



## CITY OF SILVERTON – AFFORDABLE HOUSING TASK FORCE MEETING

### AGENDA

Silverton Housing Needs Analysis  
Project Advisory Committee Meeting #2

**September 17, 2019**

**8:30 AM – 10:15 AM**

**Location: 421 S Water Street (Community Center)**

8:30 – 8:35 a.m.	Introductions Approval of Minutes from August 20, 2019 Public Comment	Chairman Palmer Jason Gottgetreu
8:35 – 9:00 a.m.	Discussion of Preliminary Capacity and Land Sufficiency Results	Beth Goodman
9:00 – 10:10 a.m.	Introduction and Discussion: Silverton Housing Strategy	Beth Goodman
10:10 – 10:15 a.m.	Next Steps	Beth Goodman

*A copy of the packet and materials is available for review Monday through Friday 8:00 am to 5:00 pm in the City Manager's Office at the Silverton City Hall, located at 306 South Water Street. All documents will be available on our website at [www.silverton.or.us](http://www.silverton.or.us).*

*AMERICANS WITH DISABILITIES ACT (A.D.A.): The City of Silverton intends to comply with the A.D.A. The meeting location is accessible to individuals needing special accommodations such as a sign language interpreter, headphones, or other special accommodations for the hearing impaired. To participate, please contact the City Clerk at 503-874-2216 at least 48 hours prior to the meeting.*

1 CITY OF SILVERTON  
2 **AFFORDABLE HOUSING TASK FORCE MINUTES**

3 **Silverton Community Center – Council Chambers – 421 South Water St.**

4  
5 **August 20, 2019, 8:30 a.m.**

6  
7 **I. CALL TO ORDER**

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9 Chairman Kyle Palmer called the meeting to order at 8:30 a.m. and introductions were made.

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11

Present	Absent	
X		Kyle Palmer (departed at 9:45 a.m.)
X		Dana Smith
X		Jason Freilinger
	Excused	Sarah DeSantis
X		Harry Douglass
X		Kari Johnsen
X		Bonnie Logan
X		Laurie Chadwick
X		Sarah White (arrived at 8:37 a.m.)
X		David Goldblatt
X		Gene Oster
X		Terry Caster
	Excused	Molly Ainsley

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27 Staff Present: City Manager, Christy Wurster; Community Development Director, Jason Gottgetreu and  
28 Assistant to the City Manager/City Clerk, Angela Speier

29  
30 **II. APPROVAL OF MINUTES**

31  
32 Member Freilinger made a motion to approve the minutes from the July 16, 2019 meeting as presented.  
33 Member Oster seconded the motion. There was no discussion and the motion passed unanimously (10-  
34 0).

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36 **III. PUBLIC COMMENT - None**

37  
38 **IV. DISCUSSION/ACTION**

39  
40 Community Development Director Jason Gottgetreu introduced the team from ECONorthwest which is led  
41 by Beth Goodman. He explained this project is to update the Housing Needs Analysis which is a City  
42 Council Goal. This will put the data behind a number of the policy issues the Affordable Housing Task  
43 Force has been discussing.

44  
45 **Overview of the Project**

46 Beth Goodman and Margaret Raimann introduced themselves and provided an overview of the Silverton  
47 Housing Needs Analysis. Ms. Goodman explained a Housing Needs Analysis has two different pieces.  
48 The first is land use, does the City have enough land in the urban growth boundary (UGB) to  
49 accommodate expected growth over the next 20 years and will it be affordable for all households in  
50 Silverton. She said the project will also look at the needed types of housing, how much and where  
51 buildable land is located, and if the current development patterns make sense. She reviewed Statewide  
52 Planning Goal 10 which is related to buildable lands for residential use.  
53

1 Ms. Goodman reviewed the needed housing types that are defined in ORS 197.303. Member Oster  
2 asked what the impact would be to Silverton if the City decided not to follow the state's perspective on  
3 what housing is needed. Ms. Goodman explained the Housing Needs Analysis becomes part of the City's  
4 Comprehensive Plan which guides the land designations within Silverton and it must be acknowledged by  
5 the state. She further explained if the City didn't allow mobile or manufactured home parks in zones that  
6 allow 6-12 dwellings units per acre and someone wanted to develop a park on a piece of property they  
7 could sue the City and potentially win.  
8

9 Ms. Goodman reviewed the components of the project and how it will fit in with the City's planning  
10 framework. The first component is the Housing Needs Analysis Technical Report which provides a factual  
11 basis and tells the City what is happening with buildable land and the demand for housing in Silverton.  
12 The Housing Strategy will begin to address the issues identified in the Housing Needs Analysis. These  
13 two documents will allow the City to revise the housing element in the Comprehensive Plan and the  
14 Housing Strategy could lead to changes in zoning code and housing policies and programs.  
15

### 16 **Role of the Project Advisory Committee (i.e. Affordable Housing Task Force)**

17 Members will need to provide feedback on housing trends, buildable lands inventory, and the final  
18 Housing Needs Analysis document. Members will also be asked to provide local context and assist in  
19 facilitating discussion at public meetings.  
20

### 21 **Project Schedule**

22 Ms. Goodman reviewed the project schedule:

September 17	Discuss draft results of land sufficiency analysis, begin to discuss housing policies
October 15	Discuss housing policies
November 19	Revise and finalize housing policies
Open House (TBD)	Present draft results of the Housing Needs Analysis Present and get feedback on preliminary housing policies

23  
24 Member Oster asked when ECONorthwest performs the developable land inventory if they contact the  
25 property owners of vacant undeveloped land. Ms. Goodman explained the Oregon system assumes all  
26 vacant land is potentially developable, even if the owner does not want to sell it. She said in Washington  
27 they assume 25 percent of vacant land will not develop over the 20 year period.  
28

### 29 **Housing Market**

30 Ms. Goodman explained the types of housing; including, single-family detached (manufactured, mobile  
31 homes, and cottage housing), single-family attached (townhouses), multifamily (two-four units per  
32 structure such as duplexes, tri/quad-plexes), and multifamily (five plus units per structure). She reviewed  
33 the mix of housing in Silverton from 2000 and compared it to more recent data from 2013-2017. She said  
34 80 percent of the housing stock in Silverton is single family detached. The five year 2013-2017 data is  
35 collected from the US Census American Community Survey. She said there has been an increase in  
36 owner-occupied housing since 2000.  
37

