non-profit groups. This form of housing could be feasible in Monmouth due to the large student population attracted to this housing model and affordability. Also, this type of housing could present opportunities for non-profit housing providers of subsidized, transitional, or supportive housing.</p> <p>Estimated Number of Units Created: The number of units would depend on the number of sites or developments created with SRO housing and the size and density of those developments, as well as the relative market for this form of development in Monmouth. Typical SRO developments in other communities can range from 15 to 150 or more units. If 1-3 smaller micro-housing developments were implemented in Monmouth, this would result in up to 100 or more SRO units.</p> <p>Timeframe for Impact: 3-5 years</p>

<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>This type of housing could present opportunities for non-profit housing providers of subsidized, transitional, or supportive housing supporting the special needs of identified underrepresented communities. The presence of the University of Western Oregon and its large student population also presents opportunities for developers in Monmouth to have reliable consumers of this housing type especially when land is owned by non-profits and the large number of religious organizations in Monmouth. Therefore, it is important to ensure that the Code does not preclude these types of housing, but rather encourages them through supportive regulations and incentives. Implementing this strategy will require a Moderate level of effort on the part of the City. The City will incur some administrative burden and costs associated with auditing and updating the development code. Community support for SROs may be Low, particularly in existing established neighborhoods, given that this form of housing will not be familiar to most residents and may not fit many peoples' ideas about the character of the community.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth, Non-profit housing providers</p> <p>Actions: Zoning Code Amendment</p> <p>Partners: We suggest working closely with non-profit housing providers to determine what zoning updates would be most beneficial in supporting their work to help people experiencing homelessness and to create the types of housing they need. University students are also an important stakeholder group for these zoning code updates.</p> <p>Level of Effort: Medium</p> <p>Timeline: Medium-term</p> <p>Fiscal Impact: Low-Medium</p>

I.8 LAND ACQUISITION AND BANKING

<p>PRIORITY</p>	<p>Low</p>
<p>DESCRIPTION</p>	<p>Land banking is the acquisition and holding of properties for extended periods of time without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger non-profits may be better equipped than small community development corporations to do both land acquisition and banking.</p> <p>Land banking can be used as an anti-displacement strategy. Land banks can acquire land in high-opportunity areas where prices are going up and develop affordable housing before the market becomes too competitive.</p>

In 2015, state legislation (House Bill 2734) made it possible for local governments to create government authorities that have an explicit focus on buying and holding land. While the land bank legislation was created with the intent of incenting brownfield redevelopment, the tool can be used for the purpose of creating affordable housing.

Options for the City of Monmouth:

- The City could manage its own land bank or acquisition strategy, or work in concert with a non-profit or non-governmental entity at a larger, regional scale that manages a portfolio of properties to support affordable housing development over many years. Ideally, the land bank would be set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development.
- The land bank would purchase vacant land in high-opportunity areas, schools, and other important amenities and require that the land be used for the development of affordable housing.
- In most cases, land banking programs have focused on properties in tax foreclosure, but Monmouth’s program could explore voluntary donation or purchase on the open market.
- One way the City could support a land bank is to assist with creating an inventory of suitable sites for housing development, based on infrastructure conditions, location, and other factors.

IDENTIFIED HOUSING NEED ADDRESSED

Populations served: Extremely Low-income to Low-income levels

Income: 0 – 80% AMI

Housing tenure/type: For rent or sale; income-restricted units

Housing Need Addressed: Extremely Low-income and Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness

MAGNITUDE OF IMPACT

Benefits may be **medium**, depending on the size of the properties and the number of housing units that could be developed. Land banks support affordable housing development by reducing or eliminating land cost from development. Acquisition of land at discounted prices, such as from public sector transfer, can enable affordable housing projects that would otherwise not be financially viable.

Estimated Number of Units Created: As noted above, the degree of impact will depend on the size of the properties and the number of housing units that could be developed. If 2-4 ½-acre to one-acre parcels were developed at a density of about 30 net units per acre, this strategy could result in about 30-120 new units.

Timeframe for Impact: 3-7 years

OPPORTUNITIES OR CONSTRAINTS

Vacant land in high-opportunity areas is scarce in Monmouth. Key challenges for land acquisition include reliably identifying future areas for needed housing before prices go up, developing the resources necessary to purchase the land, creating mechanisms for easy land transfer and removing the liability associated with holding land. Administering a land bank can be costly. Evaluate use of existing GIS tools to inventory publicly and privately owned properties in areas well suited for a land bank purpose. Another opportunity would be for the City to partner with and contribute funds or land to an existing non-profit land bank or participate in the formation of a new non-profit land bank if one does not exist with sufficient capacity to serve Monmouth.

IMPLEMENTATION ACTIONS AND TIMELINE

Lead: City of Monmouth

Actions:

- Evaluate use of existing GIS tools to inventory publicly and privately owned properties in areas well suited for a land bank purpose.
- Partner with and contribute funds or land to an existing non-profit land bank or participate in the formation of a new non-profit land bank if one does not exist with sufficient capacity to serve Monmouth.
- Incorporate publicly owned land into a bank or acquire new land to incorporate.

Partners: Land Bank entity

Level of Effort: Medium

Timeline: Long-term

Fiscal Impact: Medium

I.9 INCENTIVIZE AND PROMOTE ACCESSIBLE DESIGN

PRIORITY

Medium

DESCRIPTION

This strategy involves incentives to increase development of housing that is accessible for people with disabilities or mobility challenges. Housing that is accessible for seniors and people with disabilities was identified by stakeholders in meetings as a need that is not being met in the Monmouth housing market. This strategy would encourage accessible units through development code, regulatory, or financial incentives and through education to the development community.

To qualify for incentives the units could be required to meet certain standards, such as Universal Design or Lifelong Housing Certification.

Options and Alternatives



	<ul style="list-style-type: none"> • Development Code incentives. The City could provide incentives in its development code for accessible units meeting one of the standards above (or a similar standard). These could be similar incentives to those discussed under Strategy 1.5 for incentivizing affordable or workforce housing—such as density or height bonuses or parking reductions. • Permitting incentives. Projects with accessible units could receive expedited development review and permitting. This strategy will be discussed in Part 2 of this report. • Financial incentives. Financial incentives could include planning and building fee reductions and system development charge deferrals. Accessibility provisions could also be incorporated into a tax abatement program. These incentives will be discussed in Part 2 of this report. • Provide information to developers. The City could also provide information (such as handouts) to educate builders and contractors on ways to adopt plans with Universal Design principals or to make homes visitable (e.g., accessible bathroom on first floor, stairs/ramp/pavement into home, etc.).
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Seniors and people with disabilities</p> <p>Income: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Seniors, People with Disabilities</p>
<p>MAGNITUDE OF IMPACT</p>	<p>This strategy will have a low impact on the number of units created but could have a medium impact the production of units for the senior and disabled population with special housing needs. This strategy will not directly result in the production of new units, but it may increase the number of new units that have accessibility features incorporated into the design—or it may increase the number of units remodeled with accessibility features. Providing needed housing to seniors with people disabilities is a goal of HPS. Creating an inventory of accessible units in Monmouth will impact the supply of needed housing, not only the number of housing units.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>This strategy is an opportunity to help increase the supply of units to meet the special housing needs of an identified underrepresented community in Monmouth. The strategy will need to be carefully implemented. For example, if the incentives that are used are not set at the right level to be attractive to potential users, they may not be effective. Any proposed incentives should be calibrated effectively to be attractive to both a non-profit and for-profit developer. The benefit of using the incentive should outweigh the costs associated with implementing accessible design features.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p>

	<p>Actions:</p> <ul style="list-style-type: none"> • Develop an incentive program and source of funding to increase the number of dwelling units designed accessibly. • Work with developers to gather feedback on program parameters and interest. • Implement program through Council action. <p>Partners: Oregon Home Builders Association; Fair Housing Council of Oregon; AARP</p> <p>Level of Effort: Medium</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: Low</p>
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I.10 REQUIRE ACCESSIBLE DESIGN FOR PUBLICLY SUPPORTED UNITS

PRIORITY	Medium
DESCRIPTION	<p>This strategy involves requiring all housing units receiving public funding to be designed to meet Universal Design, Lifelong Housing Certification, or similar standards.</p> <p>Several federal laws have accessibility requirements for housing development:</p> <ul style="list-style-type: none"> • The Fair Housing Act requires all new multi-family housing with four or more units to be designed and built to allow access for persons with disabilities. For buildings with an elevator, all units must be accessible. For those without an elevator, all ground floor units must be accessible. • The Architectural Barriers Act (ABA) of 1968, Title II of the ADA, and Section 504 of the Rehabilitation Act all have requirements for public housing projects or those receiving federal funding. Such developments are subject to the Uniform Federal Accessibility Standards (UFAS) or the 1991 ADA Standards, as applicable. <p>All multi-family developments are subject to the Fair Housing Act, and those receiving federal grants and loans (which is common for affordable housing projects) are subject to the other federal standards. However, the standards only apply to certain units in a development or to a percentage of units.</p>
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Seniors and people with disabilities; Extremely Low-income to Moderate-income households</p> <p>Income: 0 – 120% AMI</p> <p>Housing tenure/type: For sale or rent</p> <p>Housing Need Addressed: Extremely Low-income to Low-income, Seniors, People with Disabilities</p>

<p>MAGNITUDE OF IMPACT</p>	<p>This strategy will have a low impact on the number of units created but could have a medium impact the production of units for the senior and disabled population with special housing needs. This strategy will not directly result in the production of new units, but it may increase the number of new units that have accessibility features incorporated into the design—or it may increase the number of units remodeled with accessibility features.</p> <p>Estimated Number of Additional Units Created: 0</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Accessibility features can add to the cost of construction for a development, which can make affordable housing projects less financially feasible. Elevators, in particular, add significant cost to a project. While these requirements may provide more accessible units, they could prevent some affordable housing projects from being developed.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions:</p> <ul style="list-style-type: none"> • Work with non-profit housing developers to gather input on potential new requirements. • Develop requirements for accessible housing—either through the Municipal Code or ADC. • Adopt requirements through Council action. <p>Partners: non-profit housing providers; Fair Housing Council of Oregon; AARP.</p> <p>Level of Effort: Medium</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: Medium</p>



CATEGORY 2: FINANCIAL AND REGULATORY INCENTIVES

The following incentive strategies are intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.

2.1 INCLUSIONARY ZONING

PRIORITY	Low	
DESCRIPTION	<p>Inclusionary zoning (IZ; sometimes called “inclusionary housing”) is a tool used to produce affordable housing for Low- to Moderate- income households within new market-rate residential developments. Typically, IZ is implemented through an ordinance with mandatory requirements that a minimum percentage of a new development’s total units must be designated as affordable, and that these units remain affordable for a set period of time, usually between 10 and 20 years.</p> <p>After being prohibited in Oregon since 1999, legislation allowing jurisdictions to adopt IZ was passed by the Oregon Legislature in 2016. However, this legislation came with a number of limitations that are regarded by affordable housing providers and advocates as making it challenging to implement this strategy in most small- and medium-sized jurisdictions in the state. Per state statute, the IZ requirements may only be applied to multi-family housing developments of 20 units or more. In addition, jurisdictions must provide “finance-based incentives” (e.g., property tax exemptions, fee waivers, development bonuses) to offset the cost of providing affordable units, but in an undetermined amount. Cities must also provide developers with the option to pay a “fee in lieu” instead of providing affordable units. Further, cities may also establish a local construction excise tax (CET—to be explored in Part 2 of this report) to help fund the inclusionary zoning program but are not required to do so.</p>	
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Low-income to Moderate-income levels</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale; income-restricted units</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness</p>	

<p>MAGNITUDE OF IMPACT</p>	<p>Impact potential is low to medium. Inclusionary zoning directly supports the creation of affordable units by requiring them as part of all large multi-family projects. However, IZ programs typically create a fraction of the needed affordable housing units in the community and their efficacy at producing affordable housing units fluctuates over extended periods of time. In Portland, the IZ requirements reportedly have led to a decline in the multi-family construction market. Also, due to the 20-unit threshold for IZ requirements, Portland has seen an increase in permits for apartments with 19 or fewer units, which do not have to provide affordable units. This has sometimes resulted in less efficient use of land and could lead to slower housing supply growth and increasing rents in the city.</p> <p>Estimated Number of Units Created: It is very difficult to estimate the net number of new units that would be created through this strategy. However, for estimation purposes, assuming that approximately half of future developments were subject to IZ requirements and 20% of the total new units were required to be affordable to households below a certain income range, we estimate that approximately 15-20 units of the 160 multi-family units needed in the next 20 years would be affordable to eligible Low-income households.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES AND CONSTRAINTS</p>	<p>Monmouth may wish to explore the relative costs and benefits of establishing IZ requirements. The City could also explore implementation of IZ on a voluntary basis, either as part of a negotiated process through annexation of land into the city or through use of incentives. The cities of Bend and Hillsboro have used these types of processes with specific annexation areas and developments in the past. This voluntary approach to IZ may avoid some of the pitfalls of the mandated approach allowed by the recent state legislation. These provisions required by state law are expected to limit the applicability and extent of the application of inclusionary zoning programs and result in administrative and financial hurdles to implementation, particularly for smaller communities. Relatively few communities are expected to have the financial and administrative resources to establish inclusionary zoning programs. At this point, only one community in the state (Portland) has adopted IZ requirements. Examples can be found in neighboring states: several major cities in California (Los Angeles and San Jose) and Seattle passed IZ regulations in 2017 and IZ has been used extensively in California.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions:</p> <p>Mandatory IZ. The following actions could be taken to assess the feasibility of a mandatory approach to inclusionary zoning:</p> <ol style="list-style-type: none"> 1. Identify the approximate benefits of establishing a set of IZ provisions based on the expected number of developments that would be subject to the standards and the approximate number of resulting new units. 2. Estimate potential excise tax revenues that could be applied to covering the cost of implementing IZ standards. 3. Estimate the cost of establishing and administering the non-code-based elements of an IZ program, including a fee-in-lieu program and other finance-based incentives.

4. Determine if the expected benefits outweigh the costs of establishing an IZ program.
5. If the costs outweigh the benefits and the City decides to move forward with the program, establish needed code requirements and other administrative and financial procedures and protocols needed for implementation.

Voluntary IZ. The following steps could be undertaken to explore a voluntary approach to inclusionary zoning:

1. Identify programmatic opportunities for implementation (e.g., annexation agreements, incentives such as building height or density bonuses or parking reductions).
2. Determine appropriate ratios or requirements for the number or percentage of affordable units to be incorporated in applicable developments.
3. Develop sample annexation agreement language and/or other implementing procedures.
4. Undergo initial implementation through one or more test cases.
5. If test cases are successful, implement more broadly.

Partners: Oregon Home Builders Association; for-profit housing developers.

Level of Effort: High

Timeline: Medium-term

Fiscal Impact: Medium

2.2 PRE-APPROVED PLAN SETS FOR MIDDLE HOUSING TYPES AND ADUS

PRIORITY

Medium

DESCRIPTION

Provide a pre-approved set of plans for middle housing (ex. Duplex, cottage cluster, townhomes) and ADUs. The plans would be highly efficient, designed for constrained lots and Low cost solutions, and would allow for streamlined permitting. This would help attract developers that typically develop only single-family housing to get into the missing middle housing production. Consider partnering with a university, design institution, or developing a competition to produce plans.



IDENTIFIED HOUSING NEED ADDRESSED

Populations served: Low-income levels

Income levels: 0 – 80% AMI

Housing tenure/type: For rent or sale;

Housing Need Addressed: Extremely Low-income to Low-income households, Seniors, Students, People of Color, People with Disabilities

MAGNITUDE OF IMPACT

Impact potential is **medium**. If pre-approved plan sets are chosen by developers, it would lead to automatic approvals and reduced the permitting schedule and costs as well as reduce architectural costs. Reductions likely will be modest in comparison to other development costs and the number of units impacted is difficult to estimate. It could be an attractive option to not only developers but homeowners and small property owners. In general, decreasing the time and costs associated with the development application review process for needed housing has the potential to increase the amount of Low- and Moderate-income housing development by reducing the cost of such development.

Estimated Number of Units Created: It is difficult to estimate the number of units that would be created with any degree of precision. However, assuming that the pre-approved plans would be used primarily for middle housing and ADUs, and assuming they were used in about 25% of new middle housing units and ADUs, this would translate to creation of about 25-35 units over the next 20 years based on the number of these types of units needed during that period.

Timeframe for Impact: 2-4 years

OPPORTUNITIES AND CONSTRAINTS

The City has the opportunity to partner with a university, design institution, or via some type of design competition process to produce plans. Creating the plan sets could be a relatively Low-cost burden to the City. Community support for this strategy may be high especially among homeowners and property owners inexperienced in development and the pre-approved plan set eliminates a time, cost, and knowledge barrier to developing or adding dwelling units to their properties. One constraint to address (particularly if the strategy is successful) is the need for the plan sets provide options to the modification to the exteriors of the buildings to ensure that the ADUs and middle housing in Monmouth aren't visually homogeneous throughout the city. This strategy has Low legal risk for the City and requires a Low level of cost and administrative burden over the long-term.

IMPLEMENTATION ACTIONS AND TIMELINE

Lead: City of Monmouth

Actions: Hire, secure a grant, or create a competition for a firm, university, or design institution to create the plan sets. City review and Council action to approve plan set.

Partners: Universities and design institutions

Level of Effort: Medium

Timeline: Medium-term


Fiscal Impact: Low

2.3 TAX ABATEMENTS

PRIORITY	High
DESCRIPTION	<p>A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.</p> <p>The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:</p> <ul style="list-style-type: none"> •50% must be used for developer incentives (e.g., fee and SDC waivers, tax abatements, etc.) •35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. •15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs. <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.</p>
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Very Low-income to Low-income levels</p> <p>Income levels: 0 – 80% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>
MAGNITUDE OF IMPACT	<p>The degree of impact is expected to be low to medium. CETs provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Monmouth. The subsidized and affordable housing units produced would benefit populations with Low-income households and communities with special housing needs (people with disabilities, people of color, students, seniors). The affordable housing producers interviewed as stakeholders for the HIP commented that subsidies are absolutely needed in order to build affordable housing. They typically cannot get projects built without subsidies in the current market. Funds from CETs could also be used to target housing for a particular housing need for an underserved population.</p> <p>Estimated Number of Units Created: An estimate of potential CET revenues is based on a range of tax rates (e.g., 0.5%-1%).</p> <p>Timeframe for Impact: 3-5 years</p>

<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Implementing a construction excise tax is a common strategy in Oregon. State regulations on CET are clear and the legal risk is low. The construction excise tax for affordable housing was enabled by Senate Bill 1533, which the Oregon Legislature passed in 2016. The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Monmouth, either through city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. A constraint is that CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects. The administrative burden and cost of implementing the CET will likely be low due to the large amount of work already put into the strategy statewide and it is easily replicable in other jurisdictions.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: City Council Ordinance</p> <p>Partners: Affordable housing developers could implement funded programs</p> <p>Level of Effort: Medium</p> <p>Timeline: Short-term</p> <p>Fiscal Impact: Medium</p>

2.4 SYSTEM DEVELOPMENT CHARGE (SDC) DEFERRALS, EXEMPTIONS OR REDUCTIONS

<p>PRIORITY</p>	<p>High</p>	
<p>DESCRIPTION</p>	<p>Deferral, Exemptions or Reductions of SDCs for affordable housing. This strategy can be applied to regulated affordable housing and/or specific housing types. SDCs are one-time charges assessed on new development to pay for the costs of expanding public facilities. The City could choose to waive, reduce or defer all or a portion of SDCs for qualifying housing types.</p> <p>SDCs have become an essential funding mechanism in many Oregon communities, for practical, political, and policy reasons.</p>	

- SDCs are increasing faster than inflation due to lack of alternative funding and increasing infrastructure costs.
- SDCs are a critical component of local funding for infrastructure needed to support growth.
- The variation in SDC rates across the state reflects differences in local needs, cost factors, and priorities.

While SDCs are essential for funding critical infrastructure, they also increase the cost of building new housing in ways that can skew housing development towards higher-cost homes and can impact buyers and renters. SDCs likely account for anywhere from just under 2 percent to nearly 13 percent of total development costs for housing in Oregon, depending on housing market conditions and local SDC rates and fees. The study identifies several ways that SDC costs may affect buyers and renters:

- Smaller and lower-cost housing units tend to be more affected by SDCs than larger and more expensive homes.
- SDCs can combine with other factors to exacerbate challenges for housing production and affordability, even if they are not the primary driver.
- SDCs on affordable housing development can increase the difficulty of securing adequate funding for the development and, even as a small percentage of total development costs, likely consume millions of dollars per year in funding for affordable housing statewide.

Some jurisdictions have implemented SDC measures to support affordability, but broader adoption is hindered by administrative, legal, and financial concerns.

- Scaled SDC rates for smaller units are typically tied to evidence of lower development impacts, which is well within the discretion allowed under statute.
- SDC waivers can offer substantial savings for affordable housing development, but there are differing views on their validity.
- SDC deferrals reduce financing costs for developers, which can be 10 to 25 percent of the SDC amount.

IDENTIFIED HOUSING NEED ADDRESSED

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact is expected to be low to medium. It will reduce the cost burden for developers by reducing fees and/or associated financing costs but likely would account for a fairly low percentage of the overall cost of development. In general, financing of Low- and Moderate-income housing is a challenge. Deferrals, exemptions, or reductions of SDCs and other fees can help make projects financially viable. Where the most impact has potential is application to ADUs. The City already waives SDCs for ADUs.</p> <p>Estimated Number of Units Created: The number of net new units created would depend on what types of units are eligible, whether SDCs are deferred, reduced, or eliminated, and how many units are built using this strategy that otherwise would not be constructed. Given large number of variables and options associated with implementation, it is not feasible to estimate a specific number of units that would be created.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES AND CONSTRAINTS</p>	<p>This strategy generally has low legal risk, given the opportunity to build on examples where it has been used in a variety of other communities in Oregon. The administrative burden for SDC deferrals would be Moderate, due in part to the need to track fee reductions and ensure payment of any deferred fees. The administrative burden for waiving or reducing fees would be Lower. Community support for this strategy is difficult to predict, given the fairly technical and subtle nature of this mechanism but likely would be Moderate. The cost to the City – in the form of lost revenues – would be Low to Moderate, depending on how extensively this strategy is used.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: City Council decision</p> <p>Partners: Affordable housing developers</p> <p>Level of Effort: Medium</p> <p>Timeline: Medium-term</p> <p>Fiscal Impact: Medium (includes potential impact of loss city revenues)</p>

*** SEE IMPLEMENTATION GUIDE IN APPENDIX D FOR FURTHER INFORMATION ON THIS STRATEGY**

2.5 EXPEDITE PERMITTING FOR AFFORDABLE/NEEDED HOUSING

<p>PRIORITY</p>	<p>Low</p>
<p>DESCRIPTION</p>	<p>Reduce review and processing times for affordable housing development by formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff. Streamlining the review process and expediting permitting for affordable housing development was included in the 2010 Housing Plan but a formal program has not been instated.</p>

IDENTIFIED HOUSING NEED ADDRESSED

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

MAGNITUDE OF IMPACT

The degree of impact is expected to be **medium**. It will reduce the cost burden for developers by shortening the timeline of developing affordable housing, but reductions likely will be modest in comparison to other development costs and the number of units impacted is difficult to estimate. In general, decreasing the time associated with the development application review process for affordable housing has the potential to increase the amount of Low- and Moderate-income housing development by reducing the cost of such development.

Estimated Number of Units Created: This strategy likely would result in creation of a relatively small number of new units. Although this strategy will help reduce development costs, by itself it will only have a marginal impact in creating new affordable units and likely would directly result in only a handful of new units.

Timeframe for Impact: 3-5 years

OPPORTUNITIES OR CONSTRAINTS

Creating an expedited review process for affordable and high need housing development has low legal risk and relatively low-cost burden. The administrative burden would be moderate, due in part to the need for focused resources to quickly review applications as they come in and the limited size of Monmouth’s Community Development department. Other entities involved in permitting (i.e., building, utilities, roads) either by jurisdiction or contract would need to agree to and have the capability of conducting expedited review. Community support for this strategy may be high as permitting is seen as a barrier.

IMPLEMENTATION ACTIONS AND TIMELINE

Lead: City of Monmouth

Actions: City Council decision

Partners: Affordable housing developers

Level of Effort: Medium

Timeline: Medium/long-term

Fiscal Impact: Low

CATEGORY 3: FUNDING SOURCES



The following funding sources could create new revenues for Monmouth to increase its supply of needed housing, particularly affordable housing and fund subsidized housing projects.

3.1 CONSTRUCTION EXCISE TAX (CET)

PRIORITY	Low
DESCRIPTION	<p>A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.</p> <p>The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows if the City uses a residential CET:</p> <ul style="list-style-type: none"> •50% must be used for developer incentives (e.g., fee and SDC waivers, tax abatements, etc.) •35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. •15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs. <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.</p>
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Very Low-income to Low-income levels</p> <p>Income levels: 0 – 80% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>
MAGNITUDE OF IMPACT	<p>The degree of impact is expected to be low to medium. CETs provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Monmouth. The subsidized and affordable housing units produced would benefit populations with Low-income households and communities with special housing needs (people with disabilities, people of color, students, seniors). The affordable housing producers interviewed as stakeholders for the HIP commented that subsidies are absolutely needed in order to build affordable housing. They typically cannot get projects built without subsidies in the current market. Funds from CETs could also be used to target housing for a particular housing need for an underserved population.</p>

	<p>Estimated Number of Units Created: Estimate of potential CET revenues could be based on a range of tax rates (e.g., 0.5%-1%). That range could be used to estimate the number of units that could be created through this strategy. However, the degree of variability in the tax rate and how the revenues would be used makes it impossible to estimate a specific number of units at this time.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Implementing a construction excise tax is a common strategy in Oregon. State regulations on CET are clear and the legal risk is low. The construction excise tax for affordable housing was enabled by Senate Bill 1533, which the Oregon Legislature passed in 2016. The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Monmouth, either through city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. A constraint is that CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects. The administrative burden and cost of implementing the CET will likely be low due to the large amount of work already put into the strategy statewide and it is easily replicable in other jurisdictions.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: City Council Ordinance</p> <p>Partners: Affordable housing developers could implement funded programs</p> <p>Level of Effort: Medium</p> <p>Timeline: Short-term</p> <p>Fiscal Impact: Medium</p>

3.2 COMMUNITY LAND TRUST

PRIORITY	High
DESCRIPTION	<p>Community Land Trusts (CLT) is a model wherein a community organization owns land and provides long-term ground leases to Low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows Low-income households to become homeowners and capture some equity as the home appreciates but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.</p> <p>The City’s primary role in the CLT model would be to support an organization like Habitat for Humanity, either through financial contributions or through assistance in finding or acquiring properties for development.</p>
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Low-income to Moderate-income levels</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, People of Color</p>
MAGNITUDE OF IMPACT	<p>The degree of impact is expected to be low. Community Land Trusts are a common way to provide Low- and Moderate-income for-sale housing, however, they require a relatively high level of effort to implement and there are very few active local CETs organizations operating. CLTs would not have the capability of producing a high number of units of needed housing in the short or medium term. CETs do have a very strong and long-lasting anti-displacement strategy and supports wealth building through homeownership over the long term.</p> <p>Estimated Number of Units Created: The number of units created would depend on how the City supports the work of one or more land trusts and how many units they can create using this approach in Monmouth. Based on the number of units created through this model in other Oregon communities and the relative size of Monmouth, this strategy likely would result in creation of 10-20 units or less.</p> <p>Timeframe for Impact: 3-5+ years</p>

<p>OPPORTUNITIES OR CONSTRAINTS</p>	<p>Community Land Trusts are a common way to provide Low- and Moderate-income for-sale housing. They are a great option for people who do not want to live in multiunit developments, and support wealth building through home ownership. This aligns with the stakeholder goal of building intergenerational wealth through homeownership, particularly for people of color who have historically had less homeownership opportunities. Community land trusts require a relatively high level of effort to implement but are very strong and long-lasting anti-displacement strategy. That said, the efforts are primarily borne by the land trust, with low to moderate work by the City to provide financial or technical assistance to support those efforts. CLTs can provide permanently affordable housing for the Monmouth community using the existing housing stock or through development of new units. Land trusts have many legal considerations and have a high start-up cost (also borne by the land trust, rather than the City). Cities typically are asked to provide land, financial assistance, and or technical assistance, with potentially moderate costs. The City also must ensure that the CLT aligns with funding sources and housing policies. Despite the relatively high administrative and financial startup costs for the land trust organization, community land trust often have high community support because they allow community members to stay in the community without getting priced out of the housing market. Existing housing development can be preserved well into the future, and neighborhoods and social networks are able to stay intact.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: City Council Ordinance</p> <p>Partners: CLT partners (such as DevNW, Kôr Community Land Trust)</p> <p>Level of Effort: High</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: High</p>

3.3 FINANCIAL ASSISTANCE PROGRAMS

<p>PRIORITY</p>	<p>Medium</p>
<p>DESCRIPTION</p>	<p>A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades. Often these programs are funded by federal and state housing programs such as the Community Development Block Grant program administered by county housing authorities in partnership with local jurisdictions.</p>
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Very Low-income and Low-income levels</p> <p>Income levels: 0 – 80% AMI</p> <p>Housing tenure/type: For rent or sale</p>

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

MAGNITUDE OF IMPACT

The degree of impact is expected to be **low** for producing housing units, however, this strategy is **high** on directly serving the housing needs of people with special housing needs in Monmouth. The tools (rent assistance, loans for homeowners, or assistance to Low-cost apartment owners for repairs and upgrades) will help the housing insecure remain in their homes or rental or provide opportunities for people experiencing homelessness to obtain housing.

Estimated Number of Units Created: This strategy would not directly create any new units but could help maintain affordability of existing units and/or allow people with modest means to remain in their homes. Given the number of different potential approaches for implementing this strategy, it is not possible reasonably estimate the number of households that would be impacted.

Timeframe for Impact: 1-5 years

OPPORTUNITIES OR CONSTRAINTS

Community Development Block Grant program administered by county housing authorities in partnership with local jurisdictions. The Polk County CDC administers this program for all residents and communities in the County. The City of Monmouth can work with the County to advocate for implementation of specific CDBG-authorized program in Monmouth. The City also could consider implementation of financial assistance programs related to utility payments or other city fees and services. For example, The City currently does this through the Community Action Agency and Polk Co. Resource Center: https://www.co.polk.or.us/sites/default/files/fileattachments/family_amp_community_outreach/page/31381/polok_county_resource_center_-_english.jpg

IMPLEMENTATION ACTIONS AND TIMELINE

Lead: City of Monmouth or Polk County

Actions: Dependent on tool selected

Partners: Polk County, community organizations, financial institutions

Level of Effort: Medium

Timeline: Short and medium-term

Fiscal Impact: Medium

CATEGORY 4: PROGRAMS AND PARTNERSHIPS AND OTHER STRATEGIES



The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources identified in the previous set of strategies. Strong partnerships can promote a variety of affordable housing programs or projects and include partnerships from multiple public, private, and non-profit entities.

4.1 PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

<p>PRIORITY</p>	<p>High</p>
<p>DESCRIPTION</p>	<p>PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit). Cities can engage in PPPs in a variety of ways, such as providing flexibility in development standards and helping leverage public funding. The City can implement arrangements between public and private entities to create more and/or affordable housing. These PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple public, private, and non-profit entities such as the Polk County Community Development Corporation (CDC). These efforts typically involve utilization of a variety of other housing measures or strategies, including those described in this report.</p> 
<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Very Low-income to Moderate-income levels</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>
<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact can vary, but a strong partnership has the potential to have a high impact on the housing supply in Monmouth. Public Private Partnerships present many opportunities for Low- and Moderate-income housing development that may not have otherwise occurred. Public subsidies for privately developed housing can increase the number of affordable housing units built.</p> <p>Estimated Number of Units Created: PPPs are a broad collection of strategies, rather than an individual program. As such, the number of units created would be highly dependent on which specific type of PPP is implemented. Some estimates of impact are provided in previous sections for selected PPP strategies.</p> <p>Timeframe for Impact: 3-5 years</p>

OPPORTUNITIES
AND CONSTRAINTS

This strategy has low legal risk. The administrative burden may be moderate, working to develop partner relationships and funding, and also administer ongoing partnerships. The City should leverage existing partnerships with groups such as Housing Works, Habitat for Humanity, and other private or non-profit developers. It is important to create a monitoring mechanism and financial penalties for not meeting goals in order to strengthen community benefits agreements in PPPs. These also help reduce the legal and financial risk for the city. Establishing clear public goals can help garner community support for partnerships and projects, but generally, community support for PPPs is high. In addition to working with non-profit or other affordable housing developers to produce housing that meets the needs of Low- and Moderate-income households in Monmouth, the City also can work with market rate developers to generally support residential development. Many of the strategies described in other sections of this memo are examples of PPPs, including but not limited to the following:

- Provide direct financial support.
- Identify and/or provide potential sites for housing.
- Pay for the cost of public infrastructure (e.g., through urban renewal funding) that otherwise would be the responsibility of the developer.
- Provide technical assistance related to land use review and permitting and/or expedite such permitting processes.
- Support community education efforts about the benefits of affordable housing projects.
- Develop and use affordable housing funding strategies to reduce development costs.
- Provide regulatory incentives to improve financial or development feasibility.

IMPLEMENTATION
ACTIONS AND
TIMELINE

Lead: City of Monmouth
Actions: Dependent on partnership
Partners: Polk County Community Development Corporation (CDC), non-profit housing organizations, affordable housing providers
Level of Effort: High
Timeline: Long-term
Fiscal Impact: Low

*** SEE IMPLEMENTATION GUIDE IN APPENDIX D FOR FURTHER INFORMATION ON THIS STRATEGY**

4.2 TENANT PROTECTION PROGRAMS AND POLICIES

PRIORITY

Medium

DESCRIPTION	<p>Tenant protections include local regulations and enforcement programs that provide protections for tenants of existing affordable housing and Low-cost market rate (LCMR) housing against evictions, excessive rent increases, discrimination, and health and safety violations. Tenant protections can also provide various types of assistance to renters. The purpose of these protections is help tenants of affordable units to access and retain their housing, particularly for Very Low-income and other vulnerable community members. Tenant protections can be implemented through policies and/or programs. Homeowner protection programs could include education as well as financial and technical assistance to stabilize and combat predation of Low- and Moderate-income homeowners. Rent stabilization legislation was adopted by the State of Oregon during the 2019 legislative session and the state will essentially administer associated programs. The remainder of this section focuses on other types of tenant protection programs.</p>
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Very Low-income to Moderate-income levels</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>
MAGNITUDE OF IMPACT	<p>The degree of impact is expected to be low for producing housing units, however, this strategy is medium on directly serving the housing needs of people with special housing needs in Monmouth, particularly for Very Low-income and other vulnerable community members. It also prevents the displacement of Low- and Moderate-income community members who may be priced out of newly developed housing. The tenant protections will help people retain their rental housing and could highly impact the number of people experiencing homelessness due to loss of their affordable housing units. Tenant protections are a cost-effective way to prevent displacement that uses the City’s existing housing stock.</p> <p>Estimated Number of Units Created: This strategy would not directly create any new units but could help maintain affordability of existing units and/or allow people with modest means to remain in their homes. Given the number of different potential approaches for implementing this strategy, it is not possible reasonably estimate the number of households that would be impacted.</p> <p>Timeframe for Impact: 3-5 years</p>
OPPORTUNITIES AND CONSTRAINTS	<p>Tenant protections to keep people in existing Low-cost rental housing is less costly than new construction but does require more administrative effort from the City. Several of the programs for tenant protection require relatively significant administrative time and resources and may not be appropriate for the City at this time but could be considered for implementation in the future. Partnering organizations that specialize in tenant protection throughout the state may be able to support the City.</p>
IMPLEMENTATION ACTIONS AND TIMELINE	<p>Lead: City of Monmouth</p> <p>Actions: Dependent on program</p>

	<p>Partners: Polk County Community Development Corporation (CDC), non-profit housing organizations, affordable housing providers</p> <p>Level of Effort: High</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: Medium</p>
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4.3 SUPPORT EXPANDED TRANSIT SERVICE IN MONMOUTH AND KEY DESTINATIONS

PRIORITY	Medium
DESCRIPTION	<p>Continued development of a more comprehensive transit system that serves Monmouth and the neighboring cities is needed, especially given that there is a university in Monmouth. The City should continue to work with local transit providers, the University, and others to advocate for expanded transit routes and/or increased frequency to service to address these needs.</p> <p>A free pilot trolley bus service that runs between Independence and Monmouth daily was launched Fall 2022.</p>
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: All</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>
MAGNITUDE OF IMPACT	<p>The degree of impact is expected to be low for producing housing units, however, this strategy is medium on directly serving the housing needs of people with special housing needs in Monmouth, particularly for Very Low-income seniors, students and people with disabilities.</p> <p>Estimated Number of Units Created: This strategy would not directly create any new units but would help incentivize development of new affordable units in locations where residents have access to needed goods and services.</p> <p>Timeframe for Impact: 3-5+ years</p>
OPPORTUNITIES AND CONSTRAINTS	<p>Stakeholders noted that limited transit services serve as a barrier to providing housing to Low-income and disabled persons and students in appropriate locations. The lack of transit also affects where students’ rental units are located. They also note that all new units should be accessible, particularly affordable units and those serving as transitional housing and housing for seniors or disabled residents.</p>


IMPLEMENTATION ACTIONS AND TIMELINE	<p>Lead: City of Monmouth</p> <p>Actions: Coordination</p> <p>Partners: Transit providers, Western Oregon University</p> <p>Level of Effort: High</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: Medium</p>
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4.4 COORDINATION BETWEEN AFFORDABLE HOUSING DEVELOPERS AND PROPERTY OWNERS AND SERVICE PROVIDERS

PRIORITY	High	
DESCRIPTION	<p>Provide assistance in coordinating with non-profit or other affordable housing developers, property owners with potential housing sites, and service providers. Stakeholders commented that the City could provide coordination connecting land owners with affordable housing developers; and developers with funding opportunities. More collaboration and foresight to obtain land for affordable housing is needed. A matchmaking system between landowners and affordable housing developers would be beneficial.</p>	
IDENTIFIED HOUSING NEED ADDRESSED	<p>Populations served: Low-income and Moderate-income levels</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>	
MAGNITUDE OF IMPACT	<p>The degree of impact can vary, but a strong coordination between landowners, affordable housing developers and funding opportunities has the potential to have a medium impact on the housing supply in Monmouth. The efforts for greater coordination may present opportunities for Low- and Moderate-income housing development that may not have otherwise occurred.</p>	

	<p>Estimated Number of Units Created: Implementation of this strategy could take a variety of forms. Without more definition of how the strategy would be implemented and the types of projects towards which it would be targeted, it is not possible to reliably estimate the number of units which would be created.</p> <p>Timeframe for Impact: 3-5 years</p>
<p>OPPORTUNITIES AND CONSTRAINTS</p>	<p>This coordination or matchmaking system start up would require a moderate level of administrative burden and relatively low cost for the city. On-going participation by the landowners, developers and organizations providing funding may be a constraint to a successful program.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: Coordination</p> <p>Partners: Landowners, affordable housing developers, affordable housing organizations</p> <p>Level of Effort: High</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: Low</p>

4.5 COMMUNITY EDUCATION ON NEEDED HOUSING AND THE COMMUNITY BENEFITS TO A FULL RANGE OF HOUSING OPTIONS

<p>PRIORITY</p>	<p>High</p>	
<p>DESCRIPTION</p>	<p>City would lead efforts to educate citizens about the need for and community benefits of providing a full range of housing options, including those well-suited and affordable to people with low incomes or specific needs. Educate community members about the need for higher density and other housing affordable to Low and Moderate-income households and other community members with specific needs.</p> <p>Stakeholders noted that general community resistance to higher density development, especially adjacent to established neighborhoods, is a barrier to creating needed housing. Opposition is frequently related to concerns related to building heights, loss of sun exposure, parking, and traffic, and these issues tend to dominate the conversations related to approval of needed housing developments.</p>	

<p>IDENTIFIED HOUSING NEED ADDRESSED</p>	<p>Populations served: Low-income and Moderate-income levels</p> <p>Income levels: 0 – 120% AMI</p> <p>Housing tenure/type: For rent or sale</p> <p>Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness</p>
<p>MAGNITUDE OF IMPACT</p>	<p>The degree of impact can vary, but this will help lay the groundwork before the affordable housing developers arrive and would save time and resources. Reducing NIMBYism that often stops or slows the production of needed housing has the potential to impact the number of housing units built. Reducing opposition to the other strategies in this report could also aid in the production of housing units.</p> <p>Estimated Number of Units Created: Implementation of this strategy could take a variety of forms. Without more definition of how the strategy would be implemented and the types of projects towards which it would be targeted, it is not possible reliable estimate the number of units which would be created.</p> <p>Timeframe for Impact: 1-3 years</p>
<p>OPPORTUNITIES AND CONSTRAINTS</p>	<p>This strategy has low legal risk for the City and requires a low level of cost and administrative burden over the long term. This effort may ultimately help reduce opposition to other strategies that have the potential to produce needed housing units such as increasing density, rezoning land, allowing for a greater range of housing types and reducing parking requirements.</p>
<p>IMPLEMENTATION ACTIONS AND TIMELINE</p>	<p>Lead: City of Monmouth</p> <p>Actions: Coordination</p> <p>Partners: Affordable housing developers, non-profit organizations, University programs</p> <p>Level of Effort: High</p> <p>Timeline: Long-term</p> <p>Fiscal Impact: Medium</p>

FAIR AND EQUITABLE HOUSING OUTCOMES

Housing measures can have a direct or indirect equitable impact on people. Housing strategies that have a direct impact on housing equity include those that contribute to increasing the supply of all housing or housing targeted to groups of people that are vulnerable in the housing market. Indirect housing strategies are those that allow for more housing overall, but do not have a direct influence on increasing the supply of housing.

