



Work Session

WS

Milwaukie City Council

COUNCIL WORK SESSION

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

AGENDA

MARCH 6, 2018

- | | Page # |
|--|----------|
| 1. 4:00 p.m. Volunteer of the Year Award for 2017 – Selection Process | X |
| Staff: Jason Wachs, Community Programs Coordinator | |
| 2. 4:30 p.m. Housing Affordability Strategic Plan Development – Discussion | X |
| Staff: Alma Flores, Community Development Director, and
David Levitan, Senior Planner | |
| 3. 5:15 p.m. Adjourn | |

EXECUTIVE SESSION

Upon adjournment of the Work Session, the Council will meet in Executive Session pursuant to Oregon Revised Statute (ORS) 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

Americans with Disabilities Act (ADA) Notice

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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

MARCH 6, 2018

Mayor Mark Gamba called the Council meeting to order at 3:58 p.m.

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

Staff: Assistant City Manager Kelly Brooks
City Attorney Tim Ramis
City Manager Ann Ober
City Recorder Scott Stauffer

Community Development Director Alma Flores
Community Programs Coordinator Jason Wachs
Public Affairs Coordinator Jordan Imlah

1. Volunteer of the Year Award for 2017 – Selection Process

Mr. Wachs provided background on the Volunteer of the Year Award, noted this year's nominees, and explained the criteria for choosing a recipient.

The group commented on the 2017 nominee's contributions to the City. **Council President Batey** expressed support for selecting Lisa Gunion-Rinker. **Councilor Parks** noted that all volunteers would be thanked at the Volunteer Appreciation dinner.

The group filled out and submitted paper ballots to Mr. Stauffer.

Mr. Wachs explained the process of notifying the winner and how the Volunteer of the Year would be honored. **Mayor Gamba** asked that each nominee be honored as well.

Mr. Stauffer announced that Lisa Gunion-Rinker was the 2017 Volunteer of the Year.

Mr. Wachs explained details about the upcoming Volunteer Appreciation Dinner.

2. Housing Affordability Strategic Plan (HASP) Development – Discussion

Ms. Flores introduced Liza Morehead and Sheila Martin from Portland State University's (PSU) Institute for Metropolitan Studies. **Ms. Flores** noted the progress to-date on the HASP and reviewed the project goals.

Ms. Morehead discussed HASPs and housing strategies that had been developed in communities like Milwaukie.

The group discussed the differences between land banking and land trusts.

Ms. Morehead discussed the work of the Housing Affordability Working Group (HAWG) and noted the four focus groups that would be consulted on the HASP: landlords, homeowners, developers, and tenants. She noted pressures that each focus group faces in the housing market and what the City would like to learn from each group. **Ms. Flores** noted that details were still being worked out for the tenants focus group.

Ms. Morehead explained how the recruitment and outreach was being done for each focus group. **Ms. Ober** suggested the potential involvement of the City's Neighborhood District Associations (NDAs) and the Milwaukie Center. The group noted groups that could be involved in the focus group work.

Ms. Morehead explained that profiles would be done on each of the City's residential neighborhoods to measure housing changes over time.

Council President Batey remarked on how the State's Opportunity Zones related to the City's neighborhoods. **Ms. Flores** noted changing data factors.

Ms. Flores discussed the status of the HASP project and timeline for Council to consider and adopt a final version.

The group discussed affordable housing. **Mayor Gamba** wanted to focus on the methods that had been the most effective in causing the most affordable housing units to be built. **Councilors Parks and Falconer** discussed income levels and housing costs. **Ms. Ober** noted that the HASP's focus was not just affordable housing, but also the stresses on housing and the broad scope of housing affordability. She summarized that the focus could depend on what was found with the study.

Councilor Falconer asked about the City of Portland's tenant protection program. **Ms. Morehead** noted they were following Portland's program.

Ms. Ober and **Ms. Flores** noted the process going forward and remarked on the need the importance of the responses from the focus groups.

