



AGENDA & Notice of Work Session for City Council

The City Council of the City of Newport will hold a work session on Monday, December 7, 2015, at 12 P.M. The work session will be held in Conference Room A at City Hall, located at 169 S.W. Coast Highway, Newport, Oregon 97365. A copy of the agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The City Council reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

CITY COUNCIL WORK SESSION Monday, December 7, 2015 - 12 P.M. Conference Room A

- A. Call to Order
- B. Discussion Regarding Affordable Housing
- C. Executive session pursuant to ORS 192.660 (2)(i) - Performance Evaluations of Public Officers and Employees - City Manager
- D. Adjournment



Agenda#WS.B.
MeetingDate: 12/7/15

Agenda Item:

Supplemental Information for the December 7, 2015, Council Work Session at 12:00 noon in Conference Room A

The City Council is scheduled to hold a work session at noon in Conference Room A to consider two separate items. The first will be to discuss portable housing strategies for the City of Newport. The second issue will be to schedule an executive session for the purposes of conducting an annual evaluation for the City Manager. Due to the time commitment, we will have lunch available for the Council members, staff and any guests.

AFFORDABLE HOUSING

Background:

The City of Newport and other locations within Lincoln County are dealing with a shortage of affordable workforce housing within the county. This is an issue that will face additional pressure as Oregon State University proceeds with the Marine Studies Initiative, expansion of NOAA operations, and other growth that is anticipated in the region. Many factors affect the cost of housing in Newport. These factors may include: the high price of land, availability of easily developed property, high property values, vacation rental impact on the housing market, various development costs such as SDC charges and the cost of extension of utilities, and other similar issues.

Community Development Director, Derrick Tokos, put together a list of various actions the Planning Commission and Council have been involved with in order to try to address various affordable housing issues within the community. This is also consistent with obligations under the statewide planning goal #10, which directs the creation of an inventory of buildable lands for residential use, and develop plans to encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Newport's residents. Attached to Derrick's report are the Newport Housing Needs Study that was done in 2011 and the Newport Student Housing Study that was done as part of the facilitation of the expansion of Oregon State University's presence at the Hatfield Marine Science Center with the Marine Studies Initiative. There are recommendations that will need to be considered as the City continues to refine its strategies regarding housing.

The City has specifically partnered with two organizations in order to address affordable housing issues within the community. This includes a Habitat for Humanity/Lincoln County where the City has provided property for the development of five owner occupied homes and the City participates financially with the County Land Bank in order to work towards meeting various housing needs within the City of Newport and Lincoln County. The City is partners with Lincoln City and Lincoln County in this endeavor. I have

enclosed a copy of the City Council minutes that dealt with this issue. I have invited Bill Hall, Chair of the Lincoln Community Land Trust and Diana Lynn, Executive Director, Proud Ground, who is working on a contractual basis for the Land Trust to update the Council on their activities relating to affordable housing within Lincoln County.

At previous Council meetings, there have been some suggestions from Council members that vacant City land could be made available to facilitate various affordable housing situations. I have attached a list of vacant properties the City has identified that may have some potential for development. As indicated earlier, the City provided land as part of a development agreement with Habitat for Humanity for property located behind City Hall for the development of five owner/occupied housing units. I think it would be appropriate for the City Council to review these properties to determine which properties may be appropriate for affordable housing and the process that the City Council would want to utilize in making these properties available for that purpose. It should also be noted that affordable housing can be built into various mixed use developments as well. For example, upper stories of a building could be used for affordable housing, while the ground floor would be used for commercial purposes. Another major area where this is significant need is in the form of rental housing, either single family units or multi-family units. From a city's standpoint, it is incredibly difficult to find even temporary housing for employees coming into this community. When you take a look at other businesses or organizations that want to expand in the City of Newport or Lincoln County, housing is one of their top concerns. Most recently, the Vice Admiral of NOAA was here for the change of command for MOC-P. The first question she asked the Mayor and myself was how is the City coming on getting affordable housing. Often times this type of housing is thought to be low income housing. With the value of housing in Newport, this is really dealing with middle income families trying to either find temporary housing or permanent housing they can afford. I was surprised by the number of NOAA people that live in Philomath, Corvallis, and other areas because of housing issues on the coast. If we want to expand jobs in Newport for working families, housing needs to be a major issue that is tackled by private, public or various partnerships.

Councilor Engler and I participated in an affordable housing tour for the City of Bend. During this tour, Tim Knopp, the Affordable Housing Director from the City of Bend, indicated that Bend charges an amount of 1/5th of 1% of the building permit valuation for a new project, into an affordable housing fund. This mechanism is currently not available for cities, since the legislature prohibited any new cities from considering this tool based on push-back from the housing construction industry. Interestingly enough in Bend, the housing construction industry has partnered on building a number of projects utilizing this funding. The city, in turn, uses these funds to facilitate affordable housing. The city has used \$14,000,000 collected through this mechanism to leverage \$63 million of housing projects within Bend. The City of Bend has implemented a "cottage code" which allows for higher density for affordable housing. This increases the number of housing units from 22 per acre to 33 per acre. It also allows the houses to be built up to ten feet higher than what the regular code allows when being built for affordable housing. We toured a senior housing development that was done by private developers. Under the terms of the development agreement, this property is not on the tax rolls for the City of Bend. The city's affordable housing fund provided a \$275,000 loan to help facilitate some of the upfront costs with this project. The project utilized federal home funds and tax credits to reduce the overall costs for the units. People living in the senior housing must be below the 60% of median income.

We visited a workforce housing subdivision. This is an area in which the city acquired property and worked with a nonprofit organization to develop that property into single family owner occupied homes. The land value allowed first time buyers to meet the down payment requirements, since the property owners could get the property at zero cost. However, a lien was placed on the property if the property sold, and/or after twenty years when the city would receive payments for the land value over a scheduled period of time. This was timed so the mortgage payments of the house would be done. If the house is sold, the nonprofit organization and the homeowner divide any appreciation of value on the structure. This was done to allow the homeowners to gain assets as homeowners, but still recognize that under this type of development, the homeowners should not realize 100% of the value gain on the property. Typical cost of the homes in this workforce development neighborhood was \$190,000. The land value has gone from \$20,000 up to \$65,000 since this program was initiated with the rebound of housing in Bend. The Shady Pine subdivision was fully occupied with individually built homes through this process.

We also visited a development built by the Area Housing Commission. This project was built with funds from various federal funding sources, and was more of a traditional low income housing project. Unlike the former HUD type housing projects, there was a certain rental that was established and certain income requirements had to be met in order to rent one of these units. Individuals renting the units also had the option to secure Section 8 Housing certificate in order to receive supplemental payments for their rent.

The final development that we visited was a permanent housing facility for veterans. In a number of cases, homeless veterans have been provided a permanent place to live in this development, which was a revamped apartment complex consisting of three different buildings. The city is exploring ways to expand this housing, which has been deemed a success for the City of Bend to get people off the streets and into permanent housing.

All of these projects were well done and are meeting various needs in a housing economy that is very difficult for workers and retired seniors and individuals with minimal income to find housing.

The purpose of today's work session is to create a better understanding of the various issues and options relating to affordable housing in the City of Newport, and to define a plan as to how the City should continue proceeding in dealing with this significant issue. It is important for the City to develop a cohesive plan for how we are going to proceed. It is also important for various partners in addressing housing issues (Lincoln County Land Trust, Habitat for Humanity, private developers, the Lincoln County Housing Authority, and other housing providers) to have a clear understanding of their expected role and the processes in which they can proceed in any partnerships with the City to achieve affordable housing initiatives. This will help to avoid any misunderstandings and create a playing field in which various partners understand what role the City may or may not play in going forward with these efforts.

It is my opinion the greatest good will come in this area by having a general alignment of the Council, staff and partners in providing housing in the types of strategies that we may have going forward. It is my hope that this work session will continue those types of discussions and lead to a clearer direction on addressing affordable housing in the City of Newport.

Recommended Action:

No action will be taken at the work session.

Attachments:

- (1) Report from Community Development Director, Derrick Tokos
 - a. Comprehensive Plan Provisions,
 - b. Newport Housing Needs - 2011
 - c. Newport Student Housing Expansion at the Hatfield Marine Science Center
 - (2) Minutes from the Council meeting in which an agreement was entered into with the Lincoln County Land Trust for Workforce Housing Initiatives
 - (3) List of vacant City properties that have been identified as potential surplus.
 - (4) The League of Oregon Cities story from May of 2015 on housing needs in various Oregon communities
 - (5) Guide for examining local land use policies produced by the Fair Housing Commission of Oregon
 - (6) Pacific Crest Affordable Housing LLC, types of housing and sources of funds for those projects
 - (7) The City of Portland - North/Northeast Neighborhood Housing Strategy that includes a number of tools that Portland has available for encouraging affordable housing.
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**EXECUTIVE SESSION FOR PURPOSES OF
CITY MANAGER EVALUATION**

Background:

The City Manager employment agreement provides that on an annual basis, an evaluation be completed. The evaluation committee has met and compiled the results of the evaluation. Under ORS provisions, an evaluation can be conducted in executive session at the request of the employee being evaluated. I think it is appropriate to have evaluations in a closed session, and I would so request the Council convene into executive session for this purpose.

Recommended Action:

I recommend the City Council consider the following motion:

I move the Council go into executive session under ORS.192.660(2)(i) for the purposes of completing an evaluation of the City Manager

Respectfully submitted,



Spencer R. Nebel
City Manager

Memorandum

To: Spencer Nebel, City Manager

From: Derrick Tokos, Community Development Director 

Date: December 2, 2015

Re: Summary of Actions Taken by the City of Newport Related to Affordable and Workforce Housing

Per your request, the following is a list of actions the City has taken over the last few years to carry-out its obligations under Statewide Planning Goal 10 (OAR 660-015-0000(10)) to inventory buildable lands for residential use and develop plans to encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Newport residents. These actions have also implemented annual goals that the City Council has established to address the shortage of affordable and workforce housing in the community.

Actions

- 6/20/11 Adopted Ordinance 2015, repealing and replacing the Population Growth Forecast and Housing Elements of the Newport Comprehensive Plan. These amendments were the product of a Housing Needs and Buildable Lands Assessment (i.e. "Housing Study") conducted by the City. The work was funded by a \$30,000 grant from the Department of Land Conservation and Development and was informed by a Citizen Advisory Committee. The housing policies from this effort have informed the City's actions over the last four years.
- 7/1/12 Established a no interest revolving loan program to facilitate construction of workforce housing on city owned properties that were to be donated for that purpose. The loan program was funded from proceeds resulting from the sale of city-owned property at 761 SW Bay Boulevard. This step implemented Policy 1, Goal 1 of the Housing Study which calls for the use of creative funding tools to facilitate the development of government-assisted and workforce housing.
- 8/6/12 Provided \$1,500 in funding to the Lincoln Community Land Trust (LCLT) to conduct an Affordable Housing Pilot Initiative survey of employees of the City's largest employers to get their perspective on affordability issues in the community. The survey was completed in November of 2012.
- 2/4/13 Conducted a City Council work session to discuss a conceptual framework for an interagency agreement and contract for workforce housing development between the City of Newport, LCLT, and Community Services Consortium (CSC). LCLT was to construct six units over a five year period on land donated by the City. The revolving loan program was to be made available to finance construction. This work implemented Goals 1 and 2 of the

Housing Study, including implementation Measure 2.1 which calls for the City to establish a residential land bank program with the intent of facilitating the development of government-assisted and workforce housing.

- 4/15/13 Conducted a City Council work session to discuss the workforce housing development agreement between the City of Newport, LCLT and CSC including past financial contributions Lincoln City has made to facilitate the construction of workforce housing. A request was made to have LCLT make a presentation and field questions from the Council. Examples of potentially suitable City owned properties were discussed along with how specific properties could be identified.
- 4/15/13 Adopted Ordinance No. 2053A, amending the Newport Municipal Code to allow the donation of city-owned real property to qualifying non-profit corporations or municipal corporations consistent with ORS 271.330, paving the way for the donation of real property for work force housing.
- 5/20/13 Presentation to the City Council by the LCLT providing an overview of the work the Trust is doing to facilitate the construction of workforce housing in Lincoln County. The draft workforce housing agreement between the City of Newport, LCLT, and CSC was discussed but no formal action on the agreement was requested or taken.
- 6/17/13 Adopted Ordinance No. 2055, amending Chapter 14.16 of the Newport Municipal Code to authorize Accessory Dwelling Units in all residential zones. These changes implemented Policy 4, Goal 2 of the Housing Study, creating an avenue for property owners to construct modest ancillary residences irrespective of density limitations to provide rental opportunities for persons employed in the City or housing for family members.
- 9/4/13 Conducted a City Council work session and public hearing on the workforce housing development agreement between the City of Newport, LCLT and CSC previously discussed at work sessions on 2/4/13, 4/15/13, and 5/20/13. The matter was tabled until after the first of the year in part to see how Lincoln City would be developing workforce housing given its recent purchase of the "Village at Cascades Head" property. The agreement ultimately unraveled when the Community Service Consortium restructured and could no longer support workforce housing initiatives.
- 9/4/13 Adopted Ordinance No. 2059, amending Chapter 14.6 of the Newport Municipal Code Relating to Manufactured Dwelling Parks and Recreational Vehicles. Implemented Policy 8, Goal 2 of the Housing Study to allow and encourage "park model" recreational vehicles as a viable housing type within manufactured dwelling and recreational vehicle parks.
- 7/21/14 Executed a Memorandum of Understanding between the LCLT, City of Newport, Lincoln City and Lincoln County to provide base funding to LCLT for full time staff support and associated administrative services so that LCLT can fulfill its mission to provide permanently affordable home ownership for working individuals and families in Lincoln County. Each of the partners committed to contribute \$30,000 over a 3 year period. The partners also agreed, without specific commitment of resources or properties, to give a high priority to provide surplus or foreclosed land and/or revolving loan funds to LCLT for housing development. Such action is consistent with the Goals 1 and 2 of the Housing Study.
- 9/2/14 Conducted a City Council work session to discuss donation of land for workforce housing purposes. Specific properties in the City's land inventory were discussed as was a process for identifying suitable properties.

- 9/2/14 Conducted a City Council work session with Habitat for Humanity of Lincoln County on the possibility of donating property for development of Habitat homes in the City of Newport.
- 2/17/15 Adopted Ordinance 2076, amending the Housing Element of the City of Newport Comprehensive Plan to incorporate recommendations from Newport Student Housing Report. The work was funded with grants from Lincoln County (\$7,500) and the Department of Land Conservation and Development (\$7,500) and was informed by an advisory committee. The catalyst for these amendments is Oregon State University's planned expansion of its Hatfield Marine Science Center to accommodate 450 additional students and 40 to 60 faculty and staff members over the next 10 years. The ordinance added a Policy 9 to the Housing Element of the Comprehensive Plan identifying strategies the City will pursue to increase its supply of multi-family housing.
- 3/25/15 Executed an amendment to the 7/21/14 Memorandum of Understanding between the LCLT, City of Newport, Lincoln City and Lincoln County to provide that each public partner would allocate up to \$30,000 annually to fund professional staffing for LCLT. Reference to full-time staffing was deleted. This was done to accommodate LCLT's desire to contract with Proud Ground, an established Land Trust in the Portland area, in lieu of hiring a full time staff person.
- 6/15/15 Conducted a City Council work session to review a possible agreement with Habitat for Humanity of Lincoln County to convey city property in the vicinity of SE 10th Street and SW Hatfield Drive for the development of 5 owner-occupied homes.
- 7/20/15 Executed a land donation agreement between the City of Newport and Habitat for Humanity of Lincoln County to construct at least 5 owner occupied affordable housing units over a period of 4 years on vacant parcels of land owned by the City of Newport in the vicinity of SE 10th Street and SW Hatfield Drive. The agreement is consistent with Goals 1 and 2 of the Housing Study which calls for the City to actively participate in the development of affordable, workforce housing.
- 10/5/15 Adopted Ordinance 2083, establishing the Newport Northside Urban Renewal Plan. The plan includes policy language outlining how urban renewal funds can be used to encourage development of affordable and workforce housing in Agate Beach and commercial core areas consistent with Policies 2, 3 and 5 of the Housing Study.
- In Progress* Updates to the City of Newport's System Development Charge Methodology to identify opportunities to reduce costs in exchange for developer commitments to construct affordable and workforce housing. This work is consistent with Implementation Measure 1.4 of the Housing Study.
- In Progress* Coordination with Lincoln County on the viability of instituting a multiple unit tax exemption to support multi-family development, which was a key recommendation in the Student Housing Study (Implementation Measure 1, Policy 9)

The Planning Commission has played a key role in all of the actions listed above, and has a specific statutory role in assisting the Council with respect to improving housing conditions within the City (ref: ORS 227.090). You requested that I include a copy of relevant information from the Housing Element of the Comprehensive Plan as adopted in 2011 and amended in 2015. Excerpts from both are attached, along with a summary of the City's housing goals, policies and implementation measures. Other information relevant to the timeline of actions listed above can be made available if you think it would be helpful for the work session.

HOUSING GOALS, POLICIES, AND IMPLEMENTATION MEASURES

Goals:

Goal 1: To provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.

Goal 2: To provide adequate housing that is affordable to Newport workers at all wage levels.

Policy 1: The City of Newport shall assess the housing needs and desires of Newport residents to formulate or refine specific action programs to meet those needs.

Implementation Measure 1.1: The City of Newport shall establish a set of verifiable and empirically measurable metrics to track trends in housing development and affordability. The metrics should be based on readily available data sets that are available on an annual basis and should include income and housing cost trends, housing sales, building permits by type and value, as well as others.

Implementation Measure 1.2: The Community Development Department shall prepare annual housing activity reports that include data on residential building permits issued, residential land consumption, and other indicators relevant to housing activity.

Implementation Measure 1.3: The Community Development Department shall conduct an assessment of the housing needs of Newport residents and workforce every five years. This assessment shall focus on the implementation measures and related housing programs as described in the Housing section of the Newport Comprehensive Plan.

Implementation Measure 1.4: The City of Newport shall assess the use of creative funding and land use tools to facilitate the development of government-assisted housing and workforce housing. Tools to be evaluated include urban renewal, lodging tax revenues, system development charge structures, in lieu fees, and others.

Policy 2: The city shall cooperate with private developers, nonprofits, and federal, state, and local government agencies in the provision and improvement of government assisted and workforce housing.

Implementation Measure 2.1: The City shall establish a residential land bank program with the intent of facilitating the development of government-assisted and workforce housing.

Policy 3: The city shall encourage diversity and innovation in residential design, development and redevelopment that is consistent with community goals.

Implementation Measure 3.1: The City shall review the potential for establishing policies and locations for transitional housing in ORS 446.265.

Implementation Measure 3.2: The City shall review options for allowing innovative housing design including pre-approved housing plans. The review shall consider impacts on government assisted or workforce housing on innovative design and should include consideration of innovative options that would result in an increase of workforce or government-assisted housing.

Implementation Measure 3.3: The City shall evaluate how the zoning code can be modified to create more flexibility for innovative housing design, such as form-based code options, or modifications to the conditional use process.

Policy 4: The City of Newport shall designate and zone land for different housing types in appropriate locations. Higher density housing types shall be located in areas that are close to major transportation corridors and services.

Implementation Measure 4.1: The City of Newport shall review the comprehensive plan and zoning maps to ensure that low- and high-density residential lands are located in areas that are appropriate to associated housing types.

Implementation Measure 4.2: The City of Newport shall review the Newport Zoning Code to identify potential amendments related to facilitating the development of needed housing types. The review shall, at a minimum, include the following elements: (1) reduced minimum lot size in the R-1 and R-2 zones; (2) allowing small homes under certain circumstances; (3) adoption of an accessory dwelling unit ordinance; and (4) street width standards. Any proposals to reduce minimum lot sizes shall consider building mass and the potential need to reduce lot coverage allowances.

Policy 5: The City of Newport shall coordinate planning for housing with provision of infrastructure. The Community Development Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

Implementation Measure 5.1: The Community Development Department shall review functional plans (e.g., water, wastewater, transportation, etc.) to identify areas that have service constraints or will be more expensive to service. This review shall occur in conjunction with the five-year housing needs evaluation described in Implementation Measure 1.3.

