

CITY OF SILVERTON
AFFORDABLE HOUSING TASK FORCE MINUTES

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

January 29, 2019, 8:30 a.m.

I. CALL TO ORDER

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

Present	Absent	
X		Kyle Palmer
X		Dana Smith
	Excused	Jason Freilinger
	Excused	Sarah DeSantis
X		Harry Douglass
X		Stephanie Stoneking
X		Bonnie Logan
	Excused	Laurie Chadwick
X		Sarah White
X		David Goldblatt
X		Gene Oster
X		Terry Caster
X		Molly Ainsley

Staff Present:

Community Development Director, Jason Gottgetreu and Assistant to the City Manager/City Clerk, Angela Speier

II. PUBLIC COMMENT

Norm English, 303 Trees Court. Mr. English was born in Silverton and he explained his background to the Task Force. After retirement his wife and him moved back to Silverton and have lived here since 2008. They are currently renting a two-bedroom duplex. He said that since October 2013 there have been seven rent increases. The last increase of 6.5 percent occurred in October 2018. He just received a letter yesterday that his rent will be increased again on May 1st by 11.5 percent; he read the letter for the Task Force. He said that these rent increase are difficult for individuals on a fixed income. He and his wife are on a quest for affordable housing that might take them outside of the community. Member Smith asked what Mr. English considers affordable? Mr. English responded that it depends on what your household income is; he estimates that his rent with this new increase is roughly 35 percent of his monthly income. He feels that this Task Force is a good way to have initial discussions about affordability.

III. DISCUSSION/ACTION

3.1 Overview of affordable housing definitions and strategies

Community Development Director Jason Gottgetreu explained that one of the Council goals for this fiscal year is to further develop and implement strategies for affordable housing. This Task Force was created to look into those strategies. He explained that the Planning Commission has also been looking at code updates that could facilitate affordable housing in developments.

Director Gottgetreu explained that a commonly accepted guideline for housing affordability is a housing cost, including utilities that do not exceed 30 percent of a household's gross income. If you are spending more than 30 percent of your gross income on rent and utilities you are considered rent burdened.

Silverton's median household income is \$60,603 meaning that a household could afford \$1,515 in rent or a \$250,000 house and not be rent burdened. He explained that 25 percent of Silverton residents with a mortgage are rent burdened and 45 percent of renters are considered rent burdened and are paying 35 percent or more of their gross monthly income in rent. He explained that the average sale price of homes in Silverton has increased steadily in the last five years. In 2013, 103 houses were sold with an average price of \$217,000. In 2018, 200 houses were sold at an average sale price of \$333,858. Director Gottgetreu broke down the numbers for the average house and in 2018 a household would need an annual gross income of over \$80,000 to not be considered rent burdened in Silverton. This means that the average house is not attainable for the median family or household. He reviewed the zoning map and indicated where available land supply is located.

Director Gottgetreu reviewed possible affordable housing strategies related to policy changes and funding mechanisms. One of the potential policy changes could be to the zoning standards for Accessory Dwelling Units (ADU's). ADU's are currently allowed in the City, but are subject to standards. There is a size limit if they are detached from the main structure and have to comply with setback standards. In addition, one unit has to be owner occupied. In order to encourage ADU's there could be a reduction in fees, or removal of certain standards, and the City could provide stock building plans. The City could also look at alternative housing types, such as allowing tiny homes, RVs, courtyard apartments, cottages, and small lots in R-1 subdivisions. He explained that the Planning Commission is exploring options to allow greater types of housing development within R-1 subdivisions. He reviewed the current R-1 subdivision standards and how the alternative path of planned development can create an unknown for a developer due to the subjective review by the Planning Commission and City Council. By creating a clear and objective standard it could be rolled into the existing subdivision process which would reduce the subjectivity for developers. In new developments duplex units can make up 20 percent of the development, but that doesn't necessarily happen, and triplexes are currently prohibited in the R-1 zone.

