



Work Session

WS

Milwaukie City Council



CITY OF MILWAUKIE
COUNCIL WORK SESSION

City Hall Conference Room
10722 SE Main Street
www.milwaukieoregon.gov

AGENDA

JUNE 6, 2017

			Page #
1.	4:00 p.m.	Metro Food Scraps Recovery Plan Staff: Reba Crocker, Right-of-Way and Contract Coordinator	1
2.	4:30 p.m.	Bulky Waste Discussion Staff: Mitch Nieman, Assistant to the City Manager	
3.	4:40 p.m.	Council Goal: Housing Affordability Staff: Alma Flores, Community Development Director	3
4.	5:30 p.m.	Adjourn	

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Executive Sessions

The City Council may meet in Executive Session pursuant to ORS 192.660(2); all discussions are confidential and may not be disclosed; news media representatives may attend but may not disclose any information discussed. Executive Sessions may not be held for the purpose of taking final actions or making final decisions and are closed to the public.

Meeting Information

Times listed for each Agenda Item are approximate; actual times for each item may vary. Council may not take formal action in Study or Work Sessions. Please silence mobile devices during the meeting.

 CITY OF MILWAUKIE
COUNCIL WORK SESSION

City Hall Conference Room
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MINUTES

JUNE 6, 2017

Mayor Mark Gamba called the Council meeting to order at 4:00 p.m.

Present: Council President Lisa Batey; Councilors Angel Falconer, Wilda Parks, Shane Abma

Staff: City Manager Ann Ober
City Recorder Scott Stauffer
Planning Director Denny Egner
Senior Planner David Levitan

Right-of-Way and Contract Coordinator Reba Crocker
Assistant to the City Manager Mitch Nieman
Community Development Director Alma Flores

Metro Food Scraps Recovery Plan

Ms. Crocker noted that Dean Kampfer, with Waste Management, and Beth Vargas, with the Oregon Refuse and Recycling Association were in attendance. She introduced Jennifer Erickson, Senior Planner at Metro, and Eben Polk, Sustainability Supervisor with Clackamas County.

Ms. Erickson noted the amount of food waste in landfills and explained the food recovery hierarchy. She discussed ways to reduce food waste, feed hungry people, and recover food scraps. She provided an overview of Metro's commercial Food Scraps Recovery Program and noted the challenges involved with processing food scraps.

Ms. Erickson explained the Metro program's approach and the partnerships with intergovernmental teams. She discussed stakeholders' responses to the program. She explained the draft program timeline and noted that if the program moved forward, local jurisdictions would be required to adopt a food scraps policy for certain businesses by July 2019. She explained the phases of the project roll-out, starting with large businesses, then smaller businesses, and then schools.

Mr. Polk explained his Clackamas County's role in the Food Scraps Recovery Plan. He discussed the program timeline for food generating businesses and organizations in the City and noted next steps for Metro and the local agencies.

Ms. Crocker asked if Council was interested in pursuing a voluntary residential food scraps recovery program where residents could put food scraps in their yard debris. She explained that yard debris was already taken to the Metro station where food scraps are processed, so it would not include additional trucks or pickups. She clarified that if the City did the voluntary program, all yard debris would be treated as if it contained food scraps. This would likely result in higher rates next year.

The group discussed rates related to trash, recycling, and yard debris services. The group noted that due to the amount of waste collected, the rate increase amount would not be known until the program was in effect.

Council expressed their desire to learn more about the food scraps recovery program.

Ms. Crocker reported that she would discuss the possible impact the program could have on next year's rates at the Council meeting on July 5, 2017.

Bulky Waste Discussion

Mr. Nieman noted Metro was holding a hazardous waste collection event on July 29, 2017, at Milwaukie Christian Church.

Mr. Nieman summarized last year's bulky waste event. He discussed the possibility of doing another bulky waste curbside pickup or switching to a voucher program. He explained that a voucher program would allow citizens to "cash in" their voucher to

dispose of bulky waste whenever it would be convenient for them. The group discussed the logistics of a voucher program, including environmental impacts, voucher tracking, and voucher values. **Mr. Nieman** reported that the garbage haulers had agreed that a curbside pickup would cost less than a voucher program. He explained Council's options moving forward. The group noted last year's event had resulted in a \$0.65 monthly utility bill increase due to the amount of tonnage received.

It was Council consensus to hold a bulky waste event in August 2017.

Council Goal: Housing Affordability

Ms. Flores noted her staff report included background information related to Council's housing affordability goal. She suggested that housing affordability was larger than a two-year goal and that steps could be taken to work towards a longer term 20-year goal.

Ms. Flores explained the four main questions to focus on to address housing affordability in Milwaukie. She suggested creating a housing affordability strategic plan.

Council President Batey discussed the need to increase the amount of housing in general and to create affordable housing.

Ms. Ober noted that having a community engagement strategy early in the process was critical to a successful plan. The group agreed that education and community engagement was important. The group discussed the current housing market.

Ms. Flores noted that the City could provide educational resources and she asked what else the City could do. **Mayor Gamba** noted the City's Comprehensive Plan would likely address key areas. He wanted to work with Clackamas County to change the system development charges (SDC) system. He expressed interest in taking immediate action to modify the City's residential street improvement requirements that were triggered when an accessory dwelling unit (ADU) was built. The group discussed the SDC and ADU issues and how to encourage the development of ADUs.

Mayor Gamba, Ms. Flores, and Mr. Levitan discussed the recently completed Housing Needs Assessment (HNA) and housing affordability in general.

Ms. Flores explained neighborhood stabilization tools that could be used to help current residents. The group discussed home ownership and housing affordability.

Ms. Ober reviewed possible neighborhood stabilization programs and tools that could be created for current residents. It was Council consensus to look to adopt similar programs and the group discussed possible program funding. The group touched on the possibility of an affordable housing construction excise tax (CET) and the Community Development Block Grant (CDBG) program.

Ms. Ober noted that due to time constraints the conversation would be continued during the June 6, 2017, Regular Session.

Mayor Gamba adjourned the Work Session at 5:39 p.m.