Policy 6: The City of Newport shall discourage, and in some cases, prohibit the development of residences in known environmentally hazardous or sensitive areas where legal and appropriately engineered modifications cannot be successfully made. In support of this policy, the city shall inventory, and to the greatest extent possible, specifically designate areas that are not buildable or require special building techniques.

Policy 7: As much as possible, the City of Newport shall protect residential development from impacts that arise from incompatible commercial and industrial uses; however, the city also recognizes that some land use conflicts are inevitable and cannot be eliminated. Where such conflicts occur, the uses shall be buffered, where possible, to eliminate or reduce adverse affects. Residences that develop next to objectionable uses are assumed to be cognizant of their actions, so no special effort by the adjacent use is required. The residential development will, therefore, be responsible for the amelioration of harmful affects.

Implementation Measure 7.1: The City of Newport shall investigate and evaluate housing programs that may reduce the costs on renters and home buyers.

Implementation Measure 7.2: The City of Newport shall eliminate any unnecessary review processes.

Policy 8: The City of Newport recognizes that mobile homes and manufactured dwellings provide an affordable alternative to the housing needs of the citizens of Newport. The city shall provide for those types of housing units through appropriate zoning provisions.

Implementation Measure 8.1: The City of Newport shall review the mobile home park inventory maintained by the Oregon Department of Housing and Community Services to identify parks that may be at risk of transition to commercial uses. Mobile home parks represent a low-cost housing alternative for lower income households. The City should consider strategies to mitigate the conversion of mobile home parks into other uses including working with park owners or managers.

Implementation Measure 8.2: The City of Newport shall review the zoning code to allow and encourage “park model” RVs as a viable housing type. This review should include establishing appropriate definitions for Park Model RVs, establishing appropriate development standards, reviewing minimum lot sizes, and establishing a set of pre-approved Park Model plans.

Policy 9: Consistent with the November 2014 study titled “Newport Student Housing – Expansion of the Hatfield Marine Science Center in Newport” by ECONorthwest (Appendix “D”), the City of Newport will encourage development of multifamily housing, including student housing, throughout the City in areas that allow multifamily development. Increasing the supply of multifamily housing is crucial to meeting the needs of Newport’s workforce and lower-income households, as well as to supporting student growth at the Hatfield Marine Science Center. The City will identify and implement appropriate tools to support multifamily and student housing development.

Implementation Measure 9.1: The City of Newport will endeavor to work with Lincoln County to evaluate the use of the multiple unit tax exemption to support multifamily development. If the City and County choose to offer the multiple unit tax exemption, they will work together to identify the area(s) to apply the tax

exemption, develop criteria for offering the tax exemption, and set criteria for using the program (such as a programmatic cap).

Implementation Measure 9.2: The City of Newport will endeavor to work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing.

Implementation Measure 9.3: The City of Newport will endeavor to work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area. If necessary, the City of Newport will adjust the zoning in this area to allow for development of student housing and other multifamily housing.

Final Report

Newport Housing Needs Analysis, 2011 to 2031

Prepared for:
The City of Newport

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May 2011

Disclaimer

ECONorthwest completed this report on behalf of the City of Newport. This report is a housing needs analysis (HNA), which the City will use as a factual basis as part of the City's Comprehensive Plan update.

Throughout the report we identify the sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, ECONorthwest has made every effort to check the reasonableness of the data and assumptions, and to test the sensitivity of the results of our analysis to changes in key assumptions. ECO acknowledges that any forecast of the future is uncertain. The fact that we evaluate assumptions as reasonable does not guarantee that those assumptions will prevail.

Acknowledgements

Numerous people contributed to the completion of this project. We would like to acknowledge the hard work of the project Technical Advisory Committee, State of Oregon Staff, and consultants.

This project was funded by a Department of Land Conservation and Development Technical Assistance Grant and in-kind contributions of participating jurisdictions.

Technical Advisory Committee (TAC)

The Technical Advisory Committee (TAC) provided guidance on numerous topics, including the assumptions about the supply of buildable employment land, demand for residential land, and guidance on issues of importance to the community. TAC members included:

Lorna Davis, Greater Newport Chamber of Commerce
Barbara Dougherty, Lincoln Commission on Children and Families
Gary East, Newport Homebuilders Association
Lee Hardy, Yaquina Bay Property Management
Larry Henson, Longview Hills Manufactured Housing Community
Jim Patrick, Newport Planning Commission chair
Bonnie Serkin, Landwaves, Inc.
Valerie Soilhi, Lincoln County Planning Director
Joanne Troy, Housing Authority of Lincoln City

State of Oregon

Matt Spangler, Regional Representative, Department of Land Conservation and Development

City of Newport staff

Derrick Tokos, AICP, Community Development Director
Wanda Haney, Senior Administrative Assistant

ECNorthwest

Bob Parker, AICP, Senior Planner
Beth Goodman, Planner

Executive Summary

This report presents a housing needs analysis consistent with requirements of Statewide Planning Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing needs analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within the Newport Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Newport UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

WHAT ARE THE KEY HOUSING NEEDS IN NEWPORT?

Following are several key issues identified in the housing needs analysis:

- **Newport has experienced limited multifamily apartment development.** While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers.
- **Land designated for higher-density housing is located in areas that are less desirable for high density housing types.** Desirable locations for multifamily housing are places with services and retail close by and with easy transportation linkages. While Newport has a large inventory of land designated for higher density housing, very little is in locations that are ideal for workers. This issue is not new – it was identified in the 1989 Housing element of the Comprehensive Plan.
- **Aging housing stock.** Nearly 20% of the city's housing stock was built before 1950. Data collected as part of the housing needs analysis suggests that the condition of rental housing in Newport is poor. The condition of rental housing combined with the higher rental costs (relative to nearby communities) negatively affects potential renters' willingness to rent in Newport.
- **Lack of affordable workforce housing in Newport.** Housing in Newport became much less affordable between 2000 and 2010 – particularly to working households:

- In 2010, a household needed to earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.
- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.
- **Substantial in-commuting by workers at Newport businesses who live in outlying areas.** Evidence suggests that housing costs are forcing some households to live in nearby communities. In 2008, 68% of residents of Newport worked in Lincoln County, with 50% working in Newport. Data from the American Community Survey show that gross rent in Newport was \$651 compared to \$669 in Toledo, \$592 in Waldport, \$372 in Siletz, and \$493 in Eddyville.

HOW MUCH GROWTH IS NEWPORT PLANNING FOR?¹

A 20-year population forecast (in this instance, 2011 to 2031) is the foundation for estimating needed new dwelling units. Table S-1 shows a population forecast for Newport for the 2011 to 2031 period based on the assumption that Newport continues to account for 23.8% of Lincoln County's population over the 20-year period. Table S-1 shows that

¹ The U.S. Census population counts were released as this project was in the final stages. That data showed that Newport had a 2010 population of 9,989 persons. The City revised the population forecast downward to reflect the Census data. The new forecast results in about 130 fewer persons over the 20-year period than the figures shown in Table S-1.

Newport's population would grow by about 1,600 people over the 20-year period.

Table S-1. Population forecast, Newport, 2011 to 2031

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
Change 2011 to 2031		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County

Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).

Note: AAGR is average annual growth rate

The housing needs analysis assumes population will grow by 1,603 people over the 2011 to 2031 period.

HOW MUCH BUILDABLE RESIDENTIAL LAND DOES NEWPORT CURRENTLY HAVE?

Table S-2 shows land with development capacity by constraint status. The data show that about 935 acres within tax lots with development capacity are developed. An additional 541 acres have development constraints that are unbuildable, leaving about 1,764 vacant buildable residential acres within the UGB.

Table S-2. Residential land with development capacity by constraint status, Newport UGB, 2011

Plan Designation	Tax Lots		Total Acres Developed	Constrained	Buildable
	in Tax Lots	Acres	Acres	Acres	Acres
Low Density Residential					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
Subtotal	673	1,100	30	72	998
High Density Residential					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
Subtotal	394	936	6	165	765
Total	1,067	2,036	36	237	1,764

Source: City of Newport GIS data; analysis by ECONorthwest

Note: Constraints do not make any deductions for slope

HOW MUCH HOUSING WILL NEWPORT NEED?

Newport will need to provide about 846 new dwelling units to accommodate forecast population growth between 2011 and 2031. About 508 dwelling units (60%) will be single-family types, which includes single-family detached, manufactured dwellings. About 33 (4%) will be single-family attached and 305 (36%) will be multifamily, which includes duplexes, structures with three to four dwellings, and structures with five or more dwellings.

HOW MUCH LAND WILL BE REQUIRED FOR HOUSING?

Table S-3 allocates needed housing units by Newport's residential plan designations and commercial plan designations. Dwelling units were allocated to plan designations based, in part, on recent development trends within each plan designation and on the type of development allowed in each plan destination. Table S-3 also provides an estimate of the gross acres required in each designation to accommodate needed housing units for the 2011-2031 period.

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 60% single-family detached housing types and 40% multifamily attached housing types (including single-family attached).
- Forty-two percent of needed dwelling units will locate in the Low Density Residential designation.
- Forty-seven percent of needed dwellings will locate in the High Density Residential designation.
- Eleven percent of needed dwelling units will locate in commercial plan designations.

Table S-3. Allocation of new housing units by plan designation, Newport, 2011-2031

Housing Type	Plan Designation						Total	
	Low Density Residential		High Density Residential		Commercial Designations			
	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family detached	339	69	169	21	0	0	508	91
Multifamily	17	2	229	14	93	6	339	21
Total	356	71	398	35	93	6	847	112
Percent of Acres and Units								
Single-family detached	40%	62%	20%	19%	0%	0%	60%	81%
Multifamily	2%	2%	27%	12%	11%	5%	40%	19%
Total	42%	64%	47%	31%	11%	5%	100%	100%

Source: ECONorthwest

Note: Multifamily includes single-family attached.

Table S-4 shows a comparison of buildable residential land with demand for residential land to determine the sufficiency of residential land in the Newport UGB to accommodate growth over the 2011 to 2031 period. Table S-1 shows:

- **Land Supply.** Newport has more than 1,700 acres of vacant and partially vacant buildable land (based on Table 2-5).
- **Land Demand.** Newport will have demand for about 106 gross acres of residential land (based on Table 4-7).
- **Land Sufficiency.** Newport has enough land to accommodate residential growth over the 20-year period, with a surplus of about 1,650 gross acres of residential land.

Table S-4. Comparison of buildable residential and with demand for residential land, gross acres, Newport, 2011-2031

	Vacant and Partially Vacant Land (buildable acres)	Demand for Residential land (gross acres)	Residential Land Surplus or (Deficit) (gross acres)
Low Density Residential	998	71	927
High Density Residential	765	35	730
Total	1,763	106	1,657

Source: ECONorthwest

Note: Buildable acres minus demand for residential equals residential land surplus or deficit.

Newport Student Housing

Expansion of the Hatfield Marine Science
Center in Newport

November 2014

Prepared for:

The City of Newport

Final Report

ECONorthwest

ECONOMICS • FINANCE • PLANNING

Contact Information

Beth Goodman prepared this report. ECONorthwest is solely responsible for its content.

ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

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Spencer Nebel, City Manager, City of Newport

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Executive Summary

Newport's South Beach is a developing ecodistrict, with a broad range of ocean-observing organizations, such as: NOAA Marine Operations Center, the Oregon Coast Aquarium, the Oregon Museum of Science and Industry's Coastal Discovery Center, the Hatfield Marine Science Center (HMSC), and other businesses and government agencies. Oregon State University (OSU) is planning for an of the HMSC campus in South Beach, as part of the University's Marine Studies Initiative.

The City of Newport and Lincoln County support HMSC expansion. However, they also recognize that the growth of students, faculty, and staff resulting from the HMSC expansion could increase the pressure in Newport's already tight housing market, in the absence of proactive planning. The City, County, and OSU want to ensure that growth of the student presence will not displace Newport's workforce and residents from existing housing, which requires planning for student housing development.

This report was developed as the first step in proactively planning student housing development in Newport. This report was developed in collaboration with an Advisory Committee of staff from Newport, Lincoln County, OSU, the Oregon Coast Community College, Department of Land Conservation and development, and other stakeholders in Newport such as landowners, real estate professionals, and representatives from other cities in Lincoln County.

Hatfield Marine Science Center Expansion Plans

OSU is planning to expand the HMSC as part of the University-wide the Marine Studies Initiative, which will bring about 500 undergraduate and graduate students to the HMSC as an integral part of their studies at OSU. Student growth will result in demand for between 85 and 160 units of student housing, plus need for 40 units of non-student housing for graduate students. As part of the expansion, OSU plans to add 40 to 60 faculty and staff, resulting in the need for 40 to 60 dwellings, some in Newport and some in nearby areas and communities.

Potential Impact of HMSC Expansion on Newport's Housing Market

The 2011 Newport *Housing Needs Analysis* report concluded that Newport has a limited supply of multifamily housing and that the city lacks affordable workforce housing. In addition, the city's housing stock is aging, with some housing in poor condition. There has been little new multifamily rental development in Newport since 2000.

Examination of newer information about Newport's housing market, as well as interviews with real estate and other stakeholders, confirm these issues. Newport's housing market continues to be very tight (with a vacancy rate of around 4%) and housing affordability, especially for renters, continues to be a concern for Newport's workforce and other residents.

Given these conditions, growth in the number of HMSC students, in the absence of student housing development, has the potential to displace existing renters in Newport. OSU students in Corvallis generally pay between \$650 and \$800 per month for rent, both at housing managed by OSU and in private student-oriented housing. If students at HMSC can pay the same rent in Newport as they do in Corvallis and live in a two-person unit, they could pay \$1,300 to \$1,600 per month in rent. In comparison, average rent in Newport is currently about \$775 per unit per month.

Given the lower cost of housing in Newport, most HMSC students might have a preference for market-rate multifamily housing in Newport, if it is available. If student housing is available and OSU has an active role in managing student housing, students in Newport for part of the year and some year-around students may prefer student housing because of the convenience of living in housing managed by OSU, both for ease of paying for housing and for ease of moving between Newport and Corvallis during the school year. In addition, Newport landlords may be generally unwilling to rent to students who will be in Newport for less than a calendar year.

As a result, ensuring that student housing is built is important for HMSC students. It is a priority for the City of Newport to ensure that Newport's workforce and existing renters are not displaced by students.

Potential Sites for Student Housing

Discussions with the Advisory Committee identified the following characteristics as being important for a new student housing site: (1) a site at least five acres and potentially 10 to 15 acres, (2) within two miles of HMSC, (3) south of the Yaquina Bay Bridge, (4) accessible by bicycle and pedestrians, (5) accessible by automobiles and transit, (6) existing access to water and wastewater services, (7) outside of the tsunami inundation zone (as required by ORS 455.446 to 455.447), (8) owned by an owner willing to develop student housing, and (9) in an area with access to retail and service amenities.

This project identified an area in South Beach with several sites that meet these criteria. The site best suited for student housing is within the Wilder development, which is an area being developed with single-family and multifamily housing. The Wilder site includes an area of about three buildable acres that could accommodate student housing. In addition, two properties adjacent to the Wilder property, the BGB Parcels and the GVR Parcel, have potential for student housing. Both areas would require transportation and other infrastructure investments, as well as entitlement and other administrative changes, to make them development-ready.

Outside of these three areas, Newport has no other sites that meet the criteria for student housing. Other sites would take longer and be more expensive to make development-ready.

Policy Actions to Ensure Student Housing Development and Support HMSC Expansion

The Advisory Committee reviewed and discussed a wide range of approaches available to encourage and facilitate student housing development. The Committee also considered approaches to facilitate multifamily housing development, as some graduate students and staff may prefer to live in rental housing in Newport. The following recommendations from ECONorthwest are based on discussions with the Advisory Committee, as well as discussions with Newport staff.

Strategies to support continued collaboration about student housing development

- **The City and County should express a preference for direct and proactive involvement from OSU in student housing development.** The City and County prefer that OSU have greater involvement in operations of the student housing development, by either developing and operating the student housing facility or by working with a private developer to develop student housing that OSU manages.
- **Given the limited number of available sites that meet the criteria for student housing development, OSU should be proactive in securing a development site.** ECONorthwest recommends that OSU secure a property for development or obtain an option to purchase (or lease) a property as soon as possible. Wilder is proceeding with development and the flexibility to incorporate student housing will decrease over time. Other sites may become unavailable for development, if landowners make other development plans.
- **OSU may need to develop a phasing strategy for HMSC expansion that includes managing student growth and timing of student housing development.** An important part of ensuring that students have housing in Newport as the HMSC grows is timing the development of student housing with the growth of students in Newport. ECONorthwest recommends that OSU develop a phasing strategy for HMSC expansion that includes managing the timing of student growth with student housing development.
- **The City, County, OSU, and OCCC should continue to work together to facilitate expansion of the HMSC and student housing development.** The City, County, OSU, and OCCC continue to actively collaborate together and with other stakeholders about the HMSC expansion and student housing development.
- **The City of Newport, Lincoln County, and other cities in Lincoln County should continue to coordinate about issues related to housing and the HMSC expansion that may affect the entire county.** While undergraduate students are most likely to need housing in South Beach, HMSC's faculty, staff, and some graduate students may prefer to live in other parts of Lincoln County. ECONorthwest recommends that the County and all of the cities in it continue to actively collaborate on issues related to HMSC expansion, especially housing.

Policies and strategies to support student and multifamily housing development

- **The City and County should work together, and with other cities in the County, to decide whether to offer a multiple-unit tax exemption.** This tax exemption could be used to encourage development of multifamily, student housing, and other housing in Newport or other cities in Lincoln County.
- **The City and County should work together, and with other cities in Lincoln County, to evaluate options for using CDBG or Section 108 funds to encourage development of multifamily housing that includes low-income and workforce housing.** One of the ways to decrease potential impact of student growth on Newport's housing market is to encourage development of more multifamily housing, such as low-income subsidized and workforce housing. We recommend that the City, County, and other cities in Lincoln County evaluate options to use CDBG funds or Section 108 loans to support multifamily housing development.
- **The City of Newport should consider options for offering SDC financing or credits to encourage multifamily or student housing development.** The City already offers SDC credits to some developers. The City should weigh the trade-offs in lowering SDCs to encourage multifamily or student housing development.
- **The City of Newport should encourage and facilitate development of retail and service amenities in South Beach.** These amenities would include a grocery store, restaurants, banks, and other retail and services to serve students, residents, and employees in South Beach.
- **The City of Newport should make policy amendments, as necessary, to support student housing development and HMSC expansion.** We recommend that the City adopt policy amendments to encourage development of multifamily housing, including student housing, throughout the City.

In addition, the City should adopt implementation measures to: (1) work with Lincoln County to evaluate the use of the multiple-unit tax exemption to support multifamily development, (2) work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing, and (3) work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area.

Excerpt from City Council minutes of July 21, 2014

Consideration and Possible Adoption of a Memorandum of Understanding Between the Lincoln Community Land Trust, City of Newport, City of Lincoln City, and Lincoln County Related to Workforce Housing. Hawker introduced the agenda item. Nebel reported that in 2010 and 2011, in partnership with the state and local stakeholders, the city undertook a comprehensive update to the housing element of its Comprehensive Plan. He noted that this analysis demonstrated that the city lacks an adequate supply of affordable workforce housing units which makes it difficult for workers to find housing within the city limits. He stated that in 2013, the City Council deferred action on an agreement with the Lincoln Community Land Trust since it was determined that a broader coalition should be brought together to address the workforce housing on a regional basis. He noted that since that time, discussions have ensued with Lincoln County and Lincoln City to provide base funding for administrative services that would be provided to the trust to support its mission to provide permanently affordable homeownership for working individuals and families in Lincoln County.

Nebel reported that this agreement was reviewed by the Planning Commission which indicated that they have invested considerable time and energy in updating the city's housing inventories. He stated that it was determined that in order for the city to realize an adequate supply of workforce housing, a proactive and creative strategy must be pursued. He added that with the recent announcement of Oregon State University's initiative to expand student enrollment by 500 students at the Hatfield Marine Science Center campus, the community will see an expansion of the current workforce to facilitate this activity. He added that the Planning Commission unanimously supported the investment of \$30,000 a year over a three-year period on a collaborative basis with Lincoln City and Lincoln County to support the hiring of a full-time staff person for the Lincoln Community Land Trust with the goal of the Land Trust becoming financially self-sufficient at the end of the three-year financial commitment.