Ms. Flores asked each member of Council what their one HASP focus would be: **Councilor Falconer** observed that the Housing Needs Analysis (HNA) had shown the need for affordable housing, but the Milwaukie Municipal Code (MMC) limited those options. **Mayor Gamba** agreed with Councilor Falconer and discussed MMC parking requirements. **Ms. Ober** wondered if it would be helpful to look at other cities' Comprehensive Plans that were doing that type of work better.

Mayor Gamba discussed flag lots and Accessory Dwelling Units (ADUs). **Ms. Flores** noted that flag lot and ADU changes would involve the Zoning Code. **Mayor Gamba** suggested looking holistically at the MMC and Zoning Code to find opportunities to improve the likelihood that affordable housing project get built and integrated into the neighborhoods. **Council President Batey** agreed with Mayor Gamba and noted the "missing middle" of fourplexes and other types of housing.

Ms. Ober summarized that staff would come back with land use policy ideas.

Mayor Gamba noted his desire to eliminate density-based zoning. **Ms. Flores** noted they were not changing zoning through the HASP.

Ms. Flores distributed copies of an article from *The Oregonian* newspaper about the impacts of evictions on children.

Mayor Gamba announced that upon adjournment of the Work Session, Council would meet in Executive Session pursuant to Oregon Revised Statute (ORS) 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

Mayor Gamba adjourned the Work Session at 5:11 p.m.

Respectfully submitted,



Amy Aschenbrenner, Administrative Specialist II

COUNCIL STAFF REPORT

To: Mayor and City Council
Ann Ober, City Manager

Date Written: Feb. 20, 2018

Reviewed: Kelly Brooks, Assistant City Manager
Jordan Imlah, Public Affairs Specialist

From: Jason Wachs, Community Programs Coordinator

Subject: **2017 Volunteer of the Year Award Nominations**

ACTION REQUESTED

Review nomination forms and select a winner to receive the 2017 award.

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

Staff initiated the Volunteer of the Year nomination process to the public on Dec. 29, 2017. The nomination period closed on Feb. 16, 2018.

Eleven nominations were received. Six individuals received nominations. This means that some individuals were nominated more than once. Nominees are listed below in alphabetical order by last name. Staff provided Council with nomination forms on Feb. 21, 2018.

- Ray Bryan
- Lisa Gunion Rinker
- Linda Hedges
- Greg Hemer
- Julie Tanz
- Yvonne Tyler

Nominees could include anyone who resides in Milwaukie or members of a non-profit organization/business that serves the Milwaukie community. The winner will be chosen according to the following criteria:

- Longevity of service to the community
- Some contribution of volunteer service in calendar year 2017 within the nominee's total volunteer efforts
- Service within the city limits of Milwaukie

The volunteer service for which the person is nominated does not have to be specifically in a City of Milwaukie volunteer capacity (i.e. board, commission, committee, Neighborhood District Association (NDA), etc.) however, some contribution to a city-related activity within the nominee's total effort is preferred.

The 2017 Volunteer of the Year will be recognized at the Volunteer Appreciation Dinner at Bob's Red Mill on Thursday, March 29, 2018. The winner will also be announced at the Tuesday, April 3, 2018 City Council meeting.

BUDGET AND WORKLOAD IMPACTS

This recognition is tied to the annual volunteer appreciation dinner. The cost of the venue and dinner for 100 people is approximately \$3,304. A wooden plaque is also created for the Volunteer of the Year at a cost of approximately \$85. The other impact to the budget is primarily staff time to obtain nominations including creating the forms, marketing the program, and other associated duties.

COORDINATION, CONCURRENCE, OR DISSENT

Office of the City Manager and City Recorder staff have reviewed applications for accuracy, completeness, and compliance with program requirements.