Respectfully submitted,



Amy Aschenbrenner, Administrative Specialist II



MILWAUKIE

Dogwood City of the West

Memorandum

To: City Council

From: Alma Flores, Community Development Director

CC: Ann Ober, City Manager

Date: June 2, 2017

Re: Community Development Department Projects - City Council Update for June 6, 2017

Community Development/Economic Development

- North Milwaukie Industrial Area Plan
- Grocery Store Recruitment
- Milwaukie Station Food Cart Pod
- Kellogg for Coho RFQ
- Vertical Housing Tax Zone

Engineering

- Private Development
- Permitting
- Traffic Control Requests
- 42nd Avenue SSMP and ADA Ramps
- Washington Street Storm and Main Street Water Quality
- 2016 Sidewalk and ADA Ramp Enhancement
- 99E Hwy / McLoughlin Blvd Utility Relocation
- Kellogg Creek Bridge Replacement
- Kronberg Park Multi-Use Trail

Planning

- Annexations
- Visioning and Comprehensive Plan Update
- Land Use and Development Review
- Planning Commission/Design and Landmarks Committee

Building

- Permit activity will be updated once a month

Community Development/Economic Development

North Milwaukie Industrial Area Plan

- A [draft Framework Plan and Implementation Strategy](#) is available on the website and will be the discussion item at the public hearing before Planning Commission June 27, 2017 to consider recommendations to City Council. Prior to the public hearing, the city will host an Open House on June 27th from 4 to 6:30 p.m. at City Hall. Future meetings include a July 18, 2017 public hearing and August 1, 2017 meeting before City Council to consider adoption of the NMIA Plan. Please visit www.northmilwaukie.com for project documents and updates.

Grocery Store Recruitment

- The city continues to actively recruit a new grocery store to help fill the gap in Milwaukie; however, the vacancy at Milwaukie Marketplace is still under a lease and in bankruptcy proceedings. The City is pursuing resolve for this issue. Therefore, the former grocery store space is not currently available.

Milwaukie Station Food Cart Pod

- The company contracted to operate the food cart pod at 11301 SE 21st Ave has pulled permits and broke ground for site improvements in mid-May. To date, the infrastructure is in place and the site will be leveled and prepped in the next couple of weeks for a June opening. We are seeking food carts to operate on the site and information regarding the pod and available spaces can be found at www.milwaukieoregon.gov/foodcarts. We are striving to have a soft opening of several carts in June.

Coho Point at Kellogg Creek RFQ

- The Request for Qualifications for the Coho Point at Kellogg Creek opportunity site was released and closed on May 25, 2017. The City received 9 proposals for consideration. The three top proposals will be asked to submit for a full RFP by July 27. Open Houses of the concepts will be part of the process.

Vertical Housing Tax Zone (VHTZ)

- The City is pursuing designation of its downtown, central Milwaukie, and Tacoma Station area for the VHTZ which would provide a tax incentive for vertical development in zones that allow for mixed use development near transit.

Engineering

Private Development

Public Improvement Projects

- Mission Park Subdivision - 14 lot subdivision near 52nd on the South side of King Rd. Construction plans are currently being reviewed.
- Eagle & 21st development – Eagle street is being extended east to provide access to 3 new houses fronting Eagle Street and 21st Avenue. Construction plans are currently being reviewed.
- Front Street development – Front street is being extended east from Stanley avenue to provide access to 2 new houses fronting Front Street. Construction plans are currently being reviewed.
- 21st & Washington Development – Traffic impact analysis phase. Application will be submitted soon.

Permitting – May 2017

Right-of-Way Permits

- Issued – 4
- In Review - 4

Franchise Permits

- Issued – 17
- In Review – 5

Traffic Control Requests

- SE Aspen street and SE Juniper Street stop sign
- Crosswalk improvements at King and Home Avenue
- Mid-Block crosswalk at Lake Road/31st Place
- No parking signs installation at 5326 SE Jackson Street, Milwaukie Oregon
- Stop sign installation at 33rd Avenue/SE Wister street.

42nd Avenue SSMP and ADA ramps.

- Construction scheduled to be during the summer of 2017.

2016 Sidewalk and ADA Ramp Enhancement

- The project is close to 100% complete with a few punch list items needed to be addressed.

Washington Street Storm and Main Street Water Quality

- Currently refining scope of services and price contracts with selected engineering team.

99E HWY / McLoughlin Blvd Utility Relocation

- The project is close to 100% complete with a few punch list items needed to be addressed.

Kellogg Creek Bridge Replacement

- HP Civil is now in the process of gathering necessary documents for contract approval.
- Land Use Application conference is scheduled on June 15, 2017.
- An inventory of tree removal was conducted. Trees to be removed were marked and tree removal sign is now posted.
- Construction is expected to commence on October 2017.

Kronberg Multi-Use Trail

- The RFP for structural, geotechnical and electrical engineering were due on Friday, May 26.
- Top proposer was selected and notified on Wednesday, May 31. Currently working on refined scope of services and price contracts.

Planning

Annexations

- On May 16, 2017, the City Council approved a petition to annex properties at 5989 and 6115 SE Harmony Road (A-2017-001) to allow for future development of an apartment building. The annexation will be finalized upon filing with the Secretary of State.
- An annexation application has been submitted for the property located at 9100 SE 55th Ave. Staff has requested preliminary approval of the legal description from DOR, which is still pending.

Visioning and Comprehensive Plan Update

- The final online survey for the Community Vision Action Plan closed on May 29. In total, 216 people completed the survey, which will be used to prioritize action items.
- The final meeting of the Vision Advisory Committee is scheduled for Wednesday, June 21.
- The City Council will be reviewing the final draft of the Vision Statement and Action Plan at their July 5 work session. The documents will be presented for adoption by resolution at the July 18 regular session.
- Staff is currently developing a preliminary scope of work for the Comprehensive Plan Update, and will be briefing the Council in the near future. A Comprehensive Plan website has been created and is <https://www.milwaukieoregon.gov/planning/comprehensive-plan-update>

Land Use and Development Review

- Land Use Applications¹:
 - DEV-2017-006, VR-2017-002 – A Multifamily Design review for a proposed Triplex on Taxlot 1101 on SE 29th Ave. The variance application is for the allowance of a

¹ Only those land use applications requiring public notice are listed here.

second driveway inside the 150' requirement for multifamily buildings. Public notice was sent on May 24th. The hearing with the Planning Commission will be on June 13, 2017.