Nebel stated that there is little doubt of the need for affordable workforce housing in the city. He added that the processes and methods for accomplishing that require a focused attention to meaningfully address the issue. He noted that he believes that the regional approach of the Lincoln Community Land Trust is an appropriate collaboration in which resources can be brought together to address this problem.

Nebel reported that Tokos serves on the Lincoln Community Land Trust Board of Directors, representing the interests of Newport, as disclosed in his report.

Rod Croteau, speaking on behalf of the Planning Commission, stated that the Planning Commission spent significant time on this issue, and urged positive consideration of the memorandum of understanding.

Bill Hall, Lincoln County Commissioner, recommended positive consideration of the memorandum of understanding. He recognized Allison Robertson, Land Trust board member from Lincoln City.

Allen noted that this memorandum of understanding indicates a sharing of costs, equal to \$30,000 from three entities, for a period of three years, for administrative costs. He added that the former agreement related to possibly utilizing city properties. He asked what other things, than the \$30,000 annual financial commitment, would be necessary to make this happen, and whether the donation of city properties will be necessary. It was noted that the Trust would look at a full range of options to prime the pump and facilitate

the creation of workforce housing, and that the equitable nature will depend on whether the participants are willing to make land available. Tokos noted that the agreement was intentionally drafted without specifics. He added that revolving loan funds could be used; that all entities have properties in their inventory; and that the use of tax foreclosed properties may be an attractive option. He noted that because the agreement is open ended, discussions about making property available will occur on a case-by-case basis. Allen asked about the plan for budgetary self-sufficiency at the end of three years. Hall explained that the Trust is currently recruiting for a full-time director, and that the director will be charged with the creation of a permanent revenue stream through various methods. A discussion ensued regarding participation and contributions from other Lincoln County cities. Hall noted that the Cities of Toledo, Waldport, and Yachats are paying a membership fee that is based on population. Tokos noted that there would be ongoing engagement with other entities. It was noted that annual reporting will be expected including information on how the program is being broadened.

Sawyer stated that if this is approved this evening, the city needs to make a commitment to provide properties.

Busby noted that the agenda item is not the entire package, and the goal is to obtain properties from the city over the next few years. He added that this project commits this money to very few people and equates to giving five or six people a check for \$50,000. He stated that he does not think the city should be in the housing business, but that there are other ways to do it, including incentivizing private businesses. He stated that this is a \$500,000 venture, not just \$30,000, and that he does not think this is a good priority in light of not adding an emergency planning position.

Beemer reported that he tries to spend the city's money in the same way he spends his own. He added that if this passes, he would be astonished if six houses are built in Newport at the end of three years. He asked Hall what he would consider to be a total success at the end of three years. Hall stated that he would consider success to be ten houses county-wide, and hopefully more depending on the willingness of jurisdictions to commit resources.

Sawyer stated that if this passes, properties should be transferred to the Trust immediately so that could begin building right away. He added that there is a housing problem in the county.

Tokos reported that this would not be all new construction; some would be rehabilitation of existing properties; and that with tax foreclosed properties, the housing could be in Newport or elsewhere. He added that a lot of people work in Newport but do not live here. He stated that this is a county-wide challenge.

Allen addressed the issue of potential housing needs with the expansion of the HMSC. He noted that it was expressed at the Town Hall meeting that Wilder might be interested, and that this might be a driving force in the private sector to meet some of those needs.

Nebel shared a few observations: the city has lost employees due to inability to find permanent affordable housing in the community; there is not one fixed method in addressing this issue; the group has tried to put together a plan to address this issue, and has gone as far as possible; this does not exclude private solutions; this does not specifically include city land which would need Council authorization to sell; and if the area is to grow economically, there needs to be adequate housing for workers in the community. Beemer noted that this is a problem that affects apartments as well as single-

family dwellings. Other employees facing same issue. There is a problem having affordable housing.

Allen asked where the money will come from in the budget. Nebel reported that \$13,000 will come from the General Fund, and the balance from the revolving loan fund.

Hall stated that it is too narrow to believe that the program will help five or six people. He suggested considering the ripple effect and the fact that some current renters may move into the workforce housing units which could open up opportunities in the rental pool.

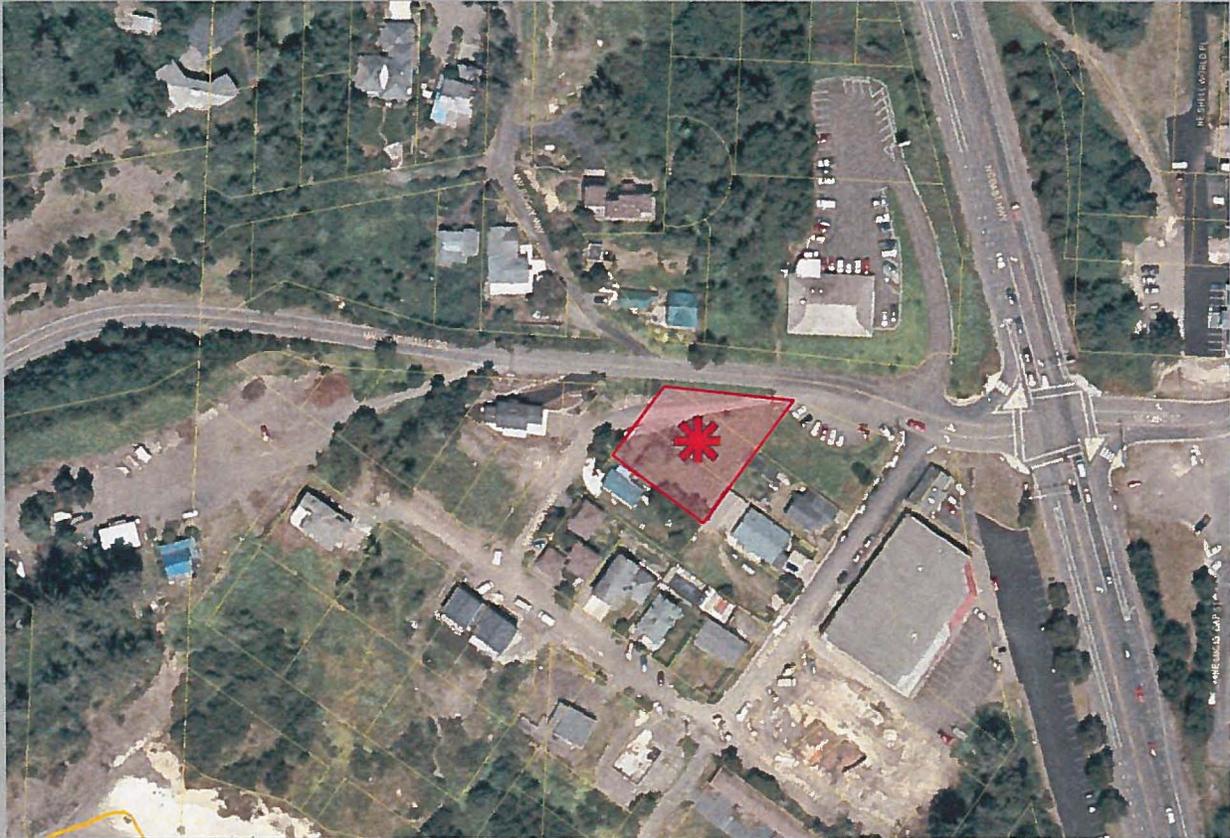
MOTION was made by Sawyer, seconded by Saelens, to enter into a Memorandum of Understanding with the Lincoln Community Land Trust, City of Newport, City of Lincoln City, and Lincoln County for a commitment to provide \$30,000 per year for a three-year period in conjunction with the City of Lincoln City and Lincoln County to fund a staff person who will focus on the development of workforce housing on a regional basis. The motion carried in a voice vote with Busby voting no, and Allen, Beemer, Roumagoux, Saelens, and Sawyer voting yes.

Schooner Creek Property



- **Description:** Undeveloped open space properties
- **Location:** US 101 between NW 66th and NW 68th Streets
- **Size:** 24.85 acres (two tax lots)
- **Zoning:** R-4/ "High Density Multi-Family Residential"
- **Market value:** \$595,070 (2012)
- **Acquisition:** Acquired through foreclosure in 1986
- **Constraints:** Wetlands, terrain, access

Agate Beach Site



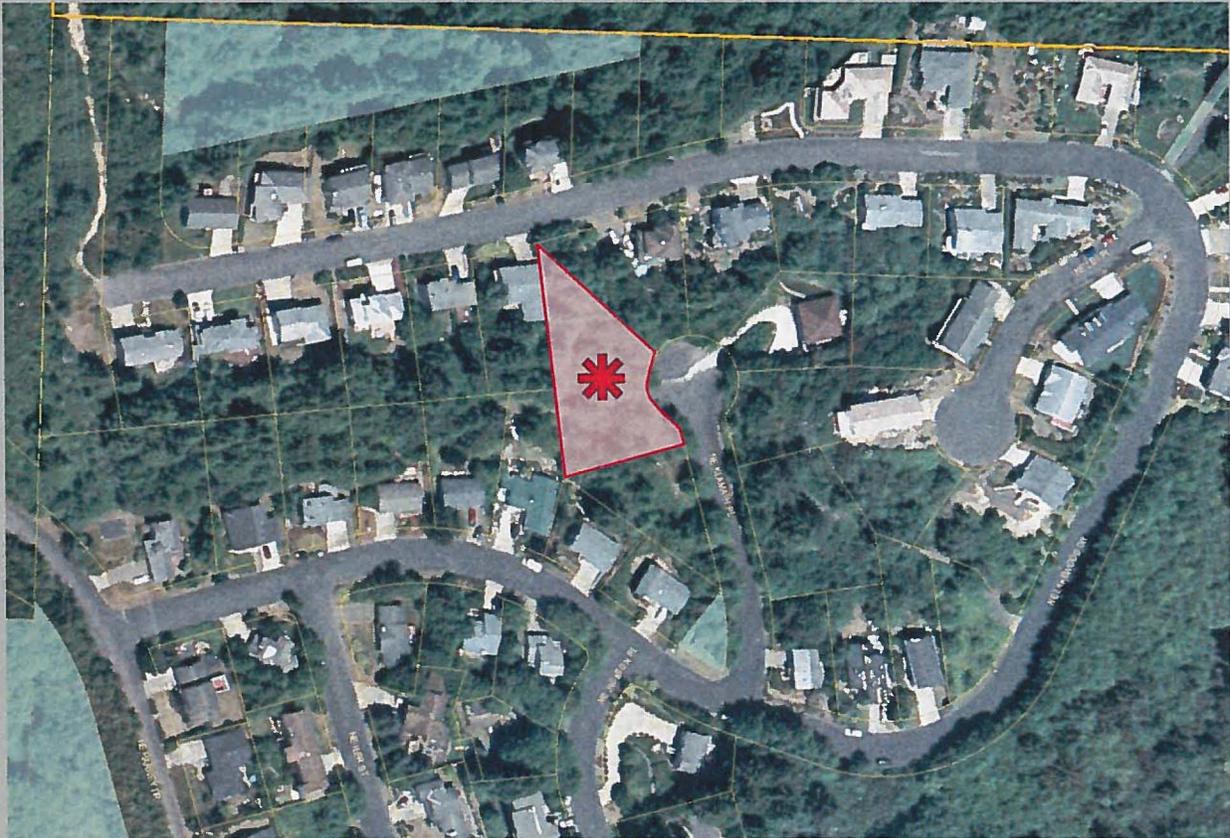
- **Disposition:** Undeveloped commercial property
- **Location:** 225 NW Lighthouse Drive
- **Size:** 14,375 sq. ft. (three tax lots)
- **Zoning:** C-1/ “Commercial-Retail and Service”
- **Market value:** \$254,320 (2012)
- **Special Conditions:** View property with some slope constraint. Portion of western most tax lot is in a geologic hazards overlay
- **Acquisition:** Site of former Agate Beach Community Center. Conveyed from Agate Beach Water District to City in 1981 following annexation

NE 6th Street Property



- **Description:** An unplatted property approximately 27,878 sq. ft. in size.
- **Zoning:** R-1/ "Low Density Single Family Residential"
- **Market value:** \$3,200
- **Services:** All available
- **Original Purpose:** Extension of SE 5th Street. That extension was rerouted to the north
- **Constraints:** Slope. Northeastern portion appears buildable. Property may need to be platted

NE Klamath Place Properties



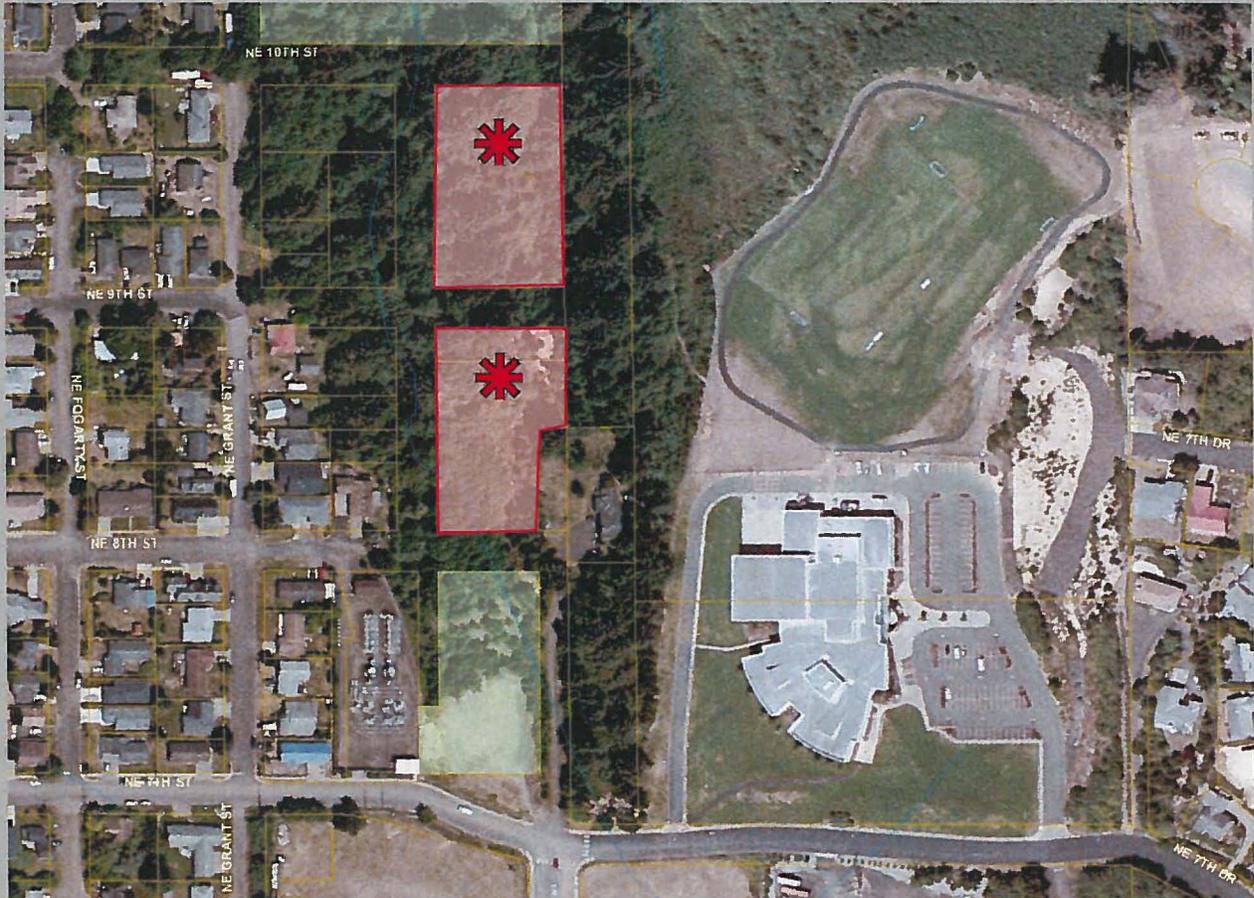
- **Description:** Two platted lots, each over 10,000 sq. ft. in size.
- **Zoning:** R-1/ "Low Density Single Family Residential"
- **Market value:** \$40,000 for each lot
- **Services:** All available
- **Original Purpose:** Foreclosure as a result of City financing associated with the original subdivision improvements
- **Constraints:** Severe slope

Little Creek Open Space



- **Description:** Undeveloped open space properties
- **Location:** NW 36th (behind Little Creek Apartments)
- **Size:** 24.81 acres (three tax lots)
- **Zoning:** R-1/“Low Density Single-Family Residential” and R-4/ “High Density Multi-Family Residential”
- **Market value:** \$78,230 (2012)
- **Acquisition:** Appears to have been conveyed to City concurrent with apartment development
- **Constraints:** Wetlands and terrain

Harney Street lots



- **Description:** Forested lots
- **Size:** 2.52 acres (three tax lots)
- **Zoning:** R-2/“Medium Density Single-Family Residential”
- **Market value:** \$46,320 (2012)
- **Acquisition:** Purchased as part of a land exchange in 1983. Properties provide options for extension of Harney Street
- **Constraints:** Terrain, wetlands, drainage improvements

NW Grove Street Properties



- **Description:** Eight platted 3,200 sq. ft. lots
- **Zoning:** R-1/ “Low Density Single Family Residential”
- **Market value:** \$7,000 per lot
- **Services:** Sewer service needs to be extended
- **Original Purpose:** Acquired as natural drainage
- **Constraints:** Severe slope. Portion of NW 17th may need to be vacated to establish sufficient buildable area

NE 10th Street Properties



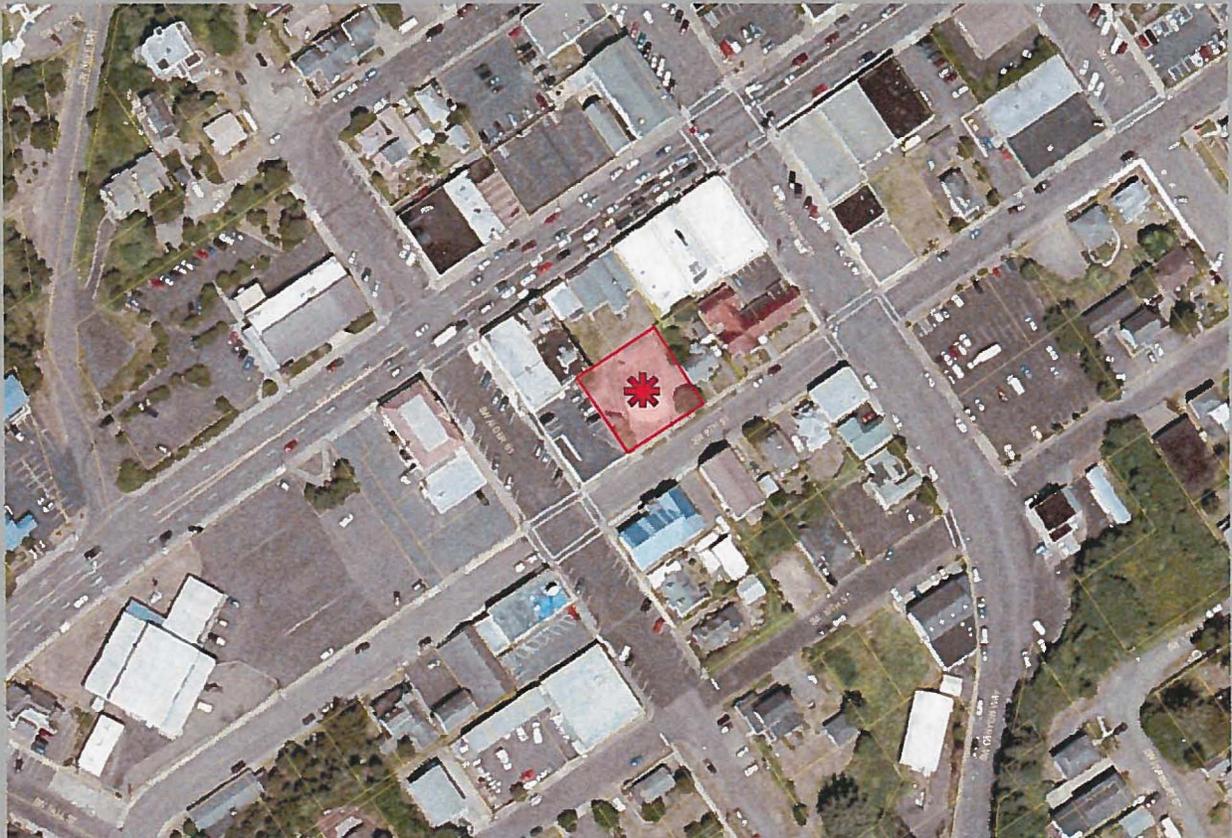
- **Description:** Four platted 5,000 sq. ft. lots
- **Zoning:** R-2/ "Medium Density Single Family Residential"
- **Market value:** \$6,560 for all lots
- **Services:** All available
- **Original Purpose:** Acquired as natural drainage
- **Constraints:** Severe slope. Access. Westernmost lot is developable