OAR 660-008 requires an evaluation of the strategies for achieving the following types of outcomes.

- **Affordable Homeownership.** This criterion focuses on strategic actions that support production of housing affordable for homeownership and includes actions to support development of housing affordable at less than 120% of MFI.
- **Affordable Rental Housing.** Supporting affordable rental housing includes actions to support production of both income-restricted affordable housing (affordable to households with incomes below 60% of MFI) and privately developed affordable housing (affordable for households with incomes between 61% and 80% of MFI).
- **Housing Stability.** Increasing housing stability includes actions that increase the stability of existing households and prevent displacement by mitigating gentrification resulting from public investments or redevelopment.
- **Housing Options for People Experiencing Homelessness.** Increasing options for people experiencing homelessness includes working with partners and identifying ways to address homelessness and strategic actions that reduce the risk of households becoming homeless (especially for households with income below 30% of MFI).
- **Housing Choice.** Increasing housing choice involves increasing access to housing for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Increasing housing choice also means increasing access to existing or new housing that is located in neighborhoods with healthy, safe environments and high-quality community amenities, schooling, and employment and business opportunities.
- **Location of Housing.** Diversifying the location of housing requires increasing options for residential development that is compact, in mixed-use neighborhoods, and available to people within state and federal protected classes.
- **Fair Housing.** Supporting Fair Housing is accomplished by increasing access to housing for people part of state and federal protected classes, affirmatively furthering fair housing, addressing disparities on access to housing opportunity for underserved communities, and decreasing patterns of segregations or concentrations of poverty.

The City of Monmouth recently adopted or currently employs direct measures that have an equitable housing impact. Many of these are primarily focused on improving the zoning and development code as well as reducing other regulatory impediments. These include the following.

- Adopted changes to the Monmouth Title 18 Zoning Code in 2023 to directly address the reduction of barriers to development of middle housing types, address affordable housing needs, streamlines the housing review process and creates more clear and objective housing development standards.

The revised Zoning Code:

- Allows more housing types in the residential zones.
- Establishes simple design standards for new housing.
- Implements appropriate parking requirements for new housing.
- Allows small, neighborhood-scale commercial uses in residential areas.
- Updates standards for accessory dwelling units.
- Provides new standards for cottage cluster development.
- Provides new and revised definitions for housing types.
- Streamlines approval processes and updated review processes.

In addition, the City (or in partnership) also employs these measures to facilitate housing production or needed housing for underrepresented groups.

- Housing Rehabilitation Grant Program for Low Income Homeowners - \$400,000 CDBG grant awarded to Monmouth in 2022, administered by Polk Community Development Corporation.
- Urban Renewal Assistance – The City has an active Urban Renewal Plan/Program that can provide funding assistance for infrastructure projects needed to support housing development.
- Homelessness Prevention Workgroup of Rural Polk County - This project is intended to develop a strategic plan to address prevention of rural homelessness. All partners (including Monmouth CM) are meeting now to finalize the IGA that is required by the State and HB 4123.
- Polk County Resource Center – The City of Monmouth provides financial support for the Polk County Resource Center which provides community members with emergency financial assistance (e.g., rent, utilities, food), and information and referral for housing programs.
- Utility Assistance Program – The City Power and Light Department provides funds annually to support low-income households in need of assistance with paying their electric bills. This program is administered by the Mid-Willamette Community Action Agency.
- Community partnership – The City supports or contributes to a variety of projects and programs undertaken by public, private, or nonprofit entities that advance the production of needed housing.

These strategies identified in the HPS, have yet to be implemented in Monmouth could have direct and indirect impacts on increasing the supply of housing in the City.

	Strategy	Impact on Equity						
		Affordable Homeownership	Affordable Rental Housing	Housing Stability	Housing Options	Housing Choice	Location of Housing	Fair Housing
1.1	Rezone Land Rezone Land from Low or Medium Density to High Density	x	x		x	x	x	x
1.3	Evaluated Mixed Use in Commercial Areas for Housing Capacity	x	x			x	x	
1.4	Maintain the Long-Term Supply of Buildable Land	x	x	x			x	
1.5	Zoning Incentives for Affordable/Needed Housing	x	x		x	x	x	x
1.7	Provisions for Single Room Occupancy (SRO) Housing or Group Housing		x		x	x		x
1.8	Land Acquisition and Banking	x	x		x	x	x	x
1.9	Incentivize and Promote Accessible Design			x		x		x
1.10	Require Accessible Design for Publicly Supported Units			x		x		x
2.1	Inclusionary Zoning	x	x		x	x	x	x
2.2	Pre-Approved Plan Sets for Middle Housing Types and ADUs	x	x			x		
2.3	Tax Abatements	x	x		x	x		x
2.4	System Development Charge (SDC) Deferrals, Exemptions or Reductions	x	x			x	x	x
2.5	Expedite Permitting for Affordable/Needed Housing	x	x		x	x		x
3.1	Construction Excise Tax (CET)	x	x		x	x		x
3.2	Community Land Trust	x	x		x	x	x	x
3.3	Financial Assistance Programs	x	x	x	x			x
4.1	Public-Private Partnerships (PPPs)	x	x	x	x	x	x	x
4.2	Tenant Protection Programs and Policies			x	x			x
4.3	Support Expanded Transit Service in Monmouth and key destinations				x		x	
4.4	Coordination Between Affordable Housing Developers and Property Owners and Service Providers	x	x		x	x	x	x
4.5	Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options	x	x		x	x	x	x

MONITORING PROGRESS AND OUTCOMES

The City of Monmouth is required to describe how it will measure the implementation and progress of the strategies recommended in the HPS. Monmouth required to report the progress of the HPS to DLCD four (4) years after adoption. The report must include:

- A summary of the actions already taken by the city to implement the Strategies to Meet Future Housing Need adopted in the city's most recent Housing Production Strategy Report. If the city has not implemented Strategies to Meet Future Housing Need per the schedule adopted in their most recent Housing Production Strategy Report, the city must provide an explanation of the circumstances or factors that posed a barrier to implementation and a plan for addressing the identified need that the strategy addressed;
- A reflection of the relative efficacy of implemented Strategies to Meet Future Housing Need adopted in the city's most recent Housing Production Strategy Report; and
- A reflection of the efficiency of the actions taken in response to the Fair and Equitable Housing Outcomes described in the previously in this report.

Monmouth proposes the following measures to monitor the process and impact of the HPS implementation. Monmouth staff will provide periodic briefings to the City Council on the progress of the HPS implementation.

- Monitor and track development applications and building permits by housing type, location and density. Use this information to estimate the potential change in the mix and range of different types of housing developed over time.
- Track the number of new regulated affordable housing units and loss of regulated affordable housing units.
- Track the number of accessible housing units constructed and/or rehabilitated to enhance accessibility.
- Identify successful partnership projects that resulted in housing production or housing stability for identified groups in the HPS; include number of units built, preserved, or rehabilitated and the number of people served by the partnership(s).
- Successful adoption of Code Amendments related to the strategies identified in the HPS.
- City Council Ordinances related to the HPS strategies (e.g., SDC reductions, tax abatement, etc.).
- Rezoning applications (legislative or owner-initiated) to higher-density residential or mixed use.
- Documented coordination with property owners in efforts to produce needed housing identified in the HPS.

- Achievement of annual City Council work plan items related to strategies in the HPS.

Implementation of a number of the monitoring approaches will depend on the ability of the City to collect and evaluate readily available data related to development of specific types of housing. The City may update or modify these strategies based on that and other factors over time.

LIST OF APPENDICES FOR MONMOUTH HPS

Appendix A: Contextualized Housing Needs Memorandum

Appendix B: Existing Measures, Previously Identified Strategies, and Additional Strategies Memorandum

Appendix C: Final Evaluation, Refinement, and Summary of Selected Strategies Memorandum

Appendix D: Implementation Guide for Priority Strategies

Appendix E: Summary of Stakeholder Interviews

Appendix F: Open House and Survey Summary

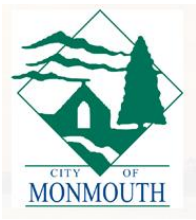
Appendix G: Summary of Housing Producer & Provider Interviews

Appendix H: City Council and Planning Commission Feedback about Housing Strategy Priorities Memorandum

Appendix I: Pre-HPS Survey Results

**APPENDIX A: CONTEXTUALIZED HOUSING NEEDS
MEMORANDUM**





To: Suzanne Dufner and Liz Pongratz, City of Monmouth,
Mari Valencia-Aguilar, Oregon Department of Land Conservation and Development

From: Matt Hastie and Carrie Brennecke, MIG

Date: August 1, 2022 (Revised)

Re: Monmouth Housing Production Strategy (HPS) – Contextualized Housing Needs

INTRODUCTION

The City of Monmouth updated its Housing Needs Analysis in 2020, which looked at the community’s 20-year housing needs, and the city’s capacity and recommended strategies for meeting those needs. The analysis found there is a need for rental units at the lowest price level and there is a shortage of high-density residential land that can help accommodate this type of housing. The city faces a future of growing within limited boundaries and is likely to see increased pressure to generate denser housing. Younger and lower income generations will need a sufficient stock of multifamily rental housing. Many of these households will seek good first-time home buying opportunities, meaning a stock of existing and new homes in low- to middle price ranges is needed. The city, like many communities, currently has a persistent shortage of housing available to the lowest-income households. Monmouth residents also compete with students at Western Oregon University for some types of housing, further exacerbating this situation.

To advance Monmouth’s planning efforts to encourage and allow for development of needed housing, the City of Monmouth was awarded a grant from the Department of Land Conservation and Development to develop a Housing Production Strategy. The purpose of the Monmouth Housing Production Strategy (HPS) project is to identify a set of actions that the City of Monmouth will take to facilitate housing development that meets the needs of the community. The HPS focuses on how to fill the gaps in Monmouth’s housing need and supply, particularly housing available to low- and moderate-income households—and particularly low-cost rental housing.

To provide context to Monmouth’s housing needs, the memorandum provides data from the 2019 Housing Needs Analysis, 2019 Housing Measures Report, US Census, and other available sources to provide information on the context of socio-economic, demographic trends, and market conditions. This memorandum also incorporates information obtained through stakeholder engagement meetings with affordable housing producers and consumers, Monmouth’s developable landowners, and representatives of underrepresented communities including people experiencing homelessness, low-income households, renters, and non-profit and governmental organizations serving those in need of housing.

To understand Monmouth’s housing needs, this memorandum uses available data and information collected through stakeholder engagement on race, age, income, cost burdened households, disability status, veteran

status and homeless populations to better understand the housing needs of different groups, especially those with the highest needs.

SOCIO-ECONOMIC AND DEMOGRAPHIC TRENDS AFFECTING HOUSING NEEDS

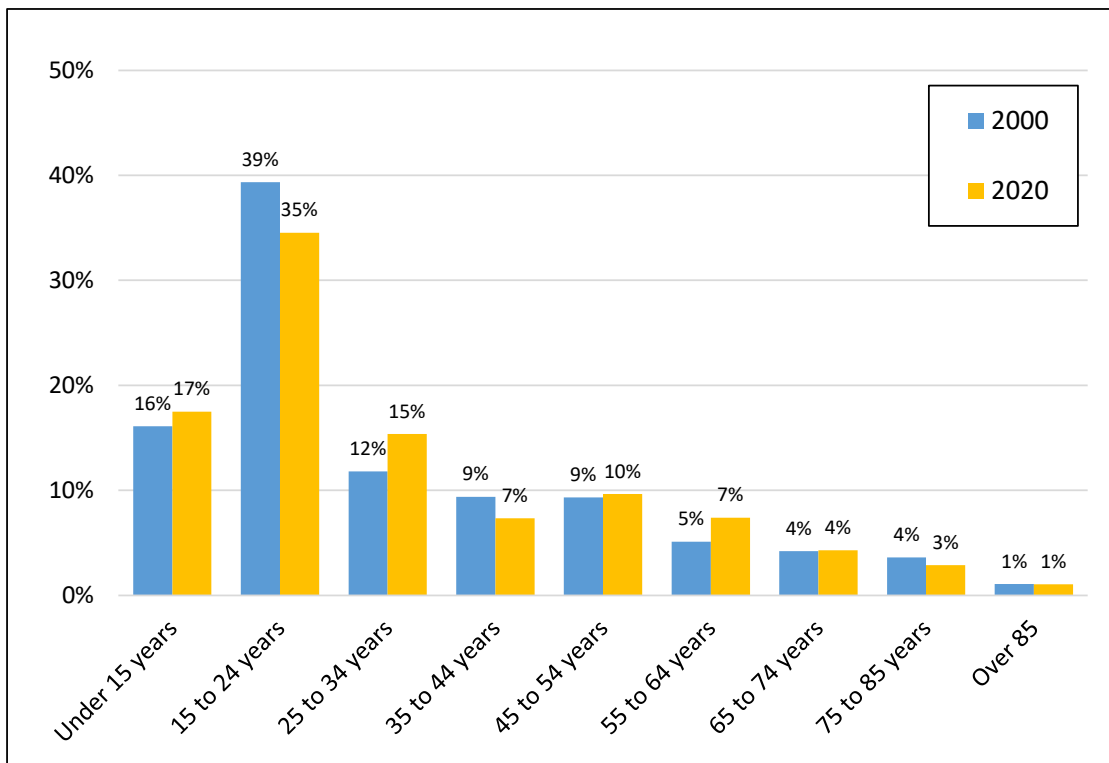
This section provides information on the housing needs in Monmouth by age, household size and composition, household income, poverty statistics, race and ethnicity, and disability.

Age Trends

The following figure shows the share of the population falling in different age cohorts between the 2000 Census and the most recent 5-year American Community Survey estimates. As the chart shows, for the number of people in the middle age cohorts has been decreasing as share of total population, while the relative share of older cohorts has grown. This is in keeping with the national trend caused by the aging of the Baby Boom generation. At the same time, the number of younger people has remained fairly steady as a share of the total population.

- The cohorts which grew in share during this period were those aged 45 to 54 years. Still an estimated 92% of the population is under 65 years of age.
- In the 2020 ACS, the local median age was an estimated 24 years, compared to 37 years in Polk County, and 39 years in Oregon. This is due in large part to the number of Western Oregon University students living in Monmouth.

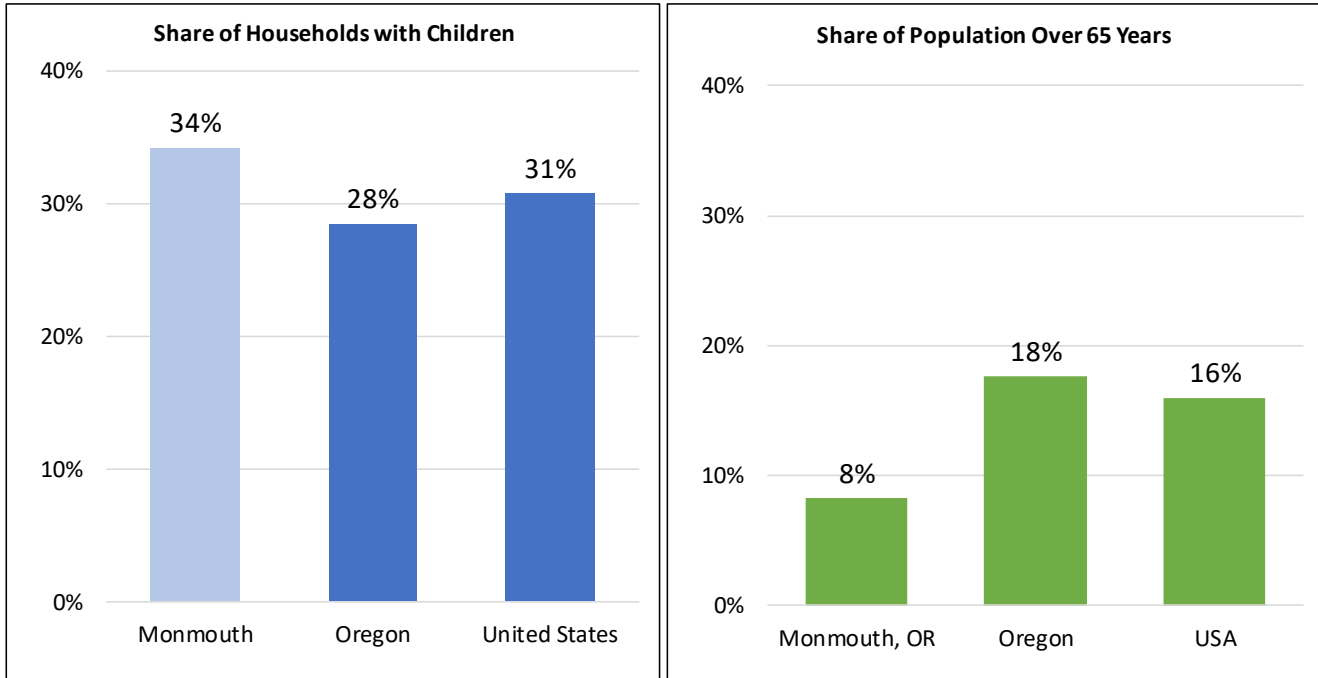
Age Cohort Trends, 2000 - 2020



SOURCE: US Census, Johnson Economics LLC
Census Tables: QT-P1 (2000); S0101 (2020 ACS 5-yr Estimates)

The figure below presents the share of households with children, and the share of population over 65 years for comparison. Compared to state and national averages, Monmouth has both a larger share of households with children and smaller share of households with people 65 years old or older.

Share of Households with Children/ Population over 65 years (Monmouth)



SOURCE: US Census, Johnson Economics LLC
Census Tables: B11005; S0101 (2020 ACS 5-yr Estimates)

Household Growth and Size

As of the 2018 HNA, the city had an estimated 3,464 households. Since 2000, Monmouth has added an estimated 683 households. This is an average of roughly 34 new households annually during this period. The growth since 2000 has roughly kept pace with the growth in new housing units, which have been permitted at the rate of 44 units per year.

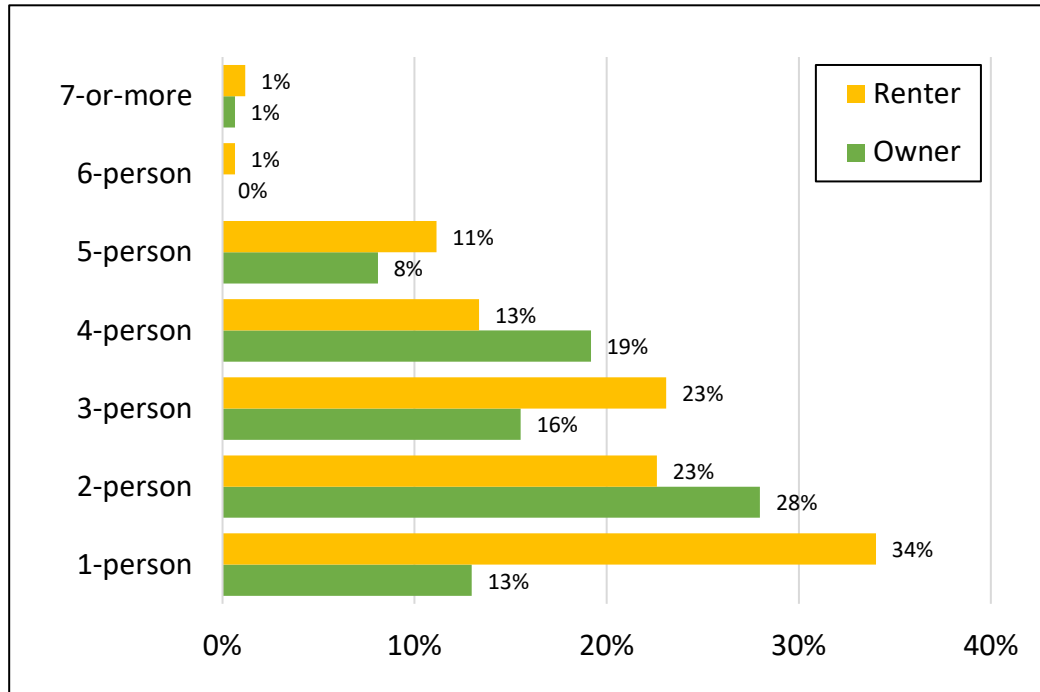
Household growth has kept pace with population growth reflecting that the average household size has remained steady. There has been a general trend in Oregon and nationwide towards declining household size as birth rates have fallen, more people have chosen to live alone, and the Baby Boomers have become empty nesters. While this trend of diminishing household size is expected to continue nationwide, there are limits to how far the average can fall. Monmouth has resisted this trend, in part due to the moderating influence of student households on average household and family size.

Contextualized Housing Needs

Monmouth’s average household size of 2.52 people, with 48% family households, is slightly smaller than Polk County (2.68; 68%). In comparison, Independence has a larger average household size of 2.77 people with 68% family households. This indicates the somewhat different demographic and housing roles that these communities play.

The figure below shows the share of households by the number of people for renter and owner households in 2020 (latest available), according to the Census. Renter households are more likely to have a single person, or three persons, and less likely to have more than three people.

Number of People per Household, City of Monmouth



SOURCE: US Census, Johnson Economics LLC
 Census Tables: B25009 (2020 ACS 5-yr Estimates)

Household Income

The following figure presents data on income trends in Monmouth, from the HNA.

Income Trends, 2000 – 2018

PER CAPITA AND MEDIAN HOUSEHOLD INCOME					
	2000	2010	Growth	2020	Growth
	(Census)	(Census)	00-10	(Census)	10-20
Per Capita (\$)	\$14,474	\$16,497	14%	\$21,686	31%
Median HH (\$)	\$32,256	\$29,697	-8%	\$47,585	60%

SOURCE: Census, PSU Population Research Center, and Johnson Economics
 Census Tables: DP-1 (2000, 2010); DP-3 (2000); S1901; S19301, plus UGB estimate.

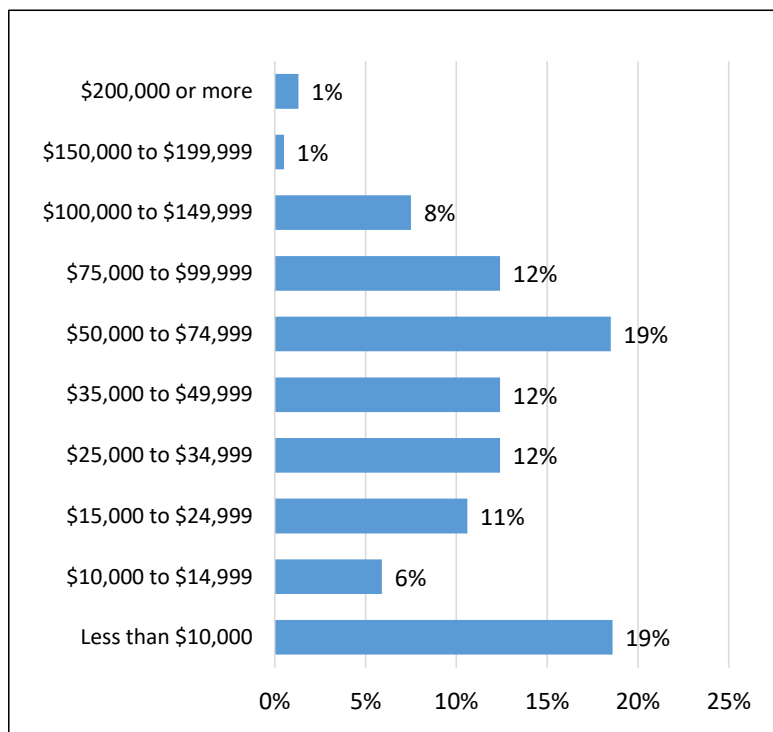
Contextualized Housing Needs

- Monmouth’ estimated median household income was \$47,500 in 2020. This is significantly lower than the Polk County median of \$65,600. This reflects the prevalence of university student households in the area, which tend to have very low incomes relevant to older, non-student households. In comparison, the median income in the city of Independence is \$54,600.
- Monmouth’ per capita income is roughly \$21,700.
- Median income has grown an estimated 49% between 2000 and 2020, in real dollars. Inflation was an estimated 50% over this period, so the local median income has roughly kept pace with inflation.

The figure below presents the estimated distribution of households by income as of 2017. The largest income cohorts are those households earning between \$50k and \$75k, and those earning less than \$10k, at 19% of households each.

- 60% of households earn less than \$50k per year, while 40% of households earn \$50k or more.
- 35% of households earn \$25k or less.

Household Income Cohorts, 2018



SOURCE: US Census, Census Tables: S1901 (2017 ACS 5-yr Est.)

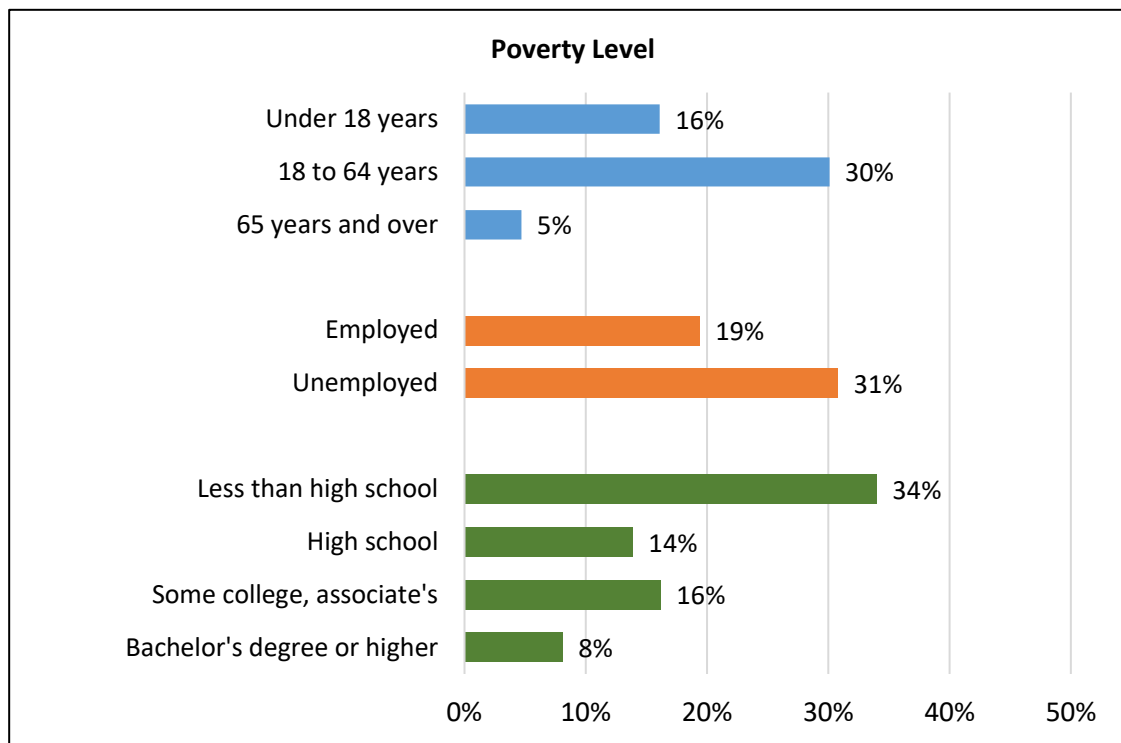
Poverty Statistics

According to the US Census, the official poverty rate in Monmouth is an estimated 24% over the most recent period reported (2020 5-year estimates). This is roughly 2,300 individuals in Monmouth. In comparison, the official poverty rate in Polk County 15%, and at the state level is 17%. In the 2016-20 period:

Contextualized Housing Needs

- The elevated poverty rate in Monmouth is likely due to the large number of students in town, many of whom may have part-time or no employment while attending the university.
- Monmouth poverty rate is highest among those between 18 and 64 years of age at 30%, which includes the college-aged cohort. The rate is 16% among those under 18 years of age. The rate is lowest for those 65 and older at 5%.
- For those without a high school diploma the poverty rate is 34%. For those with a high school diploma only, the rate is 14%.
- Among those who are employed the poverty rate is 19%, while it is 31% for those who are unemployed. The high poverty rate among those who are employed likely reflects those with part-time employment, including college students.

Poverty Status by Category (Monmouth)



SOURCE: US Census
Census Tables: S1701 (2020 ACS 5-yr Est.)

Race and Ethnicity

The following figure presents the distribution of Monmouth's population by race and Hispanic ethnicity. The community grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 83% to 75%. The share of population in any other individual racial category remains low, generally at 1% to 3%. The exceptions are those identifying as "some other race" (7%) and those who identify as two or more races, which grew in share of population from 4% to 12%.

Contextualized Housing Needs

In comparison, the share of the non-white population statewide is lower at 17%.

FIGURE 1: MONMOUTH RACIAL AND ETHNIC DIVERSITY (2010-2020)



SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: P1, P2 (2010, 2020)

* Census data is for the population within the City limits, not within the UGB.

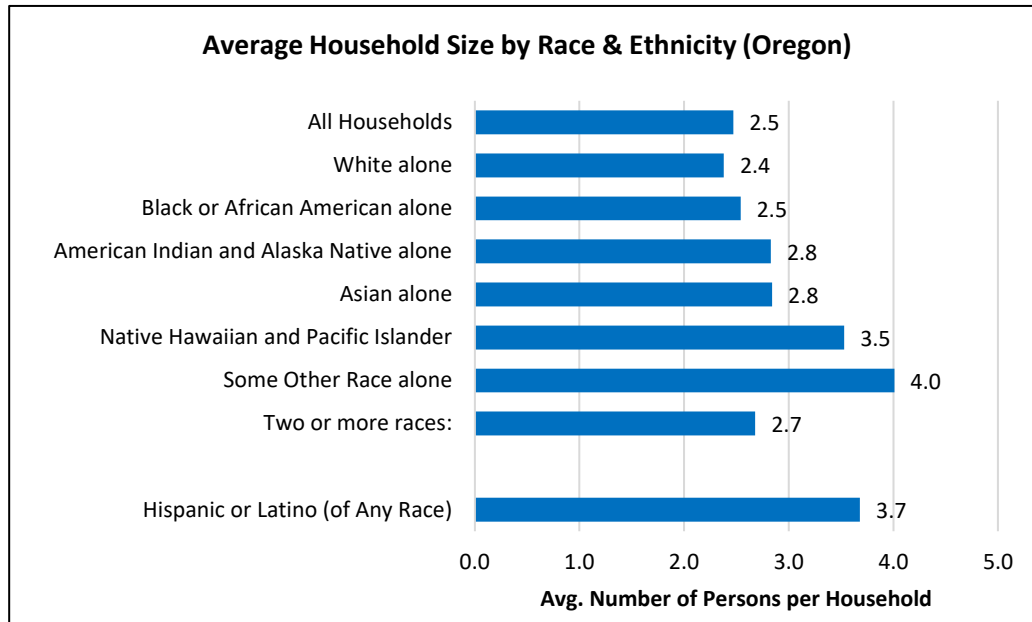
The share of the population identifying as Hispanic or Latino (who may also fall under any of the racial categories) has grown from 13% to 19% of the population, indicating roughly 2,000 people as of the 2020 census (within the city boundary, not UGB).

Minority households tend to have larger average household size than the average of all households (Figure 6). This indicates a need for larger housing units on average among minority households. (Data is presented for

Contextualized Housing Needs

Oregon, as local data feature unusually large margins of error due to small sample size, and 2010 as latest available.)

FIGURE 2: AVERAGE HOUSEHOLD SIZE BY RACE AND ETHNICITY, OREGON (2010)



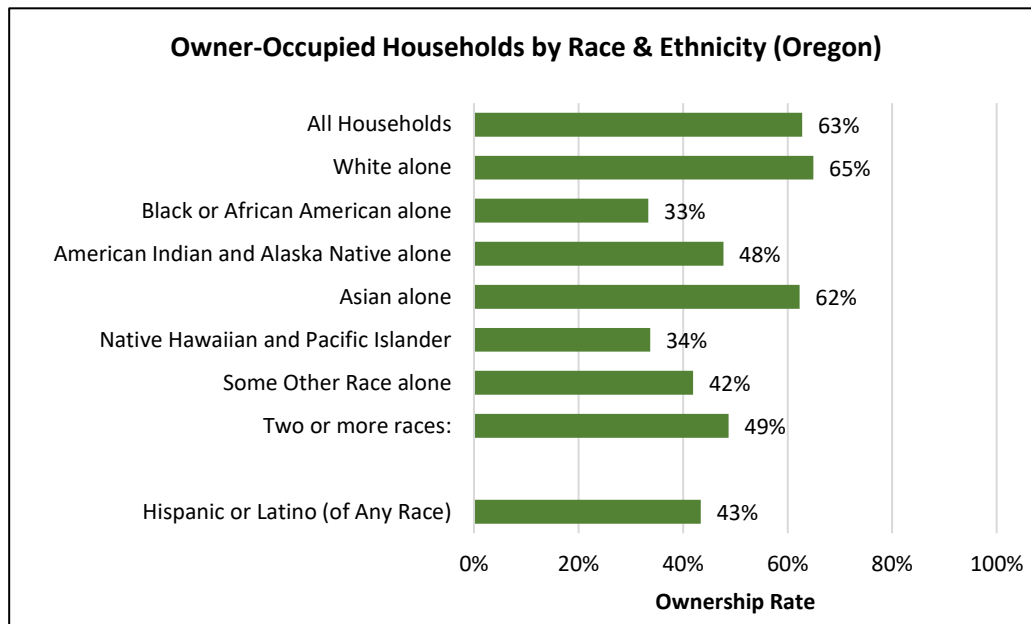
SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: P17A-H, (State of Oregon, 2010)

* This data is presented on a statewide basis using the most recent Census data available (2010). The data for the Monmouth or Polk County geographies feature unusually large margins of error due to small sample size.

Racial and ethnic minorities are less likely to own the homes they occupy based on statewide data (Figure 2.8) meaning that they tend to have a greater need for rental units. It also means that they could benefit from programs that increase their potential to purchase homes and take advantage of opportunities to build equity in that way. (Data again presented at statewide level for greater reliability, as of 2020.)

FIGURE 3: HOME OWNERSHIP BY RACIAL AND ETHNIC CATEGORY, OREGON (2020)



SOURCE: US Census, JOHNSON ECONOMICS LLC

Census Tables: B25003A-H, (State of Oregon, 2020 ACS 5-year)

* This data is presented on a statewide basis using the most recent Census data available (2010). The data for the Monmouth or Polk County geographies feature unusually large margins of error due to small sample size.

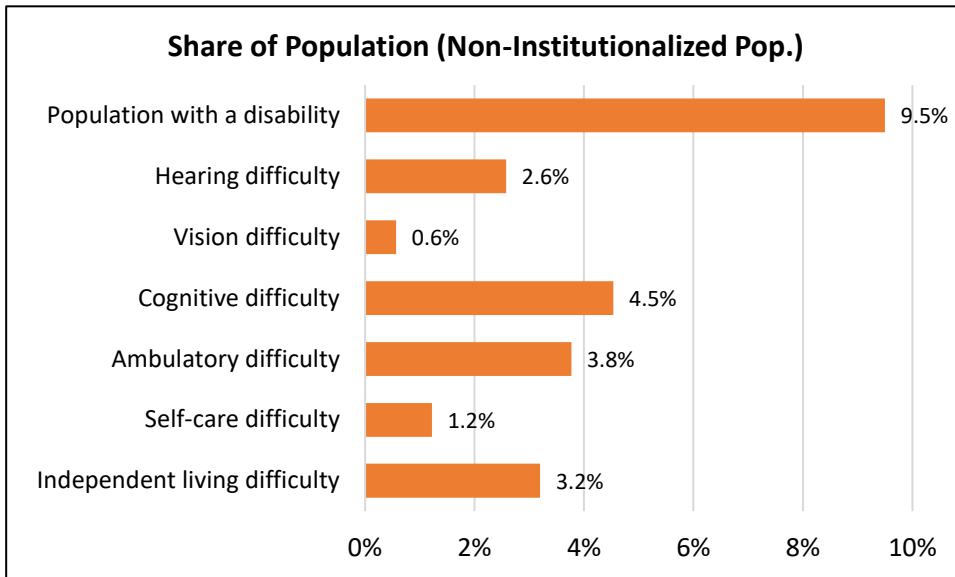
Populations from racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level compared to the total population. This is correlated with their greater share of renter households and will also impact the types of housing they consume, as discussed more below.

People with a Disability

Of the non-institutionalized population in Monmouth, an estimated 9.5% or 988 people report having some form of disability. This is lower than the statewide rate and county rate of 14%.

The following figure presents Census estimates of the types of disability reported among Monmouth residents. Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Those with an ambulatory disability often need units with expanded access for wheelchair, walker, or scooter. Those with self-care or independent living disabilities may require additional safety precautions around the home to protect a resident who cannot always be directly monitored. Over half of people with a disability in Monmouth have one of these forms of disability.

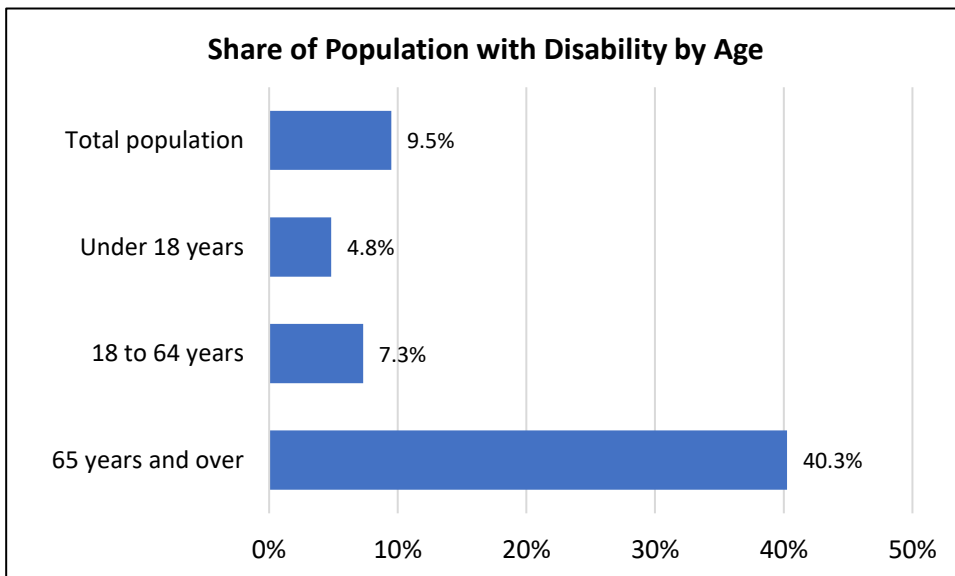
FIGURE 4: MONMOUTH POPULATION WITH A DISABILITY, BY TYPE (2020)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP02, (2020 ACS 5-year)

Older residents are more likely to report a disability, including 40% of those over 65 of years. Of those in prime working years, 7% of the local population reports a disability, and 5% of children.

FIGURE 5: MONMOUTH POPULATION WITH A DISABILITY, BY AGE (2020)



SOURCE: US Census, JOHNSON ECONOMICS LLC
Census Tables: DP02, (2020 ACS 5-year)

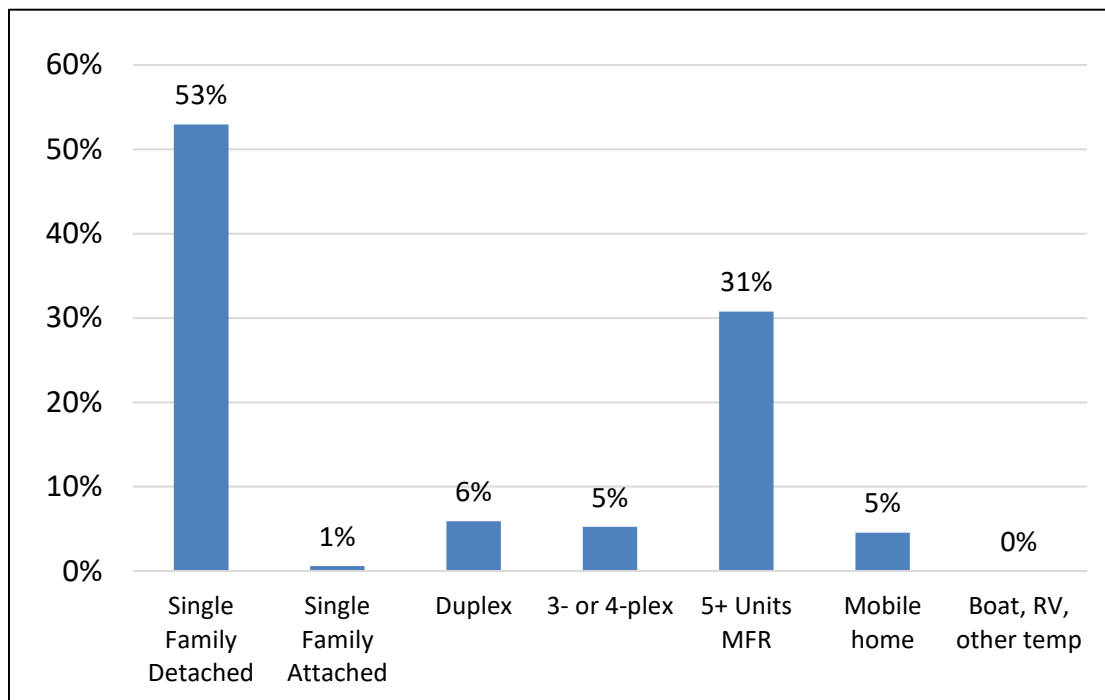
MARKET CONDITIONS

The information on housing market conditions provides a look into the way the housing market is meeting or not meeting the needs of the residents of Monmouth.

Housing Stock

As shown in figure below, the Monmouth UGB had an estimated 3,681 housing units in 2018 (HNA). In 2020, the vacancy rate was 7.3% per the US Census. This is slightly lower than the statewide vacancy rate of 7.8%. The housing stock has increased by roughly 750 units since 2000, or growth of 25%.