- PD-2017-001 (master file) – The application for a 92-unit Planned Development subdivision on the Turning Point Church site at 13333 SE Rusk Rd was heard by the Planning Commission on May 23 and again on May 25, 2017. The applicant and staff were asked to provide additional information and the hearing was continued again to June 27, 2017.
- S-2017-002 (master file) – The application for a 19-lot subdivision on 4 contiguous lots at 4217-4219 SE Railroad Ave has been deemed complete and is scheduled for an initial hearing with the Planning Commission on June 13, 2017. In addition to Variances, this application seeks to rezone the site from Residential R-7 to Residential R-5. The zone change request also requires a Comprehensive Plan map amendment from Low Density to Moderate Density. The removal of this historic resource (land use file #HR-2017-001) also requires a zoning map amendment to remove the designation, and a Comprehensive Plan text amendment to remove the resource from Appendix 1 - Historic Resources. If the Commission makes a recommendation to approve the zoning map amendments and comprehensive plan amendments, a public hearing with City Council will be scheduled with adequate time to provide public notice at least 20 days in advance.
- WG-2017-002 (master file) – The application for development of 3 vacant lots in the Willamette Greenway overlay at Eagle Street and 21st Avenue, with variances to a street-side yard setback two front yard setbacks. A public hearing with the Planning Commission is scheduled for June 13, 2017.

Planning Commission/Design and Landmarks Committee

- On April 25, the Planning Commission held a worksession on criteria for making land use decisions related to the Natural Resources section of the zoning ordinance.
- On May 1, the Design and Landmarks Committee held a public meeting to consider the proposal to demolish a “significant”-designated historic property at 4217 SE Railroad Ave (land use file #HR-2017-001). The Committee voted to recommend that the Planning Commission approve the demolition request.

Building

- Permit activity will be updated once a month.

 CITY OF MILWAUKIE
COUNCIL STAFF REPORT

To: Mayor and City Council
Through: Ann Ober, City Manager
Reviewed: Haley Fish, Finance Director
From: Reba Crocker, Rights of Way Contract Coordinator

Date: June 6, 2017

Subject: **Presentation by Metro on the Regional Food Scraps Program**

ACTION REQUESTED

To participate in a discussion with Metro about the future of their commercial food waste program. Provide guidance to staff on whether to include a voluntary residential food scraps program in the annual rate review and setting of solid waste rates.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

The City Council annually review and adopts solid waste rates charged by the City's four haulers. The process is as follows:

- The City's franchise solid waste haulers submit financial information to the City identifying revenues and expenses for the previous year relating to the provision of garbage, recycling and yard debris collection services, on or around March 15.
- The City, through an Intergovernmental agreement with Clackamas County, consolidates the information to create a composite.
- Costs are adjusted to eliminate amounts that may be allowable for tax purposes, but that aren't allowed for rate determination.
- The composite is used to evaluate the financial health of the system as a whole which is based on the "rate of return" (ROR) projected for the following year.
- The projected ROR is reviewed and rate changes are considered to ensure it remains within an acceptable range. Chapter 13.24 of the City municipal code states that rates shall be adequate to provide a ROR equal to 10% of the composite gross revenue and further states that a rate of return within the range of 8% to 12% is sufficient to reflect the level of business risk assumed by the haulers, allow investment in equipment, and to ensure quality collection services.
- Staff discusses ROR with the solid waste haulers and County staff to identify and recommend rates to the City Council.
- City Council discusses the recommendations and adopts solid waste rates.

2004-2013

Council approved a solid waste rate increase.

June 2014

Council and Staff discussed current solid waste rate structure and concluded that no rate increase was necessary to sustain the system.

June 2015

Council approved a solid waste rate increase.

June 2016

Council approved adjustments to the rates to equalize the ROR across all service levels and create a new class of service for special waste required to be disposed of outside the Metro region.

ANALYSIS

Metro will be presenting a regional commercial food scraps program during the meeting. The first phase of Metro's plan will affect five commercial accounts in Milwaukie. As noted, Metro will provide support to the affected accounts.

Council is also being asked to weigh in on a voluntary residential program. Most of the residential yard debris already goes to a facility that can accommodate this new voluntary Residential food scraps program. Staff believes that residents have been asking for this initiative and would welcome the program.

Considering the long term regional plan for food scraps, staff believes that a voluntary food scraps program is appropriate to include in this year's rate setting.

BUDGET IMPACTS

None. The City will continue to receive franchise fees from the four haulers.

WORKLOAD IMPACTS

None.

COORDINATION, CONCURRENCE, OR DISSENT

Metro supports the voluntary residential program.

The City's four haulers support the voluntary residential program.

STAFF RECOMMENDATION

Staff recommends that the annual rate review include a voluntary residential food scraps program.

ALTERNATIVES

Direct staff to review and recommend the solid waste rates without including a food scraps recovery program.