NW High Street Properties



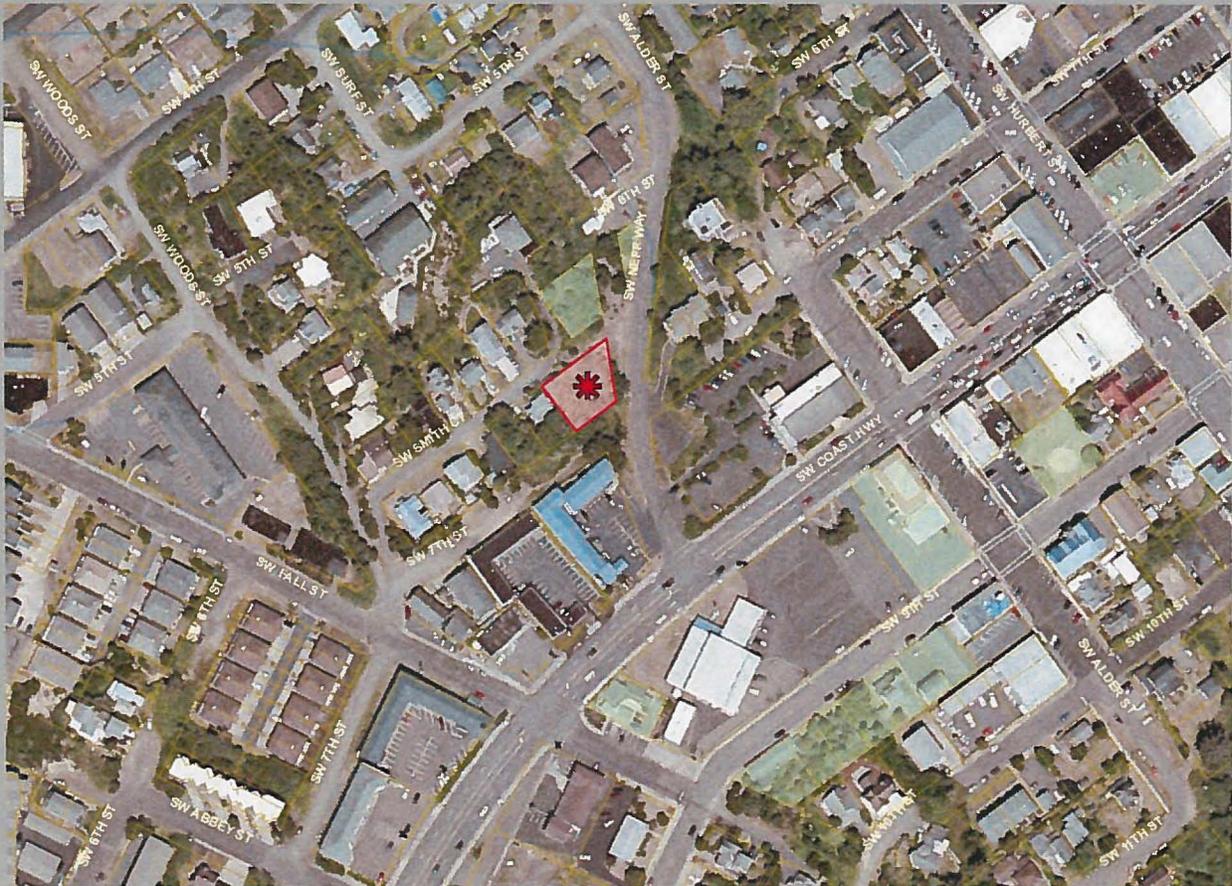
- **Description:** Two platted lots north of Skate Park. Each lot is approximately 4,200 sq. ft. in size
- **Zoning:** P-1/ "Public Structures"
- **Market value:** \$82,000 each lot
- **Services:** All available
- **Original Purpose:** Future realignment of NW Spring and NW High Street if NW Coast Street is lost. Also drainage
- **Constraints:** Zoning. Would require Comprehensive Plan Amendment and Zone Map Amendment to C-2 or R-4

SW 9th Street Property



- **Disposition:** Undeveloped commercial site
- **Location:** 442 SW 9th Street
- **Size:** 10,000 sq. ft.
- **Zoning:** C-1/ "Commercial – Retail and Service"
- **Market value:** \$131,120 (2012)
- **Special Conditions:** None. Property has been envisioned as a future parking lot if adjoining commercial lots along US 101 were acquired
- **Acquisition:** Purchased by Urban Renewal Agency in 1997

SW Neff Way Property



- **Disposition:** Undeveloped residential property
- **Location:** End of SW Smith Court
- **Size:** 13,068 sq. ft.
- **Zoning:** R-4/ “High Density Multi-Family Residential” and P-1/ “Public Buildings and Structures”
- **Market value:** \$131,120 (2012)
- **Constraints:** Slope and access
- **Acquisition:** Purchased by the City of Newport in 1975

Don Davis Park Properties



- **Disposition:** Undeveloped commercial property
- **Location:** 832 W Olive Street
- **Size:** 22,651 sq. ft. (two tax lots)
- **Zoning:** C-2/ "Commercial-Tourist"
- **Market value:** North property \$669,530, South property \$712,530 (2012)
- **Special Conditions:** Southern tax lot includes park restrooms. Property line adjustment needed if any portion of that site is included in the sale
- **Acquisition:** Purchased by Urban Renewal Agency in 1990 and was solicited by agency for complimentary commercial development in the past

SW 10th Street Properties



- ◉ **Description:** Vacant residential properties
- ◉ **Zoning:** R-2/ “Medium Density Single Family Residential”
- ◉ **Size:** 31,800 sq. ft. (four tax lots)
- ◉ **Market value:** \$181,110 (2012)
- ◉ **Services:** All available
- ◉ **Original Purpose:** City Hall overflow parking and construction of Hatfield Drive. Road is built and overflow parking is not ideal due to location
- ◉ **Constraints:** Slope on the parcels adjacent to Hatfield. Terrain is less of an issue along 10th Street and there may be an opportunity to partially vacate Pine Street (80' ROW)

Bayfront Properties



- **Disposition:** Undeveloped residential lots
- **Location:** Between SW Fall St and SW Hatfield Dr
- **Size:** 15,000 sq. ft. (four tax lots)
- **Zoning:** R-3/ "Public Buildings and Structures"
- **Market value:** \$219,190 (2012)
- **Special Conditions:** None. Property line adjustments would be required to address building encroachments
- **Constraints:** Terrain, unstable slopes
- **Acquisition:** Purchased by the City of Newport in 1960. City Bayfront Plan Policy to preserve hillside vegetation



Housing & Its Unique Challenges

For six Oregon cities, housing issues range from lack of affordability to glut of vacation rentals

By Melody Finnemore

A comparison of Bend, Pendleton, Yachats, Beaverton, Island City and Eugene shows six Oregon cities that differ greatly in their geographic locations, size and populations. And each city faces its own set of unique challenges when it comes to housing.

What the leaders of each of these cities share in common is the drive to provide a sufficient amount of quality housing for the diverse groups of people who wish to live in their respective areas. They recently shared some of the issues they have encountered and the strategies their cities developed to address them.

Bend seeks to accommodate tourism, students and affordable housing

Well known for its natural beauty and outdoor recreation, among other amenities, Bend is a favorite destination for tourists from both inside and outside the state. It's great for the economy, but also ignited an explosion of people turning their homes into short-term rentals or vacation properties, says City Manager Eric King.

"That has caused some concerns with property owners about their neighborhoods and the quality of residential areas," he says. "There are also some concerns that we're missing

opportunities for long-term rental properties because it's more profitable to do short-term rentals or vacation homes."

Bend recently completed a six-month process to impose additional regulations on vacation homes. It is now undertaking an expansion of its urban growth boundary and addressing how to diversify its housing inventory. With a vacancy rate of about half a percent, more than 75 percent of the city's housing mix is single-family homes. King says the city is striving to make 35 percent of its inventory multifamily housing.

Affordable housing is another key goal for Bend. Its Affordable Housing Committee has developed policy packages for the city council to consider that include a density bonus, in which developers of affordable housing would have a shorter approval process to build higher-density projects.

Other initiatives in Bend include a "cottage code," which allows small single-family homes to be clustered together to create more communal living that is popular with single people and seniors, among others. Changes to policies regarding accessory dwelling units and exemptions from system development charges also are under consideration.

Workforce housing and options for college students play a role in Bend's housing dynamic as well. Central Oregon Community College's student population is made up mostly of

part-time students who are working full-time. Oregon State University is seeking to boost enrollment at its Cascades campus in Bend and build housing to match the growth.

“There is not a lot of affordable housing near the (OSU) campus and there are some neighborhood concerns about how to accommodate a growing student population,” King says, noting OSU plans to explore options for multifamily and affordable housing as well as dormitory space.

Workforce housing a top priority for Pendleton’s future development

A lack of workforce housing is one of the biggest challenges in Pendleton, a rural agricultural city where average job wages are lower than metropolitan areas. City Councilor Tom Young, finance manager at Keystone RV, says his company’s average wage of \$16 an hour allows \$650 a month for housing.

“We have an aging housing situation in that there hasn’t been any new construction to speak of for 20 years,” he says, noting that new projects don’t pencil out for \$650 a month and it’s difficult to build single-family homes in the \$120,000 range that is affordable in the region.

A new multifamily, rental project was recently completed in Pendleton through a public-private partnership between the city, the state and a developer. “It still missed the mark in that housing starts at \$900 a month. That will work for a two-wage family, but not a single-wage family,” Young says.

Pendleton’s lack of affordable housing means a large portion—Young estimates nearly half—of its employees commute from surrounding cities such as Hermiston. That impacts economic development in a variety of ways, including discouraging companies from investing in the city. Keystone RV, for example, is growing quickly and would like to expand its West Coast operations, but is hesitant to build in Pendleton.

“Our management is reluctant to put any money in brick and mortar because we can’t even get the workforce we need. I’m 35 employees short right now, and I would need a total of 300 employees including the 35 I’m short right now,” Young says. “Even if we could find the employees, where would they live?”

A second major housing issue for Pendleton is the lack of housing for management-level employees who earn \$60,000 to \$100,000 a year. Young says several of his colleagues would like to live in Pendleton and be closer to work, but there isn’t enough housing available and they can find better prices in other cities.

“The only way I see to solve the situation is to have more public-private partnerships and unconventional construction. We know a contractor can’t come in here and buy land, break ground, build and have it pencil out,” he says. “Wages and raises are not keeping up with inflation, so the only way to build is to create a consortium with a city, state and developer partnership.”



Bend’s Affordable Housing Committee has developed policy packages for the city council to consider that include a density bonus, in which developers of affordable housing would have a shorter approval process to build higher-density projects.

Balance between vacation rentals, permanent residences key to Yachats

Like Bend, Yachats is a tourist destination for natives and out-of-towners alike. Mayor Ron Brean is proud to call it “the gem of the Oregon coast.”

“People come here in numbers because the place is pretty cool, so that makes it a large part of our economic engine. We’re a tourist-based economy,” he says, adding Yachats is also attractive to people who want to buy a second home and plan to retire there.

While much smaller than Bend, Yachats shares its dilemma about the prevalence of vacation homes. While the rentals draw tourists who spend money in local businesses, it also skews things economically, Brean says.

“What we’re working on is trying to find that right balance so the opportunity doesn’t go away for people who want to own a home or have an alternative place to stay here,” he says.

In addition, Yachats wants to avoid the tipping point where so many homes have been converted to vacation rentals that it diminishes the city’s residential character, causing property values to decline. Brean says he also doesn’t want to see Yachats thrive only during the tourist season and struggle the rest of the year.

Workforce housing is problematic because of the proliferation of vacation rentals and because Yachats is what Brean calls a “well-heeled retirement community.” People who work in the restaurants, hotels and other local businesses often commute from other areas because they cannot afford to live in Yachats.

An affordable housing project and some lower-cost condos have helped address the need for workforce housing. However, as Brean notes, “By and large, people who have a working-level wage have a hard time finding housing in Yachats.”

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HOUSING & ITS CHALLENGES

As a smaller city, Yachats also faces a unique challenge in that its dearth of services affects who wants to live there. The nearest medical care is in Newport or Florence. Grocery shopping must be done elsewhere. And the city does not have a functioning gas station at this point, Brean says.

“Long term, we are working to try and figure out what parameters we need to measure to determine a proper balance between full-time Yachadians and vacation rentals. It’s difficult to know what factors will come together to determine the difference between a viable economy and a viable community, and at what point some boundary has been crossed that leads to decline,” Brean says. “We’ve taken it on as a long-term project. We hope to get it right. I don’t think any tourist community has cracked that nut yet.”

Beaverton finds affordable housing complements vibrancy of downtown core

Many people have the perception that Beaverton is a relatively affluent community because several tech giants populate its “Silicon Forest” and it is home to high-profile companies such as Nike. However, affordable housing is one of the city’s greatest needs.

“We also have a significant population in the lower- and middle-income realm as well, and we know there are many implications in our community if people don’t have safe and affordable homes to go to,” says Community Development Director Cheryl Twete.

Beaverton is updating its comprehensive plan and this summer its city council will craft a housing element that addresses the need for more affordable housing. The city is now working with developers on three affordable housing projects in Old Town, two of which are under construction and a third that is

in the planning stages. When completed, the three projects will add about 180 units and new energy to Old Town.

“Having people there 24 hours a day helps support more retail, services and restaurants in that area, so you create that more active, vibrant area that people want to have,” Twete says.

Beaverton’s goal is to increase density in a well-planned manner through multifamily housing that offers choices in transportation, shops, entertainment and other amenities.

The city also wants each of its affordable housing projects to integrate into their surrounding neighborhoods.

“We want to make sure they are designed and built well because we want to take away the stigma of affordable housing,” Twete says. “I like to tell people that my daughter, who is a recent college graduate, qualifies for affordable housing. These are working people for the most part, and some people are on a fixed income.”

Beaverton’s housing strategy hasn’t gone over well with everyone, however. When the city wanted to partner with Tualatin Hills Parks & Recreation to rezone a parcel of park land for an affordable, multigenerational housing project, several residents voiced their opposition to the project. Now, a new property is being explored for the Bridge Meadows concept, which combines small senior apartments with single-family housing for moderate-income families who have foster children.

Mayor Denny Doyle says that with little land available for development, Beaverton must maximize the use of the properties that are available by incorporating development strategies such as higher densities and infill to provide a broader array of housing options.

“We have to have a blend of housing and if it takes a contribution from the city to make that happen, that’s great, and



The city of Beaverton is working with developers on three affordable housing projects in Old Town, two of which are under construction and a third that is in the planning stages. When completed, the three projects will add about 180 units and new energy to Old Town.



Island City officials worked with the Northeast Oregon Housing Authority to build a 38-unit affordable housing project. Each of the units features a washer and dryer, a drawing point for low-income and elderly people.

if it takes tax credits, that's great," Doyle says. "Everybody deserves an opportunity to have a roof over their head, and it's a challenge but it's one we have to address."

He also emphasizes the need for city officials to communicate with residents so they understand how new development may—and may not—impact their neighborhood.

Island City works with Northeast Oregon Housing Authority to meet goals

Island City, a small city near La Grande, also is focused on ways to improve affordable housing. With Eastern Oregon University nearby and a healthy roster of employers such as the U.S. Forest Service, the Oregon Department of Transportation and Boise Cascade, affordable housing is in constant demand.

Mayor Delmer Hanson says that when the city began planning to build a 38-unit affordable housing project, existing residents expressed some initial concerns. Island City officials worked with the Northeast Oregon Housing Authority to address those concerns.

"We told them that as long as they were going to build a facility in our city, we wanted to partner with them to make it one of the best low-income housing facilities in the region," Hanson says.

"One of the striking features is that each one of the units will have a washing machine and dryer in them, and apparently that's a real drawing point for not only low-income people but also elderly people," he adds.

In addition to the affordable housing project, Island City has several new single-family homes being built, which Mayor Hanson views as a positive sign of the economic recovery.

Student, homeless populations present challenges, opportunities for Eugene

Eugene's housing challenges rest, in large part, in making sure that peace exists between students living off of the University of Oregon (UO) campus and the residents in the well-established neighborhoods that house them.

Eugene is also home to Lane County Community College, among other universities, and is involved in a process of determining how to provide housing options for people of all income levels while retaining the historic character of neighborhoods, say Mayor Kitty Piercy and City Manager Jon Ruiz.

Ruiz notes that the UO historically has not provided on-campus housing at the same rates as other universities, so many students are housed off campus. As a result, some neighborhoods are 99 percent non-owner occupied, leaving neighborhood associations upset with the balance.

"It's had a huge impact on the neighborhoods and they've asked us for help, and we've been wrestling with this for the last several years," he says.

Piercy says the city's Envision Eugene initiative explores ways to address student housing, which build on efforts to improve communication and relations between the university and local residents. These include the UO's extension of its student conduct code to apply when students are off campus as well

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HOUSING & ITS CHALLENGES



When the Housing and Community Services Agency of Lane County opened its waiting list for Section 8 housing in 2013, it received about 2,400 applications for the 400-600 vouchers that were available. The waiting list was mostly closed for two years until the agency opened it for one week in early March.

as an annual fall outreach when full-time residents greet students and provide information about what it means to be good neighbors.

“I want those students to know that we consider them not just visitors and they are welcome to live here with us, and just like the rest of us they are expected to conduct themselves as good citizens,” Piercy says.

A city council ordinance that requires property owners to ensure that tenants are not consistently creating problems and hosting unruly gatherings has decreased issues as well, Ruiz and Piercy say.

Eugene also has a significant homeless population and has established the Opportunity Village Eugene program to provide

housing and other services. Emerald Village was established through the program and encompasses 15 tiny, low-cost houses that range from 160 to 250 square feet and have a bedroom, bathroom, living area and kitchen. Other amenities include an outdoor barbecue area; a laundry facility, food pantry and tool storage; a parking area; and walking paths that connect the houses.

The village was built through a partnership of local municipalities, businesses, UO’s designBridge program and volunteers. The Opportunity Village Eugene program also provides skill building, opportunities for income generation, and connections with community resources to help “unhoused” people find more permanent housing.

According to the program’s website, the Eugene-Springfield area suffers from a severe lack of low-income housing options, and public housing programs are insufficient in addressing the issue. When the Housing and Community Services Agency of Lane County opened its waiting list for Section 8 housing in 2013, it received about 2,400 applications for the 400-600 vouchers that were available. The waiting list was mostly closed for two years until the agency opened it for one week in early March.

Whether a small town or a larger city, many Oregon communities are evolving in the housing demands they face. And with funding and land at a premium, they increasingly must work to craft innovative solutions to meet those needs. The six communities highlighted above show that while seeking effective housing solutions involves myriad challenges, it also presents invaluable opportunities to ensure that everyone has a place to call home.