38 Ms. Goodman reviewed the building permits that have been issued from 2000-2017 and reviewed the  
39 historical density (2000-2018) in Silverton. The vast majority of the development has been single family  
40 residential at 4.8 dwelling units per acre, which ends up being just over 8,000 square foot lots. She said  
41 multifamily residential has developed at 23.6 units per acre. There have been 4 commercial units  
42 developed since 2000. This information will be helpful for forecasting how much land is needed.  
43 Silverton's 2018 population is 10,325; this represents an increase of 2,900 residents from 2000. Since the  
44 City is over the 10,000 population threshold it means Silverton is subject to House Bill (HB) 2001.  
45 Silverton grew faster than Marion County which grew at a 1.1 percent average annual growth rate. Ms.  
46 Goodman explained they will look at some of the demographic factors that will affect housing demand in  
47 Silverton over the next 20 years. These factors include age, household composition, income, and how  
48 housing needs change over a person's lifetime. Since 2000 the number of residents over 60 years old  
49 has increased and now represents 21 percent of Silverton's population. The senior population in Marion  
50 County is expected to continue to grow at a faster rate than the other age categories and will represent 25

1 percent of the population by 2040. Silverton has a little larger share of family households with children (38  
2 percent) and smaller share of nonfamily households than Marion County and the state. The median  
3 household income is \$60,603, which is higher than the rest of the county and the state. She also  
4 reviewed the income by age groups and explained the majority of residents 65 and over has an annual  
5 income of less than \$50,000. Lastly, the Latino population in Silverton has decreased since 2000, where  
6 Marion County and Oregon have become more diverse. She explained these demographics broadly show  
7 the City will need to have more affordable housing for families with children and seniors. She would also  
8 guess the decrease in Latino households could also be related to affordability. Silverton needs a wide  
9 array of housing that is both affordable for renters and owners.

10  
11 Ms. Goodman said the median home sale price for Silverton in May 2019 was \$429,000. That represents  
12 an increase of \$179,000 since 2006. The median gross rent (including utilities) in Silverton over a five  
13 year period (2013-2017) was \$902 per month. Approximately 30 percent of Silverton households are  
14 paying 30 percent or more for housing costs and are cost burdened; about 11 percent are severely cost  
15 burdened. This number may have increased, because this data is from 2013-17 and housing costs have  
16 continued to increase. Ms. Goodman reviewed what people can afford based on the median family  
17 income. She reviewed the percentage of households in each income level and 11 percent are at the  
18 extremely low income and are the most at risk of becoming homeless. 14 percent of households are at  
19 the very low income level and 20 percent are considered low income. There is a deficit of 69 housing  
20 units for households that earn \$10,000-\$14,999 annually and a deficit of 111 units for income earners at  
21 \$25,000-\$34,999. There is also a deficit of 307 units for households that earn \$150,000 per year.  
22 Typically cities will develop housing policies that focus on closing the deficit for lower income households  
23 and let the housing market address the executive housing needs for higher income earners.

#### 24 25 **Buildable Land**

26 Margaret Raimann reviewed the preliminary buildable land inventory. She explained land is generally  
27 considered suitable and available as long as there are not geological constraints on the land. She  
28 reviewed the methodology and the steps it takes to figure out a city's buildable land inventory and today  
29 the Task Force will be presented with the preliminary numbers.

30  
31 The inventory starts by looking at Comprehensive Plan designations and at land that allows residential  
32 uses outright. They also included the agricultural and urban reserve areas, the commercial zoning that  
33 allows residential uses, and one lot of industrial land that recently changed to R-1. She reviewed the land  
34 classifications; including, developed, vacant, partially vacant, undevelopable typically vacant tax lots less  
35 than 3,000 square feet in size, and public or exempt lots. Ms. Goodman explained the undevelopable  
36 definition for this inventory does not mean a City could not allow the development of a house on a 3,000  
37 square foot lot if it is a legal lot and the code allows they just don't include it in the inventory as buildable.

38  
39 Ms. Raimann reviewed what is considered development constraints and indicated where those  
40 constraints are in Silverton. She said there are 285 acres of vacant land and 369 acres of partially vacant  
41 land. There are 632 buildable acres of residential designated land, 509 for single family, 19 for  
42 multifamily, and 104 for agriculture/urban reserve.

#### 43 44 **Preliminary Housing Forecast**

45 Ms. Goodman explained Portland State University (PSU) has forecasted Silverton to grow by 3,058  
46 residents from 2020-2040. This represents a growth rate of 1.25 percent each year over the next 20  
47 years. This shows the need for 1,158 new dwelling units during the 2020-2040 period or an average of 58  
48 dwelling units per year. They have to take the 1,158 units and allocate the units into four different housing  
49 types. Looking at the historical data 80 percent of the housing mix is single-family detached; however,  
50 looking at the preliminary forecast the current market is not meeting the needs of the population. The  
51 preliminary forecast is recommending 753 single family dwelling units (65 percent), 81 single family  
52 attached (7 percent), 151 duplexes (13 percent), and 174 multifamily units (15 percent). This will help to  
53 determine the amount of land needed for each land designation and it is likely more land will be needed  
54 for multifamily housing.

1 **Group Discussion: Desired Outcomes of the Project**

2 Member Freilinger indicated it looks like the City has enough buildable land, but will likely need to rezone  
3 some of the land to allow for higher density. Ms. Goodman explained increasing the multifamily housing  
4 units will be a big shift for the community, so it might be more acceptable to allow a wider range of  
5 housing types. Member Caster confirmed adding additional multifamily housing can be controversial at  
6 the Council level. Ms. Goodman explained the Task Force should likely move in the direction that allows  
7 for a lot of different types of housing and then look at drafting policies that make it difficult for people to  
8 oppose, like cottage style developments with specific design requirements. Member Caster asked what  
9 would happen if Silverton continues to have a 2 percent annual growth rate, instead of the 1.25 percent  
10 PSU is forecasting. Ms. Goodman said through the capacity analysis she will be to able show how much  
11 growth Silverton can support.

12  
13 **Next Steps**

14 ECONorthwest will further refine the Housing Needs Analysis and Buildable Land results. At the  
15 September 17, 2019 meeting they would like to begin discussing possible housing policies with the Task  
16 Force. Ms. Goodman will review the prior meeting minutes and list out the things the Task Force has  
17 discussed and is interested in pursuing. Member White said the Task Force has not discussed renter's  
18 rights and asked if that will be coming up in this analysis. Ms. Goodman responded that is not something  
19 ECONorthwest is very educated about, but if the Task Force chose to talk about it, they could bring in an  
20 expert to discuss options and include it as part of the policies.