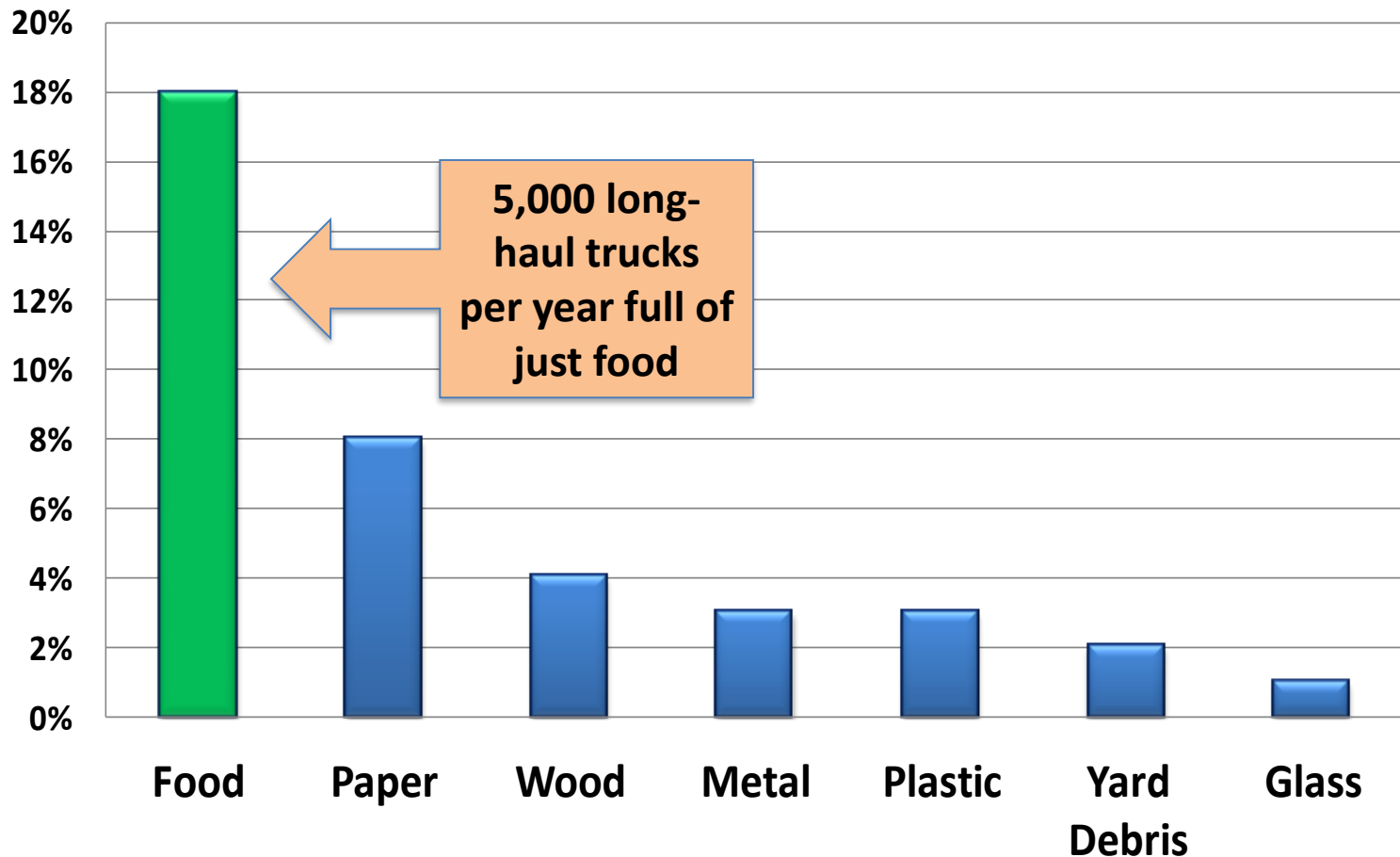
Metro

Regional Food Scraps Program Overview

June 6, 2017

Why Food?

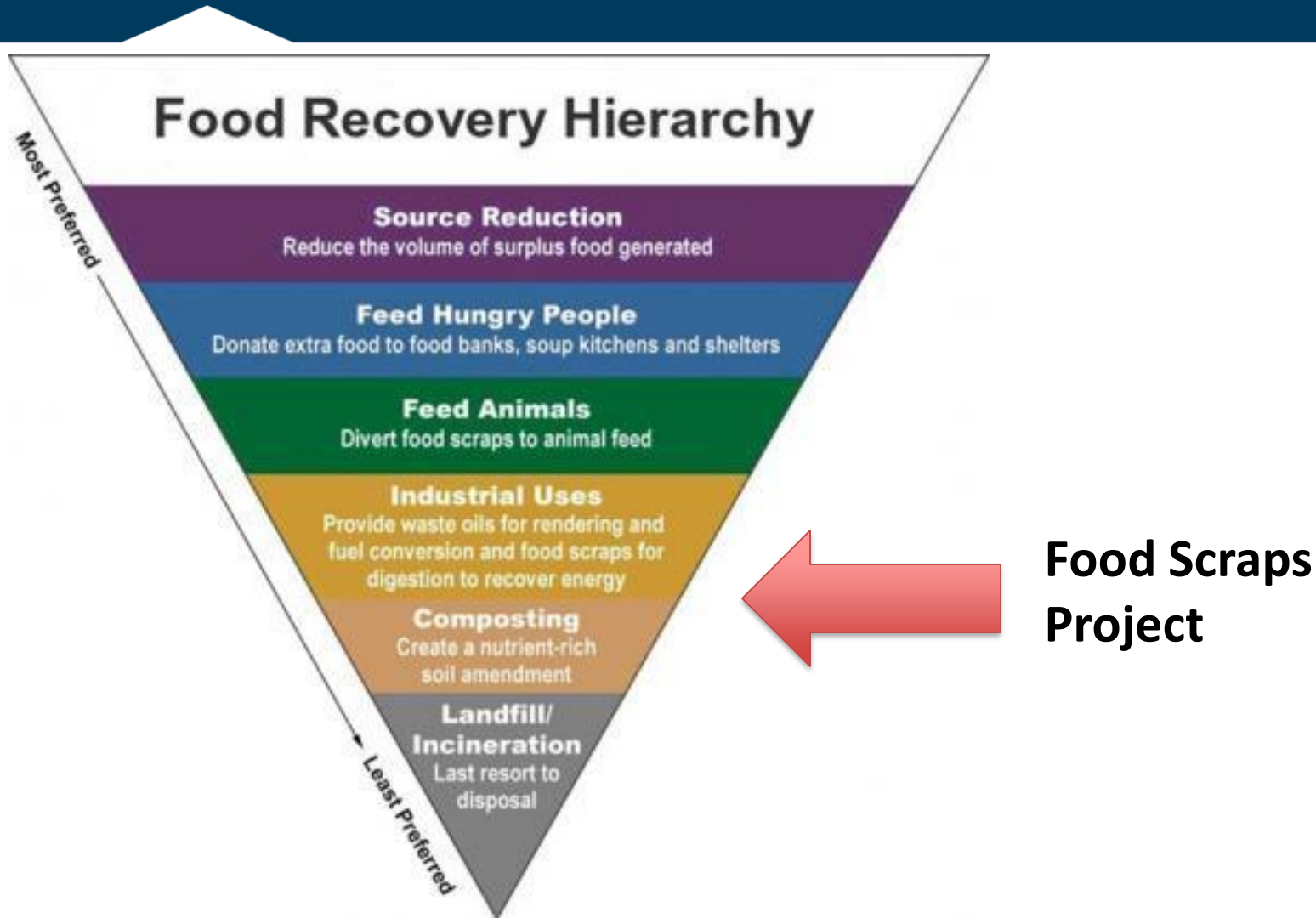
Metro Region Disposed Recoverables



Why Food?