Ms. Firnmore is a Portland-area freelance writer. Contact her at precisionpdx@comcast.net. ■

Photo sources – Bend, Beaverton, Island City and Eugene

Current City Housing Projects – Additional Resources

For cities seeking more information, there are several current projects and plans available online:

Bend

Bend Area General Plan/Housing and Residential Lands:
www.bend.or.us/modules/showdocument.aspx?documentid=4075

Yachats

Fisterra Gardens Apartments
www.halc.info/fisterra_gardens.htm

Eugene

Emerald Village: www.opportunityvillageeugene.org/p/emerald-village.html

Envision Eugene:
www.eugene-or.gov/index.aspx?nid=760

Beaverton

The Barcelona at Beaverton:
www.cpahinc.org/barcelona.html

Lombard Plaza:
www.beavertonoregon.gov/index.aspx?nid=1279

Housing update to Beaverton’s Comprehensive Plan:
www.beavertonoregon.gov/DocumentCenter/Home/View/1185

Island City

Blue Springs Crossing: www.neoha.org/category/projects

Why Jurisdictions Need to Affirmatively Further Fair Housing

By Louise Dix, Fair Housing Council of Oregon

When I first came to work for the Fair Housing Council of Oregon, I mentioned to the director of a community action agency that my work would focus on “affirmatively furthering fair housing.” She told me that I really needed to change that phrase. While I agreed with her in theory, there wasn’t much I could do, as this is the exact terminology used in the Fair Housing Act itself. Although we do abbreviate it “affirmatively furthering fair housing” to AFFH, it is still a complicated area and one in which governmental jurisdictions that receive federal funds for community development, housing and transportation need to pay closer attention to given the upcoming adoption of the new AFFH rule requiring municipalities to be more proactive in their fair housing legal obligations. (The proposed rule can be found online at: <http://1.usa.gov/198azaB>.)

Fair Housing: What Is It?

According to the U.S. Department of Housing and Community Development (HUD), Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, “prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.” The Fair Housing Council further defines fair housing as *the set of federal, state, and local laws that protect individuals based on their membership in a protected class from individual or systemic discrimination*. Besides the seven federal protected classes, there are four additional protected classes under Oregon law: marital status, sexual orientation/gender identity, source of income (now including Section 8), and domestic violence survivors. Many municipalities in Oregon have additional protected classes such as age and type of occupation.

The second part of the Fair Housing Act addresses the **proactive elimination of segregation and promotion of equal opportunity access to housing**. This is where AFFH comes in. Local and state entities as well as public housing authorities were required to be proactive in their fair housing efforts primarily by completing an analysis of fair housing impediments and signing certifications stating that they would affirmatively further fair housing. In July 2013, HUD released its new AFFH rule which would increase the effectiveness of this

legal obligation. The responsibility to affirmatively further fair housing is not only directed to those jurisdictions receiving direct federal funding but also to jurisdictions receiving indirect federal funding through the state.

When the Fair Housing Act was passed in 1968, fair housing primarily meant “non-discrimination” in all the various housing transactions, from selling a house to renting a house to securing a home mortgage loan. Over the years, however, fair housing has evolved in the law such that it now means “fair housing choice,” and fair housing issues include not only “illegal discrimination” but also various “barriers” that are “related” to race, color and national origin, and explain segregated living patterns. With this new rule, there will be greater focus on communities ensuring that their citizens have access to opportunity and housing choice.

What Exactly is AFFH and Why Should Your City Care About It?

As neighborhoods of concentrated poverty are on the rise in most American cities and income inequality increases, the new AFFH rule calls for municipalities to deliver on the promise of fair housing. Grants Pass City Councilor Ken Hannum sees this as a potentially positive thing. Coming from Southern California, he had seen segregated low-income neighborhoods with increased costs in terms of crime and lack of private investment adversely impacting the local tax base.

By helping to connect low-income families to neighborhoods of greater opportunity, the AFFH rule has the potential to spur economic growth not only within these households, but within cities and regions.

It would provide the tools that public sector leaders can use to increase investment in high-poverty neighborhoods, fight racial discrimination in the housing market, and add more affordable housing choices in neighborhoods with jobs, good schools, and other resources. The new AFFH rule would:

1. Make municipalities more accountable to community needs by requiring increased citizen participation on community development and housing issues;
2. Require a data-driven analysis (Assessment of Fair Housing or AFH) of community conditions and impediments to fair housing, including factors that contribute to areas of racially concentrated poverty and high unemployment

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AFFIRMATIVELY FURTHERING FAIR HOUSING

(e.g., school performance, access to employment and transportation); and

3. Require actually addressing fair housing challenges rather than just identifying impediments as has been required in the past for those jurisdictions receiving federal funding such as Community Development Block Grants and HOME funds. The proposed rule would mean that cities, counties and states must be proactive to ensure all people can live in neighborhoods where they have equal access to the opportunities.

AFFH's definition under the proposed rule includes:

- Taking proactive steps beyond simply combating discrimination to foster more inclusive communities;
- Providing access to community assets for all protected classes;
- Addressing significant disparities in access to community assets;
- Overcoming segregated living patterns;
- Supporting and promoting integrated communities;
- Ending racially and ethnically concentrated areas of poverty; and
- Ensuring compliance with civil rights and fair housing laws.

The new AFH, replacing the Analysis of Impediments, focuses program participants' analysis on four primary goals:

- Improving integrated living patterns and overcoming historic patterns of segregation;
- Reducing racial and ethnic concentrations of poverty;
- Reducing disparities by protected class in access to community assets such as education, transit access, and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and
- Responding to disproportionate housing needs by protected class. (www.huduser.org/portal/affht_pt.html)

Former HUD Secretary Shaun Donovan said, "With the passage of the Fair Housing Act in 1968, we acknowledged that segregation didn't happen in spite of government policy—it happened in large part because of it... And we affirmed that government has a role to play in creating integrated, inclusive, diverse communities."

Regarding the new AFFH rule, Donovan further stated, "It's about more than... access to the housing itself. It's also about giving every community access to important neighborhood amenities that can make a tremendous difference in a person's life outcome. I'm talking about good schools, safe streets, jobs, grocery stores, health care, and a host of other important factors."

The new Assessment of Fair Housing (AFH) will include goals which "will inform housing and community development policy and investment planning." The proposed rule gives as an example of such a goal "promoting greater mobility and access to areas offering vital assets such as quality schools, employment, and transportation." A program participant whose AFH is not approved could lose its federal housing dollars. Municipalities may find that they have to modify zoning and other land-use decisions in order to accommodate construction of affordable housing units in an effort to create more integrated communities. They will, at a minimum, need to examine their current zoning and land use policies.

Economic Development and AFFH

In its March 2015 electronic newsletter *America's Tomorrow*, PolicyLink's article, "How the Proposed Fair Housing Rule Will Boost the Economy," noted that the AFFH ruling could change the playing field by helping to turn around the "lasting negative impacts of historically discriminatory practices that contributed to the creation of poor neighborhoods of color, and it will reduce barriers that cut millions of Americans off from economic opportunity." The article outlined five ways in which the AFFH ruling can improve national economic prosperity: reducing high poverty neighborhoods and disinvestment; creating jobs; connecting people to job opportunities; attracting new employers; and providing low income families with more income to invest.

This proposed rule has already produced results, helping to direct more investment to neighborhoods that need them and helping low-income families move to neighborhoods with more opportunities. The Puget Sound area, which was part of a pilot for the AFFH rule, was able to focus new infrastructure investment in its immigrant and other segregated communities in need of investment. It used its fair housing assessment to plan for a new food distribution hub and business incubators within historically disinvested neighborhoods where job growth was needed.

It was found that communities supporting the development of quality affordable housing and investment in neighborhoods also noted the creation of new employment in those communities. The National Association of Home Builders estimates that building 100 affordable homes can lead to the creation of more than 120 jobs during the construction phase and 30 jobs in a wide array of service industries once those homes are occupied.

Lack of quality affordable housing that connects to transit makes it more difficult for employers to recruit and retain employees, putting the local economy at a competitive disadvantage. In a national survey of more than 300 companies, 55 percent of large companies reported an insufficient level of affordable housing in their area, and two-thirds of these respondents cited this shortage as negatively affecting their ability to hold onto qualified employees.

Affordable housing costs and access to public transportation can decrease household costs, in some cases by as much as \$500 per month. When families can save on these costs, it allows greater spending on health care and education. These investments contribute to increased stability not only for these households, but for the broader economy: a recent study found that every extra dollar earned by low-wage workers actually adds about \$1.21 to the national economy.

What Municipalities Can Do to Affirmatively Further Fair Housing

To help meet their AFFH obligations, municipalities can:

- Know the fair housing protected classes;
- Consider the location and availability of affordable housing throughout the community;
- Promote housing that is structurally accessible to people with disabilities; address issues related to zoning for residential care facilities;
- Address “Not in My Backyard” attitudes;
- Market first-time homebuyer programs to diverse communities;
- Consider the location of key infrastructure and economic development projects;
- Ensure the land use policies encourage diversity;
- Offer incentives for mixed-use and affordable housing;
- Promote public transportation routes in all neighborhoods;
- Ensure that economic development and housing opportunities are related to transit lines in diverse communities;
- Ensure that public infrastructure is connected to low-income housing and diverse communities;
- Consider access to employment in all neighborhoods; and
- Foster access to grocery stores in low-income neighborhoods.

The Fair Housing Council has tools and resources to help municipalities meet their AFFH obligations. Our new “Finding Common Ground, Inclusive Communities” Toolkit includes three guides; one for elected officials, one for housing providers, and one for neighbors. The guides provide the following information:

- An introduction to fair housing;
- An introduction to two types of housing developments where concerns around fair housing may surface—affordable housing and housing for people with disabilities;

- Information specifically geared for housing providers, elected officials and staff and neighbors on how to engage constructively and stay on the right side of the law; and,
- Resources and additional information on fair housing.

The Toolkit also includes an evaluation tool for planners and policy makers so that they may undertake an internal audit of their land use plans and implementing codes, including zoning maps and development regulations. It suggests actions that jurisdictions can take to comply with fair housing law and to affirmatively further fair housing through adopting best practices.

The Toolkit may be found on the FHCO website, www.fhco.org/information-for-jurisdictions or by contacting our office at information@fhco.org or (800) 223-8197. We also have a 10-minute video about AFFH which can also be accessed at www.fhco.org/information-for-jurisdictions.

Please contact us at (800) 223-8197 for more information.

Education and Outreach Specialist Louise Dix is the AFFH Specialist for the Fair Housing Council of Oregon, a statewide nonprofit organization working to end housing discrimination. ■



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The Risk of Neglecting Fair Housing Laws

By Tamie Kaufman, Gold Beach City Councilor

As a property manager, I deal with fair housing on a regular basis. From a risk management standpoint, it is important to continuously train staff on the “what” and the “how” of compliance. We work every day to be fair, honest and forthright. We rent to a diverse population (relative to the area we live). Over the years we have learned we can unknowingly discriminate. For example, it is the consumers’ responsibility to tell us what they want and if they have any limitations. Just because someone comes into the office in a wheelchair does not mean they are not offered a second floor apartment. That would be steering and is illegal. While that seems to lack common sense, if one can learn to embrace that concept, then one can also comply with the law.

I was surprised when I realized that cities can also break fair housing laws. I have 11 years’ experience on our planning commission, and I have served about nine years and counting on our city council. It never occurred to me that an ordinance like banning a type of dog or a planning decision could have that unintended consequence of discrimination. I read about the MAX line extension in Portland and how that has created gentrification (a word I had to look up). While planning alternative transportation, Tri-Met inadvertently displaced protected classes of people. While I doubt that was intentional, it is now a fact.

How can my city make similar mistakes? It could happen in a planning decision regarding placement of low-income apartments. It could happen by changing densities in zoning. We could discriminate in ordinances by banning certain pets or restricting things like fences. (For example, banning pit bulls could discriminate against people with disabilities that have an assistance animal. While that law can be enacted, a process to provide reasonable accommodations for persons with disabilities would have to also be established.)

Have no fear; cities have a resource that can assist with complying with fair housing laws. We, as city officials, can contact the Fair Housing Council of Oregon (FHCO) for input as issues arise. We just need to be aware that we can hurt people and it does not have to be intentional to be illegal. Is there a planned housing authority project in your area? Planning to discuss density changes? Revising standards in transportation, parking or zoning? Run those ideas by FHCO to see if maybe you missed a discriminating factor.

“ Just being different does not provide facts if the person or family may be good or bad neighbors. ”

It seems we do spend a lot of time and effort in the “how” and “what” of complying with fair housing laws. Imagine for a moment your own family. Do you have any children? Grandchildren? Nieces or nephews? When fair housing started, more than one-half of Oregon’s properties were not available to people with children. Women who became pregnant were asked to leave. Do you know anyone who is disabled? How about diverse religious groups? Any LGBT relatives or friends? Prior to fair housing, a Christian could be denied housing in a Jewish neighborhood. Catholics could be told no in a Protestant area. Just being different does not provide facts if the person or family may be good or bad neighbors. The protected classes are simply groups that have been traditionally denied housing based on discriminatory factors. Compliance with fair housing laws is the right thing to do.

As we begin changing and updating our comprehensive plans, zoning ordinances, and other city business, let us take the time to think about who may be negatively impacted by our decisions. Together we make our Oregon communities more welcoming and safe for all families. The end results are positive. If we neglect to follow fair housing laws, we risk being stuck in legal battles wasting scarce resources that are better invested building positive communities.

Ms. Kaufman is a property manager by trade and a volunteer Gold Beach city council member. She has been appointed twice (1995 & 2010) and elected twice (2010 & 2014). She also served on the planning commission for 11 years. ■

Emerging Forms of Alternative Housing

By Michael Weber

The composition of the housing market is changing. More people are living alone, fewer people are having children, and the average household size is decreasing. But while households are getting smaller, single-family houses are getting bigger—on average, houses built today are more than 1,000 square feet larger than houses built 40 years ago.

In many areas, the combination of these changes has resulted in a housing supply that is ill-suited to the needs of its community and unable to properly meet demand, leading to a lack of affordable and accessible housing options for a significant portion of the population. In response to this mismatch, people are increasingly looking to alternative forms of housing, such as accessory dwelling units and cottage housing, which may better serve their needs as well as their budget. This article provides an overview of different types of alternative housing practices that are emerging, including a short summary of the potential benefits and criticisms of each, as well as a brief introduction to the regulatory issues associated with each approach.

Although these alternative forms of housing are growing in popularity, they are often in conflict with existing municipal zoning, building, and land use regulations. Thus, the successful implementation of these housing practices is heavily dependent on the cooperation of municipalities and city officials. A number of municipalities have altered their existing codes to accommodate one or more of these housing strategies, while others have been more hesitant. Model ordinances and codes are readily available for cities wishing to accommodate these alternative forms of housing.

Accessory Dwelling Units



Accessory dwelling units (“ADUs”) are additional dwellings on the same lot as an existing single-family residence. ADUs can either be attached to the main house, or an entirely separate structure. In many cases, homeowners can simply convert a portion of their house into an ADU without any additional construction or additions to the property.

ADUs are not necessarily a new or novel concept, but they have gained popularity recently as an affordable, environmentally-friendly housing option which can increase access to desirable single-family residential areas while reducing urban sprawl. Homeowners build ADUs for a number of reasons, including the potential for extra income from renting out the unit, or providing housing for an aging parent or other family member. ADUs are also commonly used in live-work trade arrangements or to provide on-site housing for a helper, especially in rural areas.

Despite their increasing popularity, ADUs frequently face opposition from neighboring property owners, usually on the grounds that ADUs might alter the character or aesthetics of a neighborhood, increase traffic, or reduce the amount of on-street parking available. Critics also point out that the added density could place additional strain on local services, such as water and police service, and increase school enrollment.

Since ADUs add an additional dwelling on a lot and increase density, there are often zoning or other regulatory barriers which prohibit or significantly hinder their development in single-family residential districts. In most areas where ADUs are allowed, a site plan review or special use permit is often

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ALTERNATIVE HOUSING

required. Height, setback and design regulations can also have a restrictive effect on certain projects. Restrictive regulations can make the process of developing an ADU difficult and expensive for the homeowner, causing many to abandon the idea altogether. Additionally, it is not uncommon for homeowners to simply ignore restrictive or prohibitive regulations and build illegal ADUs, which may be unsafe and non-compliant with building requirements. Some localities have adopted templates for ADUs that can obtain streamlined approvals to combat some of these costs and attempt to rein in unpermitted construction.

Detached Bedrooms



Detached bedrooms are similar to ADUs, but not identical. A detached bedroom is a separate structure from a main residence, often in the form of a tiny house, which serves as an extension of the main residence—it is not a separate residence by itself. In this respect, detached bedrooms are different from ADUs, which possess all the necessary components of a “home” and are considered entirely separate dwellings from a main residence. One common difference between detached bedrooms and ADUs is that detached bedrooms generally do not include a kitchen facility.

Detached bedrooms allow the occupant a considerable amount of privacy and independence from the main house. However, since they are not a “full” dwelling, they do not result in an increase in density, and tend to be cheaper to build than ADUs. Because of this, detached bedrooms are commonly built in place of ADUs in areas where regulatory restrictions prevent or impose high costs on the construction of ADUs. Detached bedrooms are a common choice for households in need of more space to house a parent or family member who does not require the level of independence that an ADU provides.

Manufactured Housing



Manufactured homes are constructed in a factory before being transported to their location. Modern manufactured homes are aesthetically similar to houses constructed on-site, but are significantly less expensive because the factory construction process is more efficient and less expensive than on-site construction. While manufactured homes were once perceived as structurally unsound and prone to health and safety hazards, the National Manufactured Housing Construction and Safety Standards Act ensures that today’s manufactured homes are safe and well-constructed. Although manufactured houses are sometimes referred to as “mobile homes,” this term can be misleading, as the vast majority of these houses are placed on one site permanently.

In the past, municipalities often excluded or greatly restricted the use of manufactured housing because of concerns about aesthetics, safety hazards and neighborhood character. Today, express exclusion of manufactured housing is much less common, and many municipalities are beginning to see the benefits of manufactured homes as a practical, affordable housing option. Nevertheless, manufactured homes are often still viewed negatively by members of the community, as well as local decision makers. Because of this, it is often difficult for manufactured homes to make their way into residential districts, especially if they are only allowed as a conditional use, rather than being allowed outright.

Moreover, existing manufactured home parks, many of which were originally built in non-residential areas on the outskirts of municipalities, are often eliminated or redeveloped as a result of annexation pressure. Manufactured home parks are also subject to closure due to the high costs associated with the replacement or repair of aging septic and water systems. These factors, or a combination of these factors, tend to reduce the availability of this affordable housing option.

Cottage Housing



Cottage housing developments, sometimes called “cottage clusters,” are groups of small single-family houses which are arranged around a common area, often a green space or courtyard. Cottage clusters usually consist of between four and 12 small houses, which are normally no bigger than 1,000 or 1,200 square feet, and are arranged so that they are all facing inward toward the common space. The high density of cottage clusters makes them a more efficient use of land than traditional single-family residential development. Additionally, the small size of these houses makes them more energy efficient, cutting utility costs and reducing environmental impacts.

Cottage clusters originated in the Pacific Northwest, and are gaining popularity throughout the country as an innovative housing model which suits the needs of the modern housing market. Detached single-family houses are generally considered the most desirable type of housing. However, with average household sizes decreasing, many households don’t need, or can’t afford, the large houses that are typically found in single-family residential areas. Cottage housing provides an affordable option for these small households that want the privacy and open space of a detached house, but don’t need the large amount of living space offered by average-sized single-family houses.

Depending on the individual development, cottage cluster houses can all be placed on the same lot (in which case the houses are usually sold as condominiums), or they can be placed on separate lots (in which case they are usually sold for fee simple ownership). Due to the high density requirements of cottage clusters, municipalities often have to alter their existing regulations to allow for their development. This usually involves decreasing minimum lot size requirements, decreasing setback requirements, increasing the allowed units per acre, or allowing multiple cottages on each single-family lot.

Conclusion

If traditional forms of housing are unable to provide enough affordable options, people will inevitably look to alternative options to fill their needs. As the current trends in housing seem poised to continue, the above-discussed alternative housing practices could be an effective tool in addressing affordability issues in Oregon communities. Thus, it is important for municipalities to be aware of these options and consider how local government policies will facilitate or hinder the development of these alternative forms of housing.

Mr. Weber (JD 2016) is a law student board member and law extern at Housing Land Advocates. ■

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*Lew McCreary, “Kaiser Permanente's Innovation on the Front Lines,” Harvard Business Review, September 2010.
†“Another American Way,” The Economist, May 1, 2010.

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Goal 10:

Housing, Land Use Planning and the Legislature

By Erin Doyle, LOC Intergovernmental Relations Associate

The 2015 Legislature has focused significant attention on the statewide need for affordable housing. The scope of legislative ideas impacting cities varies widely, from inclusionary zoning to property tax abatements to increased enforcement of the statewide land use planning goal 10 (“Goal 10”).