ALTERNATIVES

1. Select a winner from the above nominations.

ATTACHMENTS

1. Nomination forms provided under separate cover.



2017 Volunteer of the Year Award Nominations

Background

- Volunteer of the Year Award began in 2012
- **Past winners have included:**
 - Ed Zumwalt – 2012
 - Dion Shepard - 2013
 - Alicia Hamilton - 2014
 - David Aschenbrenner - 2015
 - Joel Bergman - 2016



2017 Nominations

- The nomination process for 2017 began on Dec. 29, 2017 and ended on Feb. 16, 2018.
- Eleven nominations were received. Six individuals were nominated (Listed in alphabetical order by last name.):
 - Ray Bryan
 - Lisa Gunion Rinker
 - Linda Hedges
 - Greg Hemer
 - Julie Tanz
 - Yvonne Tyler



Criteria for Choosing the Winner

- Longevity of service to the community
- Some contribution of volunteer service in 2017 within the nominee's total volunteer efforts
- Service within the city limits of Milwaukie
- Some contribution to a city related activity within the total effort is preferred (i.e. board, commission, committee, NDA, etc.)

Thanking and Honoring the Winner

- Recognized at the Annual Volunteer Appreciation Dinner on March 29, 2018 at Bob's Red Mill
- Press release distributed to local media
- Featured on the front cover of the Pilot in April
- Announced at the April 3, 2018 City Council meeting
- Social media posts
- Added to the Volunteer of the Year plaque at City Hall





2017

VOLUNTEER OF THE YEAR

Please vote for one volunteer to receive the 2017 Volunteer of the Year Award.

- ☐ Ray Bryan
- ☒ Lisa Gunion Rinker
- ☐ Linda Hedges
- ☐ Greg Hemer
- ☐ Julie Tanz
- ☐ Yvonne Tyler

THANK YOU

2017

VOLUNTEER OF THE YEAR

Please vote for one volunteer to receive the 2017 Volunteer of the Year Award.

- ☐ Ray Bryan
- ☒ Lisa Gunion Rinker
- ☐ Linda Hedges
- ☐ Greg Hemer
- ☐ Julie Tanz
- ☐ Yvonne Tyler

THANK YOU

2017

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THANK YOU

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THANK YOU

2017 VOLUNTEER OF THE YEAR

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- ☐ Ray Bryan
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- ☒ Greg Hemer
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- ☐ Yvonne Tyler

THANK YOU

To: Mayor and City Council
Through: Ann Ober, City Manager
Reviewed: Sheila Martin (as to form), Executive Director of the Portland State University Institute for Metropolitan Studies, and Elizabeth Morehead of PSU
Reviewer, Title
From: Alma Flores, Community Development Director, and
David Levitan, Senior Planner
Subject: **Discussion of Housing Affordability Strategic Plan Development**

ACTION REQUESTED

Listen and respond to discussion from Community Development Director and Portland State University's Institute for Metropolitan Studies consultants assisting with the development of the City of Milwaukie's Housing Affordability Strategic Plan. Primary question is what elements of the attached reports is Council wanting to see in the strategic plan?

HISTORY OF PRIOR ACTIONS AND DISCUSSIONS

April 19, 2016: The City Council declared a housing emergency ([Resolution 46-2016](#)) in response to metropolitan area growth and increasing rents and approved a 90-day No Cause Eviction notification requirement ([Ordinance 2118](#)).

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 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.

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.

June 6, 2017: City Council discussion of the Housing Affordability Goal and Council's desired approach and strategy for achieving and implementing this goal.

August 1, 2017 First update provided to Council on the actions taken to date on the development of the Housing Affordability Council goal.

October 3, 2017: Staff provided another update on efforts to date to prepare a Housing Affordability Strategy, in support of City Council Goal #1.

December 5, 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.