Prevention and Donation First



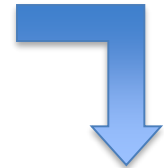
Regional Focus: Commercial not Residential



These food
scraps



Not these

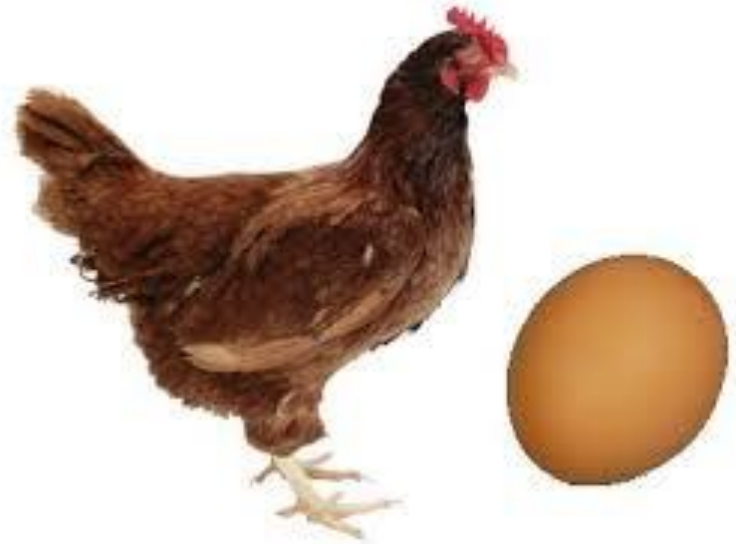


This work isn't new

- 1993: Metro workshop to develop strategies for Organic Waste
- 1994: Metro conference follow up to 1993 workshop
- 1995: RFP for Phase I Food Waste Collection & Processing
- 1996: RFP for Phase 2 Food Waste Collection & Processing
- 1999: AOR Organics Forum: Portland discusses mandatory
- 2000: Metro & Portland convene processing roundtable, Metro RFP
- 2001: City of Portland issues RFP
- 2002: Metro matching grant program & site search
- 2003: Metro Organic Waste Infrastructure Development Grant
- 2004: RFP for combined transportation & processing services
- 2004-present: Metro provides funding to support local program development
- 2005: Food scraps collection program begins in Portland
- 2010: SWAC engagements specific to Food System
- 2009: PRC begins accepting food scraps
- 2010: Recology takes over contract for processing
- 2010: Nature's Needs begins accepting food scraps
- 2011: SWAC recommends the region move to mandatory if benchmarks not met
- 2012: Roadmap Food Scraps Project begins
- 2013: Nature's Needs closes to commercial food scraps
- 2013: JC Biomethane begins processing the region's food scraps

Key Barrier to Progress

Private investment in processing infrastructure requires confidence in supply of food scraps, which the region does not currently provide.



Metro Council Direction

To achieve the objectives of increasing recovery and attracting stable, local processing capacity:

1. Require certain businesses to separate their food scraps for recovery, eventually ban disposal of food.
2. Determine how to efficiently collect and deliver food scraps for processing.
3. Secure local and stable processing capacity.

How are we approaching the work?

- Intergovernmental work teams
- Stakeholder engagement
- Data analysis
- Economic analysis
- Equity

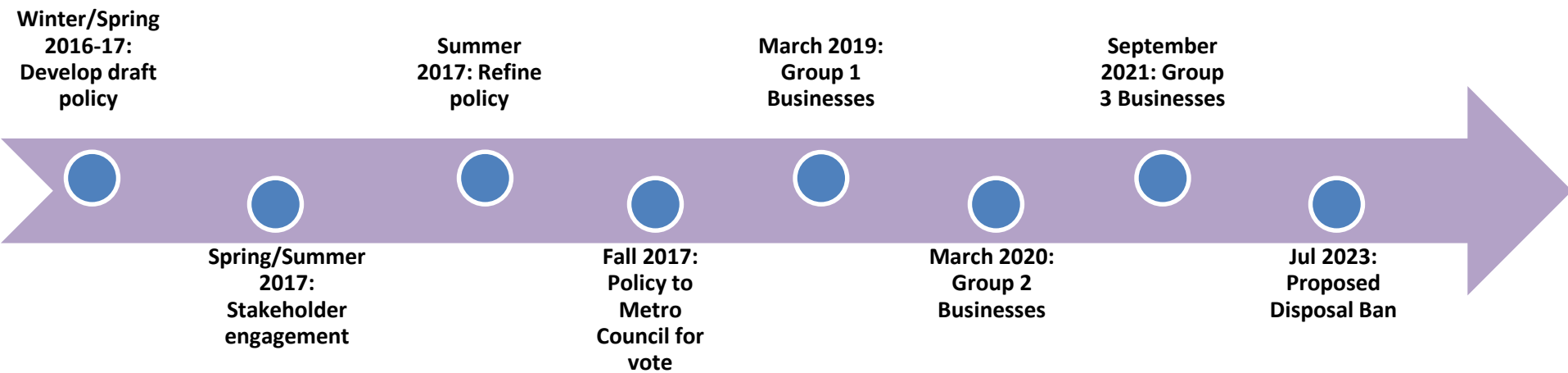


What have stakeholders told us?

- Food Businesses
- Industry Trade Associations
- Local Government Solid Waste Directors



Draft Timeline



Thank you



Jennifer Erickson

Metro

503-797-1647

Jennifer.erickson@oregonmetro.gov

 CITY OF MILWAUKIE
COUNCIL STAFF REPORT

To: Mayor and City Council
Through: Ann Ober, City Manager
Reviewed: Ann Ober, City Manager, Dennis Egner, Planning Director, David Levitan, Senior Planner
From: Alma Flores, Community Development Director
Subject: **City Council Housing Affordability Goal 2017-2019**

ACTION REQUESTED

To discuss the City Council Housing Affordability Goal and Council's desired approach and strategy for achieving and implementing this goal.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

[April 23, 2017](#): The City Council held a goal setting session and voted unanimously to bring forth actions toward achieving a housing affordability goal for the residents of Milwaukie.

[April 18, 2017](#): The City Council adopted resolutions to extend the declared housing emergency for a period of six months, and to maintain the 90-day no cause eviction provisions in MMC 5.60.

[March 7, 2017](#): The City Council held a work session to discuss whether to extend the housing emergency for an additional six months from the scheduled expiration date of April 19, 2017 and to maintain the 90-day no cause eviction provisions in MMC 5.60.

[April 19, 2016](#): The City Council declared a housing emergency ([Resolution 46-2016](#)) in response to metropolitan area growth and rents that increased 12 percent in 2015. In addition to declaring an emergency, the Council approved a 90-day No-Cause Eviction notification requirement ([Ordinance 2118](#)) for rental management entities and homeowners renting units within the city. These actions were taken to assist renters during a period of high rents across all housing types.

HOUSING NEEDS ANALYSIS

In 2016 the City of Milwaukie worked with Angelo Planning Group (APG) and Johnson Economics to complete a Goal 10 Housing Needs Analysis (HNA) in advance of updating its Comprehensive Plan. The following are a few major findings from that study to help with the Council's discussion:

- As of 2014, Milwaukie had an estimated 9,269 dwelling units and 8,831 households with an average household income of \$56,719 (12% below the county's median income).
 - 6,529 of those units (70%) were detached single family residences (SFR)
 - 825 (9%) were attached SFR, including rowhouses/townhouses, duplexes, triplexes, or fourplexes.
 - 87 percent of attached SFR are rental units
 - The city had 428 subsidized units and Milwaukie residents used approximately 475 Section 8 vouchers.
- Per 2014 American Community Survey (ACS) data, Milwaukie has a significant number of households making \$50,000 or less (which make up 45% of all city households) that are considered housing cost-burdened, which means they are spending more than 30% of their income on housing costs. This includes:
 - 82 percent of 1,257 households that are making less than \$20,000
 - 69 percent of the 1,285 households making between \$20,000 and \$35,000

- 48 percent of the 1,326 households making between \$35,000 and \$50,000
- This has likely worsened in the past two years as housing costs have continued to rise, with average rents increasing 12% in 2015 and average home sales prices increasing 20% between March 2015 and March 2016.
 - When comparing current housing need to current housing supply, the HNA found that there is a large unmet need for rental and ownership housing considered affordable for households making \$50,000 or less, resulting in a deficit of 1,080 home ownership units and 726 rental units for this income range.
- Nearly 95 percent of ownership units in the city are detached SFD, which tend to be more expensive than other housing types and are out of reach for lower income residents.
- There is a need for “missing middle” housing types (duplex, triplex, and cottage cluster - both ownership and rental) that are more affordable than the current housing supply and that can also provide a transition between the large and established detached single family residential neighborhoods and higher density residential and commercial/mixed use areas.
- The City’s Buildable Lands Inventory (BLI) shows the City has a capacity for 2,919 new residential units, with more than 80 percent of these units on infill/redevelopable properties.
 - 1,081 of these units (37%) are on medium density-zoned properties (R-2 and R-3), even though these zones comprise less than 10 percent of the City’s land area.
 - The medium density zone capacity is almost identical to that of its low-density zones (1,090 units), which comprise the vast majority (about 70%) of the City’s land area. The bulk of the city’s capacity in low density zones are on oversized lots with an existing detached SFR, many of which can only be developed as flag lots due to their lot configuration (typically long and narrow).
- The City of Milwaukie has the capacity for missing middle infill development in areas that have been historically single family in nature and that are now zoned medium density. While these housing types are outright permitted in medium density zones, the transition to higher density development may face neighborhood opposition.

Based on the findings of the HNA, APG helped the City develop a Housing Strategies Report that includes, among other things, strategies and recommendations for increasing the supply and variety of missing middle housing types, while considering the potential impacts and changes to established single family residential neighborhoods. The strategy proposes that the City develop metrics, policy and program development, and strategies for mitigating the furtherance of non-attainable/affordable housing. These include:

- Recommendation CA1: Provide more flexibility for the development of cottage clusters , while accounting for potential impacts on existing neighborhood development.
 - The recommended actions include including allowing cottage clusters in the R-5 single family zone and allowing for multiple ownership and platting options.
- Recommendation CA4: Encourage the development of accessory dwelling units (ADU’s) while continuing to address neighborhood compatibility issues. In addition, consider waiving or reducing system development charges (SDCs) for ADUs in coordination with other municipal providers in Milwaukie (NCPRD, WES).
 - Planning staff gets questions from property owners on a weekly basis asking about the potential for adding an ADU to their property. When informed of the \$9,000 in SDC’s that apply (\$6,800 of which goes to the County for parks and sewage treatment), as well as the potential need for frontage improvements, most property owners no longer pursue developing an ADU. The City of Portland has “waived” SDC’s for ADU’s since 2010 (the current waiver expiration date is July 2018), and has issued over 2,220 building permits for new ADU’s since then, including 650 in the year 2016 alone.

- The City's Development Code also requires that the property owner live either in the primary residence or the ADU. Many local cities, including Tualatin, Wilsonville, Portland, Beaverton, Hillsboro, and Gresham do not have this requirement
- Recommendation CA9: Evaluate ways to increase the supply of detached infill single family housing units while recognizing neighborhood character and compatibility issues.
 - The recommended actions include assessing the City's current flag lot standards, "which are relatively strict when compared to those of other jurisdictions in the region." For example, the City currently requires a minimum 25 feet of street frontage (access way width) for flag lots, while an analysis by city staff of eight other jurisdictions found that none required more than 16 feet of street frontage.
- Recommendation FP3: Work with neighborhood groups and others in the community to address potential concerns about infill and redevelopment to overcome possible barriers to this form of needing housing development.

ANALYSIS

To assist in formulating an approach toward achieving the goal set by council, staff has prepared a housing affordability project outline (Attachment 1). A key item in the outline is to convene a Housing Affordability Working Group (HAWG) to help formulate the details of a Housing Affordability Strategic Plan, which is the Community Development Director's recommended approach to addressing Council's housing affordability goal. A housing definitions list is provided (Attachment 2) to ensure a common language in the community and for our discussion.

Below is a summary of the outline (See Attachment 1 for the full outline):

1. Housing Affordability City Council Goal
 - Answer the Who, What, Why, When, and How questions of this action. What is it that we want to achieve?
 - What do we focus on? What is the scope of the project?
2. Background
 - Why is this important/why did the goal rise to the top?
 - Define housing affordability
 - Provide some data -- reference other documents/web info
 - Short summary of existing programs and policies
 - Brief assessment of and effectiveness of existing programs at the state, county, and local level
3. Draft Vision
 - List vision statements and actions
 - People Theme
 - None
 - Place Theme
 - Aim to provide improved housing affordability and stability for all City residents, with a variety of housing types, price ranges, and subsidized units available in all neighborhoods.
 - Streamline permitting and subsidize system

development charges for creative uses of space such as Accessory Dwelling Units, Tiny Homes, and Cottage Clusters.

- Update the Development Code to allow more “missing middle” housing types (duplexes, triplexes and cottage clusters, tiny houses) in established neighborhoods, and permit mixed- use buildings in neighborhood hubs.
- Support the development of more senior, veterans and special needs housing, including Aging in Place Villages and transitional and safe-house communities.
- Create city programs that encourage more affordable housing, such as land banking and the collection of a construction excise tax, and continuously evaluate their impacts on housing costs.
- Prosperity Theme
 - Allow increased residential density and commercial development in neighborhood hubs that respects neighborhood character and provides affordable housing, open/green space, a wide mix of uses, and neighborhood amenities.
- Planet Theme
 - NONE
-
- 4. Proposed Approach
 - Form working group – 6-9 months to develop an action plan and strategy
 - Detailed plan to carryout vision actions
 - Recommendations for other programs, partnerships, and activities
 - Policy review/recommendations for HNA and Comp Plan
 - code changes and SDC adjustments

Questions for Council:

1. What do we hope to achieve with this goal?
2. What are aspects that absolutely need to be addressed in the approach?
3. What is our timeline? This goal is not a 2-year effort, though components may be achievable within the timeframe. It is long term.
4. What is missing from the approach?

BUDGET IMPACTS

None known at this time.

WORKLOAD IMPACTS

The Community Development Director will be the lead on this effort and will facilitate discussions with the working group and community partners to begin the development of the Housing Affordability Strategic Plan.

COORDINATION, CONCURRENCE, OR DISSENT

The City Manager and the Community Development Director will coordinate on achieving this goal and will provide updates to council every quarter.

STAFF RECOMMENDATION

Staff recommends that the Council initiate efforts to prepare a Housing Affordability Strategic Plan implementable over the next 5 years with annual updates, as needed. This Strategic Plan will help set the direction for Comprehensive Plan updates and any subsequent policy development. The Community Development Director also recommends the creation of a Housing Affordability Implementation Team to ensure that the Housing Affordability Policy Actions the are met.

ALTERNATIVES

None

ATTACHMENTS

1. Outline Draft of approach toward Housing Affordability Goal
2. Housing Definitions list

City of Milwaukee

Memorandum

Date: May 11,

2017 To: Ann Ober

From: Alma Flores

Subject: Housing Affordability Outline for City Council Goal

- I. Introduction of Housing Affordability Council Goal
 - a. **Why** did this goal rise to the top?
 - i. **Who** is impacted?
 1. Renters?
 2. Home Owners?
 3. Spectrum of need
 - ii. **What** does this mean for people and families?
 - iii. **Why** is this happening now?
 - iv. **How** are we going to help solve this issue?
 - v. **What** are the health and public safety implications?
 - vi. **What** is the current supply of housing types, by price point?
 - vii. **What** is the gap?
 - b. **What** is the goal?
 - i. **Who** are we serving?
 - ii. **What** is the housing type breakdown?
 - iii. **Who** and what part of the city is most burdened?
 - c. What existing policies and background reports exist
 - i. 2016 COM Housing Needs Analysis
 1. HNA Strategic Plan
 - ii. 2017-2022 Economic Development Strategy
 - iii. Existing Comprehensive Plan Housing Goal 10 policies
 - iv. Others?
 - d. What are the legislative items that will impact AH?
 - e. What is the timeline for policy and action plan consideration (20 year, 10 year, 5 year increments?)
 - f. Define the terms—affordable housing, workforce housing, etc.

- g. Identify (who) the organizations and resources that are currently available to homeowners and renters
 - i. Affordable Housing Community Development Corporations
 - ii. Network of Oregon Affordable Housing (NOAH)
 - iii. Oregon Opportunity Network (Oregon ON)
 - iv. Clackamas County Health and Human Services/Housing Authority
 - v. Oregon Housing and Community Services
 - vi. Other partners?
 - vii. Tools and Resources; Programs and Services that are available and missing (gap analysis)
 - h. Funding Partners
 - i. What **measures** will help the city recognize when great strides have been made to alleviate the need for this priority goal?
 - i. <http://nationalequityatlas.org/indicators>
 - ii. <http://regionalequityatlas.org/>
 - iii. <http://your.kingcounty.gov/budget/benchmark/bench98/acrobat/chapter3.pdf>
 - iv. <http://communityindicators.blogspot.com/2007/03/affordable-housing-indicators.html>
 - v. <http://livingwage.mit.edu/metros/38900>
 - vi. <http://htaindex.cnt.org/>
- II. Vision Action items that relate to this Council Goal
- a. People Theme
 - i. None
 - b. Place Theme
 - i. Aim to provide improved housing affordability and stability for all City residents, with a variety of housing types, price ranges, and subsidized units available in all neighborhoods.
 - ii. Streamline permitting and subsidize system development charges for creative uses of space such as Accessory Dwelling Units, Tiny Homes, and Cottage Clusters.

- iii. Update the Development Code to allow more “missing middle” housing types (duplexes, triplexes and cottage clusters, tiny houses) in established neighborhoods, and permit mixed-use buildings in neighborhood hubs.
 - iv. Support the development of more senior, veterans and special needs housing, including Aging in Place Villages and transitional and safe-house communities.
 - v. Create city programs that encourage more affordable housing, such as land banking and the collection of a construction excise tax, and continuously evaluate their impacts on housing costs.
 - c. Prosperity Theme
 - i. Allow increased residential density and commercial development in neighborhood hubs that respects neighborhood character and provides affordable housing, open/green space, a wide mix of uses, and neighborhood amenities.
 - d. Planet Theme
 - i. NONE
- III. Outreach
 - a. Form a Housing Affordability Working Group (HAWG) to develop strategic policies and actions
 - i. Meet monthly to discuss development of the plan and oversight
 - ii. What are the pieces that must be acted upon?
 - iii. What should the city's role be?
 - b. Outreach to vet these policies and actions
 - i. City Council
 - ii. Planning Commission
 - iii. NDAs
 - iv. DMBA
 - v. Others?
 - c. Review plans from other communities
 - i. City of Seattle

1. Seattle's Housing Affordability and Livability Agenda
2. Housing Seattle: A Roadmap to an Affordable and Livable City
- ii. Town of Franklin, MA
 1. Affordable Housing Strategy and Development Action Plan
- iii. City of Portland, OR
 1. Portland Plan: Housing Affordability Report
- iv. City of San Diego—San Diego Housing Commission
 1. Addressing the Housing Affordability Crisis
- v. Clackamas County 2017-2021 Consolidated plan
- IV. Housing and Transportation Affordability Index
- V. Develop a Housing Affordability Strategic Action Plan
 - a. Adopt plan
 - b. Implement

Appendices

1. Map of 'Concentrations of Minority and Low Income Populations in the city of Milwaukie'
2. Map of the city that is cost burdened—H&T index
3. Equity Atlas

Affordable Housing: Basic Definitions

AFFORDABLE HOUSING: As defined by the U.S. Department of Housing and Urban Development (HUD), this is any housing that costs an owner or renter no more than 30% of gross household income, including utilities.

AREA MEDIAN INCOME: Calculated by HUD annually for different communities. By definition, 50% of households within the specified geographic area earn less than Area Median Income (AMI), and 50% earn more. AMI is adjusted based on household size and used to determine the eligibility of applicants for federally and locally funded housing programs.

- **LOW-INCOME:** Describes households earning at or below 80% AMI.
- **VERY LOW-INCOME:** Describes households earning at or below 50% AMI.
- **EXTREMELY LOW-INCOME:** Describes households earning at or below 30% AMI.

2017 Income Levels and Maximum Rents (HUD)

Income Level	1-Person Household		2-Person Household		4-Person Household	
	Annual Income	Max. Affordable Rent	Annual Income	Max. Affordable Rent	Annual Income	Max. Affordable Rent
115% AMI <i>Current Level for Multi-Family Tax Exemption</i>	\$60,160	\$1,504	\$68,710	\$1,718	\$85,890	\$2,147
100% AMI	\$52,310	\$1,308	\$59,750	\$1,494	\$74,690	\$1,867
80% AMI <i>Low-Income</i>	\$41,850	\$1,046	\$47,800	\$1,195	\$59,750	\$1,494
50% AMI <i>Very Low-Income</i>	\$26,150	\$654	\$29,900	\$748	\$37,350	\$934
30% AMI <i>Extremely Low-Income</i>	\$15,700	\$393	\$17,950	\$449	\$24,600	\$615

Source: U.S. Department of Housing and Urban Development, effective 4/14/2017

*Maximum Affordable Rent = 30% of Monthly Income

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG): Federal funding to help entitled metropolitan cities and urban counties meet their housing and community development needs. The program provides annual grants on a formula basis to carry out a wide range of activities directed toward neighborhood revitalization, economic development, and improved community facilities and services for low and moderate income people.

CONSTRUCTION EXCISE TAX: A tax collected on residential and commercial building projects that is used to help fund affordable housing programs; typically, a percentage of the permit value. Must be adopted and implemented at the local level.

COST-BURDENED: Describes households spending more than 30% of gross household income on monthly housing and utility expenses.

DEVELOPMENT SUBSIDY: A financial incentive provided to a housing developer for the construction, acquisition, or rehabilitation of housing, usually resulting in rents below market rate.

ELDERLY OR SENIOR HOUSING: Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older, or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

EVICTION: The removal of a tenant from a rental unit due to a court order resulting from a landlord-initiated legal process.

HOUSING AND TRANSPORTATION INDEX: Provides a comprehensive view of affordability that includes both the cost of housing and the cost of transportation at the neighborhood level.

HOUSING AUTHORITY OF CLACKAMAS COUNTY (HACC): Provides affordable rental housing and housing assistance for residents of Clackamas County. HACC owns and manages nearly 625 rental units, is a tax partner for another 264 units, and administers 1,664 HUD (Section 8) vouchers.

HOUSING CHOICE VOUCHER (SECTION 8): The federal government's major program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe housing in the private market. Eligible households may not have income exceeding 50% of AMI. Participants are free to choose any housing that meets the requirements of the program (i.e., they are not limited to units located in subsidized housing projects).

HUD: U.S. Department of Housing and Urban Development.

INCLUSIONARY ZONING (IZ): A policy that requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. Mandatory inclusionary zoning must be adopted and implemented at the local level, and jurisdictions are required to provide developer incentives to make projects financially feasible. As an alternative to mandatory inclusionary zoning, some jurisdictions provide incentives (for example, density bonuses, zoning variances, or expedited permitting) to encourage developers to include affordable units in new developments.

JUST CAUSE EVICTION: A policy that lists allowed reasons for a landlord to terminate tenancy with or evict month-to-month tenants. Landlords must also state the reason in writing when serving a termination notice. Defined in ORS 90.392.

LOW INCOME HOUSING TAX CREDIT (LIHTC): Oregon Housing and Community Services allocates these credits to for-profit and nonprofit developers to build or rehabilitate low-income housing. Large corporations and financial institutions invest in the housing to gain tax credits and reduce their income tax obligations. Projects funded through this source must serve residents below 60% of AMI and accept Section 8 vouchers.

MARKET-RATE RENTAL HOUSING: Privately owned housing with rents determined by the owner or landlord.

NO CAUSE EVICTION: A termination of a rental agreement for any reason not listed as a cause for termination in the State of Oregon's Residential Landlord and Tenant Act. Per Milwaukie Municipal Code (MMC) Section 5.60, Milwaukie landlords must provide 90 days' notice prior to a no cause eviction.

OREGON HOUSING DEVELOPMENT GRANT ("TRUST FUND"): Aims to expand Oregon's housing supply for low and very low income families and individuals by providing funds for new construction or to acquire and/or rehabilitate existing structures.

PUBLIC HOUSING: A specific category of rental housing for low-income households that is owned and managed by a local Public Housing Agency.

SUBSIDIZED HOUSING: Housing in which a publicly financed incentive is provided in the form of a direct payment, fee waiver, or tax relief to the housing developer, property owner, or individual renter to create affordable units. Subsidized housing may be publicly or privately owned.

RENTAL ASSISTANCE: A subsidy provided to a property owner or low-income household to make the cost of renting affordable. Assistance is issued by a public entity such as a City, County, or local housing authority.

SINGLE ROOM OCCUPANCY UNITS (SROs): The traditional SRO unit is a single room, usually less than 100 square feet, designed to accommodate one person. Amenities such as a bathroom, kitchen or common areas are located outside the unit and are shared with other residents.

SOURCE OF INCOME: Lawful, verifiable income paid directly to a tenant or to a representative of the tenant.

TENANCY TERMINATION: Occurs when a landlord ends a rental agreement and asks the tenant to vacate the rental unit.

WORKFORCE HOUSING: Housing that is affordable to households earning between 60% and 120% of AMI. These households do not qualify for rental assistance subsidies, but their incomes are generally too low for market-rate rents to be affordable.