Goal 10 Requirements

Goal 10 requires every city and county to plan for needed housing in a manner that creates a diverse stock of housing options throughout the city. Cities must create housing policies that lead to the development of housing at all cost levels. By planning for a variety of housing types and providing development incentives, a city can encourage a range of housing types that meets the needs of current and future residents.

Goal 10 requires planning “to provide for the housing needs of citizens of the state,” a lofty and ambitious goal. However, the expectation is not that one city becomes the home of all Oregonians. Instead, Goal 10 requires that a city plans for enough land in urban or urbanizable areas that can accommodate the expected residential need across all resident’s income levels. The rules implementing Goal 10 requires cities to establish two items:

- A buildable land supply that examines the expected population and the expected market for housing within the city; and
- Clear and objective standards, conditions and procedures regulating the development of needed housing.

A city’s buildable land supply must consider issues such as density, the community’s income levels and inventory of available housing stock. Goal 10 also calls for analysis of the cost, ability and need for urban services to support the development of the type and number of houses proposed. This process is important during any examination of a city’s urban growth boundary, a decision to update the comprehensive plan or when looking at rezoning.

In addition, cities are required by statute to include clear and objective standards, conditions and procedures regulating the development of housing. A city can review its standards and procedures from the perspective of a potential developer or a resident to determine if it is obvious what type of development is allowed, so that when an application is under review, the developer and impacted residents know what type and density of housing is planned for the land. Tied to this requirement is that cities must make decisions quickly to determine if a proposal meets the city’s plans. However, there is some flexibility

within Goal 10’s rules for creating a second path for reviewing development applications that provides the city discretion but must allow for increased density when used.

In addition to the above requirements, Goal 10 recommends other policies that a city may adopt to encourage the construction of affordable housing. These policies include creating financial incentives, reducing regulatory delays, or mixing low-income and market rate housing to disperse the cost of servicing the low-cost housing. No specific policy must be adopted, but the recommendations raise important policy discussions for each city to have when contemplating how its plans will meet Goal 10.

2015 Legislation

As the Legislature has discussed the various impediments to building affordable housing, there has been increased discussion of how cities can meet Goal 10, both in planning and in offering incentives. Several bills focus on providing local tools for cities to incentivize or require the development of more housing. For example, there are bills that extend or modify locally-adopted property tax abatements for affordable housing projects (HB 2130) or mixed use development (HB 2126). Additionally, there is movement this session to lift the current preemption on cities creating mandatory development requirements that a portion of a housing project is sold at specific price points, known as mandatory inclusionary zoning (HB 2645).

The Legislature is also examining how to best review whether Goal 10 is being accomplished statewide. One legislative proposal is HB 3222, focused squarely on the Goal 10 requirement that cities establish clear and objective standards for the development of housing. This bill would provide the Land Conservation and Development Commission with the ability to enter an enforcement order where a city fails to create clear and objective standards for reviewing housing development applications.

Legislation like this highlights the work that cities must do in reviewing their land use plans and processes with their city attorneys and planners to be sure the Goal 10 elements maintain a community’s character without leaving some potential residents with no housing options.

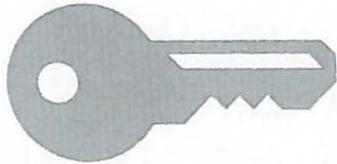
Editor’s Note: This article is general in nature and intended to assist city officials in understanding Goal 10. This article should not serve as a substitute for competent legal counsel. City officials should consult with their city planners and city attorney when making decisions on how to comply with Goal 10 requirements. ■

Housing Facts & Figures



\$11,019,849

in Community Development Block Grant funds were awarded to 10 different Oregon cities in 2013¹



61.7%

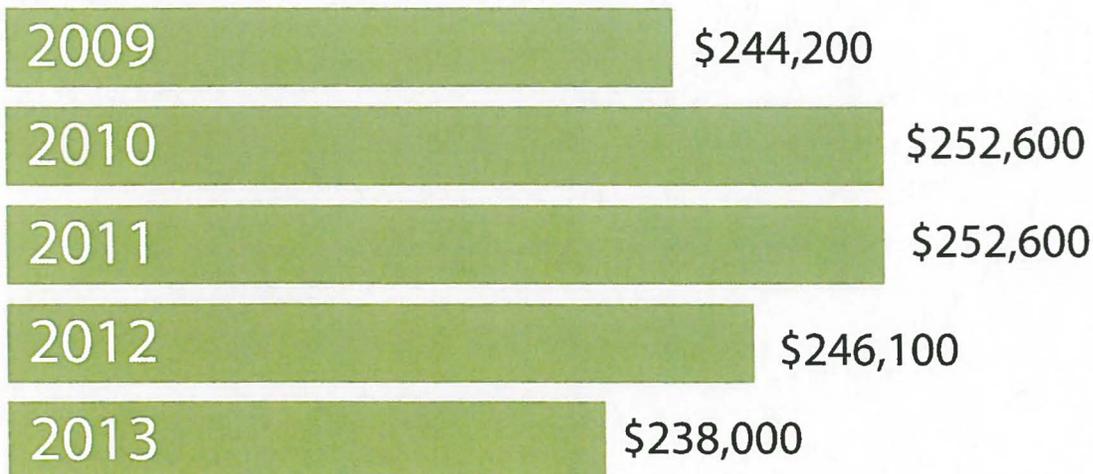
The home ownership rate of adult Oregonians in 2012, among the lowest in the U.S.²



23,000 houses per year

are projected to be built in Oregon next year³

Median Home Values in Oregon 2009-2013⁴



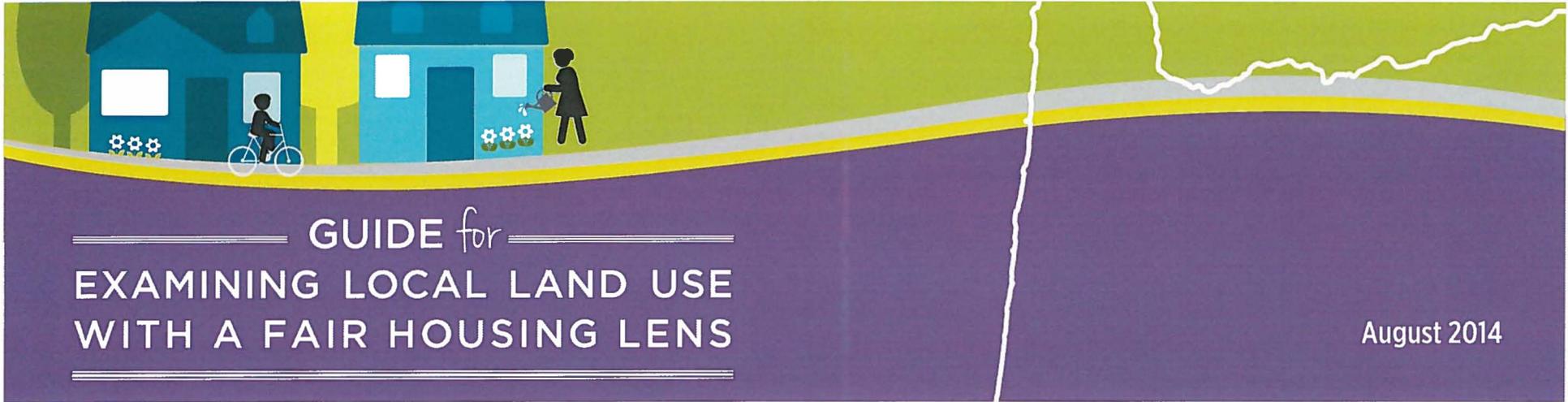
Sources

¹ www.orinfrastructure.org/Infrastructure_Programs/CDBG/Awards

² www.census.gov/prod/2013pubs/acsbr12-20.pdf

³ www.oregon.gov/DAS/OEA/docs/economic/oregon.pdf

⁴ www.census.gov/hhes/housing/median/2013/tables/median2013.pdf



GUIDE for
EXAMINING LOCAL LAND USE
WITH A FAIR HOUSING LENS

August 2014



WHAT THIS GUIDE PROVIDES

This guide provides an evaluation tool for planners, policy makers, and other practitioners.

HOW TO USE THIS GUIDE

This guide is intended to serve as an informational and educational tool for land use planners in Oregon's cities and counties. It includes a matrix intended for jurisdictions to use in undertaking an internal audit of their land use plans and implementing codes, including zoning maps, development regulations and the like. It also suggests clear and straightforward actions that jurisdictions can take to both comply with fair housing law and affirmatively further fair housing through adopting best practices.

Because the law and case history are complex, addressing all of the items on this list does not shield your jurisdiction from all potential fair housing claims or lawsuits, but it does help demonstrate a good faith effort to support fair housing.

This version of the guide is a precursor to a longer version due out in late 2014, which will incorporate expanded information on topics important to planners and other public officials concerned with land use and planning. Topics under consideration for this longer version include the intersection of fair housing and group homes, congregate living, parking and transportation standards, comprehensive plans, code administration, staff training and development, design standards and zoning maps, among others. This guide will be part of a larger toolbox produced by the Fair Housing Council of Oregon to assist jurisdictions with affirmatively furthering fair housing.

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INTRODUCTION



HOW FAIR HOUSING FRIENDLY ARE YOUR PLANS, CODES AND PRACTICES?

Many planners may not be aware of the fair housing implications of land use plans and implementing codes and how they can play an important role in promoting fair access to decent housing—a human necessity and a pathway to accessing other opportunities—for all. Where one lives determines the quality of the air one breathes, the schools children attend, the availability of active transportation options or outdoor space or whether healthy food choices can be found nearby. Housing is a platform for accessing life's needs and opportunities. While public and private investment may determine what ultimately gets built, planners and other public officials help create and manage the community blueprint through publicly-approved plans and codes.

The tools of planning—comprehensive plans, zoning maps, implementing codes and

practices—are used to help shape the range of housing opportunities in a community. For example, these tools affect the land available for needed housing, the cost of development, the processes that applicants must follow (including notice requirements and public hearings) and the overall complexity of the development process. All of these items have a direct impact on the cost, design and supply of housing for people of varying backgrounds and abilities. The location of housing of various types—in asset-rich or environmentally-poor areas—has significant implications for residents. Throughout history, certain groups of people have been precluded from accessing asset-rich housing or were otherwise limited in their choice of housing options.

To address these inequities, federal fair housing law, first enacted by Congress as Title VIII of the Civil Rights Act of 1968, prohibits discrimination in housing based on race, color, religion, national origin, sex, disability or familial status (the presence of children in the household)—the seven federal protected classes. Oregon law also prohibits

discrimination based on source of income, marital status, sexual orientationsexual orientation (gender identity), and being a domestic violence survivor. The law applies to public entities, private businesses, nonprofits and individuals.

Fair housing law does not pre-empt the ability of local government to regulate land use and zoning. However, local governments may not exercise that authority in a way that is inconsistent with federal fair housing law. Stated simply, local laws cannot overtly or otherwise have the effect of discriminating against individuals in housing on the basis of protected class.

Since the Civil Rights Era, most jurisdictions have attempted to move away from overtly discriminatory plans, codes and practices. However, vestiges sometimes remain as outdated definitions, ways of separating uses or criteria triggering conditional use permits. They may also exist as policies and practices that do not appear discriminatory on the surface but, in fact or in practice, have a disparate impact on one or more

FAIR HOUSING



protected classes. A disparate impact occurs when a policy or action has a negative effect on a higher proportion of members of a protected class than those not in a protected class. Overt discrimination and disparate impact are both violations of federal fair housing law.

FAIR HOUSING, AFFORDABLE HOUSING AND NEEDED HOUSING

Fair housing and affordable housing are related, but distinct, concepts. Generally, housing is considered to be affordable when low income households (those whose incomes are at or below 60% of area median income, adjusted for family size, as determined by HUD) spend no more than 30% of their gross income on housing costs, including rent and essential utilities. Many, but by no means all, individuals who are members of protected classes need affordable housing. The degree to which there is an overlap between the population needing access to affordable housing and those who are protected by fair housing law varies from jurisdiction to jurisdiction. While this guide primarily focuses on ways land use plans

and implementing codes can support fair housing, it also contains suggestions relevant to supporting the development of affordable housing.

Fair housing and affordable housing also relate to a concept familiar to planners in Oregon: needed housing, defined in ORS 197.303 as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels,” including specified housing types, such as attached and detached single-family housing and multiple family housing for both owner and renter occupancy, government-assisted housing, mobile home parks, manufactured homes on individual lots and housing for farmworkers. The buildable lands provision (ORS 197.286) addresses requirements pertaining to land supply for needed housing. Oregon land use law thus helps ensure that comprehensive plans and implementing codes do not preclude the development of affordable housing (exclusionary zoning), but it does not ensure that affordable housing will actually

get built. Some of the topics covered in the second section of this checklist suggest ways that local codes can include additional provisions to support the development of affordable housing.

The housing needs analysis required of Oregon municipalities provides an opportunity to affirmatively further fair housing. While this guide does not provide comprehensive guidance on undertaking a housing needs analysis, it does contain recommendations for how to increase the land supply available for affordable and fair housing purposes, primarily through removing regulatory barriers. In addition to these solutions, jurisdictions may elect to affirmatively further fair housing by defining a few specific housing types utilized extensively by protected classes (e.g., group homes) as needed housing. Here’s why: ORS 197.307 requires that, once a need for a particular housing type has been established, that housing type must be a permitted use in one or more zoning districts with sufficient buildable land to satisfy that need, and that

FAIR HOUSING



only clear and objective standards, conditions and procedures that do not discourage development of the housing through unreasonable cost or delay may be applied.

AFFIRMATIVELY FURTHERING FAIR HOUSING, NOW AND ON THE HORIZON

Jurisdictions that receive federal funds, either directly from a federal agency or indirectly through the State of Oregon, are required to affirmatively further fair housing. In addition, governments and states that receive Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG) or Housing Opportunities for Persons with AIDS (HOPWA) funds directly from the US Department of Housing and Urban Development (HUD), as well as public housing agencies (PHAs), are required to formally analyze impediments to housing choice on a periodic basis and then prepare and implement plans to address those impediments.

On July 19, 2013, the US Department of Housing and Urban Development issued a

new proposed rule regarding how HUD-funded jurisdictions must undertake that analysis. The proposed rule identifies four areas for local action: improving integrated living patterns and overcoming historic patterns of segregation; reducing racial and ethnic concentrations of poverty; reducing disparities in access to community assets such as education, transit access and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and responding to disproportionate housing needs by protected class. The land use and planning implications of this proposed rule are substantial and may, if adopted, stimulate a new level of dialogue between local housing agencies and planning departments in the jurisdictions to which it applies.



HOW FAIR HOUSING FRIENDLY ARE YOUR PLANS, CODES, AND PRACTICES?

PLANNING TOPIC	ACTION	GUIDANCE	POTENTIAL PROTECTED CLASSES	TYPE OF STANDARD
DEFINITIONS - Zoning/ Development and Building Codes	Definition of disability	<p>If disability is defined in your code, it, at a minimum, must be as inclusive as the definition in the Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended). Persons with disabilities are defined as individuals with mental or physical impairments which substantially limit one or more major life activities. This definition is a much broader interpretation of disability than is generally used in other applications.</p> <p>[US DOJ & HUD www.justice.gov/crt/about/hce/final8_1.php]</p>	Disability	Minimum standard
DEFINITIONS - Zoning/ Development and Building Codes	Definition of family or household	<p>If family or household is defined in local code, the definition shall not have the effect of discriminating against unrelated individuals with disabilities residing together in a group living arrangement or larger extended families who wish to reside together.</p> <p>[US DOJ & HUD www.justice.gov/crt/about/hce/final8_1.php]</p> <p>A best practice would be to avoid regulations based on who will be occupying a structure or site and instead focus on elements that are more relevant to the scale of activities a structure may generate and the size of structure or other physical characteristics.</p>	Disability National Origin Color Race Familial Status	Minimum standard and best practice
DEFINITIONS - Zoning/ Development Code	Definitions of residential home and/or group home	<p>Treat all residential homes and/or group homes in the same manner, regardless of whether they are licensed or not. Jurisdictions may not impose numerical occupancy limits on group housing for unrelated persons with disabilities that are more restrictive than numerical occupancy limits for any other unrelated individuals or for families.</p> <p>[City of San Jacinto, CA Consent Decree 6/10/14 www.justice.gov/crt/about/hce/documents/san_jacintosettle.pdf]</p> <ul style="list-style-type: none"> A best practice would be to treat all housing for individuals who have disabilities and live together in a single-unit dwelling in the same manner in the Zoning/Development Code, regardless of whether the home is licensed or unlicensed, regardless of whether it serves five or fewer people and regardless of whether it meets other provisions of the definition of licensed residential home in ORS. <p>The Special Residences section of ORS 197.660 defines Residential Homes as follows:</p> <ul style="list-style-type: none"> Residential treatment homes, which are facilities that provide residential care and treatment for five or fewer individuals with mental, emotional or behavioral disturbances or alcohol or drug dependence. [ORS 443.400] They are licensed by the Oregon Health Authority. [ORS 443.410] Residential training homes, which are facilities that provide residential care and training for five or fewer individuals with mental retardation or other developmental disabilities. They are licensed by Oregon Department of Human Services. [ORS 443.400] Adult foster homes, which are family homes or facilities in which residential care is provided in a homelike environment for five or fewer adults who are not related to the provider by blood or marriage. They are licensed by either Oregon Department of Human Services or the Oregon Health Authority [ORS 443.705] 	Disability	Minimum standard and best practice

PLANNING TOPIC	ACTION	GUIDANCE	POTENTIAL PROTECTED CLASSES	TYPE OF STANDARD
DEFINITIONS - Zoning / Development Code	Definition of residential facility	<p>Treat all residential facilities in the same manner, regardless of whether they are licensed or not. Jurisdictions may not impose numerical occupancy limits on group housing for unrelated persons with disabilities that are more restrictive than numerical occupancy limits for any other unrelated individuals or for families.</p> <p>[City of San Jacinto, CA Consent Decree 6/10/14, www.justice.gov/crt/about/hce/documents/san_jacintosettle.pdf]</p> <p>The Special Residences section of ORS 197.660 defines Residential Facilities as follows:</p> <ul style="list-style-type: none"> Residential care facilities, which are facilities that provide residential care in one or more buildings on contiguous properties for six or more socially dependent individuals or individuals with physical disabilities. [ORS 443.400] Licensed by Department of Human Services. [ORS 443.410] Residential training facilities, which are facilities that provide residential care and training in one or more buildings on contiguous properties for six or more individuals with mental retardation or other developmental disabilities. [ORS 443.400] Licensed by Department of Human Services. [ORS 443.410] Residential treatment facilities, which are facilities that provide residential care and treatment in one or more buildings on contiguous properties for six or more individuals with mental, emotional or behavioral disturbances or alcohol or drug dependence. [ORS 443.400] Licensed by Oregon Health Authority. [ORS 443.410] 	Disability	Minimum standard
USE RESTRICTIONS - Zoning / Development Code	Zoning for residential homes and/or group homes	<p>Jurisdictions may not impose restrictions on housing for persons with disabilities that are not imposed on housing for an equal or greater number of persons without disabilities, regardless of whether the housing is licensed or not.</p> <p>[City of San Jacinto, CA Consent Decree 6/10/14]</p> <p>Residential homes (see definitions above) must be a permitted use in all residential zones and in any commercial zone which allows single-unit dwellings. [ORS 197.660 through ORS 197.670]</p> <ul style="list-style-type: none"> Your code must not impose use restrictions on licensed residential homes that are not imposed on other single-unit dwellings. [ORS 197.660 through ORS 197.670, www.justice.gov/crt/about/hce/documents/san_jacintosettle.pdf] Your code must not impose restrictions or standards on residential homes or group homes that are based on the degree to which the residents are disabled. Your code must not treat licensed residential homes and unlicensed residential homes/group homes differently. [City of San Jacinto, CA Consent Decree 6/10/14] <p>A best practice is to apply the same guidelines to all structures that have the size and physical characteristics of single-unit dwellings and involve a scale of activity similar to that of single-unit dwellings occupied by families.</p>	Disability	Minimum standard and best practice