Estimated Share of Units, by Property Type, 2017



SOURCE: US Census, City of Monmouth, Housing Inventory 2017

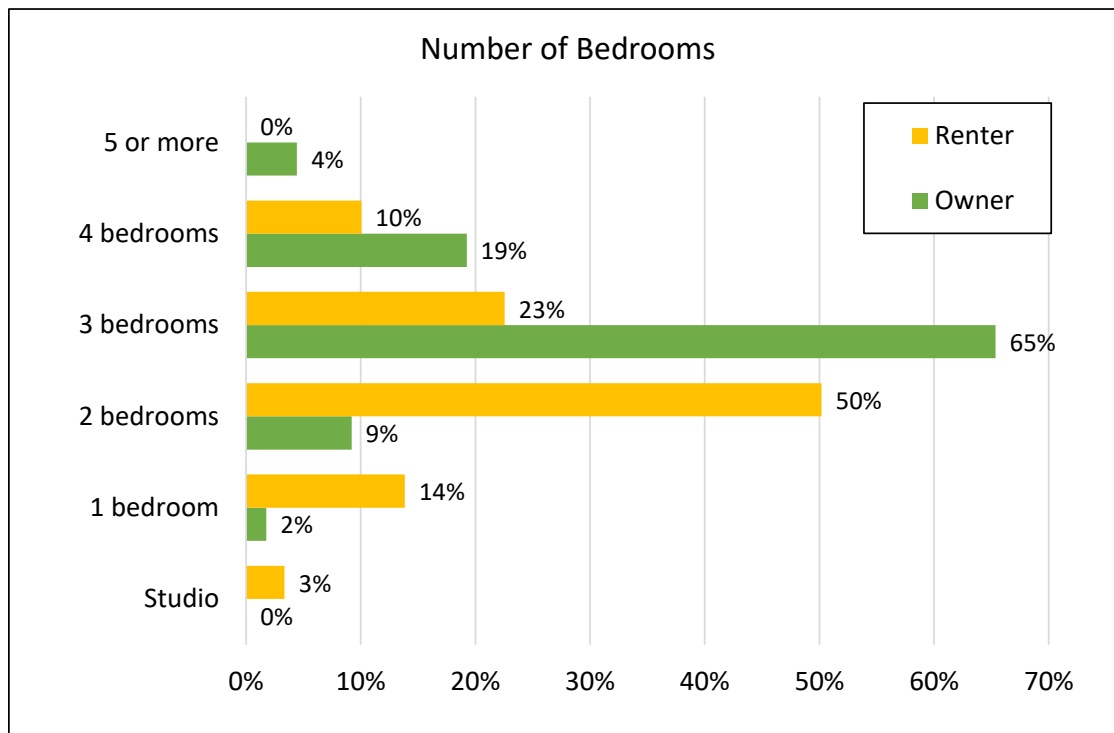
The figure shows the estimated number of units by type in 2017 based on US Census data and an inventory of built housing in the community by the City of Monmouth. Detached single-family homes represent an estimated 53% of housing units.

Units in larger apartment complexes of 5 or more units represent 31% of units, and other types of attached homes represent 12% of units. (Attached single family generally includes townhomes, some condos, and plexes which are separately metered.) Mobile homes represent 5% of the inventory.

Number of Bedrooms

The figure below shows the share of units for owners and renters by the number of bedrooms they have. In general, owner-occupied units are much more likely to have three or more bedrooms, while renter occupied units are much more likely to have two or fewer bedrooms.

Number of Bedrooms for Owner and Renter Units, 2017



SOURCE: US Census
 Census Tables: B25042 (2017 ACS 5-year Estimates)

Housing Tenure (rental vs ownership)

Monmouth has a greater share of renter households than homeowner households. The 2020 American Community Survey (ACS) estimates that 40% of occupied units were owner occupied, and 60% renter occupied. The ownership rate in Monmouth has fallen since 2000 from an estimated 47%. During this period the statewide rate fell from 64% to 62%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990’s to 2004 (69%).

The estimated ownership rate is higher in Polk County (66%) and statewide (61%). The estimated ownership rate in Independence is a higher 59%.

Housing Units by Housing Type and Tenure

The figures below show, a large share of owner-occupied units (93%) are detached homes, or mobile homes (6%), which is related to why owner-occupied units tend to have more bedrooms. Renter-occupied units are

Contextualized Housing Needs

much more distributed among a range of structure types. 23% of rented units are estimated to be detached homes or mobile homes, while the remainder are some form of attached unit. Over 56% of rental units are in larger apartment complexes.

Current Inventory by Unit Type, for Ownership and Rental Housing

Ownership housing

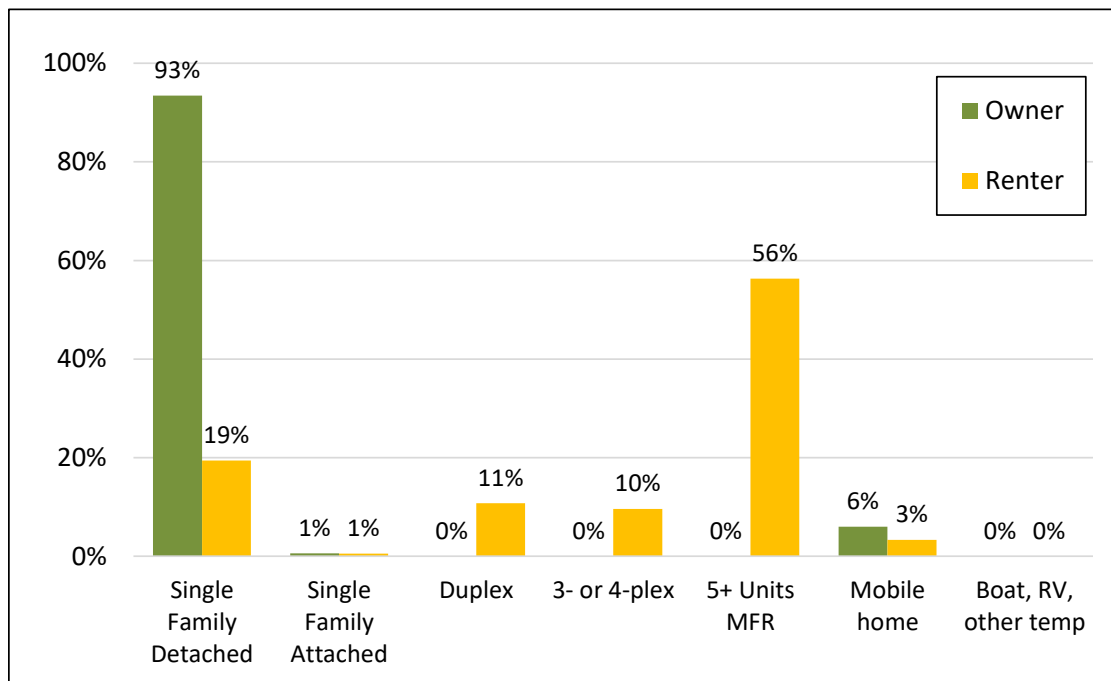
Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	1,558	10	0	0	0	100	0	1,668
Percentage:	93.4%	0.6%	0.0%	0.0%	0.0%	6.0%	0.0%	100.0%

Rental housing

Price Range	Single Family Detached	Single Family Attached	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other temp	Total Units
Totals:	391	11	217	193	1,133	67	0	2,012
Percentage:	19.4%	0.6%	10.8%	9.6%	56.3%	3.3%	0.0%	100.0%

Sources: US Census, Johnson Economics, City of Monmouth

Current Inventory by Unit Type, by Share



Sources: US Census, Johnson Economics, City of Monmouth

HOUSING AFFORDABILITY CONSIDERATIONS

The information on housing affordability considerations provides a look into the way the incomes in Monmouth relate to housing costs of the residents.

Rent Burdened Households

The figure below shows the share of owner and renter households who are paying more than 30% of their household income towards housing costs, by income segment. (Spending 30% or less on housing costs is a common measure of “affordability” used by HUD and others, and in the analysis presented in this report.) This figure includes money spent on mortgage or rent and utilities. For example, a household with four people earning the median income in Monmouth of \$48,000 could afford to spend about \$1,200 per month without spending more than 30% of their income on housing. The median monthly housing costs for homeowners with a mortgage in Monmouth is approximately \$1,580. This means that over half of Monmouth residents would not be able to afford the average monthly housing costs if they own a home with a mortgage without paying significantly more than 30% of their income on housing.

As one would expect, households with lower incomes tend to spend more than 30% of their income on housing, while incrementally fewer of those in higher income groups spend more than 30% on their incomes on housing costs. Of those earning less than \$20,000, an estimated 86% of owner households spend more than 30% of income on housing costs and 100% of renters.

Share of Households Spending More than 30% on Housing Costs, by Income Group



Sources: US Census, Johnson Economics
 Census Table: B25106 (2017 ACS 5-yr Estimates)

Even roughly 50% of those households earning \$35,000 to \$49,000 pay more than 30% of income towards housing costs. Only those earning more than \$50,000 have a relatively small percentage paying more than 30%.

Contextualized Housing Needs

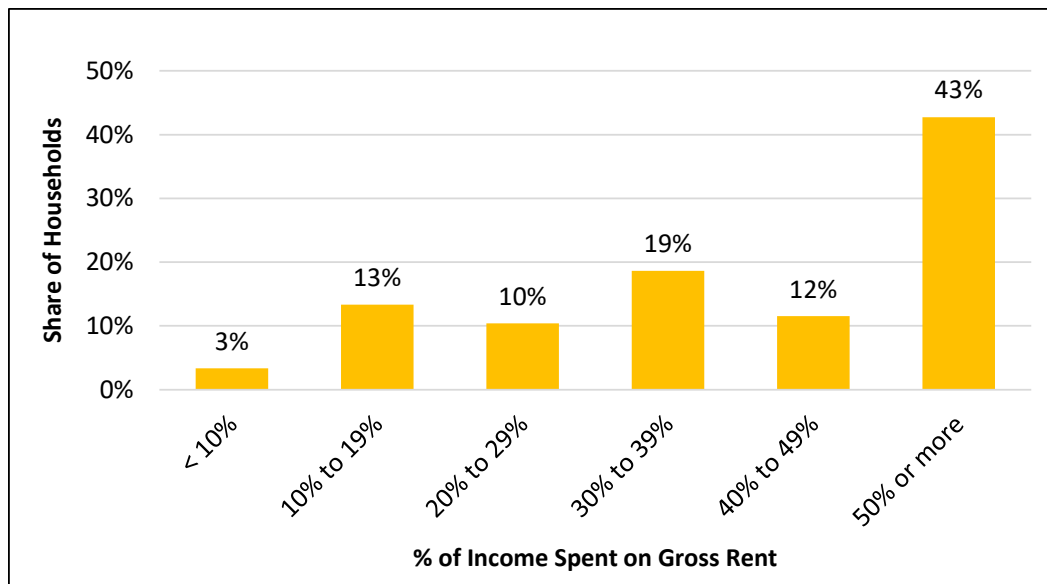
In total, the US Census estimates that over 50% of Monmouth households pay more than 30% of income towards housing costs.

The '2022 Severe Rent Burden in Oregon (2020 ACS)' list maintain by DLCD shows Monmouth as one of the twenty five severely rent burden cities in Oregon (population >10,000). Severe rent burdened means households spending more than 50% of their income on rent. Note that in Monmouth this in part is related to the large student population that a low or no incomes while attending the university.

The following figures show the percentage of household income spent towards gross rent for local renter households only. This more fine-grained data shows that not only are 74% of renters spending more than 30% of their income on rent, but an estimated 43% of renters are spending 50% or more of their income.

Renters are disproportionately lower income relative to homeowners. The burden of housing costs is felt more broadly for these households, and there is a need for more affordable rental units in Monmouth, as in most communities.

Percentage of Household Income Spent on Gross Rent, Monmouth Renter Households

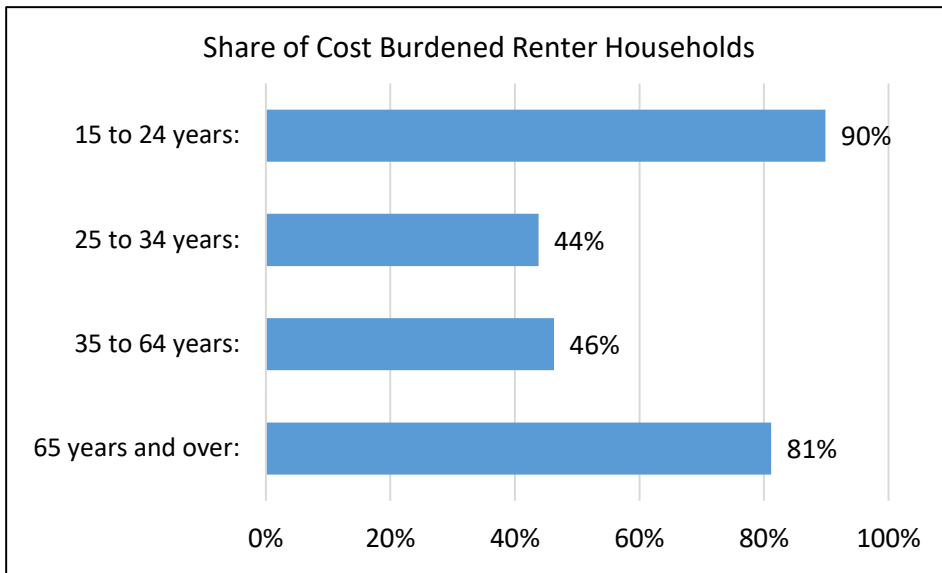


Sources: US Census, Johnson Economics
Census Table: B25070 (2020 ACS 5-yr Estimates)

The following figure shows the estimated share of renter households by age group that are considered rent burdened according to the 2020 Census, paying more than 30% of gross income towards rent. The large majority of younger (<25 years) and older renters (65+ years) are estimated to be rent burdened. A smaller share of those aged 25 to 64 are estimated to be rent burdened, however the estimates still approach 50% of these households.

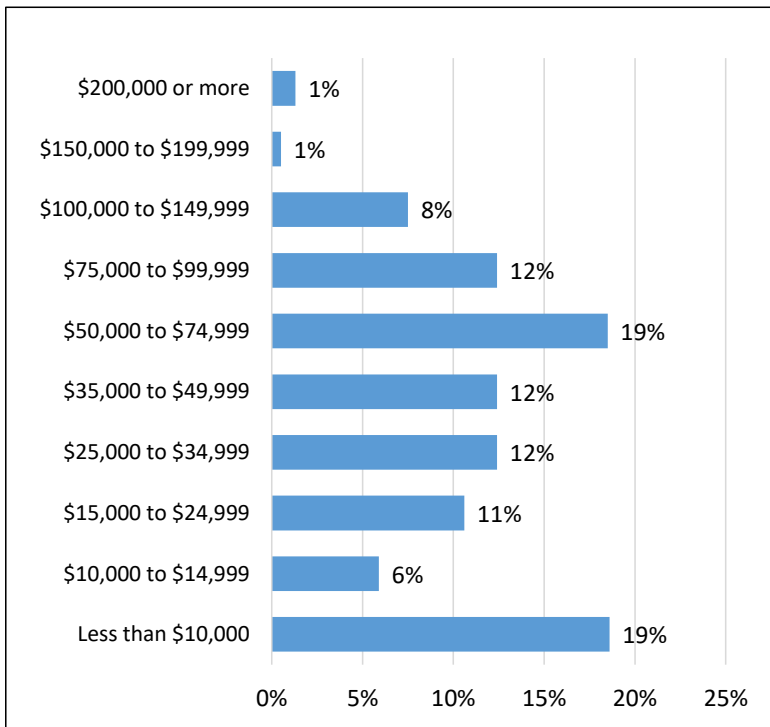
The younger cohort is likely to contain many college students in Monmouth, many of whom would be expected to have a low average income relative to rent. Older households include many retirees on fixed incomes. The high rent burden is likely to be less temporary for this group, as it would be for many college students.

Rent Burdened Renter Households by Age Group, Monmouth



Sources: US Census, Johnson Economics
Census Table: B25072 (2020 ACS 5-yr Estimates)

Share of Households by Income Segment for Monmouth



SOURCE: US Census, Census Tables: S1901 (2017 ACS 5-yr Est.)

The largest income cohorts are those households earning between \$50k and \$75k, and those earning less than \$10k, at 19% of households each.

Contextualized Housing Needs

- 60% of households earn less than \$50k per year, while 40% of households earn \$50k or more.
- 35% of households earn \$25k or less.

Projected Need for Housing Affordable at Low Income Levels, Monmouth

Affordability Level	Income Level	Current Need (2018)		Future Need (2039)		NEW Need (20-Year)	
		# of HH	% of All	# of HH	% of All	# of HH	% of All
Extremely Low Inc.	30% AMI \$19,530	763	22%	945	20%	182	15%
Very Low Income	50% AMI \$32,550	1,296	37%	1,575	34%	279	23%
Low Income	80% AMI \$52,080	2,081	60%	2,559	55%	478	40%

Sources: OHCS, Environics Analytics, Johnson Economics

* Income levels are based on OHCS guidelines for a family of four.

Publicly Assisted Housing

Monmouth has an estimated 194 affordable housing units, found in five properties, according to Oregon Housing and Community Development Services (OHCS). These properties are funded through tax credits and other programs which guarantee subsidized rents for qualified households.

None of the public housing units operated by the West Valley Housing Authority are located in Monmouth. The Housing Authority administers 700 housing choice vouchers which may be used in Monmouth or other communities in the jurisdiction.

The estimated 194 subsidized housing units in Monmouth represents 5.3% of the local housing stock (at the time of the HNA), 6% of total local households, and 10% of local renter households in Monmouth. Despite this, the high number of renters paying over 30% of their income towards housing costs means that there is an ongoing need for rental units at the lowest price points.

Monmouth does not currently have any properties dedicated to agricultural workforce housing. There are two such properties in Independence with a total of 57 units.

People Experiencing Homelessness

Precise data on the number of homeless people in an area can be hard to find. This population often is transitory, and/or may be distrustful of contacts with agencies and officials trying to do a census. Data compiled by the Mid-Willamette Valley Homeless Alliance (MWVHA) in June 2021 estimated 811 homeless people in Polk and Marion Counties.

- Of the 811 homeless people, 352 individuals (43%) were estimated to be chronically homeless, which HUD defines as: *“either (1) an unaccompanied homeless individual with a disabling condition and*

continuously homeless for a year+, or (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.”

- Of the 811 homeless people, 592 (73%) were single individuals, while the remainder were homeless families of two or more persons.

The MWVHA uses a “Local Coordinated Entry” method among partner organizations to attempt to quantify this population and considers it a more accurate estimate than the point-in-time count. A greater share of the estimated two-county homeless population is estimated to be in Marion County.

The latest available Point-in-Time Count data for the two counties (2019) counted 11% of the combined total in Polk County, and 89% in Marion County. Polk County had an estimated 121 homeless individuals. 46% were estimated to be chronically homeless. 58% were male, and 42% were female.

A recent analysis prepared for OHCS to test a potential approach for preparing Housing Needs Analyses on a regional basis, included estimates of homeless population in Oregon communities, including Monmouth. The approach utilizes a combination of data from the bi-annual Point-in-Time count and from tracking of homeless school-aged children in keeping with the McKinney-Vento Act. The analysis estimates 83 homeless households in Monmouth as of mid-2020. These include households who are unsheltered, in temporary shelter, or staying with friends or relatives. These households represent a component of current and future housing need.

EXISTING AND EXPECTED BARRIERS TO DEVELOPMENT OF NEEDED HOUSING

MIG I APG conducted interviews with a variety of key stakeholders involved with the provision of needed housing in Monmouth. The interviews were conducted with 13 individuals who are producers of needed housing as well as the consumers of needed housing, with a focus on the producers and consumers of affordable housing, underrepresented communities, and their advocates. The key themes of the information gathered in the interviews identified the existing and expected barriers to the development of needed housing. Both the producers and the consumers participated in the identification of the barriers. The information gathered in these interviews related to barriers to the development of needed housing, along with the data and information on housing trends, market conditions, and housing affordability considerations, should provide a thorough context of the housing needs in Monmouth and the formation and evaluation of housing production strategies.

Following is a summary of recurring themes and comments from the interviews regarding the barriers to the production of needed housing in Monmouth and the barriers to consumers to acquiring affordable housing.

- **Lack of buildable land supply zoned at cost-effective densities to support affordable housing development.** There is a lack of buildable land zoned and available for housing at densities that would allow for middle housing types or multi-family housing in Monmouth. For housing affordable to households with lower incomes, an allowed or built density of 50 units per acre is ideal or 40 units per acre minimum. The need for more land zoned at higher densities was the biggest barrier to building affordable housing cited by respondents. Some participants suggested converting a portion of the low-density zoned land to high-density zoned land (i.e., at least 15% of the existing supply).

- **Location of buildable land supply not in the correct locations in the City.** Several respondents commented that the location of the buildable land in Monmouth is not in the areas that would be beneficial to the residents of affordable housing. The lack of transit in the City means that it can be challenging to locate housing units near the university or support services and/or where people can walk to needed services or key local destinations.
- **High cost of land.** In the current market the cost of the land is too high for housing development affordable to households with low or very low incomes without significant subsidies.
- **Townhomes, duplexes, triplexes and particularly quadplexes are desired and would be affordable housing types that would fit the housing needs of Monmouth but they have not been built to a large degree in recent years in most zones.** A combination of land supply issues and possible development code barriers may be contributing to this issue. There is a need for units for first time homebuyers, family sized workforce housing at 50-60% area median income (AMI), and the students at the University. Quadplexes with common areas can work particularly well for housing the student population. Students renting off campus prefer these housing types to apartments or dorms. Land should be zoned for desired housing types with other types restricted to ensure that land is developed for intended densities and housing types.
- **Neighborhoods do not allow a mix of housing types or a spectrum of densities that would increase opportunities for housing.** Increasing the types of housing allowed in existing neighborhoods would be a tool to build more affordable housing units. Infrastructure costs could be reduced by infill in existing neighborhoods, but the codes need to allow for more housing types and higher densities.
- **Mixed Used development in Monmouth's Commercial zone is not permitted and is a missed opportunity to provide needed housing.** Amending Monmouth's zoning ordinance to allow for mixed use development (residential above commercial) could provide opportunities for additional housing.
- **They are very few current options and opportunities to produce housing for the housing insecure and houseless populations.** The low vacancy rate of rental housing, particularly lower cost rental units, is causing an increase in the need for shelters and transitional housing in Monmouth. There is a need for stable housing, for 3-6 months' time periods, in the form of apartments or middle housing with supporting services for residents. Public housing subsidies do not provide enough resources to cover market rate rent of stable housing without supplemental income which many recipients do not have available. Interviewees also noted that housing is needed for people with complicated backgrounds, bad housing records, criminal backgrounds and without adequate funds for deposits which can be three times the rent.
- **Improved coordination and support for affordable housing developers.** Respondents commented that the City could provide coordination connecting land owners with affordable housing developers; and developers with funding opportunities. This would help get more units built. More collaboration and foresight to obtain land for affordable housing is needed in instances where the City has knowledge about land availability. A matchmaking system between landowners and affordable housing developers would be beneficial. City staff note that they typically do not know that a property is for sale until after it has been listed and other developers are inquiring about it. For most landowners, the decision about who to sell their property to often comes down to who is the highest bidder.
- **Need for more funding options and opportunities for cost reduction.** Lack of funding to make affordable housing pencil out is a significant issue. For new housing construction to be affordable, subsidies or cost

reduction measure are needed. Local funding is not available and projects with local funds are more likely to secure state and federal funding. The availability of tools such as property tax abatements, publicly owned lands for housing, PILOT (payment in lieu of taxes) programs, system development charge (SDC) deferrals or reductions, community land trusts, and other funding options would make lower cost housing more feasible. Affordable housing developers go to cities and jurisdictions where property tax abatement is already established. Consider reducing or waiving building and development fees (can be up to 10% of cost of development) for multi-unit and affordable housing.

- **Lack of partnerships and programs to assist with affordable housing development, management, and occupancy.** Churches are a good potential resource for partnerships and also hold a large amount of available land. Allowing churches to build new housing by right would be one strategy to take advantage of these conditions and opportunities. Partnering with the county, state, regional partners and non-profit organizations that operate and/or build affordable housing, provide resource assistant to those needing housing, would further the success of getting units built and occupied by those in need. The City and those seeking to develop lower cost housing should look for developer, operator, and owner partnerships in advance. They also should take advantage of OHCS gate keeping funds and regional solutions. The University should be considered a partner as well as they have a large amount of housing on campus and are able to implement residency requirements.
- **Community education is needed to counter resistance to higher density development, especially adjacent to established neighborhoods.** Having the City lead efforts in educating citizens on affordable housing so groundwork is laid before the affordable housing developers arrive would save time and resources. General community resistance to higher density development, especially adjacent to established neighborhoods, is a barrier. This includes concerns such as building heights, loss of sun exposure, parking, and traffic dominate the conversations. Community education on housing types would be beneficial.
- **Homeownership is important to wealth generation and has been a barrier particularly to the minority population.** Entry level housing is difficult to find, especially for those without resources to get a foot in the door. The student population at the University takes a large percentage of the units that would otherwise provide inventory for homebuyers at lower price points in Monmouth. The residents of Monmouth need more opportunities for homeownership, especially the minority population and those who have experienced housing insecurity.
- **Limited transit and accessibility are barriers to providing housing to low-income and disabled persons.** There is very little transit available in Monmouth. A more comprehensive transit system that serves Monmouth and the neighboring cities is needed, especially given that there is a university in Monmouth. The lack of transit limits where affordable housing can be built is a barrier. The lack of transit also affects where students' rental units are located. All new units should be accessible, particularly affordable units and those serving as transitional housing and housing for seniors or disabled residents.
- **Parking requirements.** Stakeholders recommended that the City consider reduced parking requirements for affordable housing. Affordable housing is under-parked compared to market rate development. Parking takes away from the number of units that can be built on smaller sites and decreases the square footage of those units. The City also could consider reducing the parking requirements for the housing types that would house students.

- **Land supply challenges.** City staff note that a combination of property owner disinterest in development and costs associated with wetland mitigation are barriers to land development in Monmouth. The City could use state agency assistance in addressing these issues.

UNDERREPRESENTED COMMUNITIES WITH SPECIAL HOUSING NEEDS ADDRESSED IN THE HOUSING PRODUCTION STRATEGY

This contextualized housing needs assessment identifies the following groups as priorities with unmet housing needs. Both the data and information gathered from the stakeholder interviews found these groups to have disproportionate higher housing needs. In general, the private housing market produces detached single household units without public and non-profit assistance and intervention. The people in these groups have housing needs not met with the housing type and price points the market provides. Producing housing for the special needs of these groups requires public intervention in order to increase the inventory of needed housing. The HPS will evaluate the strategies with a focus on the following underserved groups. The contextualized housing needs analysis finds disproportionate housing needs for low-income households, people experiencing homelessness, seniors, veterans, people with one or more disabilities, people of color and students.

- **Low-Income Households.** Monmouth has a sizable unmet current and future need of housing for the extremely low to low-income households. This demonstrates a need for subsidized affordable housing for renters and affordable homeownership. In 2017, the US Census estimated that over 50% of the Monmouth households pay more than 30% of income towards housing costs. Households in the extremely low to very low incomes were the most cost burdened. Monmouth's estimated median household income was \$37,000 in 2018, which means over half the households are very low income. It is worth noting that this is significantly lower than the Polk County median of \$56,000. This reflects the prevalence of university student households in the area, which tend to have very low incomes relevant to older, non-student households. With the low vacancy rate, competition for lower-priced affordable units and subsidized units is high, and many cannot afford the rents or housing sales prices without cost burdening themselves. HUD housing vouchers frequently do not provide enough money to cover market rate rent of stable housing without supplemental income which many recipients do not have available. In addition, the number of available units that accept vouchers is limited and typically is much lower than the number of vouchers that otherwise could be used in the community. Housing stakeholders indicate that this is the case in Monmouth. Renters, especially those with lower incomes, are at risk of losing stable housing due to increases in rental costs and competition. The low vacancy rate of rental housing (3%), which is likely even lower for lower cost rental units, is causing an increase in the need for shelters and transitional housing in Monmouth which is pushing the extremely low and very low income people onto the threshold of homelessness and needing those services in order to be housed.
- **People Experiencing Homelessness.** People experiencing homelessness are disproportionately affected by the lack of affordable housing. There were an estimated 112 people counted as homeless and unsheltered in Polk County as of 2019, but an estimated 83 homeless individuals in the Monmouth area in 2020 by a different count. In addition, an estimated 22% of households in Monmouth may be at risk of homelessness because they have income at or below 30% of MFI. Most of these households are cost burdened and likely many are severely cost burdened. Housing needs for people experiencing homelessness vary by reason for homelessness. The broad housing needs for this group includes needs

for immediate assistance (including rent support), permanent supportive housing (including supportive housing with services), and improved access to an affordable unit. The housing needs of people experiencing homelessness who are also a senior, disabled, or a Person of Color include the housing needs of those groups as well. The housing needs for people at-risk of becoming homeless may be the same as for people experiencing homelessness.

- **Seniors.** Due to Monmouth being a town with a university, the proportion of the population over 65 is low comparable to surrounding communities, in the state, and nationally. In 2017, the estimate was 9% of the population was over 65 years of age. In addition, Monmouth's poverty rate was lowest for those 65 and older at 9%. Despite having a low share of the population people 65 years of age and older, the senior population is vulnerable to being cost burdened and losing housing in the competitive rental market. Many live on fixed incomes with increasing housing costs. The 2000 Census and the most recent 5-year American Community Survey shows a trend for the older cohort have grown in share of population. Many seniors also have a specific need for housing that is accessible for people with mobility limitations, or physical or self-care disabilities. This includes housing with adequate accessibility features and/or single-story units. As this group grows, Monmouth will need more housing that is affordable, physically accessible, and in proximity to needed services (such as nearby health care or in-home assistance). The input from the stakeholders demonstrated the importance of planning for accessible units, as well as housing that has access to transit and healthcare for seniors and people with disabilities. The senior population has special housing needs with regards to these factors.
- **Veterans.** This group is called out as a population with specific needs and which is often under-represented in planning for future needed housing. In general, veterans often may have physical or mental health disabilities resulting from injuries or stress experienced during their service. They also frequently have fixed, lower incomes and need access to services provided by the US Veterans Administration or other service providers. As a result, they share many of the same unmet needs described here for people with disabilities, low-income households, and in some cases senior residents. Unfortunately, the US Census does not public information specific to veterans and local stakeholders did not identify specific data related to veterans' housing needs in Monmouth or specific organizations serving them. More information on veterans' needs will be included in an revised draft of this memo, if available.
- **People with Disabilities.** Of the non-institutionalized population in Monmouth, an estimated 9.5% or 988 people report having some form of disability. This is lower than the statewide rate and county rate of 14%. As with other demographics in Monmouth, this might be due to the large student population that is younger than the surrounding communities. Any type of disability impacts the type of housing that may be appropriate for a resident, but those with the greatest impact on needed unit type are generally an ambulatory, self-care, or independent living disability. Housing needs of people with one or more disabilities vary by type of disability, but in general housing needs include improved access to an affordable unit, improved physical access to housing units, access to housing with needed services, and access to housing without discrimination. The stakeholders identified for Monmouth the need for units with access to transit and expanded number of units that are physically accessible for those with wheelchairs, walkers or scooters. While middle housing types are targeted to bring greater housing affordability, increasing their supply must not create a barrier to increasing the supply physical accessible units.
- **People of Color.** Monmouth grew more diverse between the 2010 and 2020 Census, with the white share of the population falling from 83% to 75%. The largest minority group, Hispanic or Latino, making

up 19% or Monmouth’s population. The share of Monmouth’s population in any other individual racial category remains low, generally at 1% to 3%. Minority households tend to have larger average household size than the average of all households. Racial and ethnic minorities are less likely to own the homes they occupy based on statewide data, meaning that they tend to have a greater need for rental units. Populations from racial and ethnic minority groups also have lower average incomes and are more likely to have income below the official poverty level compared to the total population. This is correlated with their greater share of renter households and will also impact the types of needed housing. The stakeholders emphasized the importance of homeownership to wealth generation and that has been lack of homeownership opportunities and resources has barrier to the minority population. The housing needs for many people of color in Monmouth includes greater access to affordable housing units, a greater inventory of larger rental units, assistance to avoid displacement, resources to assist in greater rates of homeownership, and access to housing without discrimination.

- Students.** A number of housing stakeholders noted that university students in Monmouth face specific housing needs and also compete with other Monmouth residents for the supply of lower cost rental housing. Many students at Western Oregon University live in campus housing but the University does not provide or guarantee available housing for all students. Students typically have low to no incomes and limited resources to pay for housing although resources can vary significantly based on their families’ resources. As a result, there is a demand for relatively low-cost housing for students in Monmouth. A variety of housing types can accommodate students but most seek multi-family units (apartments) and/or shared rental housing (e.g., single-family homes with multiple bedrooms). Students also would benefit from other forms of housing with shared bathroom and kitchen facilities (sometimes referred to as “single-room occupancy (SRO)” housing or “micro-housing” units. It will be important to continue to increase the supply of all these forms of housing to accommodate the housing needs of both students and other residents who share similar housing needs.

HOUSING UNITS IN THE DEVELOPMENT PIPELINE

As of May 2022, the City of Monmouth has the following housing in the development pipeline. This list is inclusive of any housing in the development process from projects with a submitted land use application to those awaiting Certificate of Occupancy. The housing units are identified by type and stage of development.

Type of Housing Unit	Development Name/Location	Stage of Development	Number of Units
Single Detached	Edwards Addn Ph 8	Building permit	6 units
	Edwards Addn Ph 9	Building permit	21 units
	Hoffman Estates	Building permit	31 units
	Ash Creek PUD	Planning (not approved)	151 units
Total Single Family Detached Units			209 units
Duplex			0 units
Multi-Unit	Riddle Road	Subdivision improvements	80 units

Contextualized Housing Needs

	1300 Blk Main St E	Design Review	16 units
	Triplex Berkeley Ln	Building permit	3 units
	4-plex Warren St S	Site Plan Review	4 units
Total Multi-Family Units			103 units
Total Housing Units in the Development Pipeline			312 units

APPENDIX B: EXISTING MEASURES, PREVIOUSLY IDENTIFIED STRATEGIES, AND ADDITIONAL STRATEGIES MEMORANDUM





To: Suzanne Dufner and Liz Pongratz, City of Monmouth
Mari Valencia-Aguilar, Oregon Department of Land Conservation and Development

From: Matt Hastie and Carrie Brennecke, MIG

Date: June 26, 2022

Re: Monmouth Housing Production Strategy– Existing Measures, Previously Identified Strategies, and Additional Strategies to Address Housing Needs (Task 3.1)

INTRODUCTION

The City of Monmouth updated its Housing Needs Analysis (HNA) in 2020, which looked at the community’s 20-year housing needs, and the city’s capacity for meeting those needs. To accompany the HNA, Angelo Planning Group developed a Draft Housing Measures Report which included information to intended to help the City update its Comprehensive Plan Housing Element but also provided recommended measures that the City could consider in the future and use to help meet future housing needs. The Draft Housing Measures Report started the process of outlining strategies to accommodate future housing needs in Monmouth based on the information from the HNA.

To advance Monmouth’s planning efforts on needed housing further, the City of Monmouth was awarded a grant from the Department of Land Conservation and Development to build on the previous housing work and develop a Housing Production Strategy. The purpose of the Monmouth Housing Production Strategy (HPS) project is to identify a set of actions that the City of Monmouth will take to facilitate housing development that meets the needs of the community. The focus of the HPS will be on how to fill the gaps in Monmouth’s housing need and supply, particularly housing available to low- and moderate-income households—and more particularly low-cost rental housing.

To build upon the previous housing work that took place in Monmouth, and to outline additional strategies to address the special housing needs identified in the Contextualized Housing Needs Memo, this memorandum summarizes the existing measures, previously identified strategies and other additional possible strategies to address Monmouth’s contextualized housing needs.

EXISTING MEASURES THAT ADDRESS CONTEXTUALIZED HOUSING NEEDS

As of June 2022, the City of Monmouth identified the following **existing measures** that address the contextualized housing needs. These measures are actions Monmouth has in place or is actively pursuing to address the needs of very low-low income households, houseless population, housing for people with disabilities, seniors, and people of color. The existing measures also include the City’s efforts to create more

opportunities to develop middle housing or affordable housing through updates to its zoning ordinance. Also included are incentives or programs to attract needed housing (fee reductions, tax abatement, SDC waivers, expedited review, etc.). Lastly, partnerships or efforts to coordinate with public, private, or nonprofit entities that advance the production of needed housing also are listed as an existing measure.

- **Housing Rehabilitation Grant Program** for Low Income Homeowners - \$400,000 CDBG grant awarded to Monmouth in 2022, administered by Polk Community Development Corporation.
- **Urban Renewal Assistance** – The City has an active Urban Renewal Plan/Program that can provide funding assistance for infrastructure projects needed to support housing development.
- **TGM Code Assistance Project** – The City is currently in the process of making revisions to its development code to address affordable housing needs, streamline the housing review process and create more clear and objective housing development standards.
- **Homelessness Prevention Workgroup of Rural Polk County** - This project to develop a strategic plan to address prevention of rural homelessness. All partners (including Monmouth CM) are meeting now to finalize the IGA that is required by the State and HB 4123.
- **Polk County Resource Center** – The City of Monmouth provides financial support for the Polk County Resource Center which provides community members with emergency financial assistance (e.g., rent, utilities, food), and information and referral for housing programs.
- **Utility Assistance Program** – The City Power and Light Department provides funds annually to support low-income households in need of assistance with paying their electric bills. This program is administered by the Mid-Willamette Community Action Agency.
- **Community partnership** – The City supports or contributes to a variety of projects and programs undertaken by public, private, or nonprofit entities that advance the production of needed housing.

PREVIOUSLY IDENTIFIED STRATEGIES TO ADDRESS CONTEXTUALIZED HOUSING NEEDS

In 2019, Angelo Planning Group developed a Draft Housing Measures Report in conjunction with the Housing Needs Analysis which included information to intended to help the City update its Comprehensive Plan Housing Element but also identified and summarized recommended measures that the City could consider in the future and use to help meet future housing needs identified in the updated HNA. The report was prepared in coordination with Monmouth City staff, the Monmouth Planning Commission and community members who attended Planning Commission and public meetings and commented on the draft reports and presentation materials. The project was funded by a grant from the Oregon Department of Land Conservation and Development (DLCD) and DLCD staff participated in managing the grant and reviewing materials prepared for the project.

Below is a summary of the recommendations from the Draft Housing Measures Report. Additional detail on each measure is available to view in the full report. The measures have been organized into the following categories.

Supply and Regulatory Strategies

- Rezone Land
- Urban Growth Boundary Adjustment or Expansion
- Increase Allowed Density Range or Housing Types
- Code Amendments for Small Housing Types (e.g., “cottage cluster” housing, duplexes, triplexes and accessory dwelling units)
- Encourage Mixed Use Development in Commercial Areas

Incentives

- Incentive Zoning
- System Development Charge Deferral
- Expedited Review
- Inclusionary Zoning

Funding Sources and Uses

- Construction Excise Tax
- Community Land Trust
- Land Acquisition and Banking
- Public Private Partnerships
- Financial Assistance Programs
- Tenant Protection Programs and Policies

The strategies are summarized in the table below. The City can consider a variety of other strategies in the future to provide opportunities for a wide range of housing choices, efficient land use, and development of housing affordable to people with special housing needs. More details on each strategy can be found in the full report.

Strategy	Target populations Served
<p>1. Rezone Land from Low or Medium Density or High Density Residential Rezone land from a lower density to a higher density designation. The City would most likely want to target medium density land (rather than a low density area) for the redesignation and use the following considerations, proximity of existing high density areas, proximity to services, and size of rezone for a scale appropriate for multi-family development and cushion for future housing needs.</p>	Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities
<p>2. Increase the Allowed Density or Range of Housing Types Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas; expand the range of housing types allowed in one or more zones.</p>	Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities
<p>3. Encourage Mixed Use in Commercial Areas</p>	Seniors, Students, People of Color, People with Disabilities

<p>The City allows residential uses in some of its commercial areas, particularly the Main Street zone in the city’s downtown area, but does not require mixed use when developing. The City should monitor development in this area and also could encourage or require mixed use development in this area in the future.</p>	
<p>4. Urban Growth Boundary Amendment (UGB) or Adjustment Adjust the city’s UGB to exchange land within the UGB with limited opportunities for development for land outside the UGB with a greater chance of future development. In the longer term, if the supply of land within the UGB drops below the amount needed for future development, a UGB expansion could be considered.</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>5. Incentive Zoning Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code. Examples include parking reductions and height or density bonuses.</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>6. Code Amendments for Small Housing Types Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types.</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>7. System Development Charge (SDC) Deferral Deferral of SDCs for affordable housing. Can be applied to regulated affordable housing and/or specific housing types (such as ADUs).</p>	<p>Extremely Low Income-Low Income households</p>
<p>8. Expedited Development Review Variety of strategies to reduce review and processing times for regulated affordable housing development, such as formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff.</p>	<p>Extremely Low Income-Low Income households</p>
<p>9. Inclusionary Zoning A tool used to produce affordable housing within new market-rate residential developments. Typically implemented through an ordinance mandating that a minimum percentage of units remain affordable for a set period of time.</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>10. Community Land Trust A model wherein a community organization owns land and provides long-term leases to low or moderate-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.</p>	<p>Low Income households, Seniors, Students, People of Color, People with Disabilities</p>
<p>11. Public-Private Partnerships (PPPs) Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit).</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>12. Tenant Protection Programs and Policies Local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low cost market rate housing against evictions, excessive rent increases, discrimination, and health and safety violations.</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>
<p>13. Land Acquisition and Banking Land acquisition is a tool to secure sites for affordable housing. Land banking is the</p>	<p>Extremely Low Income-Low Income households</p>

acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be used for affordable housing.

14. Construction Excise Tax

Adopt a tax on new construction of between 1 and 3% to help pay for other affordable housing strategies identified here. The tax is a one-time tax assessed on new construction. State law requires it to be spent on specific types of programs and activities.

Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities

15. Financial Assistance Programs

A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.

Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities

ADDITIONAL STRATEGIES FOR CONSIDERATION

The Contextualized Housing Needs addresses underrepresented communities with special housing needs. These are the people in Monmouth with very low or low incomes, the houseless population, people with disabilities, seniors, veterans, people of color, and the student population. In addition to the existing measures and previously identified strategies, the following strategies have been identified as possible strategies for consideration to address the special housing needs of underrepresented communities. These strategies were identified through stakeholder engagement (summarized in a separate report) and by identifying strategies on the master list of housing Tools, Actions, and Policies that the Oregon Department of Land Conservation and Development (DLCD) assembled as a resource for local governments in preparing Housing Production Strategies.

Strategy	Target populations Served
<p>16. Incentivize and Promote Accessible Design Provide incentives in the development code to increase the number of units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards. Examples of incentives include: expedited review and permitting processing, planning and building fee reductions, system development charge deferrals, density or building height bonuses.</p>	<p>Extremely Low Income-Low Income households, Seniors, People with Disabilities</p>
<p>17. Require Accessible Design for Publicly Supported Units Require Accessible Design for Publicly Supported Units Require all publicly supported units to be designed to meet Universal Design, or to be adaptable for this purpose. Consider requiring elevators in any multi-story buildings that are supported by the City.</p>	<p>Extremely Low Income-Low Income households, Seniors, People with Disabilities</p>
<p>18. Pre-Approved Plan Sets for Middle Housing Types Providing a pre-approved set of plans for middle housing (ex. duplex, cottage cluster, townhomes, or accessory dwelling units). The plans would be highly-efficient, designed for constrained lots and low cost solutions, and would allow for streamlined permitting. This would help attract developers that typically develop only single-family housing to get into the missing middle housing production.</p>	<p>Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities</p>

Consider partnering with a university, design institution, or developing a competition to produce plans.

19. Tax Abatements

Tax abatements are reductions in property taxes for housing and may include full or partial tax exemptions or freezes on the assessed value of properties. Abatements are often provided to non-profit corporations or to private developers in exchange for developing affordable or other desired housing types (such as mixed-use).

Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities

20. PILOT (payment in lieu of taxes) programs

A payment made to compensate a government for some or all of the property tax revenue lost due to tax exempt ownership or use of real property.

Extremely Low Income-Low Income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities

In addition to the strategies described above, community stakeholders suggested several other potential strategies:

- **Provide assistance in coordinating with non-profit or other affordable housing developers, property owners with potential housing sites, and service providers.** Respondents commented that the City could provide coordination connecting land owners with affordable housing developers; and developers with funding opportunities. This would help get more units built. Affordable housing developers often get the last crack at developable land. More collaboration and foresight to obtain land for affordable housing is needed. A matchmaking system between landowners and affordable housing developers would be beneficial.
- **Educate community members about the need for higher density and other housing affordable to low and moderate-income households and other community members with specific needs.** Stakeholders noted that general community resistance to higher density development, especially adjacent to established neighborhoods, is a barrier to creating needed housing. Opposition is frequently related to concerns related to building heights, loss of sun exposure, parking, and traffic, and these issues tend to dominate the conversations related to approval of needed housing developments. They recommend that the City lead efforts to educate citizens about the need for and community benefits of providing a full range of housing options, including those well-suited and affordable to people with low incomes or specific needs. This will help lay the groundwork before the affordable housing developers arrive and would save time and resources.
- **Support expanded transit service in Monmouth to key community destinations.** Stakeholders noted that limited transit services serve as a barrier to providing housing to low-income and disabled persons and students in appropriate locations. The lack of transit also affects where students’ rental units are located. They also note that all new units should be accessible, particularly affordable units and those serving as transitional housing and housing for seniors or disabled residents. They recommended continued development of a more comprehensive transit system that serves Monmouth and the neighboring cities is needed, especially given that there is a university in Monmouth. The City should continue to work with local transit providers, the University, and others to advocate for expanded transit routes and/or increased frequency to service to address these needs.

APPENDIX C: FINAL EVALUATION, REFINEMENT, AND SUMMARY OF SELECTED STRATEGIES MEMORANDUM





To: Suzanne Dufner, City of Monmouth
Mari Valencia-Aguilar, Oregon Department of Land Conservation and Development

From: Matt Hastie and Carrie Brennecke, MIG

Date: July 29, 2022

Re: Monmouth Housing Production Strategy– Final Evaluation, Refinement, and Summary of Selected Strategies (Tasks 3.2 and 3.3)

I. INTRODUCTION

Project Overview

The purpose of the Monmouth Housing Production Strategy (HPS) project is to identify a set of actions that the City of Monmouth will take to facilitate housing development that meets the current and future housing needs of the community. The focus of the HPS will be on how to fill the gaps in Monmouth’s housing need and supply, particularly housing available to Low-income households and underrepresented communities with special housing needs—and more particularly Low-cost rental housing. The HPS will identify and prioritize which specific affordable housing strategies to pursue in the coming years, and provide an outline of the specific tools, actions, and policies the City should pursue to promote the development of needed housing. The strategies will meet identified housing needs, facilitate the production of needed housing, and will strive to achieve fair and equitable housing outcomes.

This memorandum is the combined third and fourth of five in the creation of a Housing Production Strategy for the City of Monmouth. Subsequent to completion of these memos, key information and recommendations from the memos will be incorporated into a Housing Production Strategy Report. The information here builds upon:

- *Contextualized Housing Needs* –The memorandum provides a summary of data on the context of socio-economic and demographic trends, market conditions and housing affordability considerations. It also incorporates information obtained through stakeholder engagement on barriers to affordable housing production, opportunities to increase production, and needs of underrepresented communities. Contextualized Housing Needs uses both the data and stakeholder engagement to identify and address underrepresented communities with special housing needs. These are the people in Monmouth with, Extremely Low-Income, Very Low-income or Low-income, the houseless population, people with disabilities, seniors, veterans, people of color, and the student population.
- *Existing Measures, Previously Identified Strategies, and Additional Strategies to Address Housing Needs* - The memorandum summarizes the existing measures, previously identified strategies and other additional possible strategies to address Monmouth’s contextualized housing needs. It builds upon the previous housing work that took place in Monmouth in 2019 with the Draft Housing Measures Report in conjunction with the Housing Needs Analysis and outlines additional strategies to address the special housing needs identified in the Contextualized Housing Needs Memo.

This *Evaluation, Refinement, and Summary of Selected Strategies Memorandum* provides a preliminary evaluation, refinement, and summary of the identified strategies based on a range of criteria. It will provide valuable information when the city seeks input on the potential housing strategies from stakeholders, citizens, Planning Commission and City Council. The evaluation and refinement of the strategies will also provide important information to the process of selecting and prioritizing strategies which will be a next step in the project.

II. HOUSING STRATEGIES OVERVIEW

This report provides a preliminary summary and evaluation of various strategies, tools, and policies that the City of Monmouth and its partners could employ to facilitate housing development that meets the current and future housing needs of the community. As a starting point, the project team assembled an initial list or “menu” of potential strategies that was derived from the following sources:

- Recommendations from the 2019 Draft Housing Measures Report developed in conjunction with the Housing Needs Analysis.
- The master list of housing Tools, Actions, and Policies that the Oregon Department of Land Conservation and Development (DLCD) assembled as a resource for local governments in preparing Housing Production Strategies.
- Ideas from local housing stakeholders.
- Refinement and enhancement of existing housing measures in the City of Monmouth

What’s in the Report

This report provides background information for the strategies and takes a closer look at the potential impacts to housing supply/affordability and steps needed for implementation.

The summary of each housing strategy includes the following:

Description	What is the strategy? How can the strategy work to increase housing availability and affordability in Monmouth? What are potential outcomes?
Identified Housing Need Addressed	Identified Housing Need being fulfilled (tenure and income) and an assessment of the income and demographic populations that will receive benefit and/or burden from the strategy, including the communities with special housing needs identified in the Contextualized Housing Needs such as “extremely Low” and Low-income households, communities of color, homeless population, seniors, people with disabilities, and the student population.
Magnitude of Impact	Approximate magnitude of impact, including (where possible/applicable) an estimate of the number of housing units that may be created and the effect on needed housing for populations with special housing needs. Also includes the time frame over which the strategy is expected to impact needed housing. <i>[NOTE: The estimate of number of housing units created is relatively high-level at this stage in the HPS process. The project team will go into more detail for higher-priority strategies in a later version of the HPS once the priority strategies have been selected and refined.]</i>

Opportunities and Constraints	Any opportunities, constraints or negative issues associated with adoption of the housing policy or strategy.
Implementation Actions	<p>Actions necessary for the local government and other stakeholders to take to implement the strategy.</p> <p><i>[NOTE: The implementation actions are relatively high-level at this stage in the HPS process. The project team will go into more detail for higher-priority strategies in a later version of the HPS once the priority strategies have been selected and refined.]</i></p>
Timeline for Implementation	<p>Approximate timeline for the adoption and initial implementation of the strategy. Ultimately, the impacts of most policies will occur over a much longer time horizon. A “Fiscal Impact” rating also is included under this category. This relates to a combination of costs related to needed staffing resources, as well as potential financial costs (e.g., paying for land) or lost revenues (e.g., reductions in SDCs or in property tax revenues). In general, strategies that require staff resources but not hard financial costs are rated as Low to Low-Medium Fiscal Impact. Strategies that require additional monetary resources if reduce future revenues are rated as Medium or High.</p>

In researching the housing strategies, the consultant team relied on its own research conducted for Monmouth and other jurisdictions in Oregon, on similar reports prepared for other communities, and on best practice and case study research for housing policies and programs in Oregon and beyond.

A summary table of the strategies is provided below.

TABLE 1. SUMMARY OF HOUSING STRATEGIES

Strategy	
1. LAND SUPPLY AND REGULATORY STRATEGIES	
1.1	Rezone Land from Low or Medium Density to High Density
1.2	Increase the Allowed Density or Range of Housing Types
1.3	Evaluated Mixed Use in Commercial Areas for Housing Capacity
1.4	Urban Growth Boundary Amendment (UGB) or Adjustment
1.5	Zoning Incentives for Affordable/Needed Housing
1.6	Code Amendments to Allow for Small Housing Types
1.7	Provisions for Single Room Occupancy (SRO) Housing or Group Housing
1.8	Land Acquisition and Banking
1.9	Incentivize and Promote Accessible Design
1.10	Require Accessible Design for Publicly Supported Units
2. FINANCIAL AND REGULATORY INCENTIVES	
2.1	Inclusionary Zoning
2.2	Pre-Approved Plan Sets for Middle Housing Types and ADUs
2.3	Tax Abatements
2.4	System Development Charge (SDC) Deferrals, Exemptions or Reductions
2.5	Expedite Permitting for Affordable/Needed Housing

Strategy

3. FUNDING SOURCES

- 3.1 Construction Excise Tax (CET)
- 3.2 Community Land Trust
- 3.3 Financial Assistance Programs

4. PROGRAMS AND PARTNERSHIPS AND OTHER STRATEGIES

- 4.1 Public-Private Partnerships (PPPs)
- 4.2 Tenant Protection Programs and Policies
- 4.3 Support Expanded Transit Service in Monmouth and key destinations
- 4.4 Coordination Between Affordable Housing Developers and Property Owners and Service Providers
- 4.5 Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options

III. HOUSING STRATEGY SUMMARIES & EVALUATION

CATEGORY 1. LAND SUPPLY AND REGULATORY STRATEGIES

The following set of strategies includes potential changes to the Monmouth Development Code/Development review processes and strategies that could be considered to address Monmouth’s existing land capacity and its ability to accommodate needed housing and support affordable housing development.

1.1 Rezone Land from Low or Medium Density to High Density

Description Rezone land from a lower density to a higher density designation. The City would most likely want to target medium density land (rather than a low density area) for the redesignation and use the following considerations. The exception being a few instances (i.e., surplus church properties) that are zoned RS and could be rezoned to RM. The size of rezone should be for a scale appropriate for multi-family development and identified needed housing and cushion for future housing needs. Changes to Comprehensive Plan and Zoning designations can be undertaken either as property-owner initiated efforts or as legislatively-driven processes initiated by the City.

Suggested considerations for rezone/up-zone:

- Proximity to existing high-density areas. Extending an existing area of high-density land would reduce impacts on the transition between Lower and higher density areas and could increase the level or potential for support from surrounding property owners.
- Proximity to services. Ideally, higher density areas should be close to supporting commercial and other services (schools, parks, etc.) to help ensure that residents can easily access these services and daily needs by walking, biking or driving.
- Size. The City has a relatively modest deficit of land zoned for high-density housing (about 3 acres). However, rezoning a somewhat larger area (e.g., 3-7 acres) would provide more flexibility in terms of the size or scale of a potential multi-family development and provide some cushion for meeting future housing needs as the City continues to grow.

Identified Housing Need Addressed **Affordability target:** All income levels
Income: 0 to 120+% AMI
Housing tenure/type: For rent or sale; high-density multi-family housing
Special Housing Need Addressed: Low-income households, People Experiencing Homelessness, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact Rezoning land would have a relatively **high** impact on the availability of land zoned for multi-unit residential development by increasing its supply of land available for high density development. Additional capacity for more development creates opportunities for multi-unit housing that is generally more affordable to Low- and Moderate-income

households. Adding to the supply zoned for high-density development directly creates more opportunities to increase the supply of housing units, including more affordable multi-unit developments versus the single unit developments that would be developed on the land if the land remained zoned for Low or medium density.

Estimated Number of Units Created: The number of units created will depend on how much land is rezoned, the difference in allowed density between previously zoned and rezoned land, and the market feasibility of future development. For example, rezoning three to 10 acres of medium-density land to a high-density, assuming allowable densities of 12 and 30 units per acre respectively, and assuming development at 80% of allowed densities, would result in an additional 43-144 units of housing.

Timeframe for Impact: 1-3 years (adoption)

Opportunities or Constraints Up-zoning land and requiring higher density development in Monmouth that have capacity for more development provides more opportunities for multi-unit housing types and middle housing types that is generally more affordable to Low-income and Moderate-income households. Housing development at higher densities also has the potential to increase the supply of housing available to populations with special housing needs.

There may be Moderate legal risk associated with this strategy, depending on the willingness of landowners. As with any review of existing policies, there may be a Moderate administrative burden and a Low cost associated with zoning and land use designation updates. General community support for rezoning may be Low or Moderate. The changes need to make sense to residents, be amenable to property owners, and be consistent with overall land needs in the City.

Implementation Actions and Timeline **Lead:** City of Monmouth or Property-Owners
Actions: Zone Map Amendment and possible Comprehensive Plan Map Amendment
Partners: Property Owners and Development community (coordination and information)
Level of Effort: Medium
Timeline: Medium-term
Fiscal Impact: Low-Medium

1.2 Increase the Allowed Density or Range of Housing Types

Description Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas; expand the range of housing types allowed in one or more zones.

Monmouth is in the process of making significant changes to its zoning code to help meet policy objectives and facilitate development that makes sense for Monmouth. This project began in the fall of 2020 with Phase 1 where there was a comprehensive review of Monmouth's existing zoning code and the development of an Action Plan. The City is now

in Phase 2 (TGM Code Update Project), where the City is taking that Action Plan and turning it into new language that will be formally adopted into the Monmouth Title 18 Zoning Code. The current set of proposed TGM code amendments address increasing the allowed density and range of housing types and is consistent with the objectives of this strategy. Hence, the implementation of this strategy has already begun! The first package of code amendments directly addresses housing in Monmouth. The TGM Code Update project began in February 2002 and is expected to run through Spring 2023.

Information on the TGM Code Update Project can be viewed at the following link:
<https://storymaps.arcgis.com/stories/c65b313f2a8148088e64462587ef9b89>

Some highlights of the proposed TGM Code Amendments that align with this strategy are

- Increasing the density in Monmouth’s residential zones to the following

<u>Residential Zone</u>	<u>Minimum Density</u>	<u>Maximum Density</u>
<u>RS</u>	<u>4 du/acre</u>	<u>6 du/acre</u>
<u>RM</u>	<u>7 du/acre</u>	<u>16 du/acre</u>
<u>RH</u>	<u>17 du/acre</u>	<u>24 du/acre</u>
<u>MX</u>	<u>9 du/acre</u>	<u>See note*</u>

*Maximum density in the MX zone shall be as follows:

To reflect the demand for rental and higher-density housing within the region, at least one-third of the units must be either in multi-unit or attached structures (e.g., townhomes). To meet the continuing demand for single detached housing while reducing land costs, the majority of residential land in each MX neighborhood should be for higher-density single detached housing, either detached (generally between six to nine dwellings per net acre) or attached (generally between nine to 12 dwellings per net acre).

- Expanding the range of housing types in several of the City’s zones

<u>Use</u>	<u>Residential Zone</u>			
	<u>RS</u>	<u>RM</u>	<u>RH</u>	<u>MX</u>
<u>Single detached dwelling, new</u>	<u>P</u>	<u>P</u>	<u>N</u>	<u>P</u>
<u>Duplex</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Triplex</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Townhome</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Multiple dwelling, less than 6 units</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Multiple dwelling, 6 or more units</u>	<u>N</u>	<u>C</u>	<u>P</u>	<u>P</u>
<u>Cottage cluster</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>

<u>Accessory dwelling unit</u>	<u>S</u>	<u>S</u>	<u>S</u>	<u>S</u>
<u>Manufactured home</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Manufactured dwelling park</u>	<u>N</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>Boarding/rooming house²</u>	<u>N</u>	<u>C</u>	<u>P</u>	<u>P</u>
<u>Student housing (dormitory, fraternity, sorority, or similar)</u>	<u>N</u>	<u>N</u>	<u>P</u>	<u>P</u>
<u>Residential home</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Residential facility</u>	<u>N</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Nursing home</u>	<u>C</u>	<u>C</u>	<u>P</u>	<u>P</u>
<u>Short-term rental, hosted</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Short-term rental, not hosted³</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>	<u>P/C</u>

(1) P = use permitted outright

(2) C = use permitted with Conditional Use

(3) S = use permitted pursuant to Special Use Standards

(4) N = use not permitted

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Identified Housing Need Addressed

Affordability target: Low-income to Moderate-income households

Income: 30 – 120% AMI

Housing tenure/type: For rent or sale; multi-family housing

Special Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact

Increasing the allowed density or range of housing types in the City’s medium and/or Low-density zones and allowing a broader mix of housing types is likely to have a **medium** impact on housing development opportunities by decreasing existing barriers to developing middle housing in more areas of the city. Middle housing types are all opportunities for Low- and Moderate-income housing development, with most opportunities focused on housing Moderate-income households. Increasing development feasibility of middle housing types will likely improve options for affordable housing for these households in Monmouth over time.

Estimated Number of Units Created: The number of units created will depend on the difference between current and future allowed density, the amount of land that is

developed at the new densities, and the market feasibility of future development. For example, assuming development of approximately 10 acres of high-density land and 20-acres of medium density land (per the Monmouth HNA estimate of future need), a change in allowable density in medium and high-density areas of 12 to 16 and 20-30 acres, and development at 80-100% of maximum density, this strategy would result in an additional 144-180 housing units.

Timeframe for Impact: Due to TGM Code Amendment Project already in process, the timeline for adoption is less than one year.

Opportunities or Constraints Facilitating the development of range of housing types through a code amendment is likely to decrease many of the existing barriers to developing needed housing types and more affordable housing in Monmouth. This may be particularly impactful in new or greenfield developments and less impactful in existing neighborhoods although some infill of middle housing types could occur in existing neighborhoods.

There is Low risk involved in adopting a zoning code that allows for greater range of housing types and Lower minimum lot sizes. The City will have to ensure compliance with all applicable state statutes. The administrative burden for is low given that the TGM Code Update Project is already funded and in processes with the administrative costs accounted for., Community support for middle housing may be mixed. There could be challenges with community opposition to decreasing the minimum lot sizes and allowing for denser housing types in existing developed neighborhoods.

Implementation Actions and Timeline **Lead:** City of Monmouth
Actions: Development Code Amendments.
Partners: Development community and housing advocates for supporting amendments; development community for implementation; DLCDC and ODOT as the project as funding by a TGM Grant.
Level of Effort: Medium
Timeline: Short-term
Fiscal Impact: Low (City received TGM grant for the code amendments)

1.3 Evaluate Mixed Use and Commercial Zones for Housing Capacity

Description The City allows residential uses in some of its commercial areas, particularly the Main Street zone in the city's downtown area, but does not require mixed use when developing. The City should monitor development in this area and also could encourage and incentivize mixed use development in this area in the future.

In evaluating the supply of land available for high density residential development in Monmouth, the buildable lands inventory only assessed land within residential zoning designations. The City also allows residential uses in some of its commercial areas, particularly the Main Street zone in the city's downtown area. The City could monitor

development in this area and also could encourage or incentivize mixed use development in this area in the future, either through code amendments to require a residential component or through informal partnerships with local property owner or developers who may be interested in this form of development. The City could also evaluate the supply of land available if they allowed Mixed Use to be developed in other commercial zones in the City outside of its downtown area and, if appropriate, could encourage and incentivize mixed use development in those commercial areas in the future.

Identified Housing Need Addressed

Affordability Target: All income levels

Income: 0 – 120+% AMI

Housing tenure/type: For rent or sale; multi-unit

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact

The degree of impact could be **medium**. The physical impact will be limited primarily to the city’s downtown area, but the impact to the housing stock would benefit the entire city. The additional units in the downtown area close to services could serve the special housing needs of students, seniors and people with disabilities as the type of development would have greater accessibility. If expanded to commercial areas outside of downtown the impact could be greater.

Estimated Number of Units Created: The number of units will depend on the number of acres of land with capacity for future mixed use development and the success rate of the City and developers in implementing this strategy. If approximately 30-50% of land within the Main Street zone were developed for mixed use with a residential component at 30 units per acre, this would result in approximately 90-130 additional housing units.

Timeframe for Impact: 1-3 years for adoption; -5+ years for implementation

Opportunities or Constraints

Mixed-use development provides an opportunity for multi-family housing development that provides Low- to Moderate- income housing units. It is important for the City to balance projections for future commercial development needs and land availability in the downtown area. Looking at commercial areas outside of downtown could be an additional opportunity.

This strategy allows the City to optimize land uses in the City’s commercial areas and involves a medium amount of effort to implement. The legal risk involved is relatively Low. The administrative and cost burdens associated with implementing this strategy are Moderate. Monmouth’s commercial zones are intended to support a mix of uses—not just residential. The City should carefully balance its employment and economic goals in considering strategies to encourage more residential development in these areas.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: Initial evaluations of the capacity for development and an audit of development standards likely will require City staff involvement or hiring a consultant although some preliminary recommendations may result from this planning process. Requiring mixed use in the Main Street Zone would require Development Code Amendments.

Partners: Development community; downtown property owners

Level of Effort: Medium

Timeline: Medium-term

Fiscal Impact: Low-Medium

1.4 Urban Growth Boundary Amendment (UGB) or Adjustment

Description Adjust the city’s UGB to exchange land within the UGB with limited opportunities for development for land outside the UGB with a greater chance of future development. In the longer term, if the supply of land within the UGB drops below the amount needed for future development, a UGB expansion could be considered.

Although Monmouth’s HNA does not demonstrate the need for a UGB expansion, the city has faced limitations on the current supply of buildable land because owners of large parcels are uninterested or unwilling to develop or sell their properties for future residential development. In small communities with a limited number of large developable properties, this can create a significant barrier to development during at least the short and medium term. If owners hold onto their properties without a willingness to develop over the longer term (e.g., decades), it effectively reduces the community’s supply of buildable land. At the same time, because property ownership and/or owners’ desires to develop can shift over time, the state of Oregon’s land use planning framework does not allow cities to exclude such land from their BLIs. In addition, several large parcels in Monmouth have conservation easements that preclude them from future development. Although those properties are not included in the calculation of buildable land, they represent land in the urban area that will not be developed for urban growth.

One way to address this situation is to remove such parcels from the UGB and add other properties whose owners are more willing or likely to develop their land for housing. State statutes and administrative rules allow for these UGB adjustments or “swaps.” These exchanges are possible through a process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. This process is guided by Oregon Revised Statutes (ORS) 197.764. This ORS section provides specific eligibility requirements and standards for land removed; subsection (3)(b) of this section states that “A local government that approves an application under this section shall either expand the urban growth boundary to compensate for any resulting reduction in available buildable lands or increase the development capacity of the remaining supply of buildable lands.” In exchanging land inside the UGB for land outside the boundary, cities must identify an equivalent supply of land in terms of the land’s capacity for residential development, taking into account the presence of natural resource constraints and zoning or allowed density.

While permitted, UGB swaps require compliance with a number of requirements applied to other UGB amendments or expansions, including the following:

- Location of expansion areas. The location of the land to be added to replace the land being removed. First, use OAR 660-024-0065 to determine appropriate study areas. For a city with a UGB population less than 10,000, the city must consider all land within ½ mile of the existing UGB boundary.
- Exclusion areas. In considering expansion areas, the city can exclude areas that cannot be reasonably serviced with public facilities, are subject to significant natural hazards, have some a high level of environmental or natural resource value, or are federal lands.
- Prioritization. The city needs to prioritize potential expansion areas in terms of rural residential “exception” lands vs. farm and forest lands, with exception lands having first priority.
- Criteria for evaluating expansion areas. Cities must look at alternative expansion areas and evaluate them using the four factors for location of UGB expansions found in Goal 14. These include 1) efficient urban form, 2) public facilities, 3) ESEE consequences, and 4) impact on adjacent farm and forest activities in rural areas. The city’s analysis must consider and analyze all four factors, but the city can weigh and balance those factors based upon a set of findings and policy judgments which, unless they are without merit, will be upheld on judicial review.

Identified Housing Need Addressed

Affordability Target: All income levels

Income: 0 – 120+% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Workforce housing, as well as housing for people with specific needs, depending on the location of the amended UGB and actions of landowners and developers

Magnitude of Impact

The degree of impact is **medium to high**. Removing parcels from the UGB that are not likely to develop as needed housing due to constraints or unwilling property owners and bringing land into the UGB that whose owners are more likely to develop their land for housing would have a high impact on the land available for needed housing. The UGB ‘swaps’ would ensure a supply of land that is both unconstrained and with motivated property owners. Increasing development feasibility of land in in UGB, particularly in conjunction with implementing strategies to increase density middle housing types, will likely improve options for affordable housing in Monmouth over time.

Estimated Number of Units Created: The number of units will depend on the net amount of land brought into the UGB and the mix density of housing types developed. It is not feasible to estimate the impact with any reasonable degree of accuracy in this case, given the range of unknowns.

Timeframe for Impact: 3-5 years

Opportunities or Constraints

This strategy allows the City to optimize land in the UGB for designated for residential uses. The more unconstrained developable land with willing property owners creates opportunity for a high number of units to be constructed. During the process adjusting the

UGB the City and affordable housing developers have opportunities identify property owners to partner with to achieve the desired housing types in Monmouth.

The legal risk involved is relatively Moderate. The state statutes and administrative rules allow for these UGB adjustments or “swaps” but the process could be stalled or the state or county could oppose or deny the UGB adjustment. These exchanges are possible through a very complex process of simultaneously removing and adding land to the UGB to make up for capacity lost by removing land. The administrative and cost burdens associated with implementing this strategy are high. It would be a long and expensive undertaking by the City (or consultant) to prepare the applications and supporting documents and work through the hearing process. Community support for adjusting the land in the UGB may be mixed.

**Implementation
Actions and
Timeline**

Lead: City of Monmouth and Property Owners

Actions: UGB Adjustment guided by Oregon Revised Statutes (ORS) 197.764; De-annexations and Annexations; Comprehensive Plan and Zoning Map Amendments; Public Facilities Plan Amendments

Partners: Property owners

Level of Effort: High

Timeline: Medium to long-term

Fiscal Impact: Medium-High

1.5 Zoning Incentives for Affordable/Needed Housing

Description Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code.

Some development regulations can present obstacles or add costs to housing developments. In addition to or in lieu of financial incentives, the City can offer concessions on regulatory standards that provide meaningful economic value. The concessions should be offered in exchange for the development dedicating a minimum proportion of the units to be regulated as affordable to people with Low-income or Moderate-income. The incentives typically include relief from certain development standards such as parking, setbacks, or density. Examples include the following:

- Parking reductions. In general, research shows that households with Lower incomes tend to have Lower car ownerships and driving rates, particularly when residents have ready access to shopping and other opportunities and services. A number of jurisdictions in Oregon provide reductions in off-street parking requirements for developments that are affordable to households with Low-income or Moderate-income. Typically, developments must commit to providing affordable units over a significant length of time (20-60 years).

•Height or density bonuses. Some cities allow higher density or greater height in exchange for a commitment to provide housing units that are affordable to households with Low-income or Moderate-income. Height bonuses are typically in terms of number of stories (e.g., one story in an area with an existing height limit of 35 or 45 feet). Density bonuses are typically stated in terms of a percentage of units (e.g., 10-20% is a common threshold). The amount of the bonus can be tied to the affordability levels provided and/or to the number of affordable units. Additionally, setback and bulk standards may be allowed to vary to accommodate the added density or to reduce development costs.

Identified Housing Need Addressed

Populations served: Extremely Low-income to Moderate-income levels

Income: 0 – 120% AMI

Housing tenure/type: For rent or sale; income-restricted units

Housing Need Addressed: Extremely Low-income to Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact

The degree of impact is **high**. This strategy provides a potentially significant opportunity for Low- and Moderate- income housing development by incentivizing housing developers to develop more affordable housing to increase supply. As incentives for developers may include density or height bonuses for building affordable units. It may also help offset the costs associated with the requirements for market-rate development.

Estimated Number of Units Created: The number of units created will depend on a variety of factors, including the number of sites and acres subject to the incentives, the difference in the number of units developed with vs. without the incentives, and the type and affordability of units created. It is not possible to estimate a precise number or range of units, given the uncertainty in assessing different factors.

Timeframe for Impact: 3-5 years

Opportunities or Constraints

The legal risk associated with implementing zoning incentives for affordable housing is relatively Low. The City must ensure that incentive programs follow the applicable Oregon Revised Statutes (ORS) and establish clear and objective standards for implementing the incentive program, but these types of incentives have had significant application in other communities in Oregon. The City should also ensure that any density or height bonuses offered as incentives meet the fire and life-safety capacity of the City. The administrative and cost burden of creating an incentive program is Moderate. The City could consider using an incentive program in place in another community as a model in order to reduce the initial administrative burden.

Implementation Actions and Timeline

Lead: City of Monmouth, affordable housing developers

Actions: Zoning Code Amendment

Partners: We suggest working closely with affordable housing providers to determine what zoning incentives would be most beneficial in supporting their work.

Level of Effort: Medium

Timeline: Medium-term

Fiscal Impact: Low-Medium

1.6 Code Amendments to Allow for Small Housing Types

Description Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types.

Monmouth is in the process of making significant changes to its zoning code to help meet policy objectives and facilitate development that makes sense for Monmouth. This project began in the fall of 2020 with Phase 1 where there was a comprehensive review of Monmouth’s existing zoning code and the development of an Action Plan. The City is now in Phase 2 (TGM Code Update Project), where the City is taking that Action Plan and turning it into new language that will be formally adopted into the Monmouth Title 18 Zoning Code.

The current set of proposed TGM code amendments address allowing for smaller housing types and is consistent with the objectives of this strategy. Hence, the implementation of this strategy has already begun! The first package of code amendments directly address housing in Monmouth including and reduction of barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types. The TGM Code Update project began in February 2002 and is expected to run through Spring 2023. The population of Monmouth triggered the medium size city requirements of HB 2001 which requires the adoption of code amendments to allow and reduce barriers to smaller housing types also know as “middle housing”. Medium cities are required to allow duplexes on every lot where a single-family detached is allowed. A duplex must be allowed on the same size lot as a single-family home, can only be required to provide on parking space per dwelling unit, and generally must use the same design standards as a single-family detached home. Medium cities are not required to allow other forms of middle housing in traditional single-family residential zones but are encouraged to do so. The Cit of Monmouth intends to move towards this approach and adopt standards that are similar to the “Large City” standards which allow a wider range of middle housing in most or all residential zones.

Information on the TGM Code Update Project can be viewed at the following link: <https://storymaps.arcgis.com/stories/c65b313f2a8148088e64462587ef9b89>The above link will provide access to the proposed updated code language that with implement this strategy when it becomes available.

Identified Housing Need Addressed **Populations served:** Low-income to Moderate-income levels
Income: 30 – 120% AMI
Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact The degree of impact is **low to medium**. This strategy provides opportunity for Low- and Moderate- income housing development by allowing housing developers to develop more smaller housing types that are typically more affordable. Modifying development standards to support housing development would have a limited impact on housing supply, as it would not work directly toward creating new units. However, the strategies discussed above would support efforts to add to the city’s housing supply and affordability by allowing more smaller housing types to be built and could increase the supply of more affordable housing types over time.

Estimated Number of Units Created: *[Note: We’ll hold off on drafting this section until after we know more about potential code amendments under consideration.]*

Timeframe for Impact Due to TGM Code Amendment Project already in process, the timeline for adoption is less than one year.

Opportunities or Constraints There is low legal risk involved in adopting a zoning code that allows for smaller housing types due to the project already being in process. The City will have to ensure compliance with all applicable state statutes. There may be community concerns about prorating density calculations for smaller housing units due to concerns about impacts to traffic and parking. However, others may welcome increased density in their neighborhoods. These considerations should be evaluated as part of the City’s implementation of this strategy. The administrative burden for updating the code also is expected to be relatively low, given the project is already funded and the administrative resources already committed.

Implementation Actions and Timeline **Lead:** City of Monmouth
Actions: Zoning Code Amendment
Partners: ODOT and DLCD given the project is funded with a TGM grant. We also suggest involving affordable housing providers to determine what zoning updates would be most beneficial in supporting their work.

Level of Effort: Medium

Timeline: Short-term

Fiscal Impact: Low (City received TGM grant for the code amendments)

1.7 Provisions for Single Room Occupancy (SRO) Housing

Description Single room occupancy (SRO) is a form of housing in which the units share bathroom or kitchen facilities with other units on the floor or in the building. SROs are typically aimed at those earning “very Low income” or Low-income or Moderate-income. SROs (sometimes known as “SRO hotels”) were once very common in urban areas and served as a landing place for residents with few other housing options.

In recent years, housing advocates have urged cities to consider enabling SROs as an alternative, low-cost form of housing for those experiencing homelessness or at risk of losing their housing. As such, SROs have opportunities to serve as a form of transitional or supportive housing. Furthermore, SROs can serve seasonal farm workers as well as serve Monmouth's student population.

Related housing types. "Micro housing" or "micro apartments" are a type of housing that have been gaining in popularity in recent years, mostly in larger cities so far. Micro housing is usually defined as units under 400 SF that may or may not share kitchen facilities with other units on the same floor. They typically have their own private bathrooms. If there are shared kitchen facilities, they may be shared among a smaller number of units than SROs, and micro apartments are typically marketed as higher-end units compared to SROs. Still, micro apartments are usually more affordable than standard apartments because the units are very small and because kitchens are expensive to build.

Another term that would be applicable particularly in Monmouth with the high student population is "quad dwelling unit" and "quint dwelling unit," which were defined as dwellings with separate sleeping and living quarters for four or five individuals, centered around a common kitchen facility. These definitions may be modified as part of the current TGM Code Update process. In updating these definitions, we suggest continuing to allow for these types of housing, consistent with the recommendations in this section.

The City could consider the following potential actions to implement this strategy:

- Add SROs to the Permitted Uses in residential and mixed use zones
- Ensure that existing definitions in the zoning ordinance for "quad dwellings," "quint dwellings," either are retained or are incorporated into additional or modified definitions for micro housing or SROs. Micro housing, quad dwellings, and quint dwellings share similarities with SROs, in that they often have shared kitchen or other facilities. However, micro housing units could be fully equipped with kitchen and bathroom facilities, but could simply be very small.
- Revisit density calculations for SROs, micro housing, and quads/quints

Identified Housing Need Addressed

Populations served: Extremely Low-income to Low-income levels

Income: 0 – 120% AMI

Housing tenure/type: For rent; smaller units

Housing Need Addressed: Extremely Low-income and Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness

Magnitude of Impact

SROs and micro housing may have a **medium** impact on needed housing development in Monmouth but may have a **high** impact on the development of needed housing for specific groups with special housing needs. SROs provide an affordable housing option for low-income individuals or other people who want to or are willing to share common kitchen and/or bathroom facilities. Removing barriers to developing SROs in the City creates an opportunity for more affordable housing particularly for the populations with special housing needs such as students, people with disabilities, and people experiencing

homelessness. SROs are commonly developed by affordable housing organizations or non-profit groups. This form of housing could be feasible in Monmouth due to the large student population attracted to this housing model and affordability. Also, this type of housing could present opportunities for non-profit housing providers of subsidized, transitional, or supportive housing. This would be a strategy also could directly support people experiencing or facing homelessness.

Estimated Number of Units Created: The number of units would depend on the number of sites or developments created with SRO housing and the size and density of those developments, as well as the relative market for this form of development in Monmouth. Typical SRO developments in other communities can range from 15 to 150 or more units. If 1-3 smaller micro-housing developments were implemented in Monmouth, this would result in up to 100 or more SRO units.

Timeframe for Impact: 3-5 years

Opportunities or Constraints

This type of housing could present opportunities for non-profit housing providers of subsidized, transitional, or supportive housing supporting the special needs of identified underrepresented communities. The presence of the University of Western Oregon and its large student population also presents opportunities for developers in Monmouth to have reliable consumers of this housing type especially when land is owned by non-profits and the large number of religious organizations in Monmouth. Therefore, it is important to ensure that the Code does not preclude these types of housing, but rather encourages them through supportive regulations and incentives. Implementing this strategy will require a Moderate level of effort on the part of the City. The City will incur some administrative burden and cost associated with auditing and updating the development code. Relatively few communities in Oregon have updated their codes to allow this form of housing. Community support for SROs may be Low, particularly in existing established neighborhoods, given that this form of housing will not be familiar to most residents and may not fit many peoples' ideas about the character of the community.

Implementation Actions and Timeline

Lead: City of Monmouth, Non-profit housing providers

Actions: Zoning Code Amendment

Partners: We suggest working closely with non-profit housing providers to determine what zoning updates would be most beneficial in supporting their work people experiencing homelessness and the housing insure. University students are also an important stakeholder group for these zoning code updates.

Level of Effort: Medium

Timeline: Medium-term

Fiscal Impact: Low-Medium

1.8 Land Acquisition and Banking

Description Land banking is the acquisition and holding of properties for extended periods of time without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks often are quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger non-profits may be better equipped than small community development corporations to do both land acquisition and banking.

Land banking can be used as an anti-displacement strategy. Land banks can acquire land in high-opportunity areas where prices are going up and develop affordable housing before the market becomes too competitive.

Most land banks rely on property tax-related revenue streams, although some have relied on private foundation or federal grants. Tax Exemptions can be applied to land held for the purpose of developing Low-income housing. Therefore, tax exemptions can help make land banking more financially feasible as an affordable housing strategy.

In 2015, state legislation (House Bill 2734) made it possible for local governments to create government authorities that have an explicit focus on buying and holding land. While the land bank legislation was created with the intent of incenting brownfield redevelopment, the tool can be used for the purpose of creating affordable housing.

Options for the City of Monmouth:

- The City could manage its own land bank or acquisition strategy, or work in concert with a non-profit or non-governmental entity at a larger, regional scale that manages a portfolio of properties to support affordable housing development over many years. Ideally, the land bank would be set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development.
- The land bank would purchase vacant land in high-opportunity areas, schools, and other important amenities and require that the land be used for the development of affordable housing.
- In most cases, land banking programs have focused on properties in tax foreclosure, but Monmouth’s program could explore voluntary donation or purchase on the open market.
- One way the City could support a land bank is to assist with creating an inventory of suitable sites for housing development, based on infrastructure conditions, location, and other factors.

Identified Housing Need Addressed **Populations served:** Extremely Low-income to Low-income levels
Income: 0 – 80% AMI
Housing tenure/type: For rent or sale; income-restricted units
Housing Need Addressed: Extremely Low-income and Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness

Magnitude of Impact Benefits may be **medium**, depending on the size of the properties and the number of housing units that could be developed. Land banks support affordable housing

development by reducing or eliminating land cost from development. Acquisition of land at discounted prices, such as from public sector transfer, can enable affordable housing projects that would otherwise not be financially viable.

Estimated Number of Units Created: As noted above, the degree of impact will depend on the size of the properties and the number of housing units that could be developed. If 2-4 ½-acre to one-acre parcels were developed at a density of about 30 net units per acre, this strategy could result in about 30-120 new units.

Timeframe for Impact: 3-7 years

Opportunities or Constraints

Vacant land in high-opportunity areas is scarce in Monmouth. Key challenges for land acquisition include reliably identifying future areas for needed housing before prices go up, developing the resources necessary to purchase the land, creating mechanisms for easy land transfer and removing the liability associated with holding land. Land banking requires political commitment over time and across market cycles. Purchasing new land requires agencies to find and secure the property and fund land acquisition and due diligence. Administering a land bank can be costly. Evaluate use of existing GIS tools to inventory publicly and privately owned properties in areas well suited for a land bank purpose. Another opportunity would be for the City to partner with and contribute funds or land to an existing non-profit land bank or participate in the formation of a new non-profit land bank if one does not exist with sufficient capacity to serve Monmouth.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions:

- Evaluate use of existing GIS tools to inventory publicly and privately owned properties in areas well suited for a land bank purpose.
- Partner with and contribute funds or land to an existing non-profit land bank or participate in the formation of a new non-profit land bank if one does not exist with sufficient capacity to serve Monmouth.
- Incorporate publicly owned land into a bank or acquire new land to incorporate.

Partners: Land Bank entity

Level of Effort: Medium

Timeline: Long-term

Fiscal Impact: Medium

1.9 Incentivize and Promote Accessible Design

Description This strategy involves incentives to increase development of housing that is accessible for people with disabilities or mobility challenges. Housing that is accessible for seniors and people with disabilities was identified by stakeholders in meetings as a need that is not being met in the Monmouth housing market. This strategy would encourage accessible

units through development code, regulatory, or financial incentives and through education to the development community.

To qualify for incentives the units could be required to meet certain standards, such as Universal Design or Lifelong Housing Certification.

- **Universal Design** is a building concept that incorporates design layouts and characteristics into residences to make them usable by the greatest number of people and respond to the changing needs of the resident. Universal Design incorporates standards for features such as hallways, doorways, bathrooms, and kitchens that make these features usable for people with disabilities or adaptable for that purpose.¹
- **Lifelong Housing Certification** is a program developed by the Rogue Valley Council of Governments (RVCOG) in partnership with AARP Oregon as a voluntary certification process for evaluating the accessibility and/or adaptability of homes. Residences can be certified at three levels based on the extent of their accessibility: (1) Visitable (basic accessibility for visitors); (2) Fully Accessible (accessible for a person in a wheelchair on the main floor); and (3) Enhanced Accessibility (customized for specific accessibility needs).²

Options and Alternatives

- **Development Code incentives.** The City could provide incentives in the ADC for accessible units meeting one of the standards above (or a similar standard). These could be similar incentives to those discussed under Strategy 1.7 for incentivizing affordable or workforce housing—such as density or height bonuses or parking reductions.
- **Permitting incentives.** Projects with accessible units could receive expedited development review and permitting. This strategy will be discussed in Part 2 of this report.
- **Financial incentives.** Financial incentives could include planning and building fee reductions and system development charge deferrals. Accessibility provisions could also be incorporated into a tax abatement program. These incentives will be discussed in Part 2 of this report.
- **Provide information to developers.** The City could also provide information (such as handouts) to educate builders and contractors on ways to adopt plans with Universal Design principals or to make homes visitable (e.g., accessible bathroom on first floor, stairs/ramp/pavement into home, etc.).

Identified Housing Need Addressed	Populations served: Seniors and people with disabilities
	Income: 0 – 120% AMI
	Housing tenure/type: For rent or sale
	Housing Need Addressed: - Seniors, People with Disabilities

¹ Universal Design Standards, West Virginia Housing Development Fund. <https://tinyurl.com/yx63h792>

² Lifelong Housing Program, RVCOG. <https://rvcog.org/home/sds-2/lifelong-housing-program/>

Magnitude of Impact This strategy will have a **low** impact on the number of units created but could have a **medium** impact the production of units for the senior and disabled population with special housing needs. This strategy will not directly result in the production of new units, but it may increase the number of new units that have accessibility features incorporated into the design—or it may increase the number of units remodeled with accessibility features. Providing needed housing to seniors with people disabilities is a goal of HIP. Creating an inventory of assessable units in Monmouth will impact the supply of needed housing not only housing units.

Estimated Number of Units Created: It is not feasible to estimate a specific number of units that would be created through this strategy, given large number of variables and options associated with implementing it.

Timeframe for Impact: 3-5 years

Opportunities or Constraints This strategy is an opportunity to help increase the supply of units to meet the special housing needs of an identified underrepresented community in Monmouth. The strategy will need to be carefully implemented. For example, if incentives used and if they are not set at the right level to be attractive to use, they may not be effective. Any proposed incentives should be calibrated effectively to be attractive to both a non-profit and for-profit developer. The benefit of using the incentive should outweigh the costs associated with implementing accessible design features.

Implementation Actions and Timeline **Lead:** City of Monmouth
Actions:

- Develop an incentive program and source of funding to increase the number of dwelling units designed accessibly.
- Work with developers to gather feedback on program parameters and interest.
- Implement program through Council action.

Partners: Oregon Home Builders Association; Fair Housing Council of Oregon; AARP
Level of Effort: Medium
Timeline: Long-term
Fiscal Impact: Low

1.10 Require Accessible Design for Publicly Supported Units

Description This strategy involves requiring all housing units receiving public funding to be designed to meet Universal Design, Lifelong Housing Certification, or similar standards (see Strategy 1.12).

Several federal laws have accessibility requirements for housing development:³

- The **Fair Housing Act** requires all new multi-family housing with four or more units to be designed and built to allow access for persons with disabilities. For buildings with an elevator, all units must be accessible. For those without an elevator, all ground floor units must be accessible.⁴
- The Architectural Barriers Act (ABA) of 1968, Title II of the ADA, and Section 504 of the Rehabilitation Act all have requirements for **public housing** projects or those receiving **federal funding**. Such developments are subject to the Uniform Federal Accessibility Standards (UFAS) or the 1991 ADA Standards, as applicable.⁵

All multi-family developments are subject to the Fair Housing Act, and those receiving federal grants and loans (which is common for affordable housing projects) are subject to the other federal standards. However, the standards only apply to certain units in a development or to a percentage of units.

Identified Housing Need Addressed

Populations served: Seniors and people with disabilities; Extremely Low-income to Moderate-income households

Income: 0 – 120% AMI

Housing tenure/type: For sale or rent

Housing Need Addressed: Extremely Low-income to Low-income, Seniors, People with Disabilities

Magnitude of Impact

This strategy will have a **low** impact on the number of units created but could have a **medium** impact the production of units for the senior and disabled population with special housing needs. This strategy will not directly result in the production of new units, but it may increase the number of new units that have accessibility features incorporated into the design—or it may increase the number of units remodeled with accessibility features.

Estimated Number of Additional Units Created: 0

Timeframe for Impact: 3-5 years

Opportunities or Constraints

Accessibility features can add to the cost of construction for a development, which can make affordable housing projects less financially feasible. Elevators, in particular, add significant cost to a project. While these requirements may provide more accessible units, they could prevent some affordable housing projects from being developed.

³ Accessibility Requirements for Buildings, HUD.

https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/accessibilityR#:~:text=Accessibility%20Requirements%20for%20Federally%20Assisted,for%20persons%20with%20mobility%20disabilities.

⁴ Disability Law Handbook, Southwest ADA Center. <http://www.southwestada.org/html/publications/dlh/housing.html>

⁵ Uniform Federal Accessibility Standards (UFAS). <https://www.access-board.gov/aba/ufas.html>

**Implementation
Actions and
Timeline**

Lead: City of Monmouth

Actions:

- Work with non-profit housing developers to gather input on potential new requirements.
- Develop requirements for accessible housing—either through the Municipal Code or ADC.
- Adopt requirements through Council action.

Partners: non-profit housing providers; Fair Housing Council of Oregon; AARP.

Level of Effort: Medium

Timeline: Long-term

Fiscal Impact: Medium

CATEGORY 2. FINANCIAL AND REGULATORY INCENTIVES

The following incentive strategies are intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.

2.1 Inclusionary Zoning

Description Inclusionary zoning (IZ; sometimes called “inclusionary housing”) is a tool used to produce affordable housing for Low- to Moderate- income households within new market-rate residential developments. Typically, IZ is implemented through an ordinance with mandatory requirements that a minimum percentage of a new development’s total units must be designated as affordable, and that these units remain affordable for a set period of time, usually between 10 and 20 years.

After being prohibited in Oregon since 1999, legislation allowing jurisdictions to adopt IZ was passed by the Oregon Legislature in 2016. However, this legislation came with a number of limitations that are regarded by affordable housing providers and advocates as making it challenging to implement this strategy in most small- and medium-sized jurisdictions in the state. Per state statute, the IZ requirements may only be applied to multi-family housing developments of 20 units or more. In addition, jurisdictions must provide “finance-based incentives” (e.g., property tax exemptions, fee waivers, development bonuses) to offset the cost of providing affordable units, but in an undetermined amount. Cities must also provide developers with the option to pay a “fee in lieu” instead of providing affordable units. Further, cities may also establish a local construction excise tax (CET—to be explored in Part 2 of this report) to help fund the inclusionary zoning program but are not required to do so.

Identified Housing Need Addressed **Populations served:** Low-income to Moderate-income levels
Income levels: 0 – 120% AMI
Housing tenure/type: For rent or sale; income-restricted units

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness

Magnitude of Impact Impact potential is **low to medium**. Inclusionary zoning directly supports creation of affordable units by requiring them as part of all large multi-family projects. However, IZ programs typically create a fraction of the needed affordable housing units in the community and their efficacy at producing affordable housing units fluctuates over extended periods of time. In Portland, the IZ requirements reportedly have led to a decline in the multi-family construction market. Also, due to the 20-unit threshold for IZ requirements, Portland has seen an increase in permits for apartments with 19 or fewer units, which do not have to provide affordable units. This has sometimes resulted in less efficient use of land and could lead to slower housing supply growth and increasing rents in the city.

Estimated Number of Units Created: It is very difficult to estimate the net number of new units that would be created through this strategy. However, for estimation purposes,

assuming that approximately half of future developments were subject to IZ requirements and 20% of the total new units were required to be affordable to households below a certain income range, we estimate that approximately 15-20 units of the 160 multi-family units needed in the next 20 years would be affordable to eligible Low-income households.

Timeframe for Impact: 3-5 years

Opportunities and Constraints

Monmouth may wish to explore the relative costs and benefits of establishing IZ requirements. The City could also explore implementation of IZ on a voluntary basis, either as part of a negotiated process through annexation of land into the city or through use of incentives. The cities of Bend and Hillsboro have used these types of processes with specific annexation areas and developments in the past. This voluntary approach to IZ may avoid some of the pitfalls of the mandated approach allowed by the recent state legislation. These provisions required by state law are expected to limit the applicability and extent of the application of inclusionary zoning programs and result in administrative and financial hurdles to implementation, particularly for smaller communities. Relatively few communities are expected to have the financial and administrative resources to establish inclusionary zoning programs. At this point, only one community in the state (Portland) has adopted IZ requirements. Examples can be found in neighboring states: several major cities in California (Los Angeles and San Jose) and Seattle passed IZ regulations in 2017 and IZ has been used extensively in California.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions:

Mandatory IZ. The following actions could be taken to assess the feasibility of a mandatory approach to inclusionary zoning:

1. Identify the approximate benefits of establishing a set of IZ provisions based on the expected number of developments that would be subject to the standards and the approximate number of resulting new units.
2. Estimate potential excise tax revenues that could be applied to covering the cost of implementing IZ standards.
3. Estimate the cost of establishing and administering the non-code-based elements of an IZ program, including a fee-in-lieu program and other finance-based incentives.
4. Determine if the expected benefits outweigh the costs of establishing an IZ program.
5. If the costs outweigh the benefits and the City decides to move forward with the program, establish needed code requirements and other administrative and financial procedures and protocols needed for implementation.

Voluntary IZ. The following steps could be undertaken to explore a voluntary approach to inclusionary zoning:

1. Identify programmatic opportunities for implementation (e.g., annexation agreements, incentives such as building height or density bonuses or parking reductions).
2. Determine appropriate ratios or requirements for the number or percentage of affordable units to be incorporated in applicable developments.
3. Develop sample annexation agreement language and/or other implementing procedures.
4. Undergo initial implementation through one or more test cases.
5. If test cases are successful, implement more broadly.

Partners: Oregon Home Builders Association; for-profit housing developers.

Level of Effort: High

Timeline: Medium-term

Fiscal Impact: Medium

2.2 Pre-Approved Plan Sets for Middle Housing Types and ADUs

Description Provide a pre-approved set of plans for middle housing (ex. Duplex, cottage cluster, townhomes) and ADUs. The plans would be highly efficient, designed for constrained lots and Low cost solutions, and would allow for streamlined permitting. This would help attract developers that typically develop only single-family housing to get into the missing middle housing production. Consider partnering with a university, design institution, or developing a competition to produce plans.

Identified Housing Need Addressed **Populations served:** Low-income levels
Income levels: 0 – 80% AMI
Housing tenure/type: For rent or sale;

Housing Need Addressed: Extremely Low-income to Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact Impact potential is **medium**. If pre-approved plan sets are chosen by developers, it would lead to automatic approvals and reduced the permitting schedule and costs as well as reduce architectural costs. Reductions likely will be modest in comparison to other development costs and the number of units impacted is difficult to estimate. It could be an attractive option to not only developers but homeowners and small property owners. In general, decreasing the time and costs associated with the development application review process for needed housing has the potential to increase the amount of Low- and Moderate-income housing development by reducing the cost of such development.

Estimated Number of Units Created: It is difficult to estimate the number of units that would be created with any degree of precision. However, assuming that the pre-approved plans would be used primarily for middle housing and ADUs, and assuming they were used in about 25% of new middle housing units and ADUs, this would translate to creation of about 25-35 units over the next 20 years based on the number of these types of units needed during that period.

Timeframe for Impact: 2-4 years

Opportunities and Constraints

The City has the opportunity to partner with a university, design institution, or via some type of design competition process to produce plans. Creating the plan sets could be a relatively Low-cost burden to the City. Community support for this strategy may be high especially among homeowners and property owners inexperienced in development and the pre-approved plan set eliminates a time, cost, and knowledge barrier to developing or adding dwelling units to their properties. One constraint to address (particularly if the strategy is successful) is the need for the plan sets provide options to the modification to the exteriors of the buildings to ensure that the ADUs and middle housing in Monmouth aren't visually homogeneous throughout the city. This strategy has Low legal risk for the City and requires a Low level of cost and administrative burden over the long-term.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: Hire, secure a grant, or create a competition for a firm, university, or design institution to create the plan sets. City review and Council action to approve plan set.

Partners: Universities and design institutions

Level of Effort: Medium

Timeline: Medium-term

Fiscal Impact: Low

2.3 Tax Abatements

Description

Tax abatements are reductions in property taxes for housing and may include full or partial tax exemptions or freezes on the assessed value of properties. Abatements are often provided to non-profit corporations or to private developers in exchange for developing affordable or other desired housing types.

Tax exemptions or abatements offer an additional financial incentive to developers which can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but the city or county will forego taxes on the property, generally for ten years. Other taxing jurisdictions (school districts, fire districts, etc.) are not included unless they agree to participate. Often there participation is essential, given that this strategy must be implemented by taxing districts that make up at least 51% of

the total combined local tax rate (for affordable housing exemptions specifically)

For example, a large new apartment complex might have a taxable assessed value (TAV) of many millions of dollars. Currently, such a development contributes an estimated \$17,200/year in property taxes per \$1M in TAV. The City can expect to see roughly \$2,500/year/\$1M TAV (not including city bond levy). The annual benefit to the property owner from a city tax exemption can amount to tens of thousands of dollars, making this a strong financial incentive. This incentive equates to revenue foregone by the City, however. Because of the trade-off in revenue, the City should carefully consider which tax exemption programs to use, and what the desired outcomes are. In general, market-rate developers will use the program that maximizes benefits while requiring the fewest changes to their development plans. Specific programs authorized in Oregon include the following. Among others.

Vertical Housing Tax Exemption: This program is meant to encourage vertical mixed-use buildings in areas where they might be viable, typically downtowns or town centers. The program allows for a partial tax exemption for the built space, above the ground floor. Affordable housing is not required, but inclusion of affordable units can increase the tax benefits. The city must adopt a defined Vertical Housing Development Zone in which the exemption will apply.

Low-income Rental Housing (or Non-Profit): This program is aimed at encouraging subsidized affordable housing development and can be more broadly applied geographically. Units must be affordable at 60% of Area Median Income to be eligible. One program applies to all owners of Low-income rental properties, and another program applies to non-profit agencies that are often one of the few sources of subsidized housing in many communities.

Identified Housing Need Addressed

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities, People Experiencing Homelessness

Magnitude of Impact

Impact potential is **medium**. Abatements are often provided to non-profit corporations or to private developers in exchange for developing affordable or other desired housing types. The incentive could be used tool for subsidized housing development which has been demonstrated is one of the few ways create a supply of needed housing for the populations in Monmouth with special housing needs. in the current market. Affordable housing providers and developers interviewed as stakeholders stated that they go to cities and jurisdictions where property tax abatement is already established. If Monmouth can get the tax abatement established in areas with high potential for needed housing, it could attract affordable housing developers to the city.

Estimated Number of Units Created: The number of units created would depend on what type of program is implemented and the number and size of projects that are eligible and ultimately benefit from the program. For estimating purposes, if 20-30% of projected needed new multi-family units benefitted from the program, approximately 30-50 new

affordable units could be created.

Timeframe for Impact: 3-5 years

Opportunities and Constraints

The state currently authorizes tax exemptions for various types of multifamily housing and affordable housing through several programs outlined in the Oregon Revised Statutes (ORS). The two that apply to Monmouth would include: Vertical Housing (ORS 307.841 to 307.867), Nonprofit Low-income Housing (ORS 307.540 to 307.548), Low-income Rental Housing (ORS 307.515 – 307.523). The Vertical and Low-income Rental Housing programs are described in more detail above.

Implementation of tax exemption programs requires adoption by local officials and establishment of program goals and policies. They can be a good incentive to focus housing development in key areas identified as appropriate locations for populations with special housing needs. (people with disabilities, people of color, students, seniors) and encourage more density and mix of uses in town centers. Tax abatement programs do not require new direct investments, as they rely on foregone tax revenue from the general fund, but the City could use other funding sources, such as a construction excise tax, to replace the lost revenue. The City must seek agreement by resolution from other overlapping taxing jurisdictions to expand the size of the exemption. The annual benefit to the property owner from a city tax exemption can amount to tens of thousands of dollars, making this a strong financial incentive. This incentive equates to revenue foregone by the City,

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: Adoption by City Council and establishment of program goals and policies. Possible zoning ordinance amendments

Partners: Other taxing districts, Affordable housing developers

Level of Effort: Medium

Timeline: Short-term

Fiscal Impact: Medium-High (includes potential impact of loss city revenues)

2.4 System Development Charge (SDC) Deferrals, Exemptions or Reductions

Description Deferral of SDCs for affordable housing. This strategy can be applied to regulated affordable housing and/or specific housing types. SDCs are one-time charges assessed on new development to pay for the costs of expanding public facilities. The City could choose to waive, reduce or defer all or a portion of SDCs for qualifying housing types.

Identified Housing Need Addressed

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact The degree of impact is expected to be **low to medium**. It will reduce the cost burden for developers by reducing fees and/or associated financing costs but likely would account for a fairly Low percentage of the overall cost of development. In general, financing of Low- and Moderate-income housing is a challenge. Deferrals, exemptions, or reductions of SDCs and other fees can help make projects financially viable. Where the most impact has potential is application to ADUs.. The City already waives SDCs for ADUs.

Estimated Number of Units Created: The number of net new units created would depend on what types of units are eligible, whether SDCs are deferred, reduce or eliminated, and how many units are built using this strategy that otherwise would not be constructed. Given large number of variables and options associated with implementation, it is not feasible to estimate a specific number of units that would be created.

Timeframe for Impact: 3-5 years

Opportunities and Constraints This strategy generally has Low legal risk, given the opportunity to build on examples where it has been used in a variety of other communities in Oregon. The administrative burden for SDC deferrals would be Moderate, due in part to the need to track fee reductions and ensure payment of any deferred fees. The administrative burden for waiving or reducing fees would be Lower. Community support for this strategy is difficult to predict, given the fairly technical and subtle nature of this mechanism but likely would be Moderate. The cost to the City – in the form of lost revenues – would be Low to Moderate, depending on how extensively this strategy is used.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: City Council decision

Partners: Affordable housing developers

Level of Effort: Medium

Timeline: Medium-term

Fiscal Impact: Medium (includes potential impact of loss city revenues)

2.5 Expedite Permitting for Affordable/Needed Housing

Description Reduce review and processing times for affordable housing development by formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff. Streamlining the review process and expediting

permitting for affordable housing development was included in the 2010 Housing Plan but a formal program has not been instated.

Identified Housing Need Addressed

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities

Magnitude of Impact

The degree of impact is expected to be **medium**. It will reduce the cost burden for developers by shortening the timeline of developing affordable housing but reductions likely will be modest in comparison to other development costs and the number of units impacted is difficult to estimate. In general, decreasing the time associated with the development application review process for affordable housing has the potential to increase the amount of Low- and Moderate-income housing development by reducing the cost of such development.

Estimated Number of Units Created: This strategy likely would result in creation of a relatively small number of new units. Although this strategy will help reduce development costs, by itself it will only have a marginal impact in creating new affordable units and likely would directly result in only a handful of new units.

Timeframe for Impact: 3-5 years

Opportunities and Constraints

Creating an expedited review process for affordable and high need housing development has low legal risk and relatively low cost burden. The administrative burden would be moderate, due in part to the need for focused resources to quickly review applications as they come in and the limited size of Monmouth’s Community Development department. Other entities involved in permitting (i.e. building, utilities, roads) either by jurisdiction or contract would need to agree and have capability of expedited review. Community support for this strategy may be high as permitting is seen as a barrier.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: City Council decision

Partners: Affordable housing developers

Level of Effort: Medium

Timeline: Medium/long-term

Fiscal Impact: Low

CATEGORY 3. FUNDING SOURCES

The following funding sources could create new revenues for Monmouth to increase its supply of needed housing, particularly affordable housing and fund subsidized housing projects.

3.1 Construction Excise Tax (CET)

Description A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must be used for developer incentives (e.g., fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services (OHCS) for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

Identified Housing Need Addressed **Populations served:** Very Low-income to Low-income levels
Income levels: 0 – 80% AMI
Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact The degree of impact is expected to be **low to medium**. CETs provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Monmouth. The subsidized and affordable housing units produced would benefit populations with Low-income households and communities with special housing needs (people with disabilities, people of color, students, seniors). The affordable housing producers interviewed as stakeholders for the HIP commented that subsidies are absolutely needed in order to build affordable housing. They can not get projects built without the subsidies in the current market. Funds from CETs could also be used to target housing for a particular housing need for an underserved population.

Estimated Number of Units Created: [Note: For the next draft of this memo, we will prepare a quick estimate of potential CET revenues based on a range of tax rates (e.g., 0.5%-1%. We will use that to estimate the number of units that could be created through

this strategy.]

Timeframe for Impact: 3-5 years

Opportunities and Constraints

Implementing a construction excise tax is a common strategy in Oregon. State regulations on CET are clear and the legal risk is low. The construction excise tax for affordable housing was enabled by Senate Bill 1533, which the Oregon Legislature passed in 2016. The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Monmouth, either through city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. A constraint is that CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects. The administrative burden and cost of implementing the CET will likely be low due to the large amount of work already put into the strategy statewide and it is easily replicable in other jurisdictions.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: City Council Ordinance

Partners: Affordable housing developers could implement funded programs

Level of Effort: Medium

Timeline: Short-term

Fiscal Impact: Medium

3.2 Community Land Trust

Description Community Land Trusts (CLT) is a model wherein a community organization owns land and provides long-term ground leases to Low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows Low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.

No CLTs are operating in Monmouth at this time. The most active CLT currently operating in Oregon is Proud Ground. Proud Ground was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County. Proud Ground also offers homebuyer education and consulting services. Approximately 81 percent of the organization’s funding is derived from public subsidy, mostly from the jurisdictions where Proud Ground operates. Habitat for Humanity also uses a similar model for conveying homes to owners and uses volunteer efforts for construction of the homes to reduce construction costs.

The City’s primary role in the CLT model would be to support an organization like Proud Ground or Habitat for Humanity, either through financial contributions or through assistance in finding or acquiring properties for development.

Identified Housing Need Addressed

Populations served: Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, People of Color

Magnitude of Impact

The degree of impact is expected to be **low**. Community Land Trusts are a common way to provide Low- and Moderate-income for-sale housing, however, they require a relatively high level of effort to implement and there are very few active local CETs organizations operating. CLTs would not have the capability of producing a high number of units of needed housing in the short or medium term. CETs do have very strong and long-lasting anti-displacement strategy and supports wealth building through homeownership over the long term.

Estimated Number of Units Created: The number of units created would depend on how the City supports the work of one or more land trusts and how many units they can create using this approach in Monmouth. Based on the number of units created through this model in other Oregon communities and the relative size of Monmouth, this strategy likely would result in creation of 10-20 units or less.

Timeframe for Impact: 8+ years

Opportunities and Constraints

Community Land Trusts are a common way to provide Low- and Moderate-income for-sale housing. They are a great option for people who do not want to live in multiunit developments, and support wealth building through home ownership. This aligns with the stakeholder goal of building intergenerational wealth through homeownership, particularly for people of color who have historically had less homeownership opportunities. Community land trusts require a relatively high level of effort to implement but are very strong and long-lasting anti-displacement strategy. That said, the efforts are primarily borne by the land trust, with low to moderate work by the City to provide financial or technical assistance to support those efforts. CLTs can provide permanently affordable housing for the Monmouth community using the existing housing stock or through development of new units. Land trusts have many legal considerations and have a

high start-up cost (also borne by the land trust, rather than the City). Cities typically are asked to provide land, financial assistance, and or technical assistance, with potentially moderate costs. The City also must ensure that the CLT aligns with funding sources and housing policies. Despite the relatively high administrative and financial startup costs for the land trust organization, community land trust often have high community support because they allow community members to stay in the community without getting priced out of the housing market. Existing housing development can be preserved well into the future, and neighborhoods and social networks are able to stay intact.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: City Council Ordinance

Partners: CLT partners (such as Proud Ground, DevNW, Kôr Community Land Trust)

Level of Effort: High

Timeline: Long-term

Fiscal Impact: High

3.3 Financial Assistance Programs

Description A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades. Often these programs are funded by federal and state housing programs such as the Community Development Block Grant program administered by county housing authorities in partnership with local jurisdictions.

Identified Housing Need Addressed

Populations served: Very Low-income and Low-income levels

Income levels: 0 – 80% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact The degree of impact is expected to be **low** for producing housing units, however, this strategy is **high** on directly serving the housing needs of people with special housing needs in Monmouth. The tools (rent assistance, loans for homeowners, or assistance to Low-cost apartment owners for repairs and upgrades) will help the housing insecure remain in their homes or rental or provide opportunities for people experiencing homelessness to obtain housing.

Estimated Number of Units Created: This strategy would not directly create any new units but could help maintain affordability of existing units and/or allow people with modest means to remain in their homes. Given the number of different potential approaches for implementing this strategy, it is not possible reasonably estimate the number of households that would be impacted.

Timeframe for Impact: 1-5 years

Opportunities and Constraints

Community Development Block Grant program administered by county housing authorities in partnership with local jurisdictions. The Polk County CDC administers this program for all residents and communities in the County. The City of Monmouth can work with the County to advocate for implementation of specific CDBG-authorized program in Monmouth. The City also could consider implementation of financial assistance programs related to utility payments or other city fees and services. For example, The City currently does this through the Community Action Agency and Polk Co. Resource Center:

https://www.co.polk.or.us/sites/default/files/fileattachments/family_amp_community_outreach/page/31381/pol_k_county_resource_center_-_english.jpg

Implementation Actions and Timeline

Lead: City of Monmouth or Polk County

Actions: Dependent on tool selected

Partners: Polk County, community organizations, financial institutions

Level of Effort: Medium

Timeline: Short and medium-term

Fiscal Impact: Medium

CATEGORY 4. PROGRAMS AND PARTNERSHIPS AND OTHER STRATEGIES

The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources identified in the previous set of strategies. Strong partnerships can promote a variety of affordable housing programs or projects and include partnerships from multiple public, private, and non-profit entities.

4.1 Public-Private Partnerships (PPPs)

Description PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit). Cities can engage in PPPs in a variety of ways, such as providing flexibility in development standards and helping leverage public funding. The City can implement arrangements between public and private entities to create more and/or affordable housing. These PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple public, private, and non-profit entities such as the Polk County Community Development Corporation (CDC). These efforts typically involve utilization of a variety of other housing measures or strategies, including those described in this report.

Identified Housing Need Addressed

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact The degree of impact can vary, but a strong partnership has the potential to have a high impact on the housing supply in Monmouth. Public Private Partnerships present many opportunities for Low- and Moderate-income housing development that may not have otherwise occurred. Public subsidies for privately developed housing can increase the number of affordable housing units built.

Estimated Number of Units Created: PPPs are a broad collection of strategies, rather than an individual program. As such, the number of units created would be highly dependent on which specific type of PPP is implemented. Some estimates of impact are provided in previous sections for selected PPP strategies.

Timeframe for Impact: 3-5 years

Opportunities and Constraints This strategy has low legal risk. The administrative burden may be moderate, working to develop partner relationships and funding, and also administer ongoing partnerships. The City should leverage existing partnerships with groups such as Housing Works, Habitat for Humanity, and other private or non-profit developers. It is important create a monitoring mechanism and financial penalties for not meeting goals in order to strengthen community benefits agreements in PPPs. These also help reduce the legal and financial risk

for the city. Establishing clear public goals can help garner community support for partnerships and projects, but generally, community support for PPPs is high. In addition to working with non-profit or other affordable housing developers to produce housing that meets the needs of “ Low income” and Moderate-income households in Monmouth, the City also can work with market rate developers to generally support residential development. Many of the strategies described in other sections of this memo are examples of PPPs (e.g., Strategies 1.5, 1.8, 1.9, 2.1, 2.3, 3.2 and 4.4).

**Implementation
Actions and
Timeline**

Lead: City of Monmouth

Actions: Dependent on partnership

Partners: Polk County Community Development Corporation (CDC), non-profit housing organizations, affordable housing providers

Level of Effort: High

Timeline: Long-term

Fiscal Impact: Low

4.2 Tenant Protection Programs and Policies

Description

Tenant protections include local regulations and enforcement programs that provide protections for tenants of existing affordable housing and Low-cost market rate (LCMR) housing against evictions, excessive rent increases, discrimination, and health and safety violations. Tenant protections can also provide various types of assistance to renters. The purpose of these protections is help tenants of affordable units to access and retain their housing, particularly for Very Low-income and other vulnerable community members. Tenant protections can be implemented through policies and/or programs. The Oregon State Legislature is currently in the process of reviewing Senate Bill 608, which would regulate some tenant protection policies statewide. With the exception of rent regulation, local jurisdictions have the ability create tenant protection regulations that go beyond state requirements as long as they do not conflict with them. Homeowner protection programs could include education as well as financial and technical assistance to stabilize and combat predation of Low- and Moderate-income homeowners. Rent stabilization legislation was adopted by the State of Oregon during the 2019 legislative session and the state will essentially administer associated programs. The remainder of this section focuses on other types of tenant protection programs.

Notification for No-Cause Evictions. Under the provisions of ORS 90.427, landlords are required to give 30- or 60-day notification of no-cause evictions. Previously, some jurisdictions, including Portland and Milwaukie, increased the no-cause eviction notice to 90-day. However, Senate Bill 608, mandates a 90-day notice for no-cause eviction statewide. Senate Bill 608 was passed on February 28, 2019 and is effective immediately.

Renter Relocation Assistance. These programs require landlords to pay a set amount to assist tenants when lease conditions change—such as no-cause eviction, substantial rent

increase, or not receiving the option to renew a lease. Relocation assistance programs have been implemented by the cities of Portland, OR and Vancouver, BC during the last several years. Recent state legislation also addresses these programs.

Rental Registration. These programs allow jurisdictions to keep an accurate inventory of residential rentals. A well-maintained inventory can help improve notification of changes to local landlord-tenant laws. Also, the program helps monitor and protect tenants while requiring more responsibility and accountability from landlords.

Rental Inspection Program. Rental inspection programs monitor rentals to protect tenants and require more accountability from landlords. Inspection programs can be combined with a registration program or stand-alone. Also, the types of housing or dwellings that are required to register for the program can vary to all housing, affordable housing, multi-family housing, or other criteria. Several Oregon jurisdictions have rental inspection programs, including the cities of Gresham and Salem. Currently in Monmouth, this is handled on a case-by-case basis and is complaint driven.

Several of these programs require relatively significant administrative time and resources and may not be appropriate for the City as this time but could be considered for implementation in the future.

Identified Housing Need Addressed

Populations served: Very Low-income to Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact

The degree of impact is expected to be **low** for producing housing units, however, this strategy is **medium** on directly serving the housing needs of people with special housing needs in Monmouth, particularly for Very Low-income and other vulnerable community members. It also prevents the displacement of Low- and Moderate-income community members who may be priced out of newly developed housing. The tenant protections will help people retain their rental housing could highly impact the number of people experiencing homelessness due to loss of their affordable housing units. Tenant protections are a cost-effective way to prevent displacement that uses the City's existing housing stock.

Estimated Number of Units Created: This strategy would not directly create any new units but could help maintain affordability of existing units and/or allow people with modest means to remain in their homes. Given the number of different potential approaches for implementing this strategy, it is not possible reasonably estimate the number of households that would be impacted.

Timeframe for Impact: 3-5 years

Opportunities and Constraints

Tenant protections to keep people in existing Low-cost rental housing is less costly than new construction but does require more administrative effort from the City. Several of the

programs for tenant protection require relatively significant administrative time and resources and may not be appropriate for the City as this time but could be considered for implementation in the future. Partnering organizations that specialize in tenant protection throughout the state may be able to support the City.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: Dependent on program

Partners: Polk County Community Development Corporation (CDC), non-profit housing organizations, affordable housing providers

Level of Effort: High

Timeline: Long-term

Fiscal Impact: Medium

4.3 Support Expanded Transit Service in Monmouth and Key Destinations

Description Continued development of a more comprehensive transit system that serves Monmouth and the neighboring cities is needed, especially given that there is a university in Monmouth. The City should continue to work with local transit providers, the University, and others to advocate for expanded transit routes and/or increased frequency to service to address these needs.

Plans are currently underway to launch a free pilot trolley bus service that runs between Independence and Monmouth daily in Fall 2022.

Identified Housing Need Addressed

Populations served: All

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact The degree of impact is expected to be **low** for producing housing units, however, this strategy is **medium** on directly serving the housing needs of people with special housing needs in Monmouth, particularly for Very Low-income seniors, students and people with disabilities.

Estimated Number of Units Created: This strategy would not directly create any new units but would help incentivize development of new affordable units in locations where residents have access to needed good and services.

Timeframe for Impact: 3-5+ years

Opportunities and Constraints

Stakeholders noted that limited transit services serve as a barrier to providing housing to Low-income and disabled persons and students in appropriate locations. The lack of transit also affects where students’ rental units are located. They also note that all new units should be accessible, particularly affordable units and those serving as transitional housing and housing for seniors or disabled residents.

Implementation Actions and Timeline

Lead: City of Monmouth
Actions: Coordination
Partners: Transit providers, Western Oregon University
Level of Effort: High
Timeline: Long-term
Fiscal Impact: Medium

4.4 Coordination Between Affordable Housing Developers and Property Owners and Service Providers

Description

Provide assistance in coordinating with non-profit or other affordable housing developers, property owners with potential housing sites, and service providers. Stakeholders commented that the City could provide coordination connecting land owners with affordable housing developers; and developers with funding opportunities. More collaboration and foresight to obtain land for affordable housing is needed. A matchmaking system between landowners and affordable housing developers would be beneficial.

Identified Housing Need Addressed

Populations served: Low-income and Moderate-income levels
Income levels: 0 – 120% AMI
Housing tenure/type: For rent or sale
Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact

The degree of impact can vary, but a strong coordination between landowners, affordable housing developers and funding opportunities has the potential to have a **medium** impact on the housing supply in Monmouth. The efforts for greater coordination may present opportunities for Low- and Moderate-income housing development that may not have otherwise occurred.

Estimated Number of Units Created: Implementation of this strategy could take a variety of forms. Without more definition of how the strategy would be implemented and the types of projects towards which it would be targeted, it is not possible reliable estimate the number of units which would be created.

Timeframe for Impact: 3-5 years

Opportunities and Constraints

This coordination or matchmaking system start up would require a moderate level of administrative burden and relatively low cost for the city. On-going participation by the landowners, developers and organizations providing funding may be a constraint to a successful program.

Implementation Actions and Timeline

Lead: City of Monmouth

Actions: Coordination

Partners: Landowners, affordable housing developers, affordable housing organizations

Level of Effort: High

Timeline: Long-term

Fiscal Impact: Low

4.5 Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options

Description

City lead efforts to educate citizens about the need for and community benefits of providing a full range of housing options, including those well-suited and affordable to people with “Low incomes” or specific needs. Educate community members about the need for higher density and other housing affordable to Low and Moderate-income households and other community members with specific needs. Stakeholders noted that general community resistance to higher density development, especially adjacent to established neighborhoods, is a barrier to creating needed housing. Opposition is frequently related to concerns related to building heights, loss of sun exposure, parking, and traffic, and these issues tend to dominate the conversations related to approval of needed housing developments.

Identified Housing Need Addressed

Populations served: Low-income and Moderate-income levels

Income levels: 0 – 120% AMI

Housing tenure/type: For rent or sale

Housing Need Addressed: Low-income households, Seniors, Students, People of Color, People with Disabilities; People Experiencing Homelessness

Magnitude of Impact

The degree of impact can vary, but this will help lay the groundwork before the affordable housing developers arrive and would save time and resources. Reducing NIMBYism that often stops or slows the production of needed housing has the potential to impact the number of housing units built. Reducing opposition to the other strategies in this report

could also aid in the production of housing units.

Estimated Number of Units Created: Implementation of this strategy could take a variety of forms. Without more definition of how the strategy would be implemented and the types of projects towards which it would be targeted, it is not possible to reliably estimate the number of units which would be created.

Timeframe for Impact: 1-3 years

**Opportunities
and Constraints**

This strategy has low legal risk for the City and requires a low level of cost and administrative burden over the long-term. This effort may ultimately help reduce opposition to other strategies that have the potential to produce needed housing units such as increasing density, rezoning land, allowing for a greater range of housing types and reducing parking requirements.

**Implementation
Actions and
Timeline**

Lead: City of Monmouth

Actions: Coordination

Partners: Affordable housing developers, non-profit organizations, University programs

Level of Effort: High

Timeline: Long-term

Fiscal Impact: Medium

APPENDIX D: IMPLEMENTATION GUIDE FOR PRIORITY STRATEGIES





To: Suzanne Dufner, City of Monmouth
Mari Valencia-Aguilar, Oregon Department of Land Conservation and Development

From: Matt Hastie and Carrie Brennecke, MIG

Date: March 14, 2023

Re: Monmouth Housing Production Strategy– Implementation Guide for Priority Strategies (Task 3.4)

I. INTRODUCTION

Project Overview

The purpose of the Monmouth Housing Production Strategy (HPS) project is to identify a set of actions that the City of Monmouth will take to facilitate housing development that meets the current and future housing needs of the community. The focus of the HPS will be on how to fill the gaps in Monmouth’s housing need and supply, particularly housing available to Low-income households and underrepresented communities with special housing needs—and more particularly Low-cost rental housing. The HPS will identify and prioritize which specific affordable housing strategies to pursue in the coming years, and provide an outline of the specific tools, actions, and policies the City should pursue to promote the development of needed housing. The strategies will meet identified housing needs, facilitate the production of needed housing, and will strive to achieve fair and equitable housing outcomes.

This memorandum is the fourth in the creation of a Housing Production Strategy for the City of Monmouth. Subsequent to completion of these memos, key information and recommendations from the memos will be incorporated into a Housing Production Strategy Report. The information here builds upon:

- *Contextualized Housing Needs* –The memorandum provides a summary of data on the context of socio-economic and demographic trends, market conditions and housing affordability considerations. It also incorporates information obtained through stakeholder engagement on barriers to affordable housing production, opportunities to increase production, and needs of underrepresented communities. Contextualized Housing Needs uses both the data and stakeholder engagement to identify and address underrepresented communities with special housing needs. These are the people in Monmouth with, Extremely Low-Income, Very Low-income or Low-income, the houseless population, people with disabilities, seniors, veterans, people of color, and the student population.
- *Existing Measures, Previously Identified Strategies, and Additional Strategies to Address Housing Needs* - The memorandum summarizes the existing measures, previously identified strategies and other additional possible strategies to address Monmouth’s contextualized housing needs. It builds upon the previous housing work that took place in Monmouth in 2019 with the Draft Housing Measures Report in conjunction with the Housing Needs Analysis and outlines additional strategies to address the special housing needs identified in the Contextualized Housing Needs Memo.

- *Evaluation, Refinement, and Summary of Selected Strategies*- The Memorandum provides a preliminary evaluation, refinement, and summary of the identified strategies based on a range of criteria. It provides valuable information when the city seeks input on the potential housing strategies from stakeholders, citizens, Planning Commission and City Council. The evaluation and refinement of the strategies also provide important information to the process of selecting and prioritizing strategies which was the next step in the project.

II. IMPLEMENTATION GUIDE OVERVIEW

Identification of Priority Strategies for Further Review

This Implementation Guide identifies the priority housing production strategies recommended by the consultant team and city staff based on information provided by the Monmouth Planning Commission and City Council as well as key stakeholders. The consultants and staff obtained feedback from the members for the Commission and Council during work sessions on the HPS. After work sessions, the members of the Planning Commission and City Council were requested to provide their highest priority strategies along with their lowest priority strategies with explanation. See Attachment 1 “Council Feedback about Housing Strategy Priorities” provides the summary of feedback from the Planning Commission and City Council on priority strategies.

The consultants used the responses provided by the City Council and Planning Commission along with information from key interviews with housing providers to identify with 9-10 highest priority strategies. The Consultant Team along with Monmouth’s Community Development Director and the DLCD representative reviewed the list of recommended highest priority strategies and identified the three (3) strategies that would be most beneficial to explore in greater depth and create an action plan for though the Implementation Guide.

Below is a table that identifies the recommend priority strategies identified by the consultant team and City of Monmouth Staff for further analysis with notes/rationale for the recommendation.

Recommended Priorities for Implementation Guide by Consulting Team and the City of Monmouth Staff

	<i>Strategy</i>	<i>Notes/Rationale for Recommendation</i>
1.1	Rezone Land from Low or Medium Density to High Density	<ul style="list-style-type: none"> • Moderate support from PC and CC (just below several other priority strategies) • Likely necessary to address HNA, given limited supply of land zoned for multi-family housing • Essential to development of most affordable housing
2.4	System Development Charge (SDC) Deferrals, Exemptions or Reductions	<ul style="list-style-type: none"> • Relatively strong support by PC and CC (although some opposition also noted) • Important financial incentive for affordable housing developers • Suggest initial implementation via reductions and deferrals • Longer-term implementation via updated methodology to allow for further reductions and to tie rates to housing size

4.1	Public-Private Partnerships (PPPs) Combine with Support for Community Land Trusts (3.1) and Coordination with Landowners (4.3)	<ul style="list-style-type: none"> • Relatively strong combined support from PC and CC for Strategies 3.1, 4.1 and 4.3 • Essential to getting affordable projects to happen, including helping identify viable sites • Will help support potential faith-based opportunities
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Additional high priority strategies are identified in a separate memo.

What's in the Implementation Guide

This Implementation Guide provides further analysis and input on how to put each strategy into action.

The implementation Guide includes the following where appropriate:

- Review relevant case studies and research
- Examples from other jurisdictions/entities that have implemented similar strategies
- Information from key housing stakeholders, development partners and landowners
- Key Action Items
- How strategy achieves fair and needed housing as defined by the Contextual Housing Needs

Criteria for Assessing Fair Housing Objectives

OAR 660-008 requires an evaluation of the strategies for achieving the following types of outcomes.

- **Affordable Homeownership.** This criteria focuses on strategic actions that support production of housing affordable for homeownership and includes actions to support development of housing affordable at less than 120% of MFI.
- **Affordable Rental Housing.** Supporting affordable rental housing includes actions to support production of both income-restricted affordable housing (affordable to households with incomes below 60% of MFI) and privately developed affordable housing (affordable for households with incomes between 61% and 80% of MFI).
- **Housing Stability.** Increasing housing stability includes actions that increase the stability of existing households and preventing displacement by mitigating gentrification resulting from public investments or redevelopment.
- **Housing Options for People Experiencing Homelessness.** Increasing options for people experiencing homelessness includes working with partners and identifying ways to address homelessness and strategic actions that reduce the risk of households becoming homeless (especially for households with income below 30% of MFI).
- **Housing Choice.** Increasing housing choice involves increasing access to housing for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Increasing housing choice also means increasing access to existing or new housing that is located in neighborhoods with healthy, safe environments and high-quality community amenities, schooling, and employment and business opportunities.

- Location of Housing. Diversifying the location of housing requires increasing options for residential development that is compact, in mixed-use neighborhoods, and available to people within state and federal protected classes.
- Fair Housing. Supporting Fair Housing is accomplished by increasing access to housing for people part of state and federal protected classes, affirmatively furthering fair housing, addressing disparities on access to housing opportunity for underserved communities, and decreasing patterns of segregations or concentrations of poverty.

III. IMPLEMENTATION GUIDE

1.1 Rezone Land from Low or Medium Density to High Density

Examples

Example 1: Hood River - Rand Road Affordable Housing Development

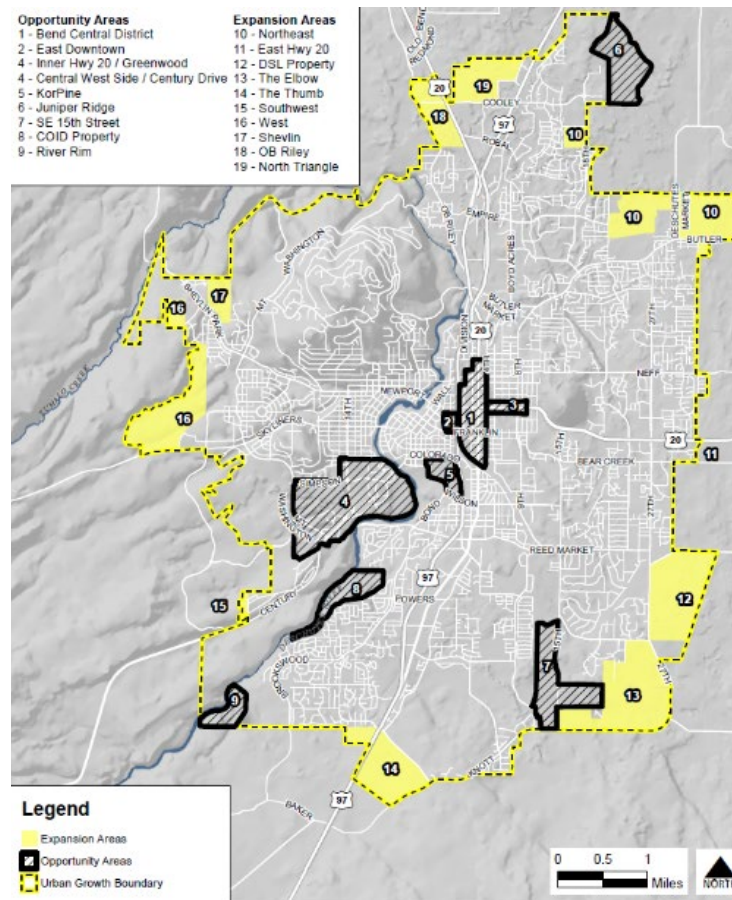
In 2020 the City of Hood River purchased land at 780 Rand Road for the purpose of developing affordable housing. The 7-acre parcel is located southwest of the intersection of Cascade and Rand, within a quarter mile of many businesses including a grocery store. Most of the property was zoned R-1, with some R-3 zoning. In the spring of 2022, the Hood River City Council initiated and approved a rezone of the property to Urban High Density Residential (R-3) in its entirety. After a competitive solicitation process, Community Development Partners (CDP) and Columbia Cascade Housing Corporation (CCHC) were selected as the City’s preferred development team to build affordable housing at the Rand Road site. The project’s proposed income mix (Feb. 2023) consists of 39 units for households earning up to 30% of Area Median Income (AMI), and 90 units for households earning up to 60% AMI.



Site plan and architectural rendering of Hood River's 780 Rand Road affordable housing project.

Example 2: Bend did extensive planning and proposed rezoning of UGB “opportunity areas”

During the City of Bend’s 2016 UGB process, two types of places were identified to best handle growth: Expansion areas and Opportunity areas. Opportunity areas identify places within the city where there is underdeveloped land close to existing infrastructure, businesses, and amenities. This could be an area with vacant lots, a string of parcels with a building or two in place, or places where zoning allows for more houses and businesses to be built than what is there now. These are called opportunity areas: places that can be used more efficiently, may have some existing infrastructure to tap into, and are well suited to accommodate growth. An example of where an “opportunity area” has been rezoned, master planned and beginning to see development applications for mixed use housing is Bend Central District and KorPine. The area’s underwent a rezoning to allow for denser housing and mixed use development. A large portion of the KorPine site is currently in the planning stages and poised to be developed with a significant number of new housing units and mixed use development.



Example 3: Estacada Comprehensive Plan policy language – methodology and findings to upzone

As part of preparation of a Housing Needs Analysis and implementing amendments to the City’s Comprehensive Plan and Zoning Code, the City and its consulting team identified the need to rezone areas from lower to medium or high density destinations to address a future potential deficit of higher density residential areas. The team identified several criteria for future rezoning applications, including parcel size, proximity to existing medium or high density residential areas, and distance to community services and amenities (e.g., school, parks, commercial areas, and transit service). The City did not formally rezone these areas but adopted Comprehensive Plan policy language and supporting

maps indicating that these areas are consistent with City objectives for rezoning actions. This new policy language will help reduce barriers to future rezoning applications submitted by private property owners or developers.

Stakeholder Feedback on Strategy

Affordable housing producers stated that there is a lack of buildable land zoned and at densities that would allow for middle housing types or multi family housing in Monmouth is the biggest barrier to housing development in Monmouth. For affordable housing to pencil out, 50 units per acre is ideal and 40 units per acre is the minimum. In order to bring and state and federal investment into a community the housing development needs to be cost effective for construction and cost effective at property management (on-site unit). It is very difficult to obtain state funding at anything below 3 stories. The more the building envelope is higher cost in perpetuity. A minimum of 70 units for an affordable housing development to be feasible for construction, property management, and resident services. Seventy units allows for a 0.33 full time employee to provide services to the residents.

Property owners, particularly churches, stated they have land and are wanting to develop housing, but they need assistance and guidance to rezone their properties to a density that allows for multi-unit housing.

Key Action Items

- City of Monmouth creates a map identifying appropriate locations for future rezoning land to higher residential densities or mixed use.
- City of Monmouth creates process for engaging potential property owners (faith-based organizations, Western Oregon University, developer owned properties) in starting property owner initiated rezoning. The City can offer technical assistance and/or reduced or waived application fees.
- City of Monmouth may consider a legislative rezoning of areas in the city if appropriate.

Fair Housing Outcomes

OAR 660-008 requires an evaluation of the strategies for achieving the following types of outcomes.

FAIR HOUSING OUTCOME	
Affordable Homeownership	<input checked="" type="checkbox"/>
Affordable Rental Housing	<input checked="" type="checkbox"/>
Housing Stability	
Housing Options for People Experiencing Homelessness	<input checked="" type="checkbox"/>
Housing Choice	<input checked="" type="checkbox"/>
Location of Housing	<input checked="" type="checkbox"/>
Fair Housing	<input checked="" type="checkbox"/>

2.4 System Development Charge (SDC) Deferrals, Exemptions or Reductions

Case Studies [Oregon System Development Charges Study: Why SDCs Matter and How They Affect Housing - December 2022.](#)

In 2021, the Oregon legislature passed House Bill 3040 (HB 3040), directing Oregon Housing and Community Services (OHCS) to prepare a study of System Development Charges (SDCs)— a form of one-time impact fees charged on new development to help pay for infrastructure that serves or provides capacity for growth. The legislature requested that the study cover the history of the charges, methodologies for setting the fees, recent trends in fee levels, how the fees relate to other development costs, and how they ultimately affect the cost and production of housing.

KEY FINDINGS

SDCs have become an essential funding mechanism in many Oregon communities, for practical, political, and policy reasons.

- SDCs are increasing faster than inflation due to lack of alternative funding and increasing infrastructure costs.
- SDCs are a critical component of local funding for infrastructure needed to support growth.
- The variation in SDC rates across the state reflects differences in local needs, cost factors, and priorities.

While SDCs are essential for funding critical infrastructure, they also increase the cost of building new housing in ways that can skew housing development towards higher-cost homes and can impact buyers and renters. SDCs likely account for anywhere from just under 2 percent to nearly 13 percent of total development costs for housing in Oregon, depending on housing market conditions and local SDC rates and fees. The study identifies several ways that SDC costs may affect buyers and renters:

- Smaller and lower-cost housing units tend to be more affected by SDCs than larger and more expensive homes.
- SDCs can combine with other factors to exacerbate challenges for housing production and affordability, even if they are not the primary driver.
- SDCs on affordable housing development can increase the difficulty of securing adequate funding for the development and, even as a small percentage of total development costs, likely consume millions of dollars per year in funding for affordable housing statewide.

Some jurisdictions have implemented SDC measures to support affordability, but broader adoption is hindered by administrative, legal, and financial concerns.

- Scaled SDC rates for smaller units are typically tied to evidence of lower development impacts, which is well within the discretion allowed under statute
- SDC waivers can offer substantial savings for affordable housing development, but there are differing views on their validity.
- SDC deferrals reduce financing costs for developers, which can be 10 to 25 percent of the SDC amount

Difficulty in estimating SDC costs up front can create challenges for multifamily, affordable housing, middle housing, and greenfield development. SDC rate structures and approach to SDC changes can lead to variability between initial estimates and final SDC costs, but uncertainty for middle housing SDCs and SDC credit policies could be addressed through clearer information for applicants.

CONCLUSION

At their core, SDCs are a funding mechanism for local governments in Oregon; reducing SDC costs broadly in the interest of housing production and affordability would require greater availability of other funding for infrastructure that does not increase development costs or burden low-income households. Expanding other funding mechanisms or increasing state funding for infrastructure with a focus on mitigating impacts to affordable and lower-cost housing could help even the playing field for lower-cost housing development while retaining SDCs as a key funding source for infrastructure to serve growth.

Even in the current fiscal context, jurisdictions can take steps to mitigate the impacts of SDCs on housing production and affordability. Jurisdictions can identify locally appropriate measures to reduce or mitigate SDCs’ impact on housing development during SDC methodology updates, housing production strategies, infrastructure funding plans, or other policy discussions related to infrastructure and/or housing.

Examples

Example 1: Updated SDC Methodologies: In Fall 2022 Albany Tied SDC rate to Housing Unit Size
 The City of Albany recently updated their SDCs to tie to unit size. They began the process with extensive discussions with their City Council about existing methodologies and explored options to scale SDCs to unit size. Next, they calculated and reviewed a set of scaled SDC’s by utilizing City of Albany data to identify a cost-effective and equitable approach to tying home size vs impact for wastewater, transportation, and water SDCs. The City implemented a two-step approval process to adopt the scaled SDC’s. First they adopted revised Methodology Reports for each SDC (wastewater, transportation, water) with maximum allowable fees listed in the reports. Second the City Council held public hearings and adopted the revised SDC Fees.

City of Albany Residential Development Examples Current vs. Proposed (from City Council Work Session September 12, 2022)

Residential Development	Current SDC	Proposed SDC	Difference
Single-Family Home <1000 SF	\$13,744	\$8,317	\$5,427 less
Single-Family Home 2350 SF	\$13,744	\$13,706	\$0 Approx. Even
Single-Family Home 3000 SF	\$13,744	\$16,852	\$3,108 More
Duplex	\$23,207	\$18,343	\$4,834 Less
Quadplex	\$46,413	\$36,685	\$9,725 Less

Example 2: Example 2: City of Bend: Exempts SDCs for deed-restricted housing affordable to households at 80% or less of area median income
 Since December 2017, the City of Bend has offered SDC exemptions (except parks SDC assessed

by the Bend Metro Park and Recreation District) to all rental and for-sale housing affordable to households making 80 percent or less of area median income (AMI) using a deed restriction to guarantee long-term affordability. The City's Affordable Housing Advisory Committee has the authority to approve exemptions of City water, sewer, and transportation SDCs, and can also recommend exemptions for parks SDCs levied by the Bend Park and Recreation District. Upon approval, the exemptions are structured as a forgivable loan at 3 percent annual interest, with no payments due as long as the property remains affordable for at least five years. If the affordability restrictions are removed within five years of the project's completion, the SDCs become payable, with interest, by the original applicant.

Between 2016 and 2021, Bend granted exemptions on 577 units of affordable housing, for a total value of \$5.2 million. Nearly all of these exemptions have been granted to nonprofit developers of affordable housing.

[Example 3: City of Tigard exempts SDCs for housing affordable to households at 80% or less of area median income, with a 20-year affordability requirement but only for transportation and park SDCs.](#)

City of Tigard provides exemption of city transportation and park SDCs for regulated affordable housing. The program allows for the exemption of only city transportation and park SDCs for regulated affordable housing units located within the City of Tigard. Other SDCs for water, sanitary sewer, and stormwater systems are NOT exempt under this program. The Regulated Affordable Housing SDC Exemption Program is managed jointly by the Community Development Department and Finance and Information Services Department.

To be considered regulated affordable housing, units must:

1. Have a local, state, or federal compliance agreement or contract;
2. Be affordable to households at or below 80% median family income as defined annually by Housing and Urban Development (HUD) for the Portland-Vancouver Metropolitan Statistical Area (MSA); and
3. Remain regulated affordable housing units for a minimum of 20 years from the date of occupancy.

[Example 4: City of Gresham allows for deferral of SDC payments or financing SDCs over a period of time](#)

Gresham has an economic development incentive that allows for deferral of SDC payments until occupancy, or financing SDCs over a period of up to 10 years. The deferral program is available to all development. To qualify for deferral or financing of SDCs, the City must obtain a superior lien on the property. As such, this program may not accommodate all new or expanding developments as some financing sources do not allow superior liens. The SDC deferral do not require interest payments.

**Stakeholder
Feedback on
Strategy**

The stakeholders interviewed for the Monmouth HPS stated that for new housing construction to be affordable, subsidies or cost reduction measures are needed. The availability of tools such system development charge (SDC) deferrals, waivers or reductions would make lower cost housing more feasible. A city the size of Monmouth could enact SDC waivers to make projects happen that might not otherwise be financially feasible. Affordable housing developers go to cities and jurisdictions where tools are in place.

Extensive Stakeholder feedback on SDCs can be found in [Oregon System Development Charges Study: Why SDCs Matter and How They Affect Housing](#). The stakeholder feedback comes from service providers (small and large cities, special districts, park providers) and housing developers and is located in Appendix A and Appendix B of the document.

Key Action Items

- City of Monmouth conducts SDC Study and develops SDC reduction, deferral, waiver, and/or methodology revision proposal that furthers the goal of supporting the development of needed housing
- City of Monmouth legislative action to adopt revised SDC Methodologies, exemption or deferral program for affected systems
- City of Monmouth legislative action to adopt revised SDC fees

Fair Housing Outcomes OAR 660-008 requires an evaluation of the strategies for achieving the following types of outcomes.

FAIR HOUSING OUTCOME	
Affordable Homeownership	<input checked="" type="checkbox"/>
Affordable Rental Housing	<input checked="" type="checkbox"/>
Housing Stability	
Housing Options for People Experiencing Homelessness	
Housing Choice	<input checked="" type="checkbox"/>
Location of Housing	<input checked="" type="checkbox"/>
Fair Housing	<input checked="" type="checkbox"/>

4.1 Public-Private Partnerships + Community Land Trusts + Coordination with Landowners

Examples Example 1: Bienestar project in Hillsboro targeting low and moderate-income Latino residents



NUEVA ESPERANZA

The project, which is a partnership with Bienestar and Housing Development Center, will create 150 affordable housing units for families making 60% or below of the area's median income. Nueva Esperanza was explicitly created within the framework of racial equity. Twelve residential buildings will be arranged in three distinct neighborhoods or colonias with unique identities, with one central community building. Sixty of the units will serve households with 30% AMI or below. 106 units will have two or more bedrooms.

Bienestar, a non-profit housing provider, provides quality affordable housing that allows low-income families to find stability, build assets, provide for their children, and build a pathway to a better future. Bienestar is a culturally specific CDC serving the Latinx immigrant community of Washington County with bilingual services and high-quality affordable housing units built for families. Bienestar's first housing community designed to meet the needs of two culturally specific communities: Latino families and Somali immigrant families.

The City of Hillsboro is the project sponsor. The Hillsboro City Council prioritized the creation of more affordable housing in the community and donated the roughly 6-acre piece of land for the project. Bienestar was one of five proposals that the Hillsboro City Council considered back in November 2020 for development of the city-owned parcel. The development was approved through three separate resolutions. The first approved the construction project itself, the second approved the transfer of land, and the third approved the use of loan funds for the development. Nueva Esperanza affordable housing project is expected to be complete by late 2023.

Example 2: Habitat for Humanity projects the mid-Willamette Valley and other communities focus on owner-occupied affordable housing

For individual home ownership projects (infill and middle housing), the Habitat for Humanity Homeownership Program provides a unique opportunity for hardworking families to “build and buy” their own homes. Houses are sold to new homeowners with an affordable mortgage. To qualify for the Homeownership Program, applicants must be within 30% to 80% of the area median household income. Mortgage loan principal payments help pay for the construction of future homes in the Mid-Willamette Valley.

Habitat for Humanity has affiliates that build homes in Salem, Keizer, Stayton, Lyons, Aumsville, Mill City, Mehama, Sublimity, Turner, Dallas, Independence, and Monmouth. Habitat for Humanity also is interested in doing projects in Monmouth and have been in contact with city staff. Coordination between landowners, faith-based organizations and Habitat for Humanity would aid both parties in getting needed housing constructed.

Example 3: DevNW works in cities and counties throughout western Oregon to provide affordable rental housing and homeownership opportunities with some developments through a Community Land Trust

DevNW has built and sold more than 155 homes for low- and moderate-income first-time homebuyers. Many homes are now Community Land Trust (CLT) homes, a unique model that separates the home from the land; DevNW holds the land in trust and sells the home to a moderate income buyer (with a 99 year lease on the land). This helps create extra affordability, while also ensuring that the home is not just affordable to the first buyer but to every buyer down the road.

DevNW also builds and operates affordable rental housing. They have Community Health Workers who connect with residents to help them access a wide range of resources and coordinate activities onsite. Some of the homes are set aside for special populations but generally are available to individuals and families below a specific income which is determined by the grant funding.

One project DevNW has under construction in the mid-Willamette Valley is MacLeay CLT. DevNW is building 24 homes [Townhouse (9), 2BR (7) & 3BR (8)] in Salem in a Community Land Trust. DevNW worked with the City of Salem to secure funding through the HOME Program (federal) and Oregon Housing and Community Services (state) which awarded funds to for needed affordable housing supply in the counties of the state affected by wildfires.

Stakeholder Feedback on Strategy

Stakeholders commented that the City of Monmouth could provide coordination connecting landowners with affordable housing developers. This would help get more units built. Affordable housing developers often get the last crack at developable land. More collaboration and foresight to obtain land for affordable housing is needed. A matchmaking system between landowners and affordable housing developers would be beneficial. Churches are a good potential resource for partnerships and also hold a large amount of available land.

Key Action Items

- City of Monmouth creates list of property owners interested in developing needed housing or selling property for needed housing and/or in need of technical assistance to develop their land for needed housing.

- City of Monmouth creates list of non-profit housing developers that develop housing in central Willamette Valley.
- City of Monmouth creates contact database and/or opportunities for a forum for landowners, non-profit housing developers, and state and local partners to coordinate and communicate.

Longer term, the City could implement other strategies to support specific projects, including technical assistance, use of tax abatements, sale of publicly owned land at a reduced price, etc.

Fair Housing Outcomes OAR 660-008 requires an evaluation of the strategies for achieving the following types of outcomes.

FAIR HOUSING OUTCOME	
Affordable Homeownership	<input checked="" type="checkbox"/>
Affordable Rental Housing	<input checked="" type="checkbox"/>
Housing Stability	<input checked="" type="checkbox"/>
Housing Options for People Experiencing Homelessness	<input checked="" type="checkbox"/>
Housing Choice	<input checked="" type="checkbox"/>
Location of Housing	<input checked="" type="checkbox"/>
Fair Housing	<input checked="" type="checkbox"/>

APPENDIX E: SUMMARY OF STAKEHOLDER INTERVIEWS





To: Suzanne Dufner and Liz Pongratz, City of Monmouth
Nicole Mardell and Samuel Garcia, Oregon Department of Land Conservation and Development

From: Matt Hastie and Carrie Brennecke, MIG

Date: April 20, 2022

Re: Monmouth Housing Production Strategy (HPS) – Summary of Stakeholder Interviews

INTRODUCTION

Matt Hastie and Carrie Brennecke of MIG have conducted interviews with a variety of key stakeholders involved with the provision of needed housing in Monmouth. These interviews were conducted by MIG/APG via six (6) small group or individual Zoom meetings and one interview conducted by Liz Pongratz, Associate Planner, City of Monmouth. The list of interviewees is below.

- **Pastor Dallas Dubke**, Faith Lutheran Church, Monmouth
- **Dieter Wehner**, iHome Real Estate, Monmouth
- **Peter Frike**, iHome Real Estate, Monmouth
- **Brian Sparks**, developer, rental manager, developable property owner, and former Planning Commissioner
- **Destin Ferdun**, Northwest Housing Alternatives
- **Al, Jan, and Dan Wade**, Percy & Helen Properties, large undeveloped property owners
- **Joanne Fuhrman**, Partnerships in Community Living
- **Matt Smucker**, Praise Assembly Church and Polk County Warming Shelter
- **Larry Dalton**, WD Developers
- **Jan Calvin**, Mid-Willamette Valley Homeless Alliance
- **Brent DeMoe**, FCO Director of Polk County Family and Community Outreach
- **Tim Lawler**, Green Light Developers
- **Lindsay Gibson**, Interim Director of Community Housing, Western Oregon University
- **Ana Gil**, Migrant, Homeless and Foster Programs Coordinator for Central School District's McKinney Vento Program

DISCUSSION QUESTIONS

The following questions were used for structuring and/or guiding stakeholder interviews or group discussions. Some questions were specific to targeted audiences, including Housing Stakeholders, Affordable Housings, and Underrepresented Community members of representatives. The small group interviews typically included a mix of audiences, so the questions were adapted for each interview.

Housing Stakeholder Questions

The housing stakeholder questions were intended mostly for producers of needed housing.

1. What is your interest in or experience with housing in Monmouth and surrounding communities?

Stakeholder Interviews Summary

2. What is the greatest need in terms of housing in Monmouth? What types of housing are needed that aren't being developed?
3. What are some recent projects you've seen or been part of? What were their challenges and successes?
4. What are the major barriers to housing development in Monmouth?
5. Does the development review process lead to good outcomes in your experience?
6. What kinds of housing would you like to see more of in Monmouth?
7. What tools or strategies do you think would be effective in creating more desired housing in Monmouth?
8. Which tools or strategies are a poor fit for this community?
9. Additional thoughts or topics that weren't covered?

Affordable Housing Questions

The affordable housing questions were focused on gathering feedback from a subset of needed housing producers, those who specialize in producing housing that is affordable and is available to people with low or no incomes or other specific housing needs.

1. What types of projects or programs does your organization offer to address housing needs in Monmouth?
2. What type of housing is being developed and who are the intended residents?
3. What do you see as the most significant housing gap in the city, either in terms of income levels or types of households not being served or types of housing not available or being built?
4. What do you see as some of the primary sources of these gaps or the most significant barriers to addressing them?
5. How could the city strengthen their relationships with your organization and best assist you in the housing related work you are doing?
6. Do you have anything else to say on this general topic?

Underrepresented Communities Questions

The objective of meeting with these stakeholders was to have a discussion about the person's recent and current experience is with housing. Most of these are indirect accounts, by interviewing an organization or individual that works with people who are housing insecure and/or underrepresented.

1. What is your experience with housing in Monmouth and surrounding communities?
2. What is the greatest need in terms of housing in Monmouth? Are there types of housing that are needed that aren't being developed?
3. What are the major barriers to finding affordable, adequate housing in Monmouth for you?
4. Are you spending more than half of your total household income on rent/mortgage?
5. What services, for you, are important to be located nearby?
6. Describe your ideal housing situation. Are the number of rooms important? Is ADA accessibility important? Is ownership important? Are there other qualities that are important?
7. Would a tiny home address your housing needs? Same question for a cottage cluster, apartment, or other specific housing type?

KEY THEMES.

Following is a summary of recurring themes and comments from the interviews. More detailed notes from individual interviews also were prepared and can be provided to the City to supplement this overall summary.

- **Lack of buildable land supply zoned at cost-effective densities to support affordable housing development.** We heard repeatedly that there is a lack of buildable land zoned and available at densities

that would allow for middle housing types or multi family housing in Monmouth. For affordable housing— 50 units per acre is ideal or 40 units per acre minimum. The need for more land zoned at higher densities was the biggest barrier to building affordable housing cited by respondents. Some participants suggested converting a portion of the low density zoned land to high density zoned land (i.e., at least 15% of the existing supply).

- **Location of buildable land supply in the correct locations in the City.** Several respondents commented that the location of the buildable land in Monmouth is not in the areas that would be beneficial to the residents of affordable housing. Particularly the lack of transit in the City requires housing units near the university or support services where transit is available and/or where people can walk to needed services or key local destinations.
- **High cost of land.** In the current market the cost of the land is too high for housing development affordable to households with low or very low incomes without significant subsidies.
- **Townhomes, duplexes, triplexes and particularly quadplexes are desired and would be affordable housing types that would fit the housing needs of Monmouth.** There is a need for units for first time homebuyers, family sized workforce housing at 50-60% AMI, and the students at the University. Quadplexes with common areas can work particularly well for housing the student population. Students renting off campus prefer these housing types to apartments or dorms. Land should be zoned for desired housing types with other types restricted.
- **Need for housing options for the housing insecure and houseless populations.** The low vacancy rate of rental housing (3%), particularly lower cost rental units, is causing an increase in the need for shelters and transitional housing in Monmouth. There is a need for stable housing, for 3-6 months tenures, in the form of apartments or middle housing with supports for residents. HUD housing vouchers do not provide enough to cover market rate rent of stable housing without supplemental income which many recipients do not have available. Interviewees also responded that housing is needed for people with complicated backgrounds, bad housing records, criminal backgrounds and without adequate funds for deposits which can be three times the rent.
- **Neighborhoods could allow a mix of housing types and a spectrum of densities to increase opportunities for housing.** Increasing the types of housing allowed in existing neighborhoods would be a tool to build more affordable housing units. Infrastructure costs could be reduced by infill in existing neighborhoods, but the codes need to allow for more housing types and higher densities.
- **Mixed Used development in Monmouth's Commercial zone is not permitted and is a missed opportunity to provide needed housing.** Amending Monmouth's development code to allow for mixed use development (residential above commercial) could provide opportunities for additional housing.
- **City provided coordination and support.** Respondents commented that the City could provide coordination connecting land owners with affordable housing developers; and developers with funding opportunities. This would help get more units built. Affordable housing developers often get the last crack at developable land. More collaboration and foresight to obtain land for affordable housing is needed. A matchmaking system between landowners and affordable housing developers would be beneficial.
- **Funding options and cost reduction.** Lack of funding to make affordable housing pencil out is a significant issue. For new housing construction to be affordable, subsidies or cost reduction measure are needed. Local funding is not available and projects with local funds are more likely to secure state and federal funding. The availability of tools such as property tax abatements, publicly owned lands for housing, PILOT (payment in lieu of taxes) programs, system development charge (SDC) deferrals or reductions, community land trusts, and other funding options would make lower cost housing more feasible. Affordable housing developers go

to cities and jurisdictions where property tax abatement is already established. Consider reducing or waiving building and development fees (can be up to 10% of cost of development) for multi-unit and affordable housing.

- **Partnerships and programs to assist with affordable housing development, management, and occupancy.** Churches are a good potential resource for partnerships and also hold a large amount of available land. Allow churches to build new housing by right. Partnering with the county, state, regional partners and non-profit organizations that operate and/or build affordable housing, provide resource assistant to those needing housing, would further the success of getting units built and occupied by those in need. Look for developer, operator, and owner partnerships in advance. Take advantage of OHCS gate keeping funds and regional solutions. The University should be considered a partner as well as they have a large amount of housing on campus and are able to implement residency requirements.
- **Community education is needed to counter resistance to higher density development, especially adjacent to established neighborhoods.** Having the City lead efforts in educating citizens on affordable housing so groundwork is laid before the affordable housing developers arrive would save time and resources. General community resistance to higher density development, especially adjacent to established neighborhoods, is a barrier. Concerns such as building heights, loss of sun exposure, parking, and traffic dominate the conversations. Community education on housing types would be beneficial.
- **Homeownership is important to wealth generation and equity.** Entry level housing is difficult to find, especially for those without resources to get a foot in the door. The student population at the University takes a large percentage of the units that would otherwise provide inventory for homebuyers at lower price points in Monmouth. The residents of Monmouth need more opportunities for homeownership, especially the minority population and those who have experienced housing insecurity.
- **Transit and accessibility.** There is no transit system in Monmouth. A transit system that serves Monmouth and the neighboring cities is needed, especially given that there is a university in Monmouth. The lack of transit limits where affordable housing can be built is a barrier. The lack of transit also affects where students' rental units are located. All new units should be accessible, particularly affordable units and those serving as transitional housing and housing for seniors or disabled residents.
- **Parking.** Parking is a hot topic. Consider reduced parking requirements for affordable housing. Affordable housing is under-parked compared to market rate development. Parking takes away from the number of units that can be built on smaller sites and decreases the square footage of those units. Also consider reducing the parking requirements for the housing types that would house students.

APPENDIX F: OPEN HOUSE AND SURVEY SUMMARY



memo

to **Suzanne Dufner, City of Monmouth**
from **Matt Hastie, Carrie Brennecke, and Brandon Crawford, MIG**
re **Monmouth HPS Open House and Survey Summary**
date **9/20/2022**

Overview

The City of Monmouth conducted an online open house to share information about the Housing Production Strategy project. The open house included an online survey that was designed to gather input from the area's residents regarding the City's current housing conditions and needs, as well as potential housing strategies that the City is considering. The responses will help inform which housing strategies the City may use to meet the community's housing needs.

The Open House was initially opened in late June 2022 and will remain open until early 2023. The survey was open from early August to mid-September. The online open house and survey were hosted over ESRI's StoryMaps platform and Survey123. They were publicized via the following sites and activities:

- City social media pages (e.g., Facebook)
- City of Monmouth website
- Local news

Since the online open house first launched in May, the site has had 255 visits, and the survey had 57 responses. Nearly half of the visits occurred within the first week of the open house launch, as shown in the time series below:

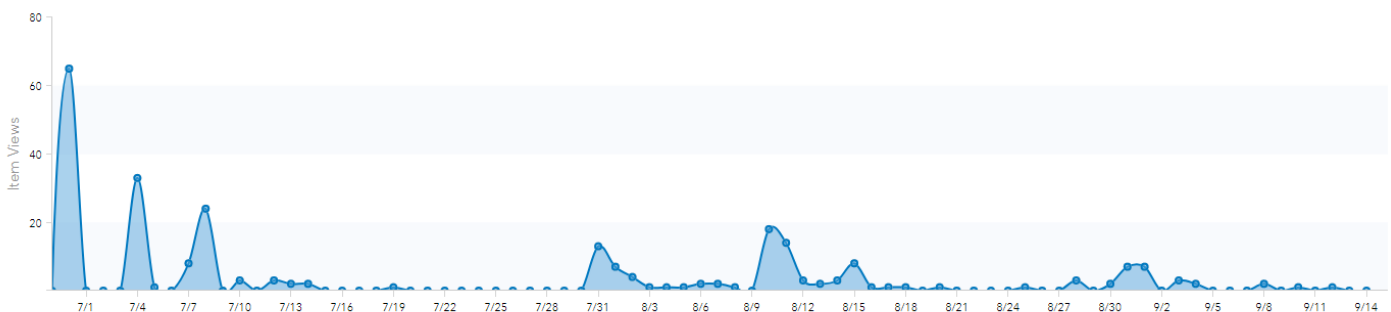
Item Views this Period

255

Avg Item Views Per Day

3.36

Usage Time Series



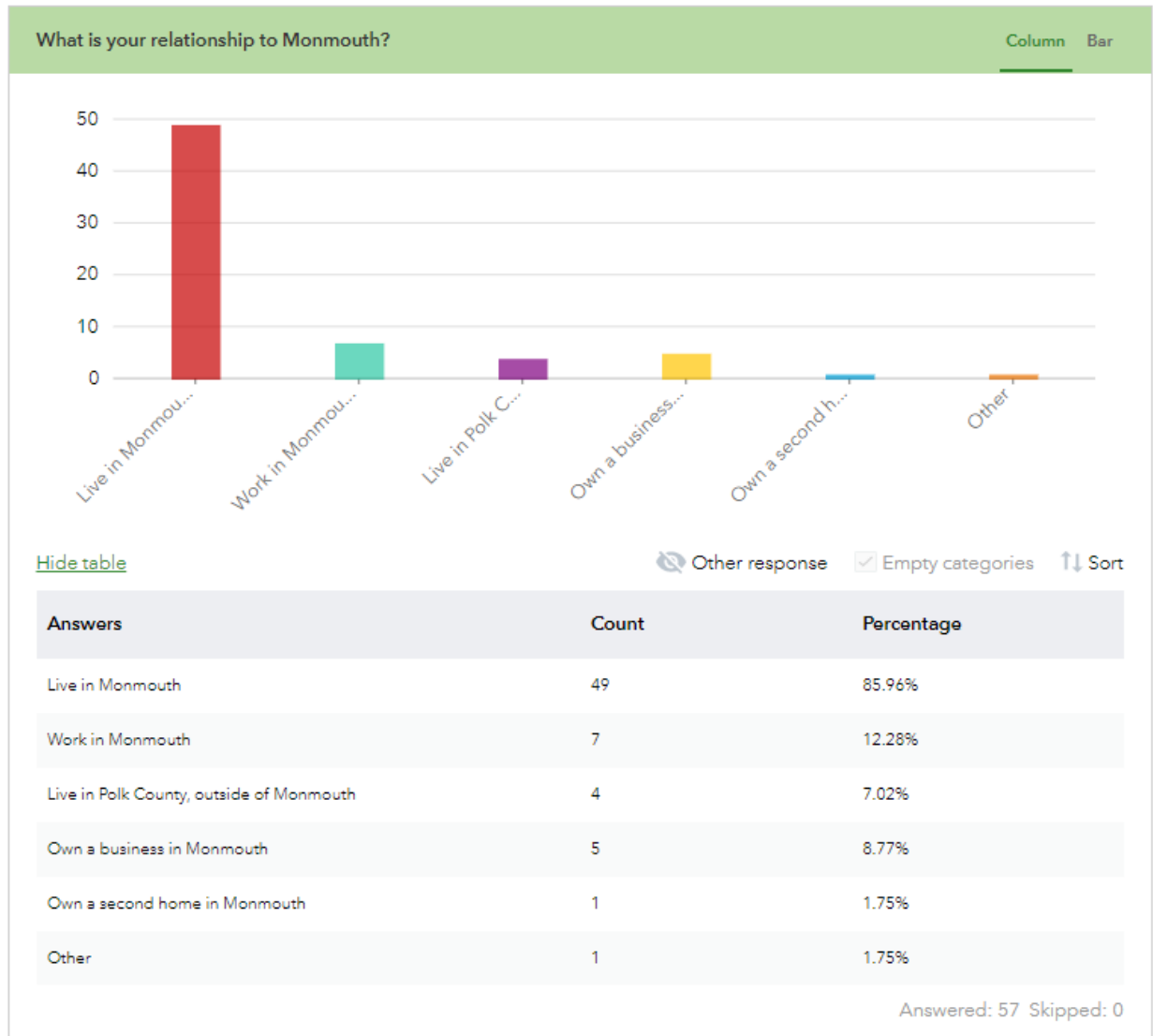
The open house and the complete survey results can be viewed here:

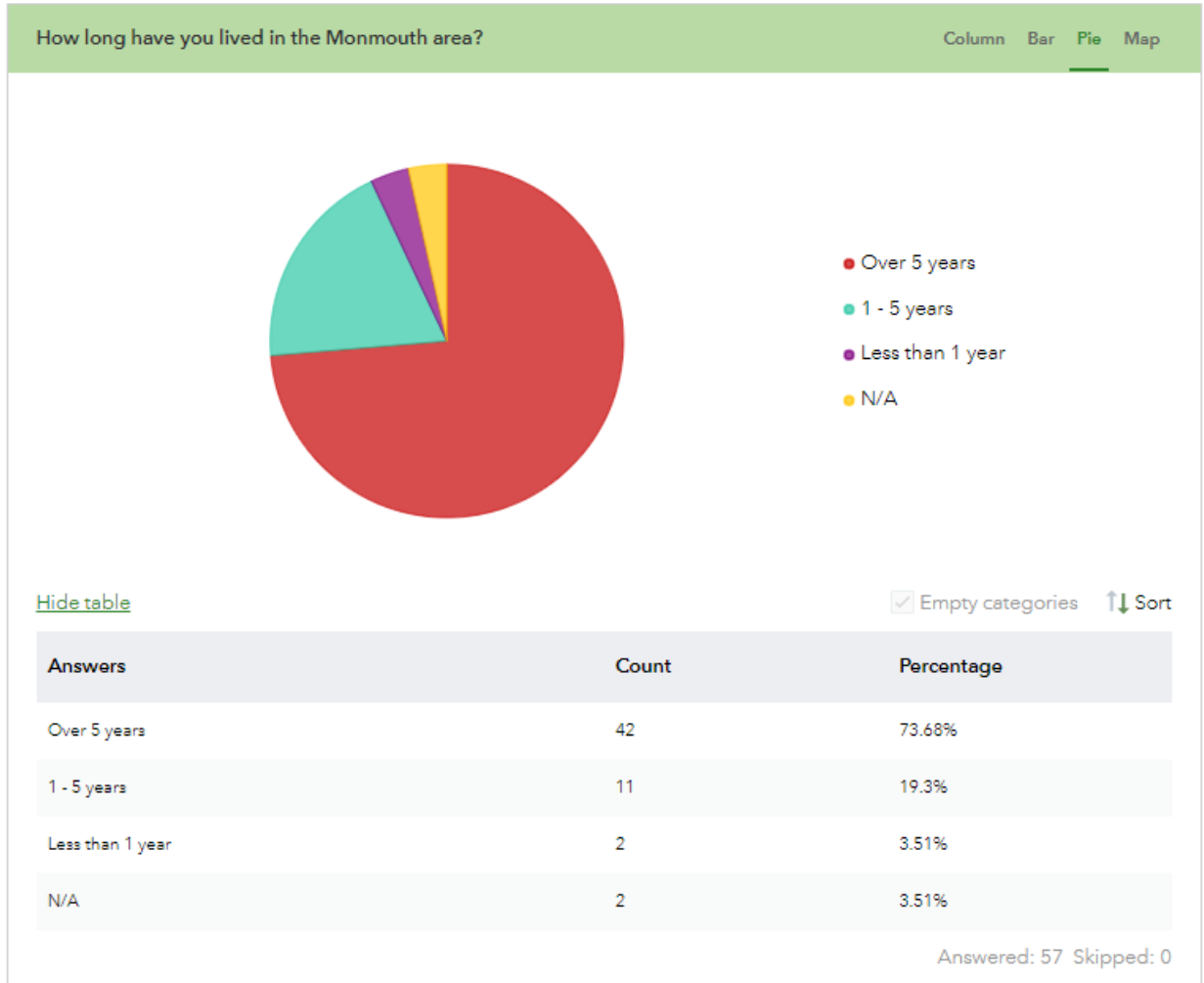
- Open House: <https://arcg.is/1HKyXH>
- Survey results: <https://arcg.is/0uO5T8>