21  
22 Member Oster said he thinks the analysis is going to show that Silverton is woefully low on multifamily  
23 housing opportunities and feels the demand for that type of housing is going to continue to grow. Ms.  
24 Goodman responded housing preference for senior citizens shows that a large number would like to  
25 continue to live their own home for as long as possible. She also indicated there has not been a huge  
26 shift across the nation from homeownership to renter.

27  
28 **V. ADJOURNMENT**

29  
30 Member Smith made a motion to adjourn the meeting and Member Freilinger adjourned the meeting at  
31 10:15 a.m.

32  
33 Respectfully submitted by:

34  
35  
36 /s/Angela Speier, Assistant to the City Manager/City Clerk

DATE: September 11, 2019  
TO: Silverton Housing Needs Analysis Affordable Housing Task Force  
CC: Jason Gottgetreu  
FROM: Beth Goodman and Margaret Raimann, ECONorthwest  
SUBJECT: DRAFT: SILVERTON HOUSING POLICIES AND ACTIONS

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ECONorthwest is working with the City of Silverton to develop a Housing Needs Analysis. The Housing Needs Analysis will determine whether the City of Silverton has enough land to accommodate 20-years of population and housing growth. The Housing Needs Analysis will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the housing policies.

The City of Silverton existing Comprehensive Plan Housing policies have not been updated since 2000. This memorandum presents Silverton's existing housing policies for discussion with the Affordable Housing Task Force (the Task Force) at the September, October, and November meetings. Our expectation is that these policies may be revised or substituted based on comments from the Task Force (which includes members of the City's Planning Commission) and comments from the City of Silverton's City Council.

This memorandum discusses housing affordability. It distinguishes between two types of affordable housing: (1) housing affordable to very low-income and extremely low-income households and (2) housing affordable to low-income and middle-income households. The following describes these households, based on information from the Silverton Housing Needs Analysis.

- **Very low-income and extremely low-income households** are those who have an income of 50% or less of Marion County Median Family Income (MFI)<sup>1</sup> which is an annual household income of \$34,700. About 17% of Silverton's households fit into this category. They can afford a monthly housing cost of \$870 or less.<sup>2</sup> Development of housing affordable to households at this income level is generally accomplished through development of government-subsidized income-restricted housing.
- **Low-income and middle-income households** are those who have income of 50% to 120% of Marion County's MFI or income between \$34,700 to \$83,280. About 38% of Silverton's households fit into this category. They can afford a monthly housing cost of \$870 to \$2,080. The private housing market may develop housing affordable to households in this group, especially for the higher income households in the group.

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<sup>1</sup> Median Family Income is determined by the U.S. Department of Housing and Urban Development. In 2019, Marion County's MFI was \$69,400.

<sup>2</sup> This assumes that households pay less than 30% of their gross income on housing costs, including rent or mortgage, utilities, home insurance, and property taxes.

## Summary of Actions

Note to reviewers: This section will present a summary of the implementation actions and the proposed schedule for the actions. It will be in the form of a matrix, with actions.

## Potential Housing Policies

Note to reviewers: This section will present the revised housing goal(s), policies, objectives, and actions.

What we have below is draft policies that we can work with and adjust for Silverton as needed. Below the policies are the types of actions typically associated with the policies. These policies and actions are intended to begin the conversations about policies, objectives and actions for Silverton.

## Policies, Objectives, and Actions

**Policy 1: Ensure an adequate supply of land is available and serviced.** Plan for a 20-year supply of suitable land with urban services and the necessary services for Silverton to meet housing needs within the existing planning area.

Potential actions:

- Identify opportunities to increase allowable densities in Silverton’s residential zones.
- Evaluate opportunities to re-zone land to accommodate higher density housing.
- Evaluate development of a form-based code approach to regulate development of small apartments, cottages, and small lots in R-1 subdivisions.
- Evaluate increasing the maximum height in the Multifamily Family Residential (RM-20) from 35 feet (3 stories) to 4 to 5 stories.
- Evaluate increasing the maximum density in the Multifamily Family Residential (RM-20) from 32 dwelling units per acre to 40 or more units per acre.
- Evaluate removing the maximum density standard and allowing the building height limitation, lot coverage standard, and parking requirement to limit density in the RM-20 zone.
- Evaluate reducing the minimum lot size in the Single-Family Residential (R-1) zone from 7,000 square feet to 5,000 square feet, consistent with Task Force recommendations.

Note: Our preliminary understanding of House Bill 2001 is that that every place the city allows a SFD outright, it must allow a duplex outright, without different lot size standards. If the City allows single-family detached units in R-1 on 5,000 square foot lots, then it will also have to allow duplexes on 5,000 square foot lots.

- Revise the zoning code to comply with House Bill 2001 for duplexes, which requires that Silverton “...allow the development of a duplex on each lot or parcel zoned for

residential use that allows for the development of detached single-family dwellings.”  
The City must make changes to comply with House bill 2001 by June 30, 2021.

Note: Our preliminary understanding of House Bill 2001 is that that every place the city allows a SFD outright, it must allow a duplex outright, without different lot size standards. For example, the R-5 zone allows SFD on 5,000 square foot lots, so the City will be required to allow duplexes on 5,000 square foot lots.

- Continue to coordinate land use planning with the Capital Improvement Plan to ensure that infrastructure is available to support residential development, especially in newly urbanizing areas and areas identified as high priority for development.
- Identify areas of high priority for improving infrastructure to support new residential development.
- Identify opportunities to improve infrastructure in older neighborhoods, especially when infrastructure improvements will support infill development or housing rehabilitation and improvements.
- Ensure that the City’s Capital Improvement Plan includes funding for improvements and maintenance necessary to support residential development
- Develop and implement a system to monitor the supply of residential land every two years. This includes monitoring residential development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands).
- Reevaluate Silverton’s housing needs and land sufficiency on a regular basis.  
Note: House Bill 2003 requires cities larger than 10,000 people to evaluate housing needs every eight years.

**Policy 2: Provide opportunities for housing development to meet the City’s identified housing needs.** Provide opportunities for development of a range of housing types that are affordable to households at all income levels as described in the Silverton Housing Needs Analysis. These housing types include (but are not limited to): single-family detached housing, accessory dwellings, cottage housing, manufactured housing, townhouses, duplexes, triplexes, quadplexes, and multifamily products (including apartments).

- Evaluate changing development standards for Accessory Dwelling Units. The Task Force has discussed the following changes: 1) remove the owner occupied standard; 2) change the size limit from 40 percent to 60 percent of the primary structure, but retaining the 800 square foot limit; and 3) allowing tiny homes as ADUs.
- Allow duplexes on lots that allow single-family detached housing, complying with the requirements of HB 2001.

- Evaluate allowing triplexes and quadplexes in single-family zones, possibly using a form-based code approach to regulate development of these units.
- Evaluate allowing courtyard apartments and cottage housing in subdivisions in the R-1 zone, with a goal of having these units rent at the \$900-\$1,200 price points.
- Evaluate allowing of a cottage in clusters with shared central amenities (such as open space) to allow for development of small single-family detached housing clustered on a lot in the R-1, R-5, RM-20, and RM-20 zones.
- Evaluate allowing of a tiny house (typically units smaller than 500 square feet) in clusters with shared central amenities (such as open space) to allow for development of small single-family detached housing clustered on a lot, possibly using a form-based code approach to regulate development of these units.
  - Note from discussion with the Task Force (from the first April meeting notes): One concept was to allow a tiny home as an ADU. Also, allowing tiny homes as an RV hook up, because they are typically constructed off-site with no City oversight. The utility hook-up would include both water and sewer and these would be allowed in any R-1 zone as an outright permitted use. There would be no time limit on a tiny home as an accessory dwelling unit.
- Allow single-room occupancy (SROs) in Silverton, which would allow for development of structures with multiple bedrooms and shared common spaces (i.e., shared kitchens and bathrooms), with the intention of allowing more than four unrelated person to live in the same unit.
- Conduct an audit of the City's zoning code to identify barriers to residential development and identify alternatives for lowering or eliminating the barriers.
- Evaluate opportunities to increase mixed-use development in commercial zones.
- Evaluate reductions to off-street parking requirements for multifamily housing including for affordable housing serving seniors and other populations that may have lower car ownership. Consider requiring off-street parking but not parking garages. Also consider allowing on-street parking within a certain distance of a development to count for a specific number or percentage of off-street parking required for that development.
- Identify a few areas within Silverton for redevelopment into mixed-use areas, with a mixture of higher-density housing and employment uses such as retail, office, and commercial services. Mixed-use development could be restricted to the Downtown area or allowed in additional areas within Silverton.
- Evaluate incentives to encourage developers to build Planned Unit Developments with a variety of housing types. One incentive could be reduction in the required amount of

common open space if there was at least four housing types in the development that would be affordable at the time of development. Affordability might be defined as housing affordable for rentals at 80% or less of the Median Family Income (\$55,500 in annual income or \$1,400 in monthly rent) and affordable for homeownership at 120% or less of the Median Family Income (\$83,300 in annual income or a sales price of less than about \$330,000).

**Policy 3. Provide opportunities for development of housing affordable to all income levels.**

Provide the opportunity to develop broad range of accessible and affordable housing (affordable housing is defined as housing for which persons or families pay 30 percent or less of their gross income for housing, including necessary and essential utilities), focusing on housing development for very-low and low-income affordable housing and middle-income affordable housing. Development of affordable housing should be encouraged in a variety of locations across the city.

- Support development of government-subsidized low-income housing through partnering with non-profit, for-profit, and governmental developers of low-income affordable housing.
- Support development of government-subsidized low-income housing and affordable market-rate housing by providing density bonuses and other incentives that support development of affordable housing, including entry-level ownership units.
  - Note: One example is the Silverton Affordable Housing Chat Group, which wants to develop a project with 10-12 small homes between 300-700 square feet for low-income seniors.
- Identify surplus publicly-owned properties that could be used for affordable housing and partner with the developer(s) of low-income housing to develop affordable housing affordable to households earning less than 60% of MFI.
  - Note: With this and several other of the policies, the City may want to require that units be affordable to households earning less than 60% of MFI over a period of time. If the City puts in a lot of subsidy (multiple of the tools discussed in this section), it may be appropriate to require affordability is maintained over a 50 year period (as the Task Force has discussed). But for less subsidy, it would probably be more reasonable to require affordability over a 5 to 10 year period.
- Reduce or waive systems development charges (SDCs) for development of housing affordable at 60% of MFI.
- Develop a sliding scale for systems development charges (SDCs).
- Identify opportunities to reduce development costs through changes to infrastructure development standards, when appropriate. For example, allow development of duplexes with a single-sewer line or allow one water meter for multiple cottage units.
- Evaluate developing a tax exemption program, such as the Multiple Unit Housing tax exemption or the Low Income Rental Housing tax exemption.

- Evaluate adoption of a tax exemption to support newly rehabilitated or constructed multiunit rental housing. Award of the tax exemption could be tied to development of housing affordable at a certain cost point, such as affordable at 60% or less of Median Family Income (\$41,600 in annual income or a monthly rental cost of \$1,040).
- Evaluate adoption of an inclusionary zoning policy, which could require developers of multifamily structures with more than 20 units to sell or rent up to 20% of units at prices that are affordable to households earning 80% of MFI or less.
- Partner with organizations to establish or participate in a land bank or land trust, to support affordable housing by reducing or eliminating land cost from the development process.
- Develop the “Silverton Housing Program,” which would be a comprehensive housing strategy that supports development of both government-subsidized affordable housing and naturally occurring affordable housing. The Silverton Housing Program will be a program that uses a variety of tools, such as those described in this memorandum, to lower barriers to and encourage affordable housing development.

**Policy 4. Identify funding sources to support development of infrastructure and housing affordability programs.** Develop funding sources to pay for the costs of implementing the affordable housing programs described in Policy 3 and infrastructure improvements in Policy 1.

- Use Urban Renewal funding to support development of infrastructure necessary to support housing development in key areas of Silverton.
- Evaluate a Construction Excise Tax (CET) on new development to pay for developer incentives, such as fee and SDC waivers, tax abatements, or finance-based incentives.
- Evaluate other sources of revenues for funding affordable housing development, such as Transient Lodging Taxes, General Obligation Bonds, Bancroft Bonds (for infrastructure projects), or marijuana taxes.

# Existing Comprehensive Plan Policies

## Goal

Meet the projected housing needs of citizens in the Silverton Area

## Objectives

1. Encourage a "small town" environment.
2. Encourage preservation, maintenance, and improvement of the existing housing stock
3. Encourage new housing in suitable areas to minimize public facility and service costs and preserve agricultural land.
4. Encourage an adequate supply of housing types necessary to meet the needs of different family sizes and incomes.

## Policies

1. Protect adjacent residential areas from encroachment of new non-residential developments through the use of screening, buffering, landscaping, and building setbacks and compliance with other provisions within the City's Design Review Ordinance. Properties with existing developments which meet the criteria for the zone which they are in are determined to be compatible with adjacent residential uses.
2. Promote rehabilitation of older homes through use of available loan and grant programs.
3. Provide an adequate inventory of land zoned for manufactured home park and multi family dwelling sites within the City.
4. Encourage planned unit development, mixed use housing, and mixed housing with commercial uses as a means for broadening housing choices and creating sustainable neighborhoods.
5. Encourage opportunities which will provide affordable housing to meet the needs of low income, elderly, handicapped, families, and individuals within the Silverton area.
6. Provide opportunities for the development of attached and detached single-family and multi-family dwellings such as duplexes, row houses, town house apartments.
7. Allow accessory dwelling units, subject to city development and building regulations, in all residential zones.
8. Allow for, and encourage the use of flexible lot sizes and building placement, and density transfers to reduce development costs, make efficient use of land, and promote housing variety and affordability.
9. Adhere to clear and objective standards for approval of residential development to ensure a timely and predictable development review process.
10. Encourage new housing units to adhere to the following design elements:

- Locate garages behind the primary building line of the house, side-loading garages, or garages in the rear with alley access;
  - Provision for front porches;
  - Primary orientation toward the street and sidewalk;
  - Provisions for street trees.
11. Require design review approval for all multifamily developments and manufactured home parks.
  12. Encourage the use of sustainable development practices in residential site planning, building materials, and environmental control systems, including use of active and passive solar energy, energy efficient designs, and low water use landscaping.

## Implementation

1. The existing zoning and subdivision ordinances will be revised periodically so that they serve as better tools for implementing housing policies.
2. The City will work with the Marion County Housing Authority, private non-profit organizations, and for-profit entities to secure funds for housing rehabilitation in Silverton.
3. The City will work with the Marion County Housing Authority, private non-profit organizations, and for-profit entities to continue to provide for needs of low-income people living in the Silverton area. In particular, the City will work closely with Section 202 housing project sponsors to increase Silverton's supply of affordable rental housing for low income residents.

## Appendix A. Housing Policy Alternatives

This appendix provides the City with information about potential policies that could be implemented in Silverton to address the City's housing needs. Implementing some of the strategies in this appendix may be beyond Silverton's current staff or financial resources.

This appendix provides a range of housing policy options for the City of Silverton to consider as it addresses its housing needs. These policy options are commonly used by cities in Oregon and other states. Policy options are categorized as follows:

- Land Use Regulations
- Increase Housing Types
- Financial Assistance to Homeowners and Renters
- Lower Development or Operational Costs
- Funding Sources to Support Residential Development

The intention of this appendix is to provide a toolbox of potential policies and actions that the City can use to address strategic issues. For many of the policy tools described below, we give an approximate scale of impact. **The purpose of the scale of impact is to provide some context for whether the policy tool generally results in a little or a lot of change in the housing market.** The scale of impact depends on conditions in the City, such as other the City's other existing (or newly implemented) housing policies, the land supply, and housing market conditions. We define the scale of impact as follows:

- A **small** impact may not directly result in development of new housing or it may result in development of a small amount of new housing, such as 1% to 3% of the needed housing. In terms of housing affordability, a small impact may not improve housing affordability in and of itself. A policy with a small impact may be necessary but not sufficient to increase housing affordability.
- A **moderate** impact is likely to directly result in development of new housing, such as 3% to 5% of needed housing. In terms of housing affordability, a moderate impact may not improve housing affordability in and of itself. A policy with a moderate impact may be necessary but not sufficient to increase housing affordability.
- A **large** impact is likely to directly result in development of new housing, , such as 5% to 10% (or more) of needed housing. In terms of housing affordability, a **large** impact may improve housing affordability in and of itself. A policy with a large impact may still need to work with other policies to increase housing affordability.

## Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes, and those which increase the land available for housing.

Strategy Name	Description	Scale of Impact
<b>Regulatory Changes</b>		
Administrative and Procedural Reforms	<p>Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications. However, complicated projects frequently require additional analysis such as traffic impact studies, etc.</p> <p>A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.</p>	<p><b>Scale of Impact - Small.</b> The level of impact on production of housing and housing affordability will be small and will depend on the changes made to the city's procedures. Streamlining procedures may be necessary but not sufficient to increase housing production on its own.</p>
Expedited / Fast-tracked Building Permit	<p>Expedite building permits for pre-approved development types or building characteristics (e.g. green buildings).</p> <p>City of Bend offers expedited review and permitting for affordable housing. Any residential or mixed-use development that receives local, state or federal affordable housing funding is eligible to receive a written decision by the Planning Department within two weeks of the date of submittal. For projects that require more complex planning review, a decision will be written or the first public hearing will be held within six weeks of the date of submittal.</p>	<p><b>Scale of Impact - Small.</b> Expedited permit processing will benefit a limited number of projects. It may be necessary but not sufficient to increase housing production on its own.</p>
Streamline Zoning Code and other Ordinances	<p>Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.</p> <p>As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations, parking requirements, and other zoning standards.</p> <p>Many of the remaining tools in this section focus on changes to the zoning code.</p>	<p><b>Scale of Impact - Small to moderate.</b> The level of impact on production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.</p>

Strategy Name	Description	Scale of Impact
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 sq. ft and sometimes closer to 2,000 sq ft. . This policy allows individual small lots within a subdivision. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small-lots limit sprawl, contribute to a more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p> <p>Cities across Oregon allow small residential lots, including many cities in the Metro area.</p>	<p><b>Scale of Impact – Small to moderate.</b> Cities have adopted minimum lot sizes as small as 2,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p> <p>This tool is used by some cities but is used less frequently than mandating minimum lot sizes.</p>	<p><b>Scale of Impact—Small to moderate.</b> Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>

Strategy Name	Description	Scale of Impact
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multifamily zones, they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones.</p> <p>This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.</p> <p>Mandating minimum density is generally most effective in medium and high density zones where single-family detached housing is allowed. The minimum density ensures that low-density single-family housing is not built where higher-density multifamily housing could be built.</p>	<p><b>Scale of Impact—Small to moderate.</b> Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard.</p> <p>For cities that allow single-family detached housing in high density zones, this policy can result in a moderate or larger impact.</p>
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones.</p> <p>For cities with maximum densities, consider removing maximum allowable densities. This change may be most relevant.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p><b>Scale of Impact—Small to moderate.</b> This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.</p> <p>This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.</p>