PLANNING TOPIC	ACTION	GUIDANCE	POTENTIAL PROTECTED CLASSES	TYPE OF STANDARD
PERMITTING - Zoning/ Development Code	Process to develop residential homes and/or group homes	<p>Do not impose restrictions on housing for persons with disabilities that are not imposed on housing for an equal or greater number of persons without disabilities, regardless of whether the housing is licensed or not.</p> <p>[City of San Jacinto, CA Consent Decree 6/10/14, www.justice.gov/crt/about/hce/documents/san_jacintosettle.pdf]</p> <ul style="list-style-type: none"> Your code must not impose notice criteria on licensed residential homes that are not required for single-unit dwellings. Your code must not impose impact or permit fees on licensed residential homes that it does not impose on other single-unit dwellings. <p>A best practice would be to apply the same guidelines to all structures that have the size and physical characteristics of single-unit dwellings and involve a scale of activity similar to that of single-unit dwellings occupied by families.</p>	Disability	Minimum standard and best practice
DEVELOPMENT AND DESIGN STANDARDS - Zoning/ Development Code	Development standards for residential homes and/or group homes	<p>Jurisdictions may not impose restrictions on housing for persons with disabilities that are not imposed on housing for an equal or greater number of persons without disabilities, regardless of whether the housing is licensed or not.</p> <p>[City of San Jacinto, CA Consent Decree 6/10/14 http://www.justice.gov/crt/about/hce/documents/san_jacintosettle.pdf]</p> <p>This includes:</p> <ul style="list-style-type: none"> Your code must not impose design requirements on licensed residential homes that it does not impose on other single-unit dwellings. Your code must not impose siting criteria on licensed residential homes or group homes (e.g., no residential homes within 1000 feet of each other) that it does not impose on other single-unit dwellings. Note: This may be permissible if there is a current and real concern that residential homes are segregated in a certain area, separate from the general population AND there is no other way to achieve integration. <p>[US DOJ & HUD http://www.justice.gov/crt/about/hce/final8_1.php]</p> <p>A best practice would be to apply the same guidelines to all structures that have the size and physical characteristics of single-unit dwellings and involve a scale of activity similar to that of single-unit dwellings occupied by families.</p>	Disability	Minimum standard and best practice
USE RESTRICTIONS - Zoning/ Development Code	Zoning for residential facilities	<p>Residential facilities (see definition above) must be a permitted use in any zone where multi-unit housing is a permitted use [ORS 197.667]. Residential facilities must be a permitted or conditional use in any zone where multi-unit housing is a conditional use. [ORS 197.667]</p> <ul style="list-style-type: none"> Your code must not impose use restrictions on residential facilities that are not imposed on multi-unit housing. Your code must not impose restrictions or standards on residential facilities based on the degree to which the residents are disabled. 	Disability	Minimum standard

PLANNING TOPIC	ACTION	GUIDANCE	POTENTIAL PROTECTED CLASSES	TYPE OF STANDARD
USE RESTRICTIONS - Zoning / Development Code	Zoning for group living structures and shared living other than licensed residential facilities	Your code may regulate a facility (other than a licensed residential facility) that serves a group of unrelated persons who live together in a structure larger than a single-unit dwelling. Examples of group living structures that provide sleeping areas and at least one set of cooking and sanitary facilities include senior housing, congregate living and assisted living facilities. However, such regulations must not discriminate against the residents on the basis of race, color, national origin, religion, sex, disability or familial status (families with minor children).	NA	NA
USE RESTRICTIONS, DEVELOPMENT STANDARDS, VARIANCES, OR PROCEDURES - Zoning/ Development Code	Establishing housing types that benefit protected classes as needed housing	If your housing needs analysis establishes that a need for a particular housing type exists, then that housing type: <ul style="list-style-type: none"> • Must be a permitted use in one or more zoning districts with sufficient buildable land to satisfy that need; and • Only clear and objective standards, conditions and procedures that do not discourage development of the housing through unreasonable cost or delay may be applied [ORS 197.307] 	All	Best practice
USE RESTRICTIONS - Zoning/ Development Code	Zoning for onsite services	A residential facility with onsite services available to both residents and nonresidents of the facility should be a permitted use in commercial zones or mixed use zones that allow combined residential and commercial uses.	Disability	Best practice
MAPPING AND BUILDABLE LANDS INVENTORY - Zoning/ Development Code	Zoning for onsite services	Your community should have developable land or available sites in commercial or mixed use zones that allow combined residential and commercial uses to accommodate residential facilities with services for non-residents and residents.	Disability	Best practice
DEVELOPMENT STANDARDS, VARIANCES, OR PROCEDURES - Zoning/ Development Code	Reasonable accommodation for people with disabilities	Your code must provide an opportunity for individuals with disabilities or their representatives to request a reasonable accommodation in regulations and procedures to ensure equal access to housing for people with disabilities. <ul style="list-style-type: none"> • Examples include setback or yard area modifications for ramps, handrails or other such accessibility improvements; hardscape additions, such as widened driveways, parking area or walkways; building additions for accessibility; or tree removal <p>To be reasonable, the accommodation may not (1) impose an undue financial or administrative burden on the city or (2) require a fundamental alteration in the nature of the city's land use and zoning program.</p> <p>Your code should describe how one applies for a reasonable accommodation, how such requests are acted upon, and how they may be appealed.</p> <p>[US DOJ & HUD www.justice.gov/crt/about/hce/final8_1.php and also www.hud.gov/offices/theo/library/huddojstatement.pdf]</p>	Disability	Minimum standard and best practice

PLANNING TOPIC	ACTION	GUIDANCE	POTENTIAL PROTECTED CLASSES	TYPE OF STANDARD
ADMINISTRATION & PROCEDURES - Zoning/ Development	Reasonable accommodation for people with disabilities	To ensure that the reasonable accommodation process is available to people with disabilities and their representatives, your department should have a form and instructions available. If an applicant with a disability requires assistance in making the request, staff should provide the assistance necessary to ensure that the process is available to the applicant. [US DOJ & HUD www.justice.gov/crt/about/hce/final8_1.php and also www.hud.gov/offices/ftheo/library/huddojstatement.pdf]	Disability	Best practice
PARKING STANDARDS, VARIANCES, OR PROCEDURES - Zoning/ Development Code	Parking standards for specialized housing for persons with disabilities	Your code should enable applicants developing housing for persons with disabilities to request a reasonable accommodation to existing code for parking, such as adjustments to maximum parking restrictions to accommodate parking for caregivers. Your code should have clear and objective standards defining when adjustments may be made to parking standards based on the proximity of the development to transit or the likelihood that residents will not own personal vehicles. If a variance/adjustment is required, the cost, review process, or information required should not be significantly greater than clear and objective review and should not have the effect of discouraging the request (e.g., fees, engineering study, and extent of discretionary review). Any additional information obtained from the applicant should be of sufficient benefit to warrant this additional step.	Disability	Best practice
ADMINISTRATION & PROCEDURES AND ZONING / DEVELOPMENT CODE	Conditional uses	Avoid conditional uses for residential development and limit the scope of the review for residential portions of mixed use and planned unit developments.	All	Best practice
OPERATIONS OF PLANNING & BUILDING DEPARTMENTS	Fair housing training	Jurisdiction staff should be informed about fair housing. They should know where to refer clients for information about applicable fair housing laws, regulations and best practices. They should know where to refer individuals for assistance who believe that they may have experienced discrimination. Contact the Fair Housing Council of Oregon for information on future training opportunities.	All	Best practice
OPERATIONS OF PLANNING & BUILDING DEPARTMENTS	Planning services	Planning services must be fully available to all without respect to ability/disability and national origin. Either the facility where development and permit facilities are usually provided must be accessible, or the jurisdiction must have an alternative accessible location where those services can be delivered. <ul style="list-style-type: none"> • Planning services must be available to those with mobility, auditory, vision or other disabilities. • Planning services must be available in other languages, if necessary. 	Disability National origin	Minimum standard

HOW AFFORDABLE HOUSING FRIENDLY ARE YOUR PLANS, CODES, AND PRACTICES?



In many jurisdictions, a majority of people who are subject to potential discrimination on the basis of race, color, sex, religion, national origin, disability or familial status (federal protected classes) or marital status, sexual orientation, source of income or domestic violence survivors (Oregon State protected classes) may also require lower-cost (affordable) housing. Thus, regulations, plans, codes and practices that act as barriers to the development or maintenance of affordable housing may have a disparate impact on protected classes and may violate fair housing regulations. Conversely, efforts to promote the development of affordable housing may have the effect of affirmatively furthering fair housing. However, only addressing the need for affordable housing, without also addressing other kinds of fair housing issues, is not sufficient to ensure compliance with fair housing laws or requirements to affirmatively further fair housing.

The standards below are provided for those jurisdictions that find that they have a nexus between affordable and fair housing and thus wish to encourage the development of affordable housing as one of the ways that they affirmatively furthering fair housing.

PLANNING TOPIC	ACTION	GUIDANCE	TYPE OF STANDARD
MAPPING AND BUILDABLE LANDS INVENTORY - Zoning/ Development Code	Continuing review of needed housing	Review your housing needs analysis and track how developable residential land is being built out, to ensure that sufficient housing is being built that meets the needs of the full range of current and future residents and that sufficient and appropriately-zoned land is available for needed housing. [Goal 10, OAR 660.015, ORS 197.303]	Required updates are minimum standards; ongoing review constitutes a best practice
DEVELOPMENT AND DESIGN STANDARDS - Zoning/ Development Code	Minimum lot size and affordability	Your code should not impose a minimum lot size that has the effect of pricing-out lower-cost housing. Your minimum lot size should not unnecessarily constrain the number of housing units that can be constructed on buildable land.	Best practice
DEVELOPMENT AND DESIGN STANDARDS - Zoning/ Development Code	Setbacks and affordability	Your code should not impose setback requirements that either have the effect of pricing-out lower-cost housing by requiring large lot development or otherwise constrain the supply of housing that can be used for the development of lower-cost housing.	Best practice
PARKING STANDARDS Zoning/ Development Code	Minimum parking requirements and affordability	Minimum parking requirements per dwelling unit of attached and/ or multi-unit housing should not be greater than those required of detached single-unit housing, thereby increasing financial burden on housing types that require less land and are, therefore, more affordable.	Best practice

PLANNING TOPIC	ACTION	GUIDANCE	TYPE OF STANDARD
USE RESTRICTIONS - Zoning/ Development Code	Manufactured housing and mobile homes standards	Your code must allow manufactured housing as follows: <ul style="list-style-type: none"> Allow manufactured housing that meets certain standards for minimum size, appearance and energy efficiency as permitted uses in single-unit zones (with the exception of historic districts and lots adjacent to historic districts). [ORS 197.312 through ORS 197.314] Allow manufactured housing subdivisions in single-unit zones. Allow mobile or manufactured dwelling parks in zoning districts that allow 6 to 12 dwelling units per acre. Establish only clear and objective standards for the manufactured dwelling parks. Your code must not establish a minimum lot size of less than one acre for the manufactured dwelling park. [ORS 197.303, 197.314 and 197.475 through ORS 197.492] 	Minimum standard
USE RESTRICTIONS - Zoning/ Development Code	Duplexes and affordability	Consider allowing duplexes on corner lots in single-unit zones as a means to encourage the development of affordable housing.	Best practice
DEVELOPMENT & DESIGN AND LAND DIVISION STANDARDS - Zoning/ Development Code	Small lot development and affordable land supply	Consider allowing the development of existing substandard lots (lots of record) as a means to increase the supply of affordable land available for residential development.	Best practice
DEVELOPMENT & DESIGN AND LAND DIVISION STANDARDS - Zoning/ Development Code	Flag lots and affordable land supply	Consider allowing development on flag lots as a means to increase the supply of land available for residential development.	Best practice
DEVELOPMENT & DESIGN AND LAND DIVISION STANDARDS - Zoning/ Development Code	Alley-accessed lots and affordable land supply	Consider allowing the development of housing units that are accessed solely from alleys as a means to increase the supply of land available for residential development.	Best practice
USE RESTRICTIONS - Zoning/ Development Code	Row houses & attached houses and affordability	Consider allowing the development of row houses and/or attached townhouses in single-unit zones as a means to encourage the development of affordable housing.	Best practice
USE RESTRICTIONS - Zoning/ Development Code	Single-room occupancy units(SROs) and affordability	Allow for single room occupancy units (SROs), residential hotels or rooming houses as a way to increase the supply of smaller affordable housing units. Existing hotels/motels could be allowed to be converted to single room occupancy units (SROs).	Best practice

PLANNING TOPIC	ACTION	GUIDANCE	TYPE OF STANDARD
USE RESTRICTIONS - Zoning/ Development Code	Accessory dwelling units and affordability	Allow the development of accessory dwelling units on single-unit lots as a means to increase the supply of affordable housing.	Best practice
DEVELOPMENT AND DESIGN STANDARDS - Zoning/ Development Code	Minimum density requirement in multi-unit zones	Include minimum density requirements in multi-unit zones as a way to ensure the capacity and land-efficient development needed to accommodate affordable housing.	Best practice
USE RESTRICTIONS - Zoning/ Development Code	Homeless camping provisions	Consider allowing homeless camping on up to two parcels [ORS 446.265], on land owned by faith-based organizations [US Religious Land Use and Institutionalized Persons Act of 2000] or as homeless overnight street parking in appropriate places, such as industrial zones.	Best practice
DEVELOPMENT AND DESIGN STANDARDS - Zoning / Development Code	Density bonus for affordable housing	Consider creating a density bonus for affordable housing in single-unit zones as a means to encourage the development of affordable housing. Provision could address the number of allowed units, additional floor area ratio, site arrangement /set back standards, and/or height increase.	Best practice
ADMINISTRATION & PROCEDURES AND DEVELOPMENT & DESIGN STANDARDS	Planned unit developments, cluster subdivisions	Consider including code provisions that permit planned unit developments and/or cluster subdivisions as a means to encourage the development of a variety of housing types, including those that are affordable.	Best practice
TRANSPORTATION STANDARDS AND PROCEDURES - Land Division, Subdivision, Zoning Code	Skinny streets and affordability	Consider allowing the use of skinny streets or other alternative, lower-cost street standards as a way to reduce overall development costs.	Best practice
ADMINISTRATION & PROCEDURES AND ZONING/ DEVELOPMENT CODE AND OPERATIONS OF PLANNING AND BUILDING DEPARTMENTS	Expedited review for affordable housing	Consider instituting processes for expediting the development review of affordable housing.	Best practice
ADMINISTRATION & PROCEDURES - Zoning/ Development Code and Operations of Planning and Building Departments	Financing system development charges and fees for affordable housing	Consider establishing a method of financing the cost of system development charges (SDCs) and/or permit fees for affordable housing. If your jurisdiction demands that its lien be in first position, this may render this option unfeasible for publicly subsidized housing units.	Best practice

PLANNING TOPIC	ACTION	GUIDANCE	TYPE OF STANDARD
ADMINISTRATION & PROCEDURES AND DEMOLITION ORDINANCE(S)	Demolition permits and encouraging relocation of structures for affordable housing	Consider requiring that property owners applying for demolition permits be notified that nonprofit organizations may be willing to accept donations of the improvement as an alternative to demolition.	Best practice

PACIFIC CREST AFFORDABLE HOUSING, LLC

The Firehall
5 NW Minnesota Avenue, Suite 210
Bend, Oregon 97701
T (541) 383-2505

MISSION

To provide high quality, comfortable, and stable housing which our low-income residents are proud to call home, and to contribute to the advancement of sustainable building in low-income housing development.

COMPANY PROFILE

Pacific Crest Affordable Housing, LLC is an award-winning developer of affordable senior housing projects in Central Oregon. Pacific Crest is recognized for its singular ability to create beautiful, high quality housing for low-income seniors that is indistinguishable from higher end market rate projects. Pacific Crest is also a leader in sustainable building, and its projects are some of the most energy-efficient multi-family projects in the nation.

KEY PERSONNEL

John Gilbert and **Rob Roy** are principals and equal partners in Pacific Crest Affordable Housing and have a combined 50 years of experience in real estate development and construction. John has a Master's Degree in Real Estate Development from Columbia University and has worked in the field since 1989. As owner of Acadia properties and co-owner of Pacific Crest, John has developed multiple mixed-use and high density residential infill projects around Central Oregon. Rob has 24 years of experience in construction and real estate development in Ontario, Canada, and in Oregon. While building his development resume, Rob has simultaneously built a reputation as a world renowned Alpine snowboard coach, participating in 3 Olympic games and coaching 2 athletes to Olympic medals.

Key personnel also include Funding Manager, **Rima Wilson**, and Project Coordinator, **Sunny Harmeson**. Rima holds a Master's Degree in Community and Regional Planning from the University of British Columbia, and has 20 years of experience in the field of affordable housing, ranging from planning and policy work to financing and development. Sunny has 16 years of project coordination experience in commercial architectural and construction.

PORTFOLIO

Pacific Crest Affordable Housing has developed 4 affordable senior housing projects in Central Oregon and will soon begin construction on a fifth. All of these projects are public-private partnerships, funded with various combinations of public funds, private investment, grants, loans, in-kind contributions, and determination. All are restricted to seniors (aged 55 and better) and all are income restricted to serve households earning 60% of the Area Median Income or less. We aim to locate our projects in some of the most desirable neighborhoods in the communities in which they are located to foster a seamless blend of low-income housing with the rest of the community.

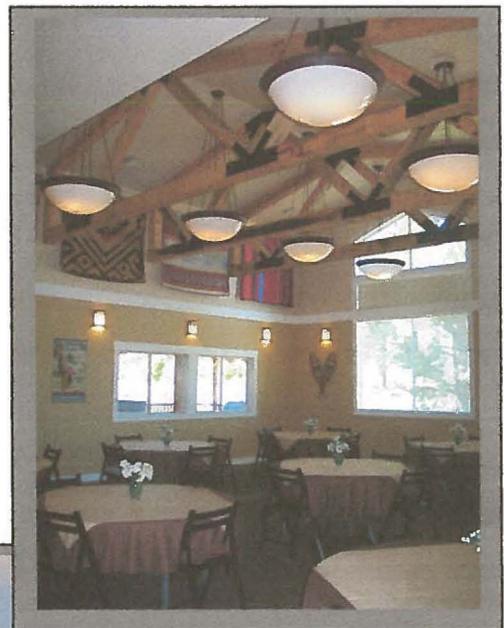
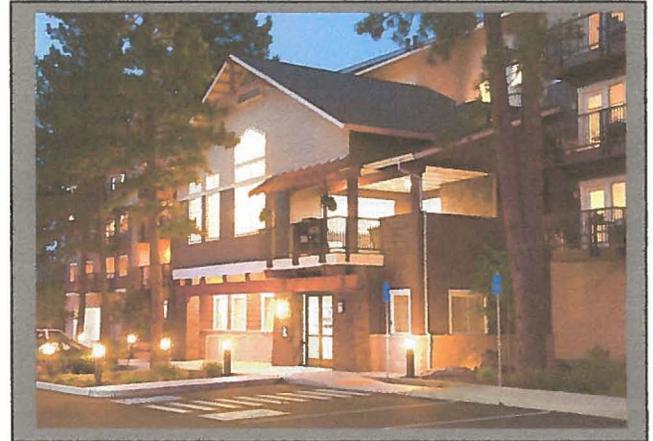
Descriptions of projects completed to date are attached.