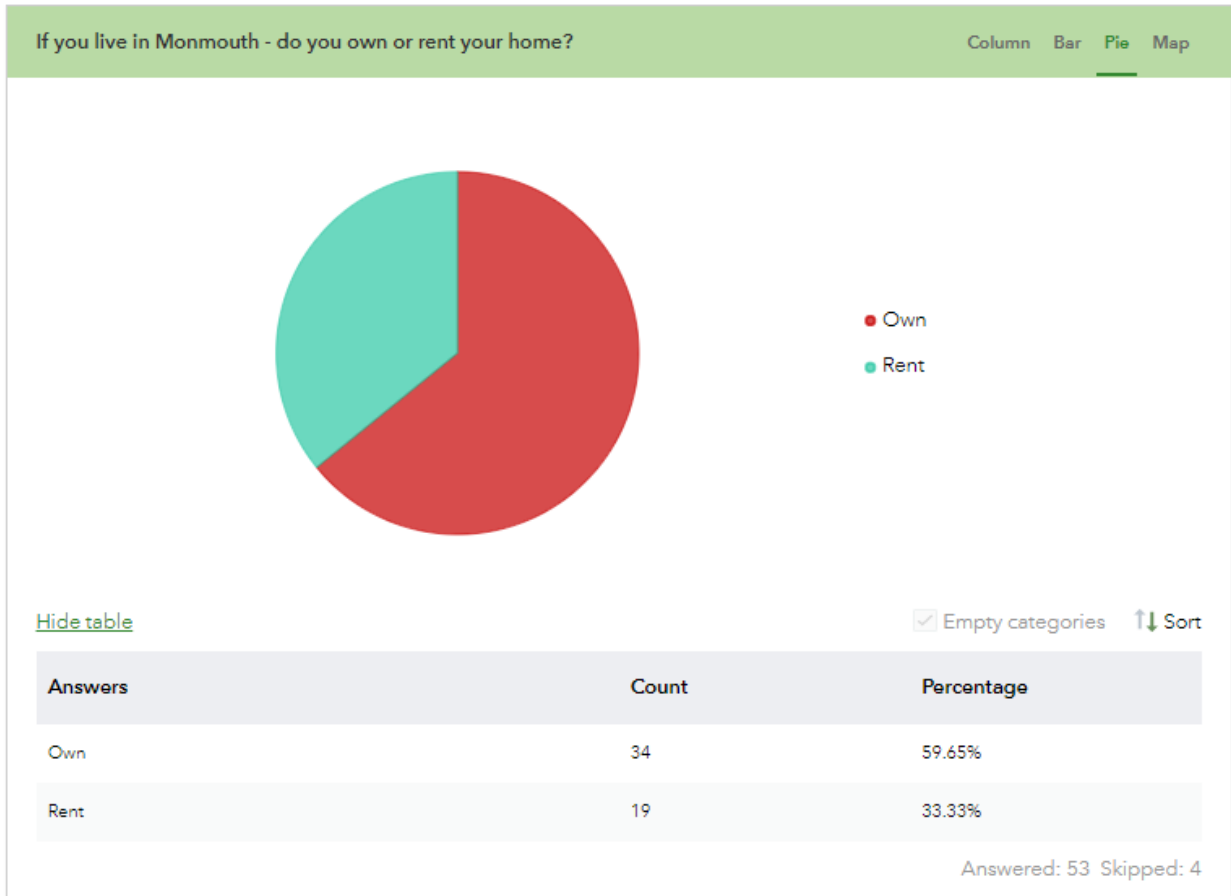
Summary of Responses and Key Themes

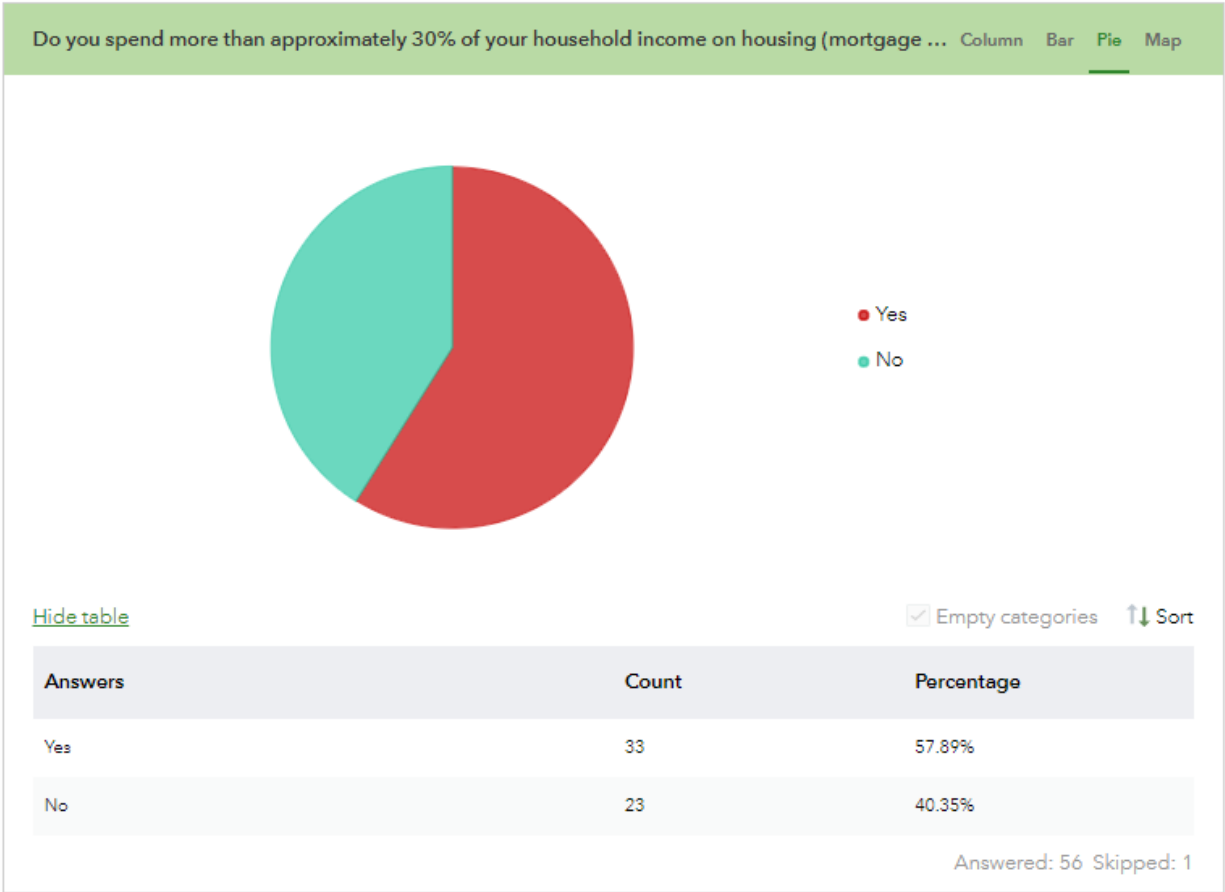
- The majority of respondents are longtime residents of the City (5+ years)
- Over half the respondents are homeowners, and over half are “housing burdened” (i.e., spend over 30% of household income on housing expenses).
- Roughly 2/3 of respondents live in single family homes, while about 1/5 live in apartments.
- Respondents are largely unsatisfied with housing conditions and trends in Monmouth (only ~17% reported being satisfied or very satisfied).
- Respondents are largely supportive of affordable housing and housing options, especially for smaller housing types such as duplexes, triplexes, and ADUs.
- Respondents are less supportive of reducing parking requirements.
- Respondents are somewhat evenly divided over increasing density and promoting shared spaces.
- Respondents are largely supportive of accessible design.
- Respondents were largely supportive of strategies that reduce regulatory costs for housing development, such as reducing taxes or fees and expediting development review.
- Respondents are largely supportive of partnerships and programs that provide supportive housing services to disadvantaged residents, such as low-income, special needs, or houseless community members.

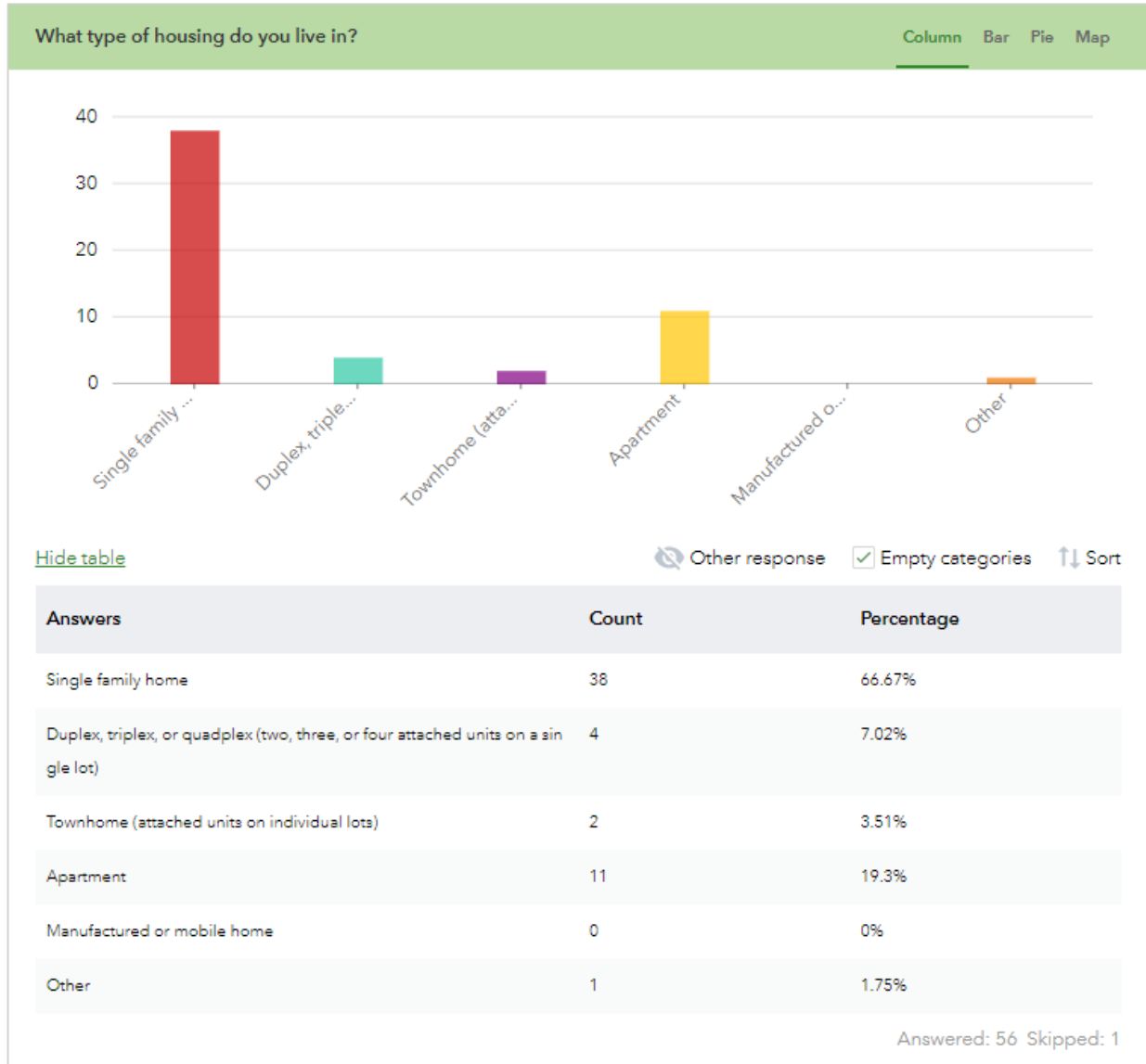
Complete Responses

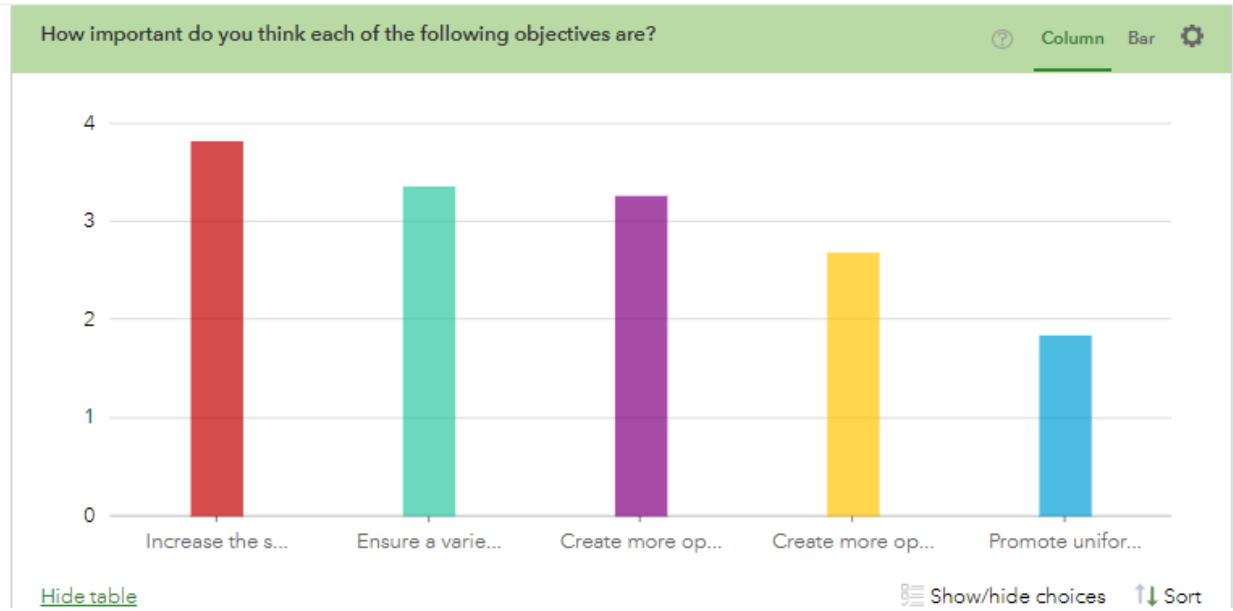








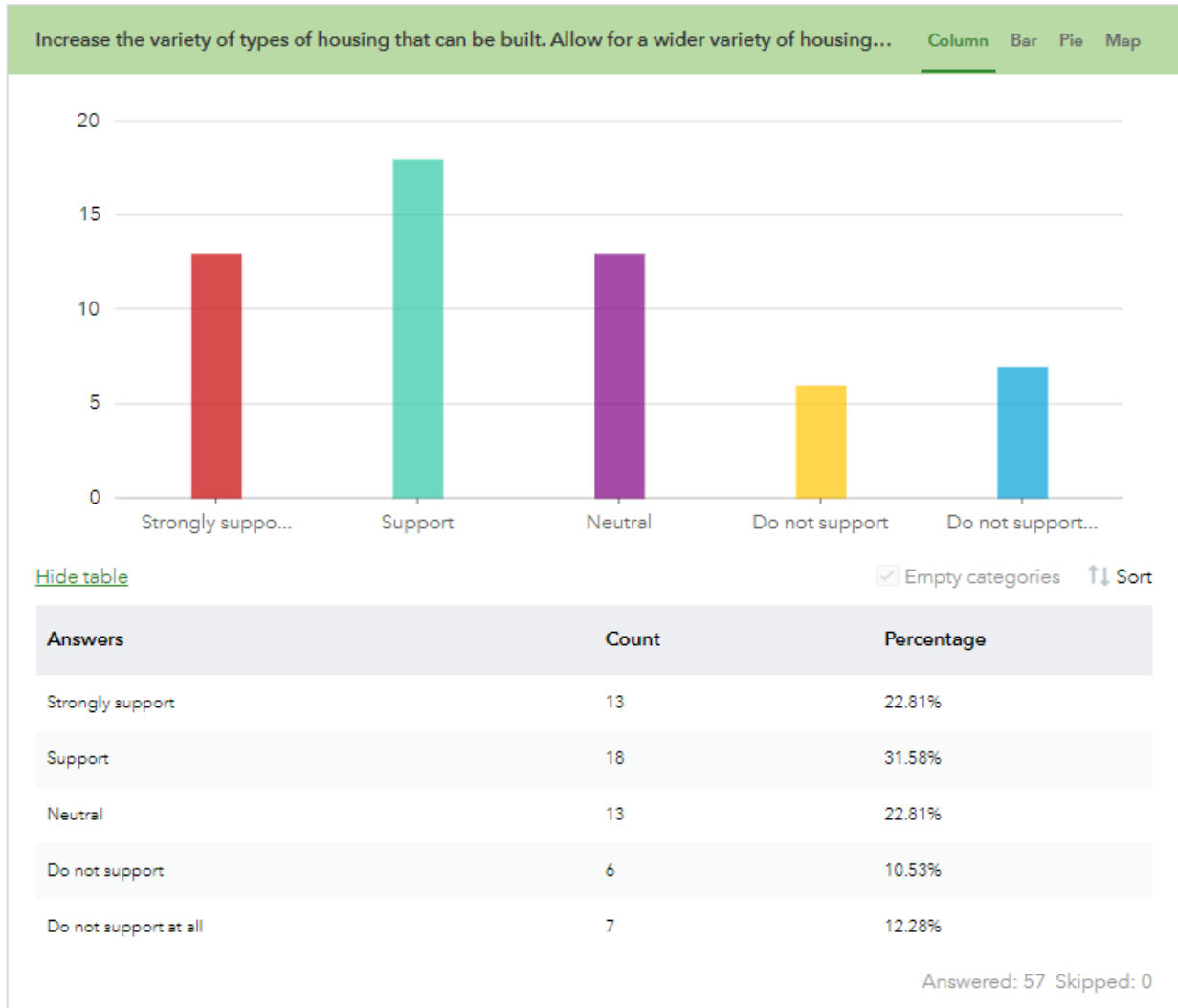




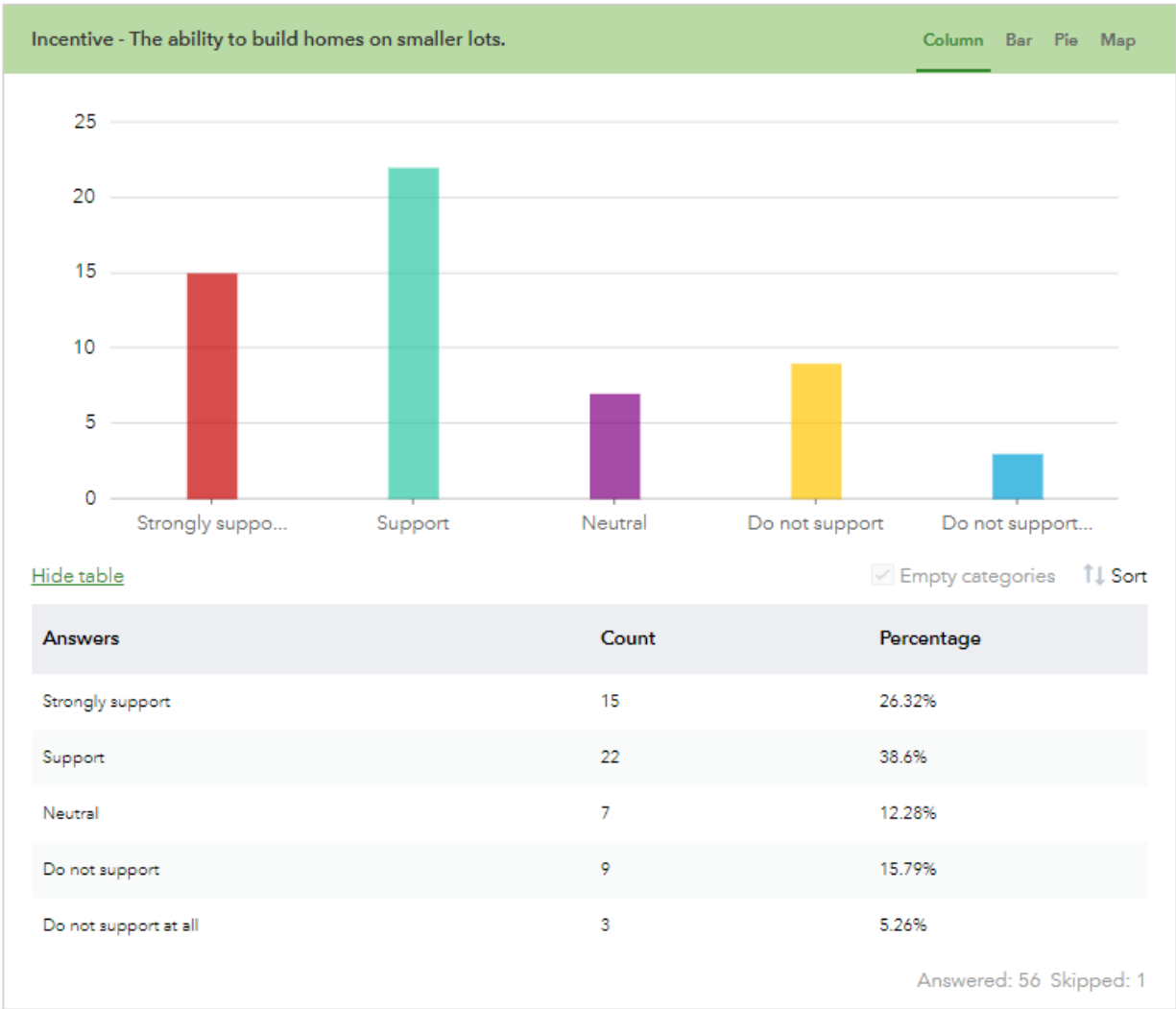
Rank	Answers	1	2	3	4	5	Avg. Score
1	Increase the supply of housing affordable to all the City's residents	50% 26	11.54% 6	15.38% 8	17.31% 9	5.77% 3	3.83
2	Ensure a variety of different housing types are available to suit a range of needs or preferences	25% 13	26.92% 14	15.38% 8	25% 13	7.69% 4	3.37
3	Create more opportunities for homeownership	13.46% 7	34.62% 18	25% 13	19.23% 10	7.69% 4	3.27
4	Create more opportunities for renting homes	5.77% 3	19.23% 10	34.62% 18	19.23% 10	21.15% 11	2.69
5	Promote uniform or baseline architectural design features or standards	5.77% 3	7.69% 4	9.62% 5	19.23% 10	57.69% 30	1.85