Additional zoning standards that could be looked at would be to allow more than the standard number of units if the additional units are provided below the market, also known as a density bonus. Director Gottgetreu also explained that parking standards could be reduced or removed for multifamily development. Another approach could be to prohibit single family zoning entirely, which would allow duplexes, triplexes, or fourplexes on any residential lot. This concept is being looked at in Portland and a bill has been introduced in the state legislature this session. The City could also rezone land for multifamily. The City will be issuing a RFP for a housing needs analysis to be performed this year. The last analysis was performed in 2002 and at that time there was a deficiency of 30 acres for multifamily housing. Another policy consideration is Senate Bill 1533 which was passed by the Legislature in 2016. SB 1533 allows cities to require developments to include affordable units of up to 20 percent of new multi-structures larger than 20 units. It requires cities to provide incentives to developers. He explained that the City could look into transfer development rights. Lastly, there could be policy changes regarding renter protections, such as banning no cause evictions, capping rent increases to a certain percent each year, and requiring relocation fees.

Director Gottgetreu explained funding options that the Task Force could look at. The first option is the construction excise tax, which would allow the city to charge up to one percent of the building permit valuation for residential construction permits issued. In Silverton that would equate to \$2,000 per home for affordable housing programs, the current fee to build a home is \$27,000 before construction begins. He explained that of the \$2,000, 50 percent has to be used for developer incentives, 15 percent goes to Oregon Housing and Community Services, and 35 percent for City programs and incentives. The City could also look at SDC reductions and/or waivers to spur affordable development. Currently Habitat for Humanity homes are exempt from SDC's. Lastly, Director Gottgetreu reviewed the potential list of partners that could help to incentivize affordable housing.

3.2 Discuss range of focus and potential strategies to explore

The Task Force members discussed what the Planning Commission is working on and in the future holding a joint meeting between the two groups. Kari Johnsen asked if the Planning Commission is looking at zero lot lines for townhouses. Director Gottgetreu said that isn't something that the Commission is looking at, but it could get added. Currently zero lot lines are prohibited in the R-1 Zone.

Member Molly Ainsley asked if there were other incentives available for developers through the federal or state government. Staff said that the 20 unit complex located on South Water Street was built with federal funds. Ms. Johnsen indicated that Rural Development and LIFT funds are available for affordable housing projects. Discussion ensued about HOME funding and how the City can help promote funding programs to developers. Member Gene Oster explained that partnering with the federal government can be challenging for developers due to the number of rules and length of time it can take.

Stacy Palmer, Executive Director Chamber of Commerce. Ms. Palmer said that the Chamber has been working with local manufacturers, because one of their biggest challenges is finding workers that can afford to live in Silverton. The group is looking at a variety of options, including utilizing the vacant industrial land and working with Representative Rick Lewis to access a pilot program through the state to incentivize multifamily housing. They are also waiting to see what happens through this process in order to work in partnership with the City. She said that Forest River would like to hire an additional 80 workers and Willamette Valley Pie would add another shift, but the companies are having a hard time finding entry level workers, because they can't afford to live here. They would like to find ways to reduce the cost of development so the developer could participate in a program where rent could be reduced. Committee member Terry Caster asked what the workers would be getting paid as an entry level position. Ms. Palmer will look into that and bring the information back to the Task Force.

Member Sarah White explained that the RV Park in town is also cost prohibitive due to the base fee and that only RVs built in 2009 or newer are allowed to rent space there. She further explained that there are a number of people that would like to work in Silverton, but the lack the housing stability to obtain those entry level jobs. She would love to see the City and the Chamber Committee explore small RV parks as an interim solution to address short term housing needs.

Staff will email the Task Force the PowerPoint presentation made by Director Gottgetreu. Member Smith asked staff to share an article regarding the aspects of partnerships with the Task Force. Member Stephanie Stoneking announced that she would like to resign from the Task Force and asked that Kari Johnsen, Executive Director for the North Willamette Valley Habitat for Humanity fill her position. City Council will consider the appointment at their February City Council meeting.

Chairman Palmer encouraged the members to review the materials provided by staff and come to the next meeting with ideas that they would like to explore on ways to encourage more affordable housing in the community.

ADJOURNMENT

The next meeting was scheduled for Tuesday, February 26, 2019 at 8:30 a.m. and staff will poll the members to determine future dates. Staff will also send the committee bills that are being considered by the legislature and the possible code changes that the Planning Commission is looking at.

The meeting adjourned at 9:52 a.m.

Respectfully submitted by:

/s/Angela Speier, Assistant to the City Manager/City Clerk