Mountain Laurel Lodge

Bend, Oregon

*Developed by
Pacific Crest Affordable Housing*

- Completed in 2006
- 100% occupied
- Delivered on time and under budget
- 4 stories – 75,000 sf
- 53 independent living rental apartments for low income seniors
- Rents affordable to households earning 40%-50% of Area Median Income
- First subsidized housing project on Bend's more affluent west side
- Public funds provided by: Low-Income Housing Tax Credit Program, US Department of Housing and Urban Development (HOME), Oregon Department of Housing and Community Services, City of Bend, Bend-LaPine School District
- Environmentally sustainable design and construction exceeding the Portland Development Commission's "Green" Affordable Housing Development Guidelines
 - Solar heated common area water
 - 18.3 kW solar array for generating electricity
 - R50 ceiling insulation
 - EnergyStar appliances and light fixtures throughout
 - Native, drought tolerant landscaping

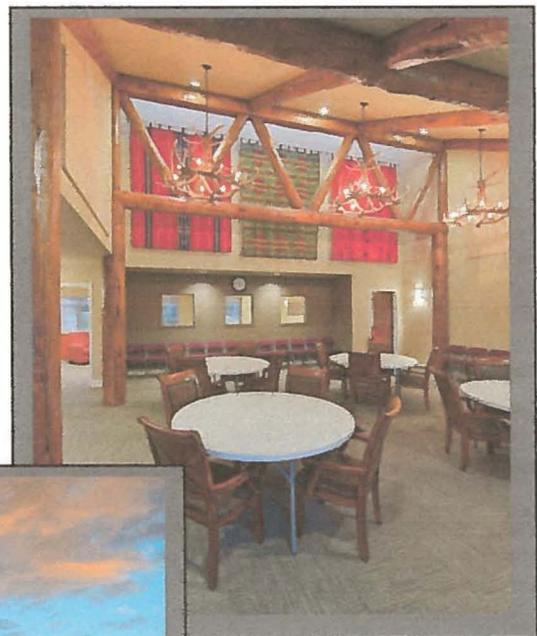


Discovery Park Lodge

Bend, Oregon

*Developed by
Pacific Crest Affordable Housing*

- Completed in 2009
- 100% occupied
- Delivered on time and under budget
- 4 stories – 78,000 sf
- 53 independent living rental apartments for low income seniors
- Rents affordable to households earning 40%-50% of Area Median Income
- Located in the desirable NorthWest Crossing neighborhood
- Public funds provided by: Low-Income Housing Tax Credit Program, US Department of Housing and Urban Development (HOME), Oregon Department of Housing and Community Services, City of Bend, Bend-LaPine School District
- Environmentally sustainable design and construction exceeding the Portland Development Commission's "Green" Affordable Housing Development Guidelines
 - Solar heated hot water for entire building, including all apartments
 - 14.99 kW solar array for generating electricity
 - R50 ceiling insulation
 - EnergyStar appliances and light fixtures throughout
 - Native, drought tolerant landscaping

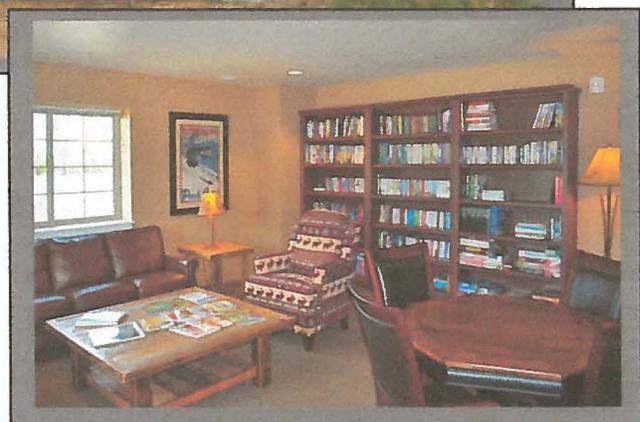


Little Deschutes Lodge

La Pine, Oregon

*Developed by
Pacific Crest Affordable Housing*

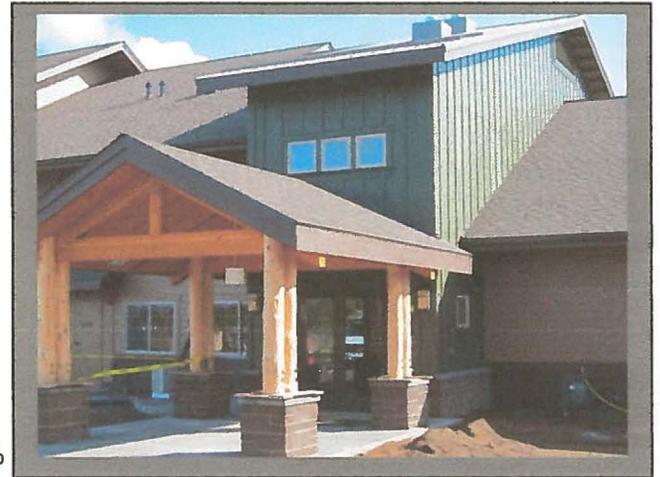
- Completed in 2010
- 100% occupied
- Delivered on time and under budget
- 2 stories – 26,000 sf
- 26 independent living rental apartments for low income seniors
- Rents affordable to households earning 30%-50% of Area Median Income
- Public funds provided by: Low-Income Housing Tax Credit Program, US Department of Housing and Urban Development (HOME), Oregon Department of Housing and Community Services, Deschutes County, City of La-Pine, Bend-LaPine School District, La Pine Parks and Recreation District
- Environmentally sustainable design and construction exceeding the Portland Development Commission's "Green" Affordable Housing Development Guidelines
 - Solar heated hot water for entire building and a 24 kW solar array for generating electricity
 - Ground source heat pump system heats and cools building
 - Insulated concrete form exterior walls and Solatubes throughout
 - Dual flush toilets and plumbed for gray water reuse
 - R50 ceiling insulation and EnergyStar appliances and light fixtures throughout
 - Native, drought tolerant landscaping



Little Deschutes Lodge II

La Pine, Oregon

*Developed by
Pacific Crest Affordable Housing*



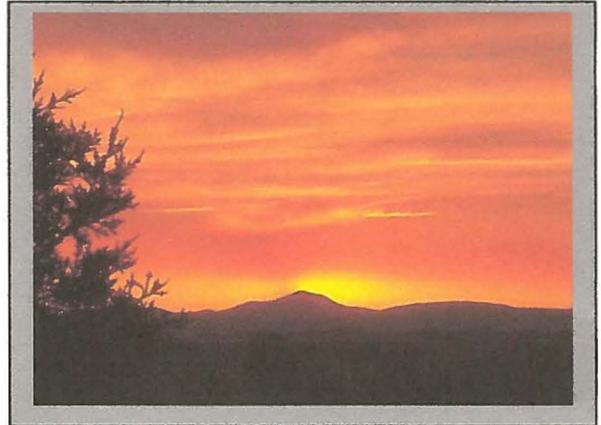
- Completed in 2013
- 100% occupied
- Delivered on time and under budget
- 2 stories – 26,000 sf
- 26 independent living rental apartments for low income seniors
- Rents affordable to households earning 30%-50% of Area Median Income
- Public funds provided by: Low-Income Housing Tax Credit Program, Oregon Department of Housing and Community Services, Deschutes County, City of La-Pine, Bend-LaPine School District, La Pine Parks and Recreation District
- Awarded Novogradac's National Best Small Community Renewable Energy Award
- Environmentally sustainable design and construction includes:
 - Solar heated hot water for entire building and a 32 kW solar array for generating electricity
 - Ground source heat pump system heats and cools building
 - Insulated concrete form exterior walls and Solatubes throughout
 - Dual flush toilets and plumbed for gray water reuse
 - R50 ceiling insulation and EnergyStar appliances and light fixtures throughout
 - Native, drought tolerant landscaping



IronHorse Lodge I (under construction)

Prineville, Oregon

Developed by
Pacific Crest Affordable Housing



- Opening in April 2016
- 2 stories – 27,500 sf
- 26 independent living rental apartments for low income seniors
- Rents affordable to households earning 30%-50% of Area Median Income
- Public funds provided by: Low-Income Housing Tax Credit Program, Oregon Department of Housing and Community Services, Crook County, City of Prineville, Crook County School District, Crook County Parks and Recreation District, and Central Oregon Community College
- On track to achieve **Earth Advantage Platinum** status and the **Energy Trust of Oregon Zero Net Energy** designation
- Environmentally sustainable design and construction includes:
 - Solar heated hot water for entire building and a 67 kW solar array for generating electricity
 - Passive solar design
 - Air source heat pump system heats and cools building
 - Insulated concrete form exterior walls and Solatubes throughout
 - Dual flush toilets and plumbed for gray water reuse
 - R60 ceiling insulation and EnergyStar appliances and light fixtures throughout
 - Native, drought tolerant landscaping





CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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Traci Manning, Director
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NORTH/NORTHEAST NEIGHBORHOOD HOUSING STRATEGY

EXECUTIVE SUMMARY

Less than two decades ago, the neighborhoods that comprise inner North and Northeast Portland were home to the highest concentration of African American residents anywhere in the city—or in the state. Although decades of segregation had once confined them there, community will had also given rise to a vibrant cultural center, replete with African American businesses, churches, and other cultural institutions. City efforts during the 1990s to address the growing problems of crime and blight that had begun to consume the area brought about profound neighborhood transformations, but left many long-time residents with fewer and fewer affordable housing options. Within a decade, the percentage of African Americans in the total population of the area had fallen by more than half.

In March 2014, Mayor Charlie Hales, with the support of housing commissioner Dan Saltzman, dedicated an additional \$20 million in Tax Increment Financing (TIF) dollars from the Interstate Corridor Urban Renewal Area (ICURA) to affordable housing in an effort to begin to address the ongoing threat of displacement and gentrification.

Recognizing the difficult history that lead us here, the Portland Housing Bureau (PHB) determined that any plan would need to be guided by the community itself. Through a series of community forums and other outreach efforts, more than 450 residents, 15 area faith leaders, and numerous community leaders generously shared their personal stories and those of their friends, family, and neighbors. They sent written notes and emails about their lived experience and what kinds of housing assistance would have the most impact.

The result of this seven-month process is the “North/Northeast Neighborhood Housing Strategy” (the Strategy) — a five-year plan for how to invest the \$20 million according to the stated priorities of the community. Beyond the dollars and cents, however, we are aware that we must also answer the resounding question: “how will this plan will be any different?” Because TIF money is limited primarily to building and construction costs, many of the investments outlined in the following pages expand existing City programs and fund affordable housing developments that are in many ways similar to those we already build throughout the city. To have a different impact, this Strategy also proposes a set of new practices and policies to address the specific barriers to housing access, security, and economic opportunity that were expressed to us repeatedly by community members.

In short, it’s not what we do with the money that will look different — building affordable housing is something the Portland Housing Bureau and our partners do well. What makes this plan different is going to be in *how* we do it.

The summary below outlines the key elements of the N/NE Neighborhood Housing Strategy. The full Strategy will be available online at www.portlandoregon.gov/phb/nne and will include the following:

N/NE Neighborhood Housing Strategy – Full Report

Executive Summary – Strategy, New Practices & Policies

- Study Area Map
- Interstate URA Map

N/NE Portland – An Historical Overview

- Mapping Demographic Changes
- Power Point from Forums

Community Forums

- Summary
- Full Report

Strategy Detail

City Council Presentation Materials

- Council Documents and Power Point Presentation
- Video of Council Presentation

INVESTING THE \$20 MILLION

	Strategy	Time Frame	Homes created or households assisted	Total over five years
Preventing Displacement				
1	Single Family Home Repair. <ul style="list-style-type: none"> Provide zero percent interest loans of up to \$40,000 per home to provide critical home repairs for low income homeowners up to 80% of median family income qualify (<i>\$38,850 for one person, \$55,500 for a family of four</i>). 	Starting immediately, annual allocation for five years.	80 households	\$3.2 million
	<ul style="list-style-type: none"> Provide grants of up to \$5,000 per home to provide critical home repairs to seniors and people with disabilities up to 50% of median family income (<i>\$24,000 for one person, \$34,700 for a family of four</i>). 	Starting immediately, annual allocation for five years.	160 households	\$800,000
Creating New Homeowners				
2	Invest in homeowners. <ul style="list-style-type: none"> Increase PHB funding for Down Payment Assistance Loan (DPAL) Program, assisting first time homebuyers with incomes up to 80% median family income. 	Start immediately, anticipate fully deploying in three years.	40 households	\$2.4 million
	Create new affordable homes. <ul style="list-style-type: none"> Create permanent affordability and new affordable housing stock in the community, investing with community based organizations to leverage their expertise and additional funds (includes land trust, sweat equity, and other leverage models). 		32 households	\$2.6 million
Creating Rental Homes				
3	Permanently affordable rental homes. <ul style="list-style-type: none"> Redevelop PHB-owned land on NE Martin Luther King, Jr. Blvd. between NE Cook St. and NE Ivy St. for affordable rental housing. Emphasize family-sized units and family-friendly features. Work with PDC and others to identify ground-floor commercial opportunity for local business(es). 	Start immediately.	40-80 units	\$4.5 million plus land
	<ul style="list-style-type: none"> Redevelop one or more additional properties either owned by PHB, the County, or other partners. 	Start 2017	30-60 units	\$3.5 million

Land Acquisition			
4	<ul style="list-style-type: none"> • Acquire additional land to be used for permanently affordable housing. • Work with the community and other institutions to leverage additional funds for this purpose. 	Start immediately.	\$3 million

NEW PRACTICES AND POLICIES

Accountability to the Community –

The Portland Housing Bureau and the City of Portland will be accountable to the community for this Strategy. A community-based Oversight Committee is being formed to whom PHB will report on progress. More detail on the Oversight Committee’s functions and role can be found in the Next Steps section below.

Who has Access –

Decades of involuntary displacement have led to a community very different from the one that existed three or more decades ago. Much has been lost and some of that is due to who has (or had) access. Access is fundamentally about equity not just in North/Northeast Portland, but the city as a whole.

Start Immediately

5. **Preference for Community Residents and those Displaced** – People displaced or at risk of displacement from the study area will have priority access to housing developed through this initiative. Similar policies have been implemented in New York, Massachusetts, California, as well as through Home Forward here in Portland. The Bureau has been and will continue to work with the City Attorney’s office and the Office of Equity and Human Rights to develop this program’s mechanics.
6. **Outreach and Engagement** – Engage with owners and developers of private market developments in N/NE Portland to create knowledge and opportunity for marketing vacancies in the local neighborhood. (Similar strategies will be required for all homes created with Strategy funds.)

Next Up

7. **Screening Criteria** – Collaborate with community-based organizations to enhance implementation of existing effective programs like Rent Well. Also, work with owners and property managers as well as community-based organizations such as the Urban League to implement best practices for tenant screening that do not have unintended negative consequences for communities of color.

Prevent Displacement –

Perhaps the concern most often cited during the community forums was that of losing a home because of money, whether that was a home in need of repair or the rising costs of ownership or renting. Such money concerns, relatively straightforward to describe, but often vexing to solve, can lead (and have led) to displacement. The next set of strategies seek to address those reasons for displacement.

Immediately

8. Single Family Home Retention: Outside of URA Boundary –

- a. Lack of funds to make repairs to a critical home system (roof, plumbing, etc.) can often lead to someone losing their home. PHB currently has a large number of applications for the Bureau's existing home repair program that could be funded except the homeowners live outside the Urban Renewal Area boundary. PHB will seek funds, including a request in the current City budget, for the program that can be used in Area outside of URA boundaries.

Single Family Home Retention: Inside and Outside of URA Boundary/Not TIF-eligible –

- b. Another major barrier to someone wanting to keep their home is access to the information and resources to prevent foreclosure, deal with utilities or taxes in arrears, or facilitate intergenerational transfer of a home. PHB will seek funds, including a request in the current City budget, to engage community-based organizations to work with homeowners to understand and solve these type of issues, which are not eligible for TIF funding.
9. **Support Changes to Nonprofit Tax Exemption Program –** Oregon's non-profit tax exemption program requires that non-profit housing providers give up their tax exemptions (on individual homes) when a household's income rises above 60% median family income (MFI). This despite the fact that the renter may be working toward increasing their income to buy a home or move to unsubsidized housing. The increased costs are passed on to the nonprofit or the renter. The City will support proposed legislative changes that would allow this exemption to apply to households whose incomes increase during tenancy up to 80% MFI.
10. **Review Multi-Unit Limited Tax Exemption (MULTE) Program –** PHB will explore opportunities to streamline and update the existing MULTE program to increase the number of affordable rental housing units created by the program.

Next Up

11. **Review Homeowner Property Tax Exemption Programs –** Working with home builders and homeownership-focused non-profits, PHB will explore tax exemption options, in addition to those currently in effect, that would combat displacement of existing low income homeowners and long-time neighborhood residents.
12. **Renter Retention, Homelessness Prevention and Transitions to Homeownership –** PHB will review best practices and seek to increase resources for programs that successfully assist people living in rental units to stay in their homes. Current programs include Short Term Rent Assistance (Self Enhancement Inc., Black Parent Initiative) and transitions to homeownership (PCRI, Hacienda, and others).

Insuring Land Availability

One of North/Northeast Portland's greatest assets is its tight-knit development pattern, filled with older and historic homes and concentrated commercial corridors. Land desirability combined with scarcity lead to rising prices and pressures on long-standing residents to sell. The next strategy combined with funding of Strategy 4, land banking, seeks to protect properties from market rate development in order to reserve them for affordable housing.

Next Up

13. **Long-Term Property Owners: Property Redevelopment** – Identify ways to provide technical and other assistance to long-term property owners who are interested in developing their property for affordable housing, creating an affordable rental as part of their home, or creating an accessory dwelling unit. Coordinate with the Portland Development Commission's existing programs.

Supporting Economic Opportunity

PHB's resources not only provide homes for people, they are employment and economic development opportunities. PHB has long-standing policies to ensure that those opportunities benefit women and people of color. As part of this Strategy, PHB will seek to upgrade those policies to make available even greater opportunity for these groups.

Immediately

14. **Minority and Women Subcontracting** – Amend existing PHB Minority, Women and Emerging Small Business program to a) increase subcontracting goals above 20% of construction costs for projects in N/NE Portland; b) create a new, separate goal for soft costs and services; and c) provide resources for technical assistance and leverage relationships to support PHB contracting goals.

Next Up

15. **Workforce Training and Hiring** – Review current best practices for community employment including the use of pre-apprenticeship programs by contractors and subcontractors on PHB-sponsored projects. Provide resources for technical assistance and leverage relationships to support PHB contracting goals.

New Policies

The urgency of the problem of displacement means that this Strategy focuses heavily on short-term actions and investments. However, PHB and the city as a whole has an opportunity to change policies city-wide that will both create homes in the future and help people stay in their existing homes. PHB will begin work on the next set of strategies immediately, however, due to their nature we expect changes will take place over time.

Immediately

16. **City-wide Displacement Mitigation Strategies** – Upon City Council's direction, PHB, the Bureau of Planning and Sustainability and the Office of Equity and Human Rights will convene other City

bureaus to create policies and strategies to further the goals of the Portland Plan which seek to mitigate involuntary displacement, particularly among vulnerable communities.

17. **Incentive and Inclusionary Zoning** – PHB and the Bureau of Planning and Sustainability will make recommendations to Council for Incentive Zoning policies to increase affordable housing. City Council has already supported and will continue to support the repeal of the prohibition on Inclusionary Zoning in the City of Portland.

NEXT STEPS

Once these recommendations have been accepted by City Council, there are projects that we are prepared to begin right away and others that will take longer to develop. In addition to the strategies outlined above, we will begin work immediately to form a community-based Oversight Committee (OC). The OC will monitor the real-world results of this work over the next five years, and ensure that PHB and the entities we fund are meeting our commitments to the community. We expect to convene the OC before June 2015.

The first order of business will be to establish a review schedule in order to provide the OC with regular project updates and to report our progress against performance measures, such as the number of households assisted, the number of homes created, the dollars committed, and so on.

Through regular evaluation, we may determine in partnership with the OC that certain strategies are not meeting the desired goals or having the intended impact and we may revise a particular approach accordingly. Together with our stakeholders and community partners, we will craft the implementation of this plan to suit the needs of the community as those needs are understood today. Over time, however, some strategies may rise while others fall down the list, depending on evolving community priorities. In other cases, funding may increase for some of these elements and decrease for others. For these reasons, readers should view this Strategy as a living document, subject to revision according to the real-world results it yields.

While the OC will help guide the work, we will require the assistance and resources of many partners. PHB projects are nearly always accomplished through public-private partnerships. Most of our private partners are non-profit organizations. It is our goal that the implementation of this strategy will allow us to draw on existing partnerships and to form new partnerships with new community organizations. We also expect to develop funding partnerships specific to this Strategy with the Portland Development Commission, Multnomah County, and foundations such as Meyer Memorial Trust and Enterprise Community Partners. In addition, during future City budget cycles, we will work to align the balance of Interstate URA Housing Set Aside funds with these strategies.

Finally, this Strategy was developed with the community and, as such, we hope the community will continue to provide us feedback, to let us know what's working well — and what still needs fixing. We hope that this plan represents the first step in an enduring partnership between the City and the members of this community. We look forward to working with all of you over the next five years and beyond to make this vision a reality.

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