December 19, 2017/February 20, 2018: The City Council adopted [Resolution 101-2017](#), approving an IGA with PSU to assist in the preparation of a Housing Affordability Strategy for the City. Updated on [February 20, 2018](#). City Council adopted [Resolution 11-2018](#)

ANALYSIS

The city held 4 Housing Affordability Working Group meetings to understand the problem and help formulate the solution. Several brainstorm sessions occurred and a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis was developed. The subject matter experts on the HAWG provided the basis for the next step of developing the plan and it was determined

that a consultant could focus our efforts—thus an IGA with Portland State University's Institute for Metropolitan Studies was created.

We will discuss the methodology and the scope of work and the steps the group has taken to date and hold a discussion to help prioritize the high-level desires of the council in the development of the Housing Affordability Strategic Plan. Additional details will be evaluated through the HAWG and the consultants. Below is the scope of work that was approved in December 2017 and serves as a launch point:

Scope of Work and Methodology: December 2017-April 2018 (May 2018 Adoption)

Task 1 Enhance analysis of additional tools.

The Housing Affordability Strategic Plan (HASP) will develop recommendations for new housing strategies including, but not limited to:

- Land Banking
- Streamlined Infill Projects—cottage cluster, accessory dwelling units, permitting, etc.
- **Construction Excise Tax for affordable housing--completed**
- No Cause Eviction Ordinance or similar rent protection policies
- Property Tax Exemption for Affordable Housing and other tools to off-set costs

Task 2: Best practices from peer communities

Milwaukie can learn from best practices in other up market cities. A review of successful implementation of housing strategies, including those identified in the Milwaukie Housing Strategies Report and those listed under Task 2, will inform development of the Affordable Housing Action Plan.

Task 3: Prioritize additional housing tools from task 1 and code recommendations from the Milwaukie Housing Strategies Report.

Using the best practices analysis and the Housing and Residential Land Needs Assessment, IMS will prioritize the housing tools in Task 1 and the eleven recommended code amendments from the Milwaukie Housing Strategies Report.

Task 4: Conduct three focus groups to inform the final report. (NEW)

To inform the City of Milwaukie Housing Affordability Study, we will host three two-hour focus groups with landlords, residents (tenants), and developers. Additional focus groups/roundtables may be done separately.

Residents (renters and owners): The City of Milwaukie wants to help residents remain in Milwaukie while accessing housing that meets their needs. This includes supporting renters who want to remain in the property they are currently occupying, homeowners who wish to remain in their homes, and residents who want to remain in the city but will need to change housing due to changing needs (downsizing, expanding, etc.) or displacement. We want to learn what pressures residents currently face, what supports they need, and where they access information about supportive programs.

Landlords: Increasing the supply of affordable units and maintaining the affordability of existing units are central to the city's goal of Housing Affordability. This includes current landlords operating buildings with affordable units. We want to learn what pressures landlords currently face, what supports they need, and where they access information about supportive programs. Programs include those focused on the buildings (weatherization and other needed maintenance), those aimed at the landlords' finances, and those aimed at mitigating tenant displacement (i.e. are landlords seeing a lot of turn over because tenants cannot afford to stay in their homes?).

Developers: Partnerships with for- and non-profit developers are an important part of the Milwaukie Housing Affordability Strategy. We are inviting a diverse group of advocates and for-profit and non-profit developers who construct both rental and for-sale housing or see it as important to their mission. We want to better understand how they city can partner with developers to achieve the desired housing mix. Where have the developers successfully worked with other cities and what did the cities do to facilitate that partnership? What opportunities could exist that have not been leveraged yet?

Focus Group Process:

1. Identify participants, including facilitator (for resident focus group)
2. Identify time and place for meetings and book meeting room (provide light refreshments)
3. Develop focus group questions
4. Deliver focus group (record if participants agree)
5. Review transcripts/notes, identify key themes
6. Review findings with participants and City of Milwaukie
7. Incorporate findings into final report

Task 5: Develop Action Plan

IMS will write an Action plan detailing specific actions (e.g. code changes, adoption of new policies), the party responsible for the actions, required resources, and a realistic timeline.

Task 6: Legislative Agenda

Based on our research into new tools and best practices from peer communities, IMS will develