UGB Expansions for Affordable Housing Pilot Program

Webinar
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Department of Land Conservation and Development
Presentation Overview

- Context
- Goals of the Pilot Program
- Proposed Calendar
- How We Propose the Program to Work
- Recommended Next Steps for Interested Parties
- Questions
Context: Housing Market

In 2014:

- 61% of Oregonians own their housing; 39% rent
- 34% of Oregonians were paying more than 30% of their income for housing
- 52% of renters were paying more than 30% of their income for housing; 26% of owners are
- 27% of renters were paying more than 50% of their income for housing; 11% of owners are
- 81% of extremely low income Oregonians were paying more than 50% of their income for housing

Source: Oregon Housing and Community Services
DLCD offers planning grants and technical assistance to cities wanting to boost housing creation.

DLCD continues to develop publications and will launch website on housing by March 2017.

DLCD hired University of Oregon to conduct research on housing; studies available on pilot program page.

Also: OHCS drafting State Housing Plan.
Legislators passed four housing bills in 2016:

- HB 4079 (this bill)
- HB 4143 Tenant protections
- SB 1533 Inclusionary zoning and construction excise tax
- SB 1573 Limit voter approval of city annexations
Issue: Do urban growth boundaries increase housing prices?


Hypothesis: If UGB rules are relaxed to bring in land that would not otherwise be urbanized, the lower cost of such land will allow a set-aside for affordable housing to become feasible
Goals of the Pilot Program:
Increase the amount of affordable housing

- Encourage cities to provide land for affordable housing within UGBs
- Encourage development of affordable housing
- Protect land dedicated to affordable housing from conversion
- Enhance understanding of relationship of land supply to affordable housing
- Enhance understanding of how to increase the amount of affordable and needed housing
Pilot Program Calendar
(subject to revision if circumstances require)

- June – November: Rulemaking advisory committee process
- January 2017: LCDC hearing on draft rule and possible adoption
- Spring 2017: Rule takes effect
- Summer/Fall 2017: Pre-applications due
- Late 2017/Early 2018: Full applications due
- 2018: Pilot projects selected
Pilot Program

- Pilot projects to develop affordable and needed housing on land currently outside UGBs

- LC DC will select two pilot projects: one for a city up to 25,000 population one for a city over 25,000 population

- Not eligible: cities in Clackamas, Marion, Multnomah, Polk, Washington, Jefferson Counties
Process Overview

Required PreApplication → DLC D Review → Final Application

DLC D: Application Qualifies? → LCDC Selects Two Projects → Projects Move Forward
Required Pre-Application

Department will provide a pre-application packet and samples

- Site map
- Total acreage
- Current land use designations and zoning
- Demonstrate no high value farmland
- Proposed affordable housing units, number and type
- Proposed market rate units, number and type (if any)
- Identity of development partners
- Public facilities and services, brief statement
Department Review

- Department reviews applications
- Department staff will talk to each applicant
- Additional information may be submitted
Final Application: Concept Plan (1/2)

- Proposed affordable housing units, number and type
- Proposed market rate units, number and type (if any)
- Development phasing
- Income limits for affordable housing
- List of comprehensive plan and land use regulation amendments
Final Application: Concept Plan (2/2)

- Public facilities and services, more information
- Buffering from farm/forest zones
- Natural resources on site
- Natural hazards location, protection, mitigation
Final Application: Other

- Resolution of city to implement plan, annex site
- Resolution of support from county
- Resolution of support, any special district
- Property owner consent statements
- List of housing measures adopted within existing UGB
- Data on how project serves those in need of affordable housing
- Why project development won’t happen elsewhere
- Identity and experience of development partners
- Plan for ensuring affordable housing stays such for 50 years
Department Determines if Qualifies

Department will provide application packet and samples

- Department reviews applications to determine if they meet requirements in rule
- Department may solicit additional information
Basic Requirements (1/2)