Strategy Name	Description	Scale of Impact
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p><b>Scale of Impact—Moderate.</b> Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>
Reduced Parking Requirements	<p>Jurisdictions can reduce or eliminate minimum off-street parking requirements, as well as provide flexibility in meeting parking requirements. Reducing parking requirements positively impact development of any type of housing, from single-family detached to multifamily housing.</p> <p>Reduced parking requirements are most frequently used in conjunction of development of subsidized affordable housing, but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.</p> <p>City of Bend offers parking reductions for affordable housing and transit proximity. Parking for affordable housing units is 1 space per unit regardless of size, compared to 1 space per studio or 1 bedroom unit, 1.5 spaces per 2-bedroom unit, and 2 spaces per 3- or more bedroom unit for market-rate multifamily development or 2 spaces per market rate detached dwelling unit. Affordable housing units must meet the same eligibility criteria as for other City of Bend affordable housing incentives</p> <p>City of Portland offers parking exceptions for affordable housing and sites adjacent to transit. The City of Portland allows housing developments that meet the inclusionary zoning requirements to reduce parking requirements to zero if located near frequent transit service, and to exclude the affordable housing units from parking requirements for developments located further from frequent transit service. The City also allows market rate housing developments located near frequent transit service to provide little or no parking, depending on the number of units in the development.</p>	<p><b>Scale of Impact—Small to moderate.</b></p> <p>The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.</p> <p>Reducing parking requirements can have a moderate to large impact on housing affordability if little or no parking is required.</p>

Strategy Name	Description	Scale of Impact
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. This strategy could be applied to alleys, when required, to ensure that alleys are relatively narrow to reduce development and maintenance costs.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p><b>Scale of Impact—Small.</b> This policy is most effective in cities that require relatively wide streets.</p>
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> <li>• Housing preservation ordinances</li> <li>• Housing replacement ordinances</li> <li>• Manufactured home preservation</li> <li>• Single-room-occupancy ordinances</li> <li>• Regulating demolitions</li> </ul>	<p><b>Scale of Impact—Small to moderate.</b> Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by the existing stock housing, especially smaller, more affordable housing. Cities with older housing stock are more likely to benefit from this policy.</p>

Strategy Name	Description	Scale of Impact
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning provides density or other types of incentives.</p> <p>The price of low-income housing passed on to purchasers of market-rate housing. Inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p> <p>Oregon's inclusionary zoning laws apply to structures with 20 or more multifamily units, with inclusion of units that are affordable at 80% of the median family income of the city.</p> <p>The City of Portland has implemented an inclusionary zoning program. While Portland's inclusionary zoning program is resulting in production of affordable multifamily units, there is considerable discussion and disagreement about the impact of number of multifamily units being built and potential changes in the location of units.</p>	<p><b>Scale of Impact—Small to moderate.</b> Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>
<b>Increasing Land Available for Housing</b>		
Re-designate or rezone land for housing	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (i.e., smaller parcels) in areas where multifamily housing would be compatible (i.e., along transit corridors or in employment centers that would benefit from new housing).</p> <p>This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p> <p>Cities across Oregon frequently re-zone and re-designate land to address deficits of land for new housing.</p>	<p><b>Scale of Impact - Small to large.</b> Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.</p>

Strategy Name	Description	Scale of Impact
Encourage multifamily residential development in commercial zones	<p>This tool seeks to encourage denser multifamily housing as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities.</p> <p>This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p> <p>Cities across Oregon frequently encourage multifamily housing development in commercial zones, either as stand-alone residential buildings or as mixed-use buildings.</p>	<p><b>Scale of Impact – Small to moderate.</b> Many cities already encourage multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed in many of the commercial areas where it would be desirable. Unless it is publicly subsidized, mixed-use development generally results in relatively costly housing because ground floor commercial development is relatively expensive.</p>
Transfer or Purchase of Development Rights	<p>This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded and can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).</p> <p>Transfer of development rights is done less frequently in Oregon, as cities generally zone land for higher density housing where they would like it to occur. This policy is frequently used by cities outside of Oregon.</p>	<p><b>Scale of Impact - Small to moderate.</b> Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.</p>
Provide Density Bonuses to Developers	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for</p>	<p><b>Scale of Impact – Small to moderate.</b> Cities provide density bonuses on a case-by-case basis, which results in a small and sometimes moderate impact in many cities. Density bonuses can have a greater impact on housing affordability</p>

Strategy Name	Description	Scale of Impact
	<p>more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units.</p> <p>City of Bend offers affordable housing density and height bonuses. Qualifying affordable housing projects are eligible for a 10-foot building height bonus for multifamily housing when affordable housing units are gained and for a density bonus. The density increase is based on the percentage of affordable housing units within the proposed development: if 10% of the units are affordable, the maximum density is 110% of the standard maximum density. The maximum density bonus is 50% above the base density. Qualifying projects must be affordable to households at or below 60% of the AMI for rental housing and at or below 80% of the AMI for ownership housing, and require development agreements and restrictions to ensure continued affordability.</p> <p>Ashland has four different density bonuses, one of which is for development of affordable housing at higher densities and another for energy-efficient housing. Affordable housing projects meeting eligibility requirements (including rental housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 80% of AMI for a minimum of 30 years) receive a density bonus of two units for each affordable housing unit provided, up to a maximum of a 35% increase in density.</p> <p>Kirkland Washington offers density bonuses for duplex, triplex, and cottage homes. Cottage homes (limited to 1,500 square feet of floor area) and two- and three-unit homes (up to 1,000 square feet of floor area average per unit) are allowed at double the density of detached dwelling units in the underlying zone.</p>	<p>when the bonus increases the number of affordable units developed.</p>

## Increase Housing Types

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact
<p>Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in low density zones</p>	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.</p> <p>House Bill 2001 requires cities to allow the these housing types in single-family zones.</p>	<p><b>Scale of Impact – Small to moderate.</b> Allowing these types of housing in more zoning districts may provide relatively few number of new, relatively affordable, housing opportunities.</p>
<p>Allow Cottage housing, Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses, Cottage Courts, Duplex/Townhouse Courts, &amp; Garden Apartments in medium density zones</p>	<p>Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.</p>	<p><b>Scale of Impact – Small to Large.</b> Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in medium density zones, as well as the types of housing newly allowed in the medium density zone.</p>

Strategy Name	Description	Scale of Impact
Allow Stacked Townhouses, Garden Apartments and larger-scale Apartments in high density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	<b>Scale of Impact – Small to Large.</b> Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in high density zones, as well as the types of housing newly allowed in the high density zone.
Allow Live-Work housing or Mixed-use housing in commercial zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	<b>Scale of Impact – Small to Large.</b> Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities.
Remove barriers to Development of Accessory Dwelling Units (ADUs) in single-family zones	As of July 1, 2018, ORS 197.312 requires cities to allow at least one ADU for each detached single-family dwelling in areas zoned for detached single-family dwellings.  Jurisdictions can make development of ADUs more likely by limiting restrictive standards and procedures, such as reducing systems development charges for ADUs, reducing or eliminating parking requirements, or allowing ADUs regardless of where the primary dwelling is owner-occupied.	<b>Scale of Impact - Small.</b> Oregon law recently changed to require cities to allow ADUs.