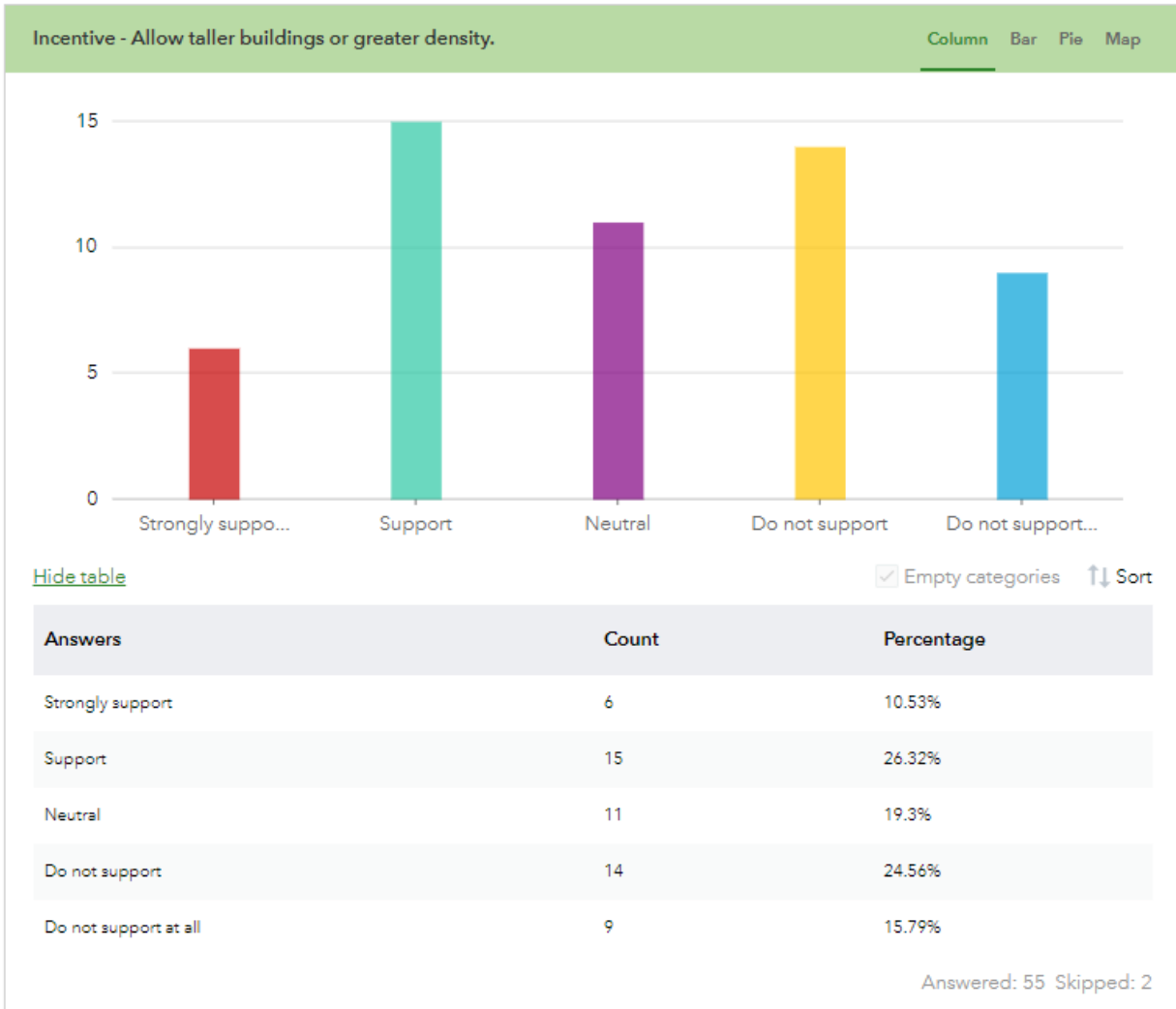




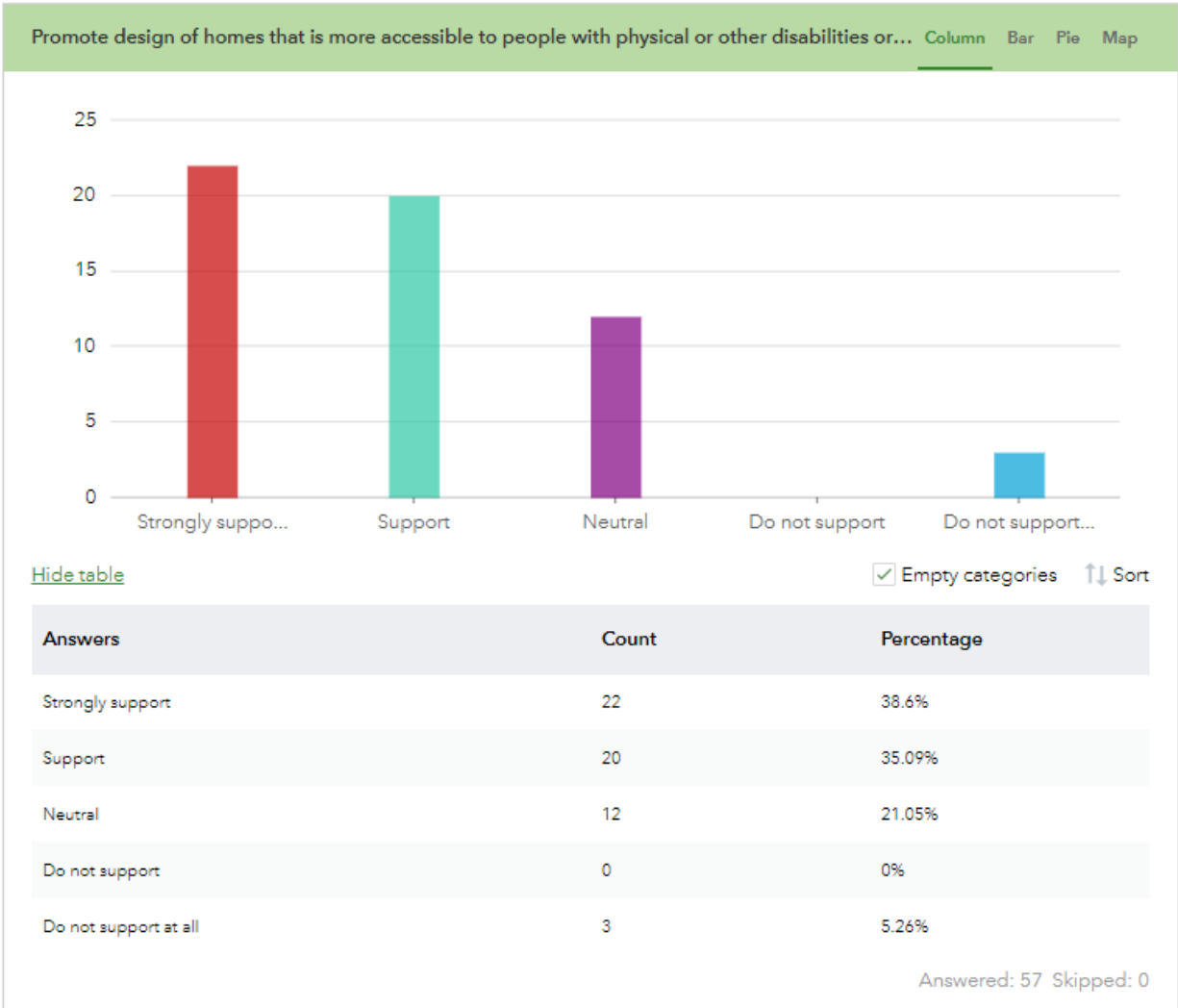




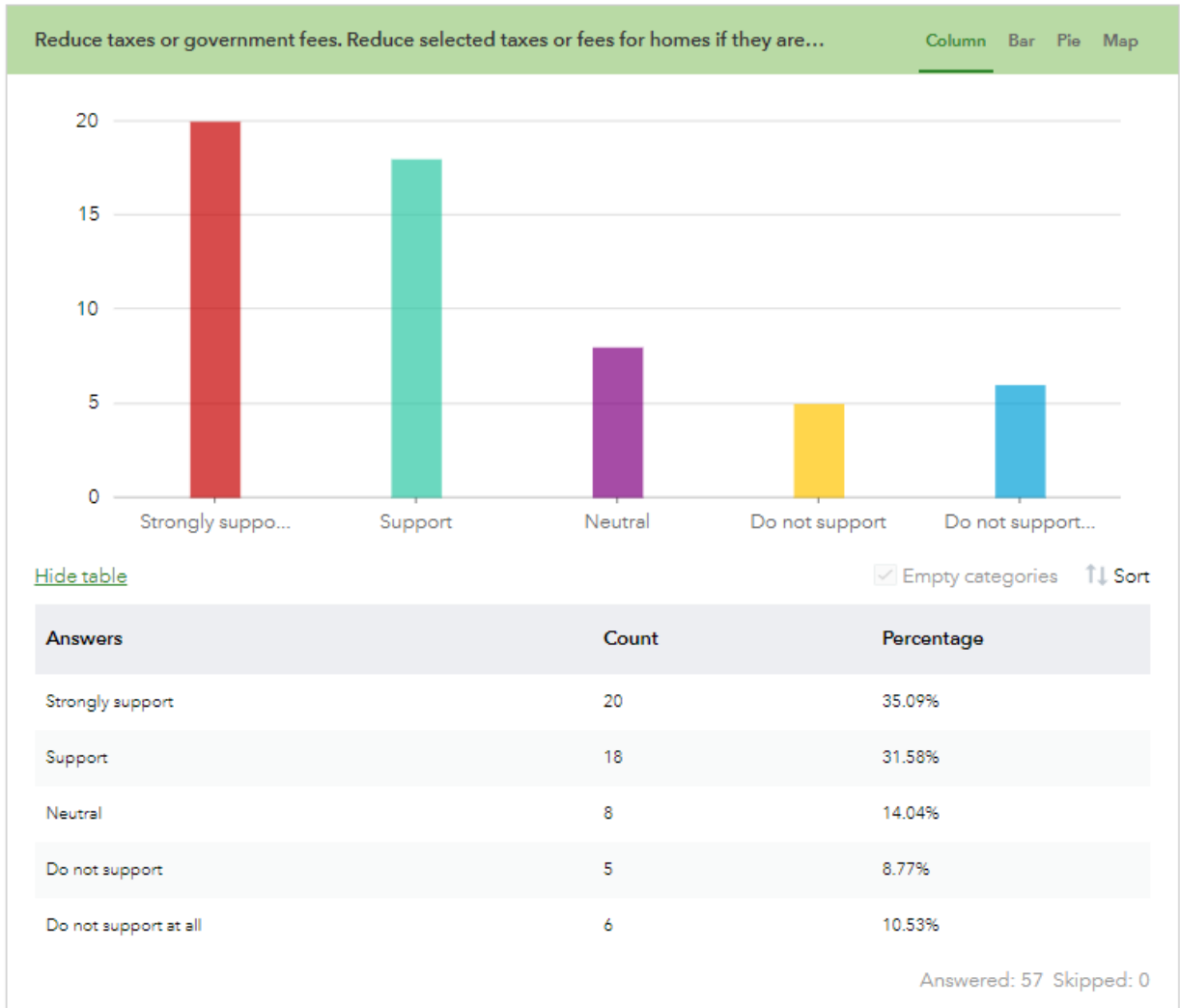


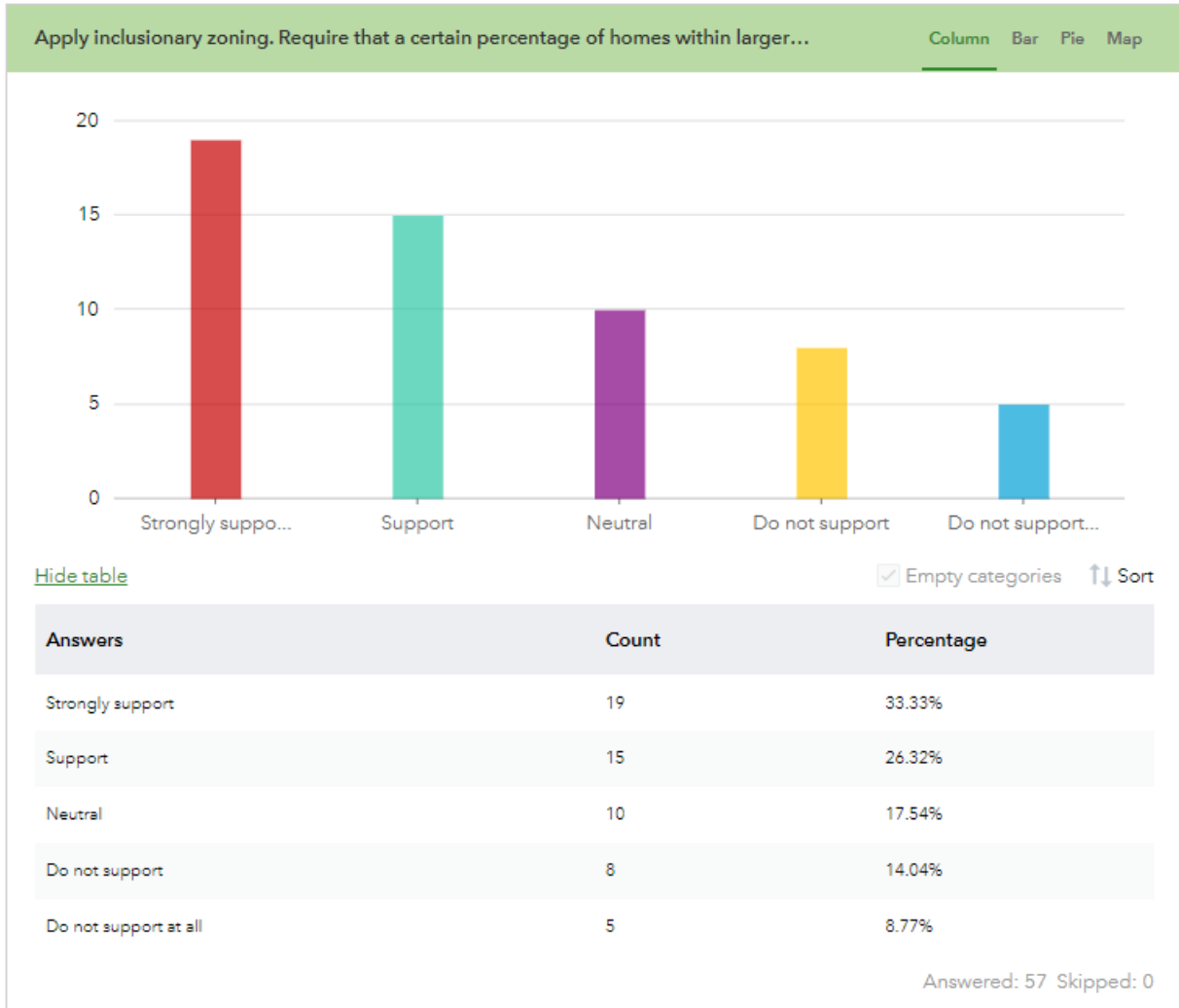


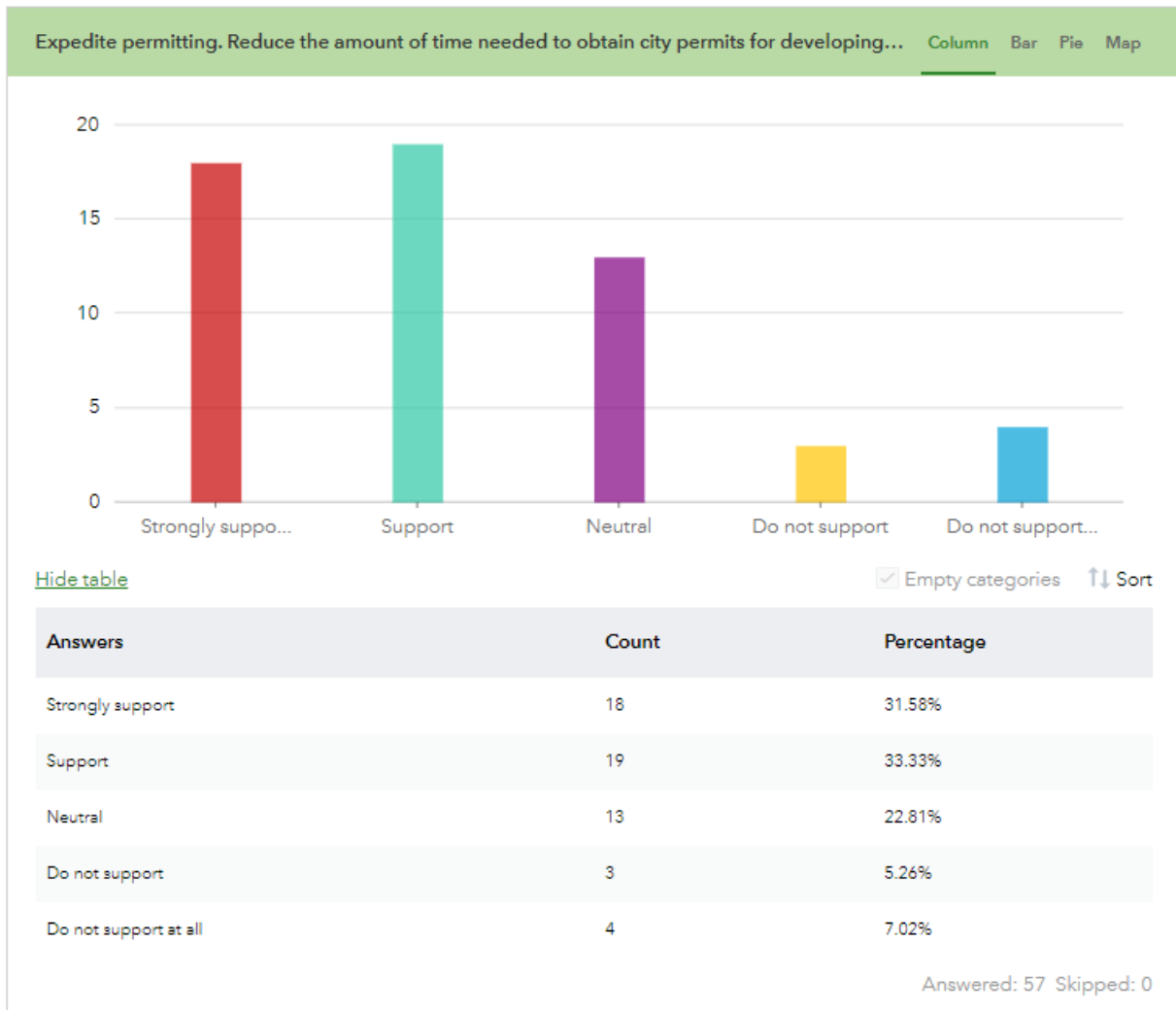






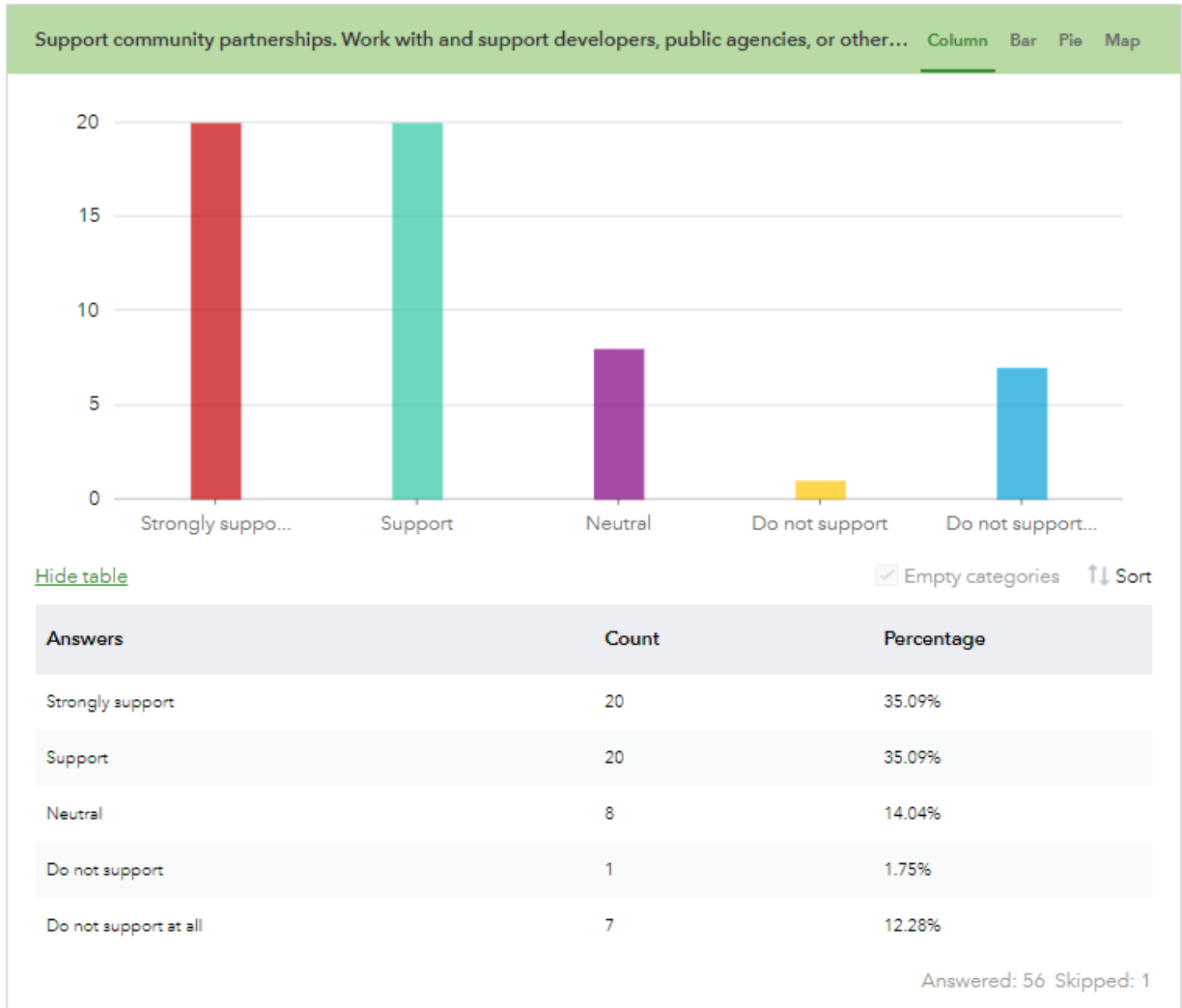










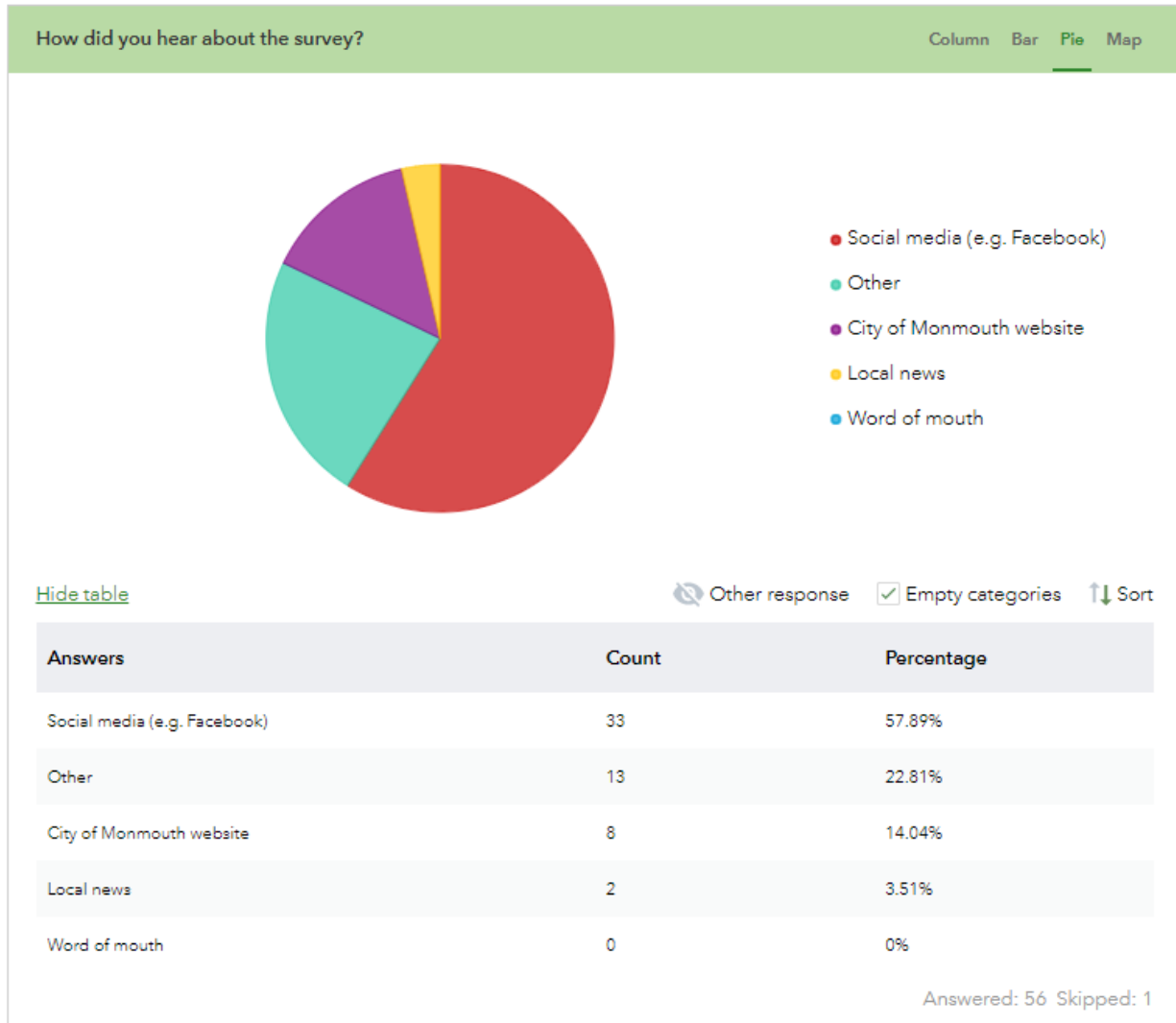






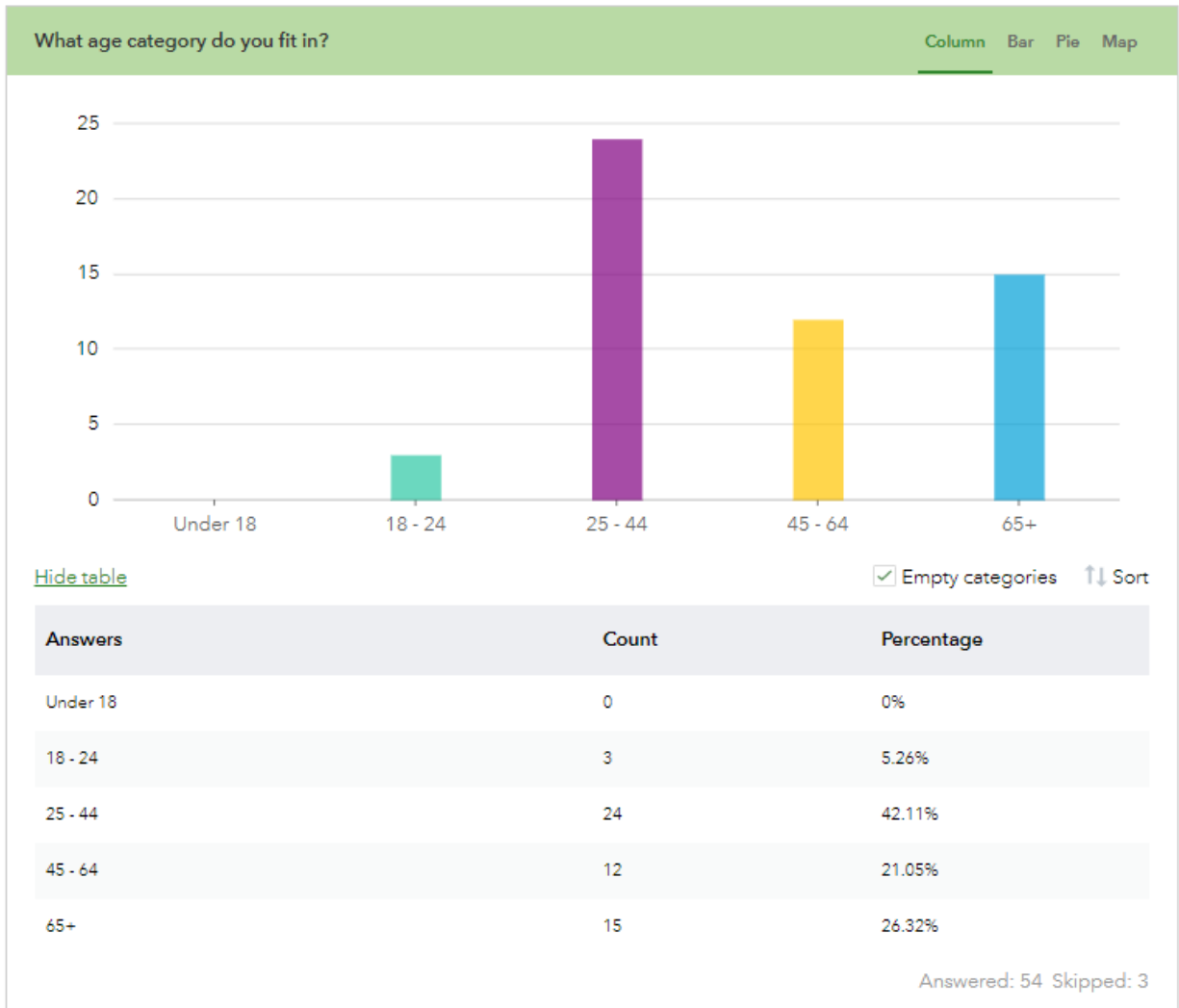
Do you think there are other housing strategies the City should consider? (See Attachment A for complete responses)

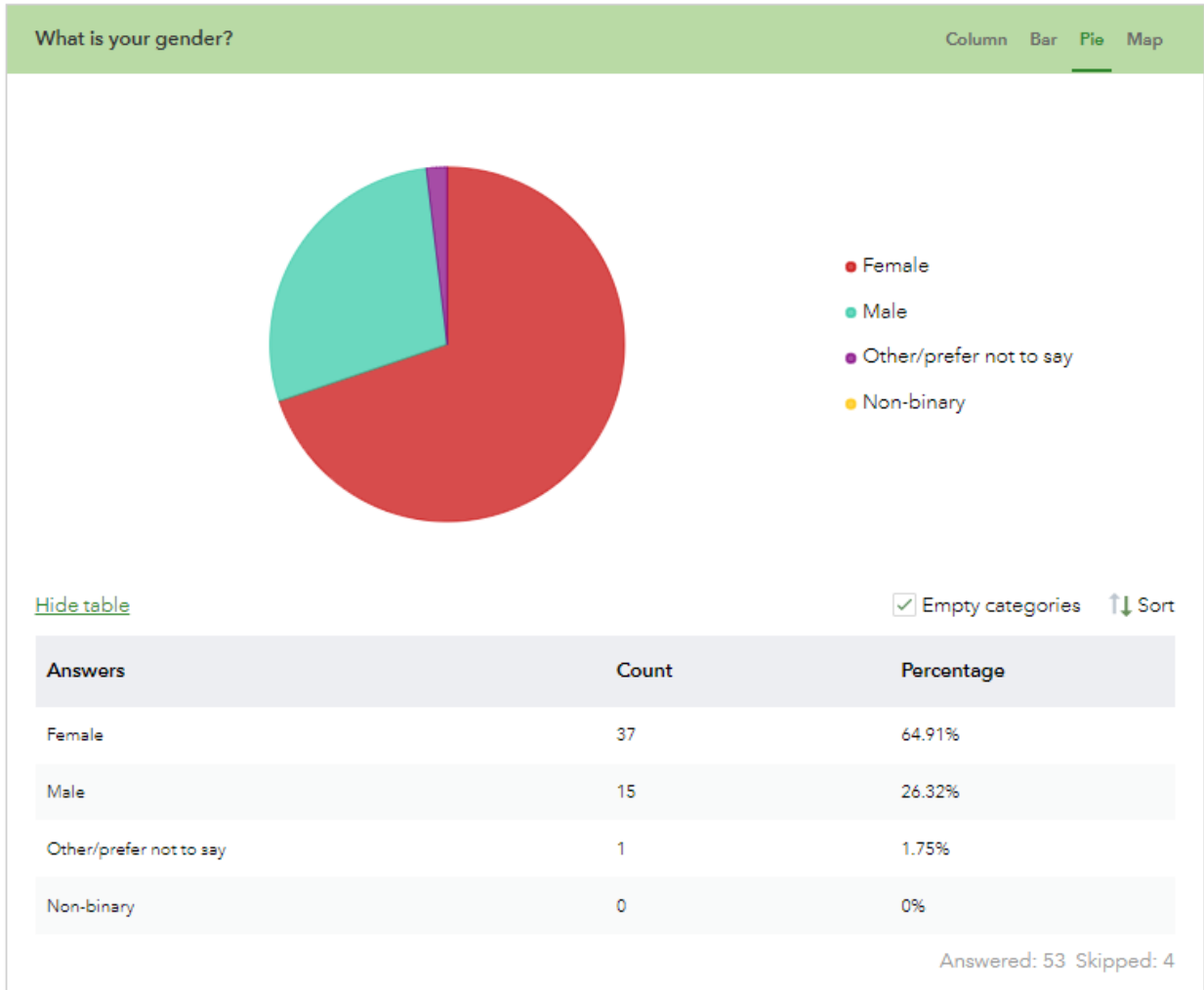
- Many respondents support smaller housing types, including tiny homes
- Many respondents support housing that is affordable and accessible to seniors.
- Concerns over insufficient infrastructure to support housing growth.
- Concerns over increased housing costs and lack of affordable housing.
- More opportunities for rentals and housing that is affordable to working families.

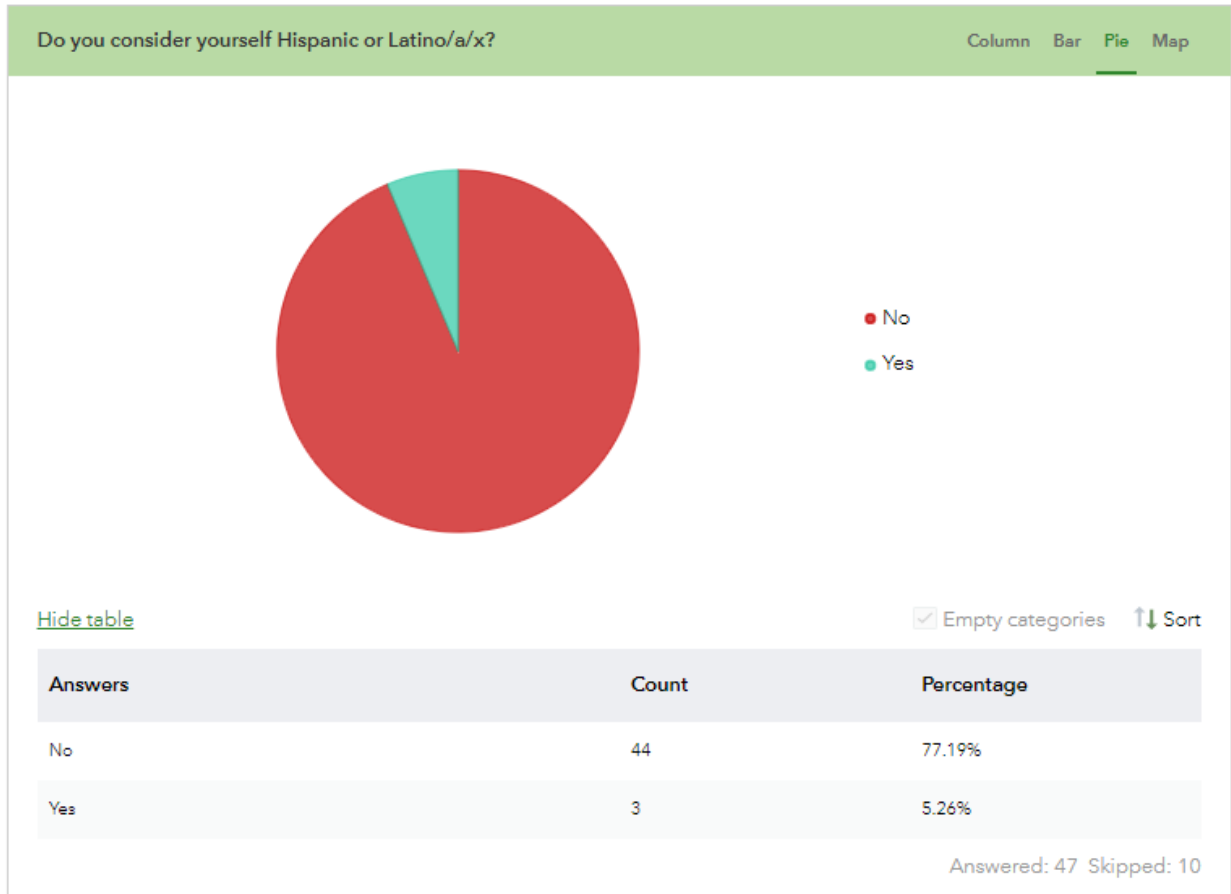


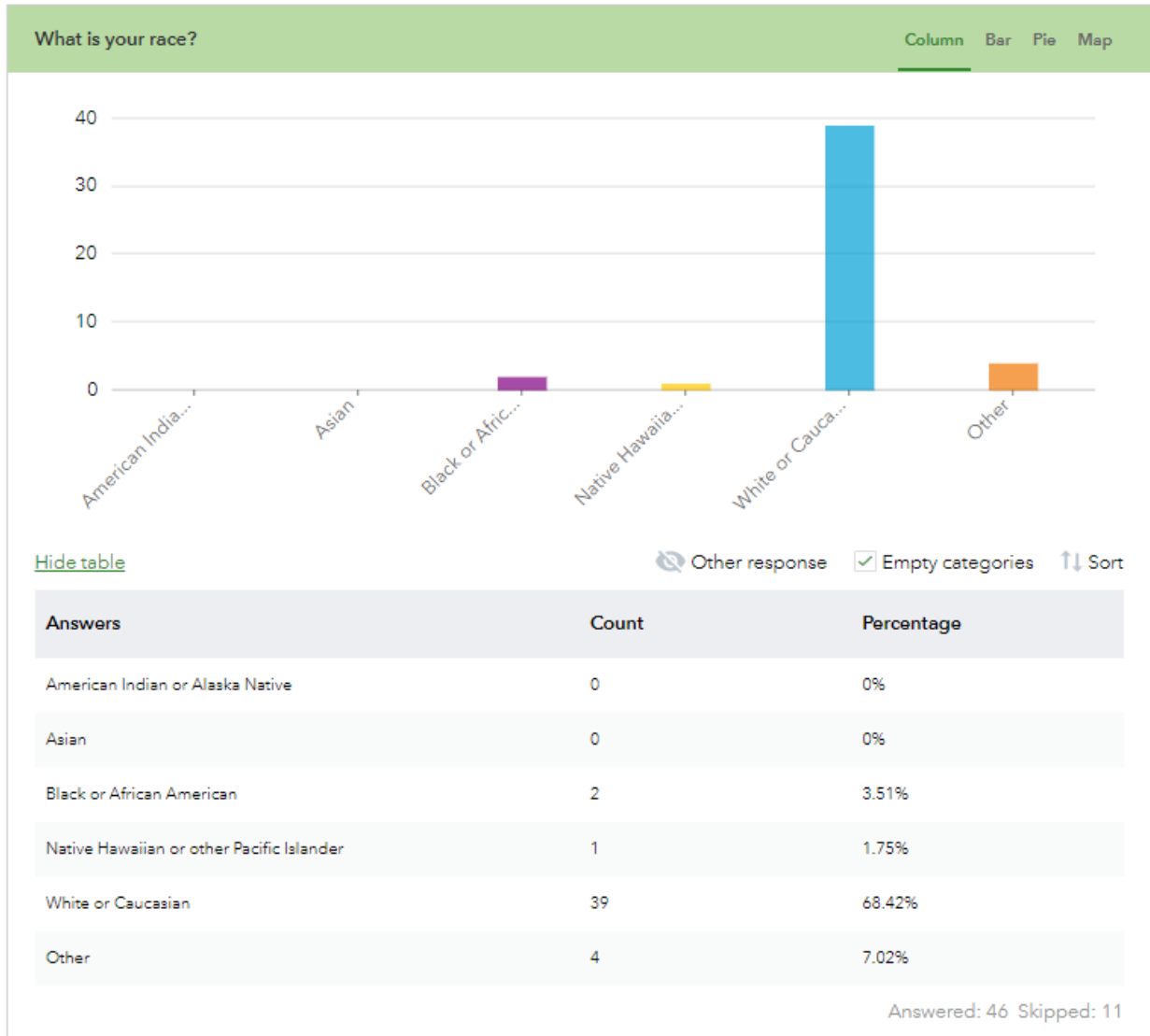
Is there anything else you would like to tell us about the housing conditions, availability, or needs in Monmouth? (See Attachment A for complete responses)

- Opposition and concern over increased taxes.
- Challenges with finding affordable housing.
- Many respondents want Monmouth to remain a small town.
- Some respondents are concerned infrastructure not being able to keep pace with population growth.
- Many would like development opportunities that would allow family members to live nearby or remain in town.

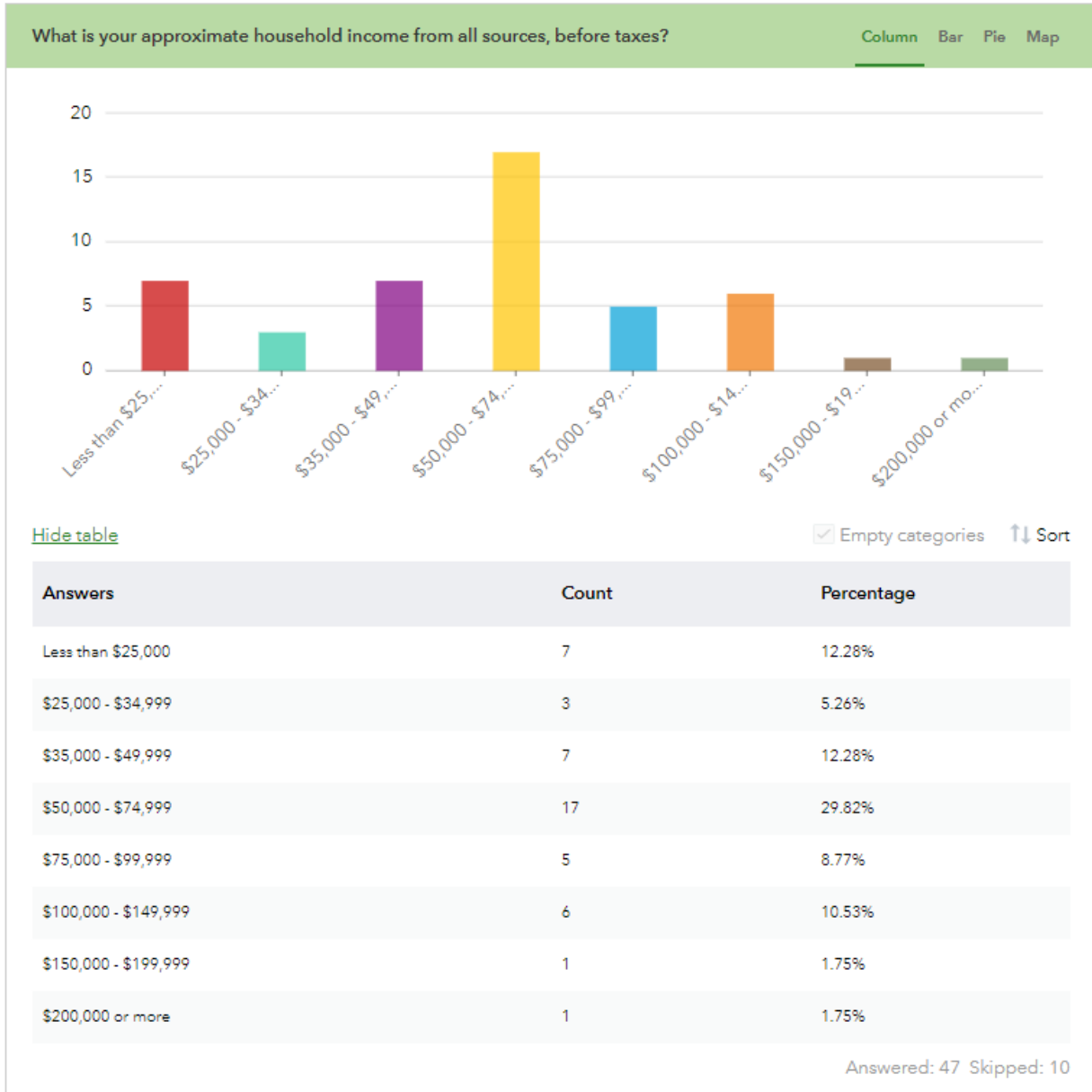












APPENDIX G: SUMMARY OF HOUSING PRODUCER & PROVIDER INTERVIEWS





To: Suzanne Dufner, City of Monmouth
Mari Valencia-Aguilar and Melissa Ahrens, Oregon Department of Land Conservation and Development

From: Matt Hastie and Carrie Brennecke, MIG

Date: November 1, 2022

Re: Monmouth Housing Production Strategy (HPS) – Summary of Housing Producer & Provider Interviews (Task 3.9)

INTRODUCTION

Matt Hastie and Carrie Brennecke of MIG have conducted interviews with key housing producers and providers active in the provision of needed housing in Monmouth. These interviews were conducted by MIG/APG via two individual one hour interviews via Zoom and one group one hour interview via Zoom. The list of interviewees is below.

- **Destin Ferdun**, Northwest Housing Alternatives
- **Matt Smucker**, Praise Assembly Church and church owned rental housing, Polk County Warming Shelter
- **Brent DeMoe**, FCO Director of Polk County Family and Community Outreach
- **Steve Mitchell**, Christ Church – land available and interested in affordable housing development, One Campus Ministry

DISCUSSION QUESTIONS

Questions were individually targeted to each interviewee based on their area of expertise. In general, team members asked for input from the interviewees on prioritizing and implementing strategies that address local housing needs that they are tasked with or have opportunities to help meet.

Destine Ferdun - Questions and Responses:

What conditions are you are looking for in a community that will help the types of projects Northwest Housing Alternatives and other affordable housing projects be implementable and successful? In other words, what makes a project feasible for your organization and others like you?

- Available sites, property zoned to allow the project, and served with services; typically we need to build projects with 70 units or more to be financially feasible and utilize state funding sources and programs.
- 40 dwelling units per acre is the target density for our projects although we can build at somewhat lower densities, depending on the nature of the project.
- We need to bring and state and federal investment into community and we need to be cost effective with building practices and cost effective at property management (on-site unit).
- We need to be able to support at least a 0.33 full-time equivalent (FTE) employ to manage the property and support services on site. That directly drives the size of the projects that we develop.

Stakeholder Interviews Summary

- Northwest Alternatives is looking at places where multiple sites might provide a similar opportunity to support a 0.33 or higher FTE site manager.
- It is really hard at a state level to get funding to develop anything below 3 stories. The size and ratio of the building envelope really drives the costs both to build and operate the facility in perpetuity.
- Tring to build infrastructure in perpetuity...resources for community forever. Our buildings are designed to construct to just last 20 or 30 years but need to be considered as long-term housing infrastructure for the community.
- Civic support – we need the city administration to be 100% behind project. Planners need to support the project. If they have any discretionary viewpoint that can be publicly influenced, that can be very problematic for a project. Discretionary process or standards also act as significant barriers. For example, in the City of Portland the expansion of design review areas has been a barrier to projects in many areas of the City.

What can a city the size of Monmouth do to make projects happen?

- Rezone to property a scale that is feasible to develop, e.g., midscale (3 stories).
- Town center master plans are highly valuable if they help provide development direction.
- Move away from geographic discrimination; provide more flexibility and less exclusionary zoning.
- Offering up and collecting tax foreclosed land for affordable housing. Examples in Sandy and Gresham.
- SDC waivers help projects pencil out.
- 10-year tax exemptions* are highly valuable. It's not opting out of funding just delaying funding as projects would never come without exemptions.
- Offer early assistance meetings to developers; need all departments/agencies to show up, including anyone with discretionary ability. Get commitment around description of standards and requirements in writing.
- Development Review times and services – capacity in communities not being maintained. Need additional planners and reviewers. Putting resources towards maintaining positions and building capacity along several communities is important.
- Education about affordable housing and middle-income housing and what it is and who it is for. Rumors become unintended impediments to affordable housing development. Rumors that building affordable housing is going to create an in-migration of poor and homeless. Rumor control and managing perceptions is highly important. Monmouth could provide opportunities for funding these educational efforts.

Brent DeMoe- Questions and Responses

General Comments:

- StoryMap feedback: Liked the StoryMap provided for the project by MIG and will use it to talk about housing for Polk County Community Outreach. Pre-approved plan sets from middle housing types, are they allowable in Monmouth (i.e., would they meet the City's development standards)? It would be helpful to differentiate between what's allowable and what would not. It would be clear to give examples of what is not allowed and show how it could be allowed. Use photos and examples of successful code changes and successful projects. Real life examples.
- Need to keep decision makers on board on all strategies to have success. If they don't end up supporting the HPS, the project will not get implemented. He has numerous examples of this happening.
- Matt Hastie commented that Monmouth has two parallel projects going on around housing and code amendments. Timeline for adoption of code amendments is early 2023.

Questions:

The County had received a chunk of money to address homelessness. How is that effort going?

- The state funded eight (8) projects to directly address homelessness. One of those grants went to Polk County. The West Salem area is not included in the grant due to the specificity of issues and needs in that area. Partners are jurisdictions in rural Polk County, including tribal organizations and the goal is to be very proactive about preventing homelessness.
- One key element of the approach is to fund the work of two employees to do case management for homeless individuals and families. We have a list of every individual in rural Polk County and are working with homeless folks and connecting them to services. Have resource center in Monmouth. Provides any assistance with anything they need. They are taking the approach of case management that can connect all the services. We also are spending significant resources in helping people utilize housing vouchers.
- The West Valley housing authority contracts with Polk County to provide an employee and help with case management. This takes effect October 1st. If someone is struggling, they will find a way to get connected.
- Built relationship with landlords in in Polk County. Biggest challenge and solution to providing assistance is to build more affordable housing stock. Example, a newer apartment complex in Monmouth where Polk County refers 80% of the renters to the complex.

What is most needed action that could be taken by Monmouth to help meet housing needs in Polk County?

- Biggest need and challenge to serving housing needs is building more affordable housing stock. Contract with West Valley housing is unique; have four staff dedicated to finding housing and creative solutions for people who need it. Housing vouchers don't transfer between jurisdictions. Monmouth is tough because housing is so limited. Hard to use vouchers. The reason they are contracting with WVHA is because they need to lease up vouchers or they lose them. Monmouth pulls 50 vouchers a month and only 30% lease up after 90 days. They are looking for housing to apply the vouchers. A huge flaw in the rental system is that rent has to be equal to voucher or less. Vouchers don't pay market rate housing. It's a federal limitation to the vouchers so very few rentals are available for the vouchers.
- Polk Family and Community outreach receives notice of all the evictions in Polk County. We average about five per day. We do everything we can to do provide rental assistance before evictions. Concerned about losing landlords we work with to market rate rentals or redevelopment. Is there a role the city can take to prevent this?
- Church properties have high potential for housing. For example, 80 acres owned by Churches in area. If there is a church in Monmouth zoned for residential use, can they use a portion of that land to develop needed housing? The HPS could show an example of how it could work based on successful projects in other communities. Brian's organization has created an interactive church property map in Polk County. They are willing to share that with us and others. Using land owned by churches also is beneficial given that they are tax exempt. Dallas has a Church that has provided transitional housing with the ability to get people in within two weeks with support of the City and Polk County Community Outreach. These types of efforts can be successful.

Matt Smucker and Steve Michell- Questions and Responses

What housing strategies that the city is considering in the HPS do you think would be most beneficial to providing for needed housing in Monmouth?

- Discounting system development changes is a good strategy.
- Increase land available for housing is needed, but it's important along with preserving farmland.
- Ability to develop apartments 3-4 stories in areas of the city that make sense.
- Protecting historical value of town with design while allowing taller denser development.
- Making grants available to affordable housing development.
- Educational efforts to dispel myths about unhoused or those in need; ease fears of affordable housing attracting unwanted people in the community.
- Transit is being prioritized and should be continued to be prioritized and continued funding and continued to meet community as it grows. People in need of housing often don't have cars and need to get to services. Ability of folks to get to grocery stores by transit is highly important. The Trolley is about to launch and will connect folks to the grocery stores in-between Monmouth and Independence.
- Design standards should be implemented for value to community and to bring cohesion to community. However, be mindful of adding costs.
- SRO housing has issues with people that are in transition. They don't always play together. SRO not always best for people in transition. Would need case workers on-site if SRO used for people in transition.
- Could the city partner with the university on housing for people in transition? They have several shuttered dormitory buildings.
- Monmouth and Independence are one community. Can strategies and resources be shared between the cities for efficiency? Particularly services for expedited reviews or similar activities.
- Has camping been part of the conversation. What about use of RV parks for transitional or other housing? How about campgrounds with hook-ups? It is currently not allowed in Monmouth but is a way to provide housing for those in transition.

What would help you achieve your goal of developing church property into affordable housing?

- Change the zoning on Christ Church land. It currently does not work for affordable housing and does not allow enough multifamily units or ability to do 3-4 stories.
- The City could provide assistance to connecting the church with people that build affordable housing. The church has land but no expertise on how to get it developed into needed housing.
- The City could connect the church with financial resources to help the church finance the construction costs of the housing.

**APPENDIX H: CITY COUNCIL AND PLANNING COMMISSION
FEEDBACK ABOUT HOUSING STRATEGY PRIORITIES
MEMORANDUM**







To: Suzanne Dufner, City of Monmouth
From: Matt Hastie and Carrie Brennecke, MIG
Date: November 30, 2022
Re: City Council Feedback about Housing Strategy Priorities

Following is a summary of prioritization of strategies by the Monmouth Planning Commission and City Council, including notes from members of the group.

Strategies	High Priority	Low Priority/ Oppose	Notes
1 Land Supply and Regulatory Strategies			
1.1 Rezone Land from Low or Medium Density to High Density	PC: 2 CC: 2	PC: 2 CC: 1	Making Code amendments to allow for all variety of housing types is essential. (PC)
1.2 Increase the Allowed Density or Range of Housing Types	PC: 4 CC: 2		Smaller lot sizes increase the need to park on the street. (PC) There's a lot of overlap between 1.2 and 1.6. (PC) Design programs that encouraged a mixing of income levels throughout our city. (PC)
1.3 Encourage Mixed Use in Commercial Areas	PC: 3 CC: 3	PC: 1 CC: 1	Promoting mixed density and mixed uses can help reduce the cost of providing infrastructure and services. (CC)
1.4 Urban Growth Boundary Amendment (UGB) or Adjustment	PC: 1 CC: 3		An urban growth boundary swap should be considered. (CC)
1.5 Zoning Incentives for Affordable/Needed Housing	PC: 1 CC: 1	PC: 2 CC: 1	No developer should be adding to the tax burden of the residents, or get preferential treatment through the permitting process. (PC) My main concern is the parking. (PC)
1.6 Code Amendments to Allow for Small Housing Types	PC: 5 CC: 4		Monmouth should be open and welcome to ALL Types of Development. (PC) Working toward rezoning and changing language to support HB2001 is paramount. (PC) Approve city zoning and tax regulations compatible with providing affordable housing for low and middle income people. (PC)

Strategies		High Priority	Low Priority/ Oppose	Notes
1.7	Provisions for Single Room Occupancy (SRO) Housing or Group Housing	PC: 1 CC: 2	CC: 1	
1.8	Land Acquisition and Banking	CC: 2	PC: 3 CC: 1	
1.9	Incentivize and Promote Accessible Design	PC: 1	CC: 1	Promoting universal design is good for seniors. Update the code to reduce the need for steps to enter a home and/or promote single-story homes. (CC)
1.10	Require Accessible Design for Publicly Supported Units	CC: 1	CC: 2	
2 Financial and Regulatory Incentives				
2.1	Inclusionary Zoning	PC: 1	PC: 1	
2.2	Pre-Approved Plan Sets for Middle Housing Types and ADUs	PC: 1 CC: 1	CC: 4	There are significant savings when building certain types of plans - the plans and design should help drive the lower cost of development. (PC) Encourage infill type development near the city center. (PC)
2.3	Tax Abatements	PC: 1 CC: 1	PC: 2	Any Tax breaks provided to only low-income developers will drive essential Middle Income dwelling developers away. (PC) Approve city zoning and tax regulations compatible with providing affordable housing for low and middle income people. (PC)
2.4	System Development Charge (SDC) Deferrals, Exemptions or Reductions	PC: 1 CC: 3	PC: 2 CC: 1	I am sensitive to the amount of budget flexibility a small city has at its disposal. I would be nervous about taking long-term or systematic cuts to our budget. (PC)
2.5	Expedite Permitting for Affordable/Needed Housing	PC: 1 CC: 2	PC: 1 CC: 1	I don't believe in expediting development permits for specific applicants. (CC)
3 Funding Sources				
3.1	Construction Excise Tax (CET)	PC: 1 CC: 1	PC: 2	I don't think we are ready for a CET. (CC)
3.2	Community Land Trust	PC: 1 CC: 3	CC: 1	
3.3	Financial Assistance Programs	PC: 2		Continue to communicate with existing government agencies and nonprofits to understand where the greatest need is. (PC)

Strategies	<i>High Priority</i>	<i>Low Priority/ Oppose</i>	<i>Notes</i>
4 Programs, Partnerships and Other Strategies			
4.1 Public-Private Partnerships (PPPs)	PC: 1 CC: 2		<p>Developers should also actively be connected to or researching Public-Private partnerships for development cost reduction. (PC)</p> <p>Continue to communicate with existing government agencies and nonprofits to understand where the greatest need is. (PC)</p> <p>Helping identify potential sites for affordable housing projects is important. (CC)</p> <p>I support partnerships, including with the state. (CC)</p> <p>Helping interested faith-based organizations develop affordable housing projects is a good strategy. (CC)</p>
4.2 Tenant Protection Programs and Policies	PC: 1 CC: 1	CC: 2	I don't see and benefit to meeting our housing needs with 4.2- Tenant Protection. There are existing laws on this. (CC)
4.3 Support Expanded Transit Service in Monmouth and key destinations	PC: 1 CC: 1	CC: 1	Transit oriented development and a 5-10 minute walk-shed could be combined with something I've seen referred to as tent-pole density: where a few key locations in a city have been densified, and that supports access to services to nearby, lower-density places. (PC)
4.4 Coordination Between Affordable Housing Developers and Property Owners and Service Providers	CC: 2		<p>I would be wary of designing any programs that concentrated low-income or affordable housing to certain locations within the city. (PC)</p> <p>Coordination between affordable housing developers and property owners and service providers I think may naturally come along once other low-income and affordable housing is built. (CC)</p>
4.5 Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options	CC: 2	CC: 1	I think we already do a good job of educating our community and I can't imagine we wouldn't and this will be integrated into other information-sharing efforts. (CC)

Recommended Top Priorities by Consulting Team

<i>Strategy</i>	<i>Notes/Rationale for Recommendation</i>
1.1 Rezone Land from Low or Medium Density to High Density	<ul style="list-style-type: none"> • Moderate support from PC and CC (just below several other priority strategies) • Likely necessary to address HNA, given limited supply of land zoned for multi-family residential • Essential to development of most affordable housing
1.2+1.6 Increase the Allowed Density or Range of Housing Types and Code Amendments to Allow for Small Housing Types	<ul style="list-style-type: none"> • Strongest levels of support by PC and CC both individually and in combination • Strategies are related/intertwined • City is already working on this as part of Code Assistance project
1.3 Encourage Mixed Use in Commercial Areas	<ul style="list-style-type: none"> • Relatively high levels of support by PC and CC • Also tangentially supports other goals (vibrant downtown, access to services, etc.)
1.4 Urban Growth Boundary Amendment (UGB) or Adjustment	<ul style="list-style-type: none"> • Relatively strong support by PC and CC • Will need to frame as longer-term action and dependent on coordination with state and property owners
2.3 Tax Abatements	<ul style="list-style-type: none"> • Limited support from PC and CC but very important in making affordable housing projects feasible • Will help unlock state funding • Recommend implementing on a case-by-case basis for now for selected abatement programs • Consider future implementation for any qualifying project, pending experience implementing on case-by-case basis
2.4 System Development Charge (SDC) Deferrals, Exemptions or Reductions	<ul style="list-style-type: none"> • Relatively strong support by PC and CC (although some opposition also noted) • Important financial incentive for affordable housing developers • Suggest initial implementation via reductions and deferrals • Longer-term implementation via updated methodology to allow for further reductions and to tie rates to housing size
4.1 Public-Private Partnerships (PPPs) Combine with Support for Community Land Trusts (3.1) and Coordination with Landowners (4.4)	<ul style="list-style-type: none"> • Relatively strong combined support from PC and CC for Strategies 3.1, 4.1 and 4.4 • Essential to getting affordable projects to happen, including helping identify viable sites • Will help support potential faith-based opportunities

APPENDIX I: PRE-HPS SURVEY RESULTS



Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A02 - Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	Yes	No	No
Comments:				
A - Zoning and Code Changes	A09 - Short-Term Rentals Regulations	No	Yes	No
Comments:				
C - Financial Incentives	C01 - Reduce or Exempt SDCs for Needed Housing	No	Yes	No
Comments:	We provide SDC credits for housing projects that oversize infrastructure that's needed for the project.			
D - Financial Resources	D18 - Weatherization Funds through Community Action Agencies	No	Yes	No
Comments:				