- Adjacent to UGB
- No high value farmland
- Site no larger than 50 acres
- 7+ dwelling units/gross acre for affordable housing units
- 7+ dwelling units/gross acre for market rate units
- Project not likely to be developed within UGB
- Findings of compliance with Goals 5 and 7
- Findings of compliance with Goal 11 re: impact of pilot project on existing UGB
Basic Requirements (2/2)

- Public facilities and services can be reasonably provided
- Transit to site or service commitment to serve site
  - Cities over 25,000 must be fixed route transit
- Project buffered from land in farm, forest zones, at least 100 feet on site (or alternative method)
- Apply Goal 5 requirements
- City must have demonstrate efforts to provide affordable and needed housing within existing UGB
Efforts to encourage affordable and needed housing within existing UGB

- Must have adopted measures promoting affordable housing totaling three of 23 possible points: density bonuses, reductions on SDCs, property tax exemptions or freezes, inclusionary zoning, or a construction excise tax.

- Must have adopted housing measures totaling twelve of 53 possible total points (up to six points for measures not listed) examples: accessory dwelling units, minimum densities, lower required off-street parking, skinny streets, significant amount of land zoned high density, etc.

- Chart available on rulemaking web site

- List available in draft rule
Housing Requirements (1/2)

- At least 30% of units must be affordable
  - Households up to 80% of area median income would spend less than 30% of their income on housing
- For smaller cities, at least 10 units of affordable housing
- For larger cities, at least 20 units of affordable housing
- Phasing plan ensures affordable housing built along with market rate housing
Housing Requirements (2/2)

- Common amenities accessible to all
- All units affordable for 50 years
- Cannot be used for vacation/short term rental
- Development partners can complete project
Selection Considerations
(above and beyond basic requirements)

- Total number and percentage of affordable units
- Units for those lower max income than 80% of area median income
- Units for those between 80% and 120% of area median income
- Adopted measures for housing inside UGB beyond minimums
- Proximity/expense of public facilities/services
- Quality of facilities/services for walking, biking, transit
- Quality of efforts to avoid impacts on farm/forest zones, natural resources
- Best meet purposes of pilot program
Post-Selection Process

- City submits documents to ensure site remains affordable for at least 50 years and proposed comp plan, zoning designations
- Commission reviews; once satisfactory, issues final order
- City, county amend UGB, city annexes site
- Adopt measures to ensure affordability and plan, zone designations, issue permits for development
- If project becomes infeasible, remove from UGB
Reporting Requirements

- Prior to construction, projected costs
- Post construction, actual costs
- Annually for ten years:
  - Number of affordable units and vacancy rate
  - Number of market rate units and vacancy rate
  - Monthly rent or sales price for affordable and market rate units
  - Any affordable housing incentives or subsidies applied
  - Any housing measures for land inside UGB adopted/amended
  - Qualitative assessment
Recommended Next Steps for Interested Cities

- Double-check to confirm your city is eligible
- Review the list of measures to encourage affordable and needed housing inside your UGB and consider adoption of additional measures
- Monitor the adoption of the rule
- Reach out to potential partners including jurisdictions
- Stay in touch with Gordon Howard, Principal Urban Planner
Answering Submitted Questions

To submit a question, hover cursor over the bottom of the Zoom window and click “Chat” and type your question

- Questions about application process
- Questions about the pilot program
- Questions about affordable housing and housing affordability
Help Us Improve the Program

We will send you a survey with a few questions. Please fill it out.

- Are you interested in applying?
- Are there specific changes to the proposed rule that would encourage you to apply?
- Is the calendar feasible?
- Are there additional people we should tell about the pilot program?
Thank You for Attending

- Send additional questions to gordon.howard@state.or.us
- Comment on the draft rule amie.abbott@state.or.us
- Learn more http://www.oregon.gov/LCD/Pages/HB4079_AHPP.aspx
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