Strategy Name	Description	Scale of Impact
Allow small or “tiny” homes	<p>“Tiny” homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units.</p> <p>Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.</p> <p>Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.</p> <p>Portland and Eugene allow tiny homes as temporary shelter for people experiencing homelessness.</p>	<p><b>Scale of Impact - Small:</b> Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.</p>

### Lower Development or Operational Costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in a city in order to increase housing affordability and available housing stock.

Strategy Name	Description	Scale of Impact
<b>Programs or policies to lower the cost of development</b>		
Parcel assembly	<p>Parcel assembly involves the city’s ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is often associated with development of affordable housing (affordable to households with income below 60% of MFI), where the City partners with nonprofit affordable housing developers.</p> <p>Parcel assembly can be critically important role for cities to kick start quality affordable housing and work force housing projects that can be positive catalysts too for market rate development.</p>	<p><b>Scale of Impact - Small to large.</b> Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.</p>

Strategy Name	Description	Scale of Impact
Land Banking	<p>Land banks support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing. They can take several forms. Many are administered by a non-profit or non-governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly-owned land for the development of affordable housing even without a formal 'land bank' organization.</p> <p>Land banks are purposed for short-term ownership of lands. Lands acquired are often vacant, blighted, or environmentally-contaminated. Land banks may also acquire lands with title defects or of which derelict structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.</p>	<p><b>Scale of Impact - Small to large.</b> A land bank will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
Land Trusts	<p>A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals.</p> <p>Land trusts are purposed for long-term stewardship of lands and buildings. Lands / buildings acquired may have need for remediation or redevelopment. Lands / buildings may have also been acquired to preserve affordability, prevent deferred maintenance, or protect against foreclosure</p> <p>Proud Ground (Portland Metro Area) 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.</p>	<p><b>Scale of Impact - Small to large.</b> A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.</p>
Public Land Disposition	<p>The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB-5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve</p>	<p><b>Scale of Impact – Small to moderate.</b> Depends on whether the City has surplus land that would be appropriate for future housing development.</p>

Strategy Name	Description	Scale of Impact
	<p>redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, or EB-5.</p> <p>Cities across Oregon use publicly land to support affordable and market-rate of housing development. In some cases, municipalities put surplus public land into land banks or land trusts.</p> <p>Tri-Met is evaluating re-use of construction staging sites for future affordable housing and/or transit-orient development sites.</p> <p>Cottage Grove is working with the school district to discuss and plan for use of surplus school district land for future housing development.</p>	
<p>Reduced / Waived Building Permit fee, Planning fees, or SDCs</p>	<p>Programs that reduce various development fees as an incentive to induce qualifying types of development or building features. There are a number of avenues to seek reduced or waived fees. For example, stormwater improvements can be made through the Commercial Stormwater Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes.</p> <p>City of Portland offers SDC exemptions for affordable housing. Portland’s SDC Exemption Program exempts developers of qualifying affordable housing projects from paying SDCs levied by the City of Portland for transportation, water, parks and environmental services. Eligible rental projects must serve households earning at or below 60% of the AMI for a 60-year period. Portland also offers SDC waivers for development of ADUs.</p> <p>City of McMinnville offers SDC exemptions and reduced permit fees for affordable housing. Building and planning permit fees for new or remodel housing construction projects are reduced by 50% for eligible projects and SDCs for transportation, wastewater and parks are exempted at 100%. Reductions/exemptions are prorated for mixed use or mixed-income developments. The property must be utilized for housing for low-income persons for at least 10 years or the SDCs must be paid to the city.</p>	<p><b>Scale of Impact - Small.</b></p>
<p>Scaling SDCs to Unit Size</p>	<p>Cities often charge a set SDC per dwelling unit, charging the same SDCs for large single-family detached units as for small single-family detached units or accessory dwelling units. Some cities have started scaling SDC based on the</p>	<p><b>Scale of Impact – Small to moderate</b></p>

Strategy Name	Description	Scale of Impact
	<p>size of the unit in square feet. Offering lower SDC for smaller units can encourage development of smaller units, such as small single-family detached units or cottage cluster units.</p> <p>Newport Oregon scales SDCs for water, wastewater, stormwater, and transportation. The City has a base SDC rate (per square foot) of built space. For example, a 1,000 square foot unit would be charged \$620 for water SDC (\$0.62 per square foot). A 2,000 square foot unit would be charged \$1,204 for the water SDC (\$0.62 per square foot for the first 1,700 square feet and \$0.50 for the additional 300 square feet).</p>	
SDC Financing Credits	<p>May help to offset the an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.</p> <p>SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.</p>	<p><b>Scale of Impact – Small to moderate.</b> The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.</p>
Sole Source SDCs	<p>Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and Urban Renewal (Tax Increment Financing). Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.</p>	<p><b>Scale of Impact – Small to moderate.</b> Depends on how the tool is implemented and whether it is used with other tools, such as LIDs or Urban Renewal.</p>
Fees or Other Dedicated Revenue	<p>Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-</p>	

Strategy Name	Description	Scale of Impact
	<p>lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also, these fees or revenues allow for new revenue streams into the City.</p>	
<p>Reimbursement District</p>	<p>A Reimbursement District is a cost sharing mechanism, typically Initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement</p> <p>Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements. Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin.</p> <p>Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10-15 years.</p> <p>Paid by benefitted properties at the time the property benefits from the improvement, typically at connection to the sewer, water or storm drain system.</p>	<p><b>Scale of Impact – Small to moderate.</b></p>

