

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

Context: DLCDD Housing Work

- ▶ DLCDD offers planning grants and technical assistance to cities wanting to boost housing creation
- ▶ DLCDD continues to develop publications and will launch web site on housing by March 2017
- ▶ DLCDD hired University of Oregon to conduct research on housing; studies available on pilot program page
- ▶ Also: OHCS drafting State Housing Plan



Context: Legislative

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

Context: House Bill 4079

- ▶ Issue: Do urban growth boundaries increase housing prices?
- ▶ Academic studies are mixed; generally have found little evidence but noted difficulty isolating effects
(Cho 2006, 2007, Goodstein 1998, Downs 2002, Jun 2004, Lang 2002)
- ▶ 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
- ▶ LCDC 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 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



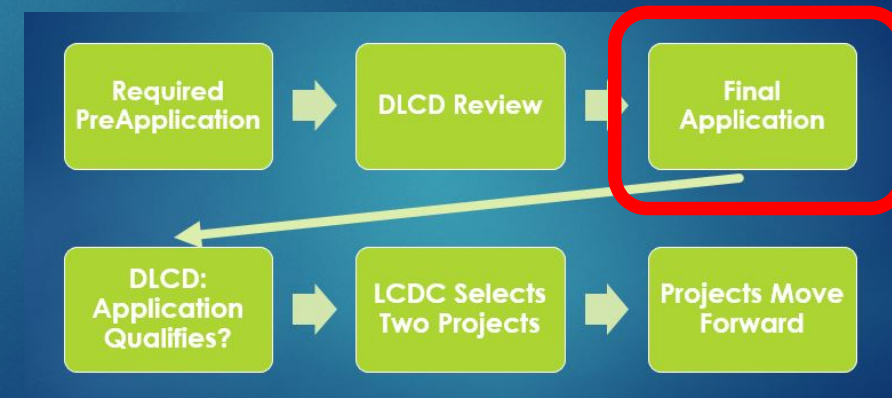
Department Review

- ▶ 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

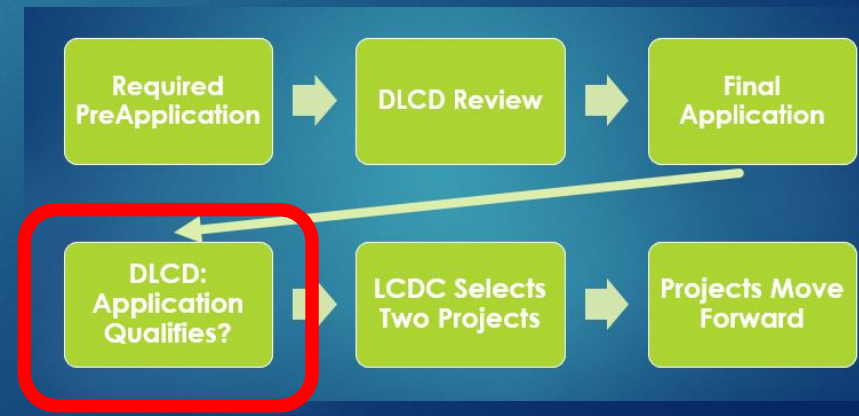
- ▶ Resolution of city to implement plan, annex site
- ▶ Resolution of support from county
- ▶ Resolution of support, any special district
- ▶ Property owner consent statements
- ▶ List of housing measures adopted within existing UGB
- ▶ Data on how project serves those in need of affordable housing
- ▶ 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

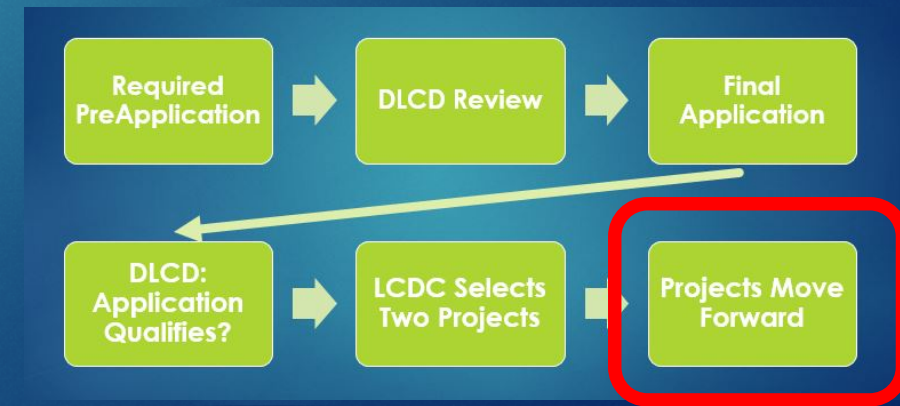
(above and beyond basic requirements)

- ▶ 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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