Strategy Name	Description	Scale of Impact
Linkage Fees	<p>Linkage fees are charges on new development, usually commercial and / or industrial development only, that can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.</p> <ul style="list-style-type: none"> <li>• Can be used for acquisition and rehabilitation of existing affordable units.</li> <li>• Can be used for new construction.</li> </ul>	<b>Scale of Impact – Small to moderate.</b>
<b>Tax abatement programs that decrease operational costs by decreasing property taxes</b>		
Vertical Housing Tax Abatement (Locally Enabled and Managed)	<p>The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program.</p> <p>The legislation subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).</p>	<b>Scale of Impact – Small to moderate.</b> The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.
Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	<p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the</p>	<b>Scale of Impact – Small to moderate.</b> The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Strategy Name	Description	Scale of Impact
	<p>number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines “Multi-unit rental housing” as: “(a) residential property consisting of four or more dwelling units” and; “does not include assisted living facilities.”</p> <p>All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that’s rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program.</p> <p>Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p> <p>The City of Eugene offers a ten-year Multi-Unit Property Tax Exemption (MUPTTE) for projects in its eastern downtown core. Eugene’s criteria for granting MUPTTE include: Project must provide 5 or more units of housing (not including student housing), development must meet minimum density standards, development must comply with minimum green building requirements, a portion of construction and other contracting requirements must be through local business, the development must provide 30% of the units affordable at 100% of AMI or pay a fee of 10% of the value of the tax abatement toward supporting moderate income housing development, demonstrate that the project would not be financially feasible without the exemption by providing 10-year pro forma with and without MUPTTE and comply with other criteria.</p> <p>The City of Salem’s Multi-Unit Housing Tax Incentive Program (MUHTIP) was adopted in 2012 to spur the construction of “transit supportive”<sup>3</sup> multi-unit housing in the city’s downtown core. In order to qualify for the exemption, projects must consist of at least two dwelling units, be located in the city’s “core</p>	

<sup>3</sup> City of Salem, “Multi Unit Housing Tax Incentive Program,” <https://www.cityofsalem.net/Pages/multi-unit-housing-tax-incentive-program.aspx>.

Strategy Name	Description	Scale of Impact
<p>Nonprofit Corporation Low Income Housing Tax Exemption</p> <p>and</p> <p>Low-Income Rental Housing Tax Exemption</p>	<p>area,” and include at least one public benefit.</p> <p>Note: These are two separate tax exemptions available under statute (ORS 307.515 to 307.523 / ORS 307.540 to 307.548). They are grouped together for their similarities (but differences are noted).</p> <p>Land and improvement tax exemption used to reduce operating costs for regulated affordable housing affordable at 60% AMI or below. Requires the City to adopt standards and guidelines for applications and enforcement mechanisms.</p> <p>The low-income rental housing program exemption lasts 20 years. The nonprofit corporation low-income housing program must be applied for every year but can continue as long as the property meets the criteria. Rents must reflect the full value of the property tax abatement and City can add additional criteria.</p> <p>There is no requirement that construction must be complete prior to application. Programs both work well in tandem with other incentives, such as land banking.</p>	<p><b>Scale of Impact – Small to moderate.</b> The exemption reduces operating costs, meaning it is a tool more useful to property owners of affordable housing projects. Developers, who do not own and operate their own projects, may be less inclined to use the program.</p>

## Funding Sources to Support Residential Development

The following policies focus on ways to pay for the costs of implementing the affordable housing programs and infrastructure development.

Strategy Name	Description	Scale of Impact
Urban Renewal / Tax Increment Finance (TIF)	<p>Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> <li>• Redevelopment projects, such as mixed-use or infill housing developments</li> <li>• Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs</li> <li>• Streetscape improvements, including new lighting, trees, and sidewalks</li> <li>• Land assembly for public as well as private re-use</li> <li>• Transportation enhancements, including intersection improvements</li> <li>• Historic preservation projects</li> <li>• Parks and open spaces</li> </ul> <p>Urban renewal is a commonly used tool to support housing development in cities across Oregon.</p>	<p><b>Scale of Impact – Moderate to Large.</b> Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.</p>

<p>Construction Excise Tax (CET)</p>	<p>Funds land use planning throughout the region by taxing construction permits. CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. 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"> <li>• 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)</li> <li>• 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.</li> <li>• 15% flows to Oregon Housing and Community Services for homeowner programs.</li> </ul> <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. The rate may exceed 1% if levied on commercial or industrial uses. The City of Portland's CET went into effect in 2016. It levies a 1% CET on residential, commercial, and industrial development valued at \$100,000 or more, with all revenues going toward affordable housing. The revenues pay for production of housing at or below 60% AMI, developer incentives for inclusionary zoning, along with state homeownership programs.</p> <p>City of Bend adopted a CET of 0.3% on residential, commercial, and industrial development in 2006, with revenues dedicated to loans to fund developments by profit and nonprofit affordable housing developers. The fee has raised \$11 million as of 2016, allowing the City to lend money to fund 615 units. The fund has leveraged \$63 million in state and federal funding and \$14 million in equity.</p> <p>The City of Milwaukie adopted a CET on commercial, residential, and industrial development in November of 2017. The City exempted deed-restricted affordable housing, ADUs, and improvements less than \$100,000 from paying the CET. The adopting ordinance allocates funds as required by state statutes, specifying that</p>	<p><b>Scale of Impact – Depends on the amount of funding available.</b></p>
<p>ECONorthwest</p>	<p>flexible funds from the commercial improvements will be used 50% toward housing available to those making up to 120% of MFI, and 50% for economic development programs in areas with sub-area plans (such as Downtown and Riverfront, and the City's urban renewal areas).</p>	<p>29</p>

<p>General Fund and General Obligation (GO) Bonds</p>	<p>Allows funding for a project that is not dependent on revenue from the project to back the bond.</p> <p>City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.</p> <p>Property taxes are increased to pay back the GO bonds.</p> <p>City of Portland passed \$258 million bond for affordable housing in 2016. The goal of the bond is to build or preserve up to 1,300 units in the next five to seven years. The city issued a request for information to solicit interest in acquiring properties or land under the affordable housing bond. The city is looking for opportunities to acquire existing properties of 20 or more units, or vacant land that is appropriately zoned for 20+ housing units, and is looking for both traditional and nontraditional development opportunities.</p>	<p><b>Scale of Impact – Moderate to large.</b> GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).</p>
<p>Local Improvement District (LID)</p>	<p>Enables a group of property owners to share the cost of a project or infrastructural improvement.</p> <p>A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records.</p> <p>An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners.</p> <p>The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment were placed property owners (due to underestimation).</p>	<p><b>Scale of Impact – Depends on the amount of funding available and Bonding capacity.</b></p>

<p>General Fund Grants or Loans</p>	<p>A city can use general fund or tax increment dollars to directly invest in a specific affordable housing projects. These grants or loans can serve as gap funding to improve development feasibility. There are several options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time, as recently approved in the City of Portland. Another option is to use general fund dollars to contribute to other programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.</p>	<p><b>Scale of Impact – Depends on the amount of funding available.</b></p>
<p>Transient Lodging Tax (TLT)</p>	<p>Generates revenue by primarily taxing tourists and guests using temporary lodging services. Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.</p>	<p><b>Scale of Impact – Small.</b> The amount of funding from TLT is likely to be relatively small, given that only 30% of TLT funds have unrestricted use.</p>
<p>CDBG</p>	<p>The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.</p>	<p><b>Scale of Impact – Depends on the amount of funding available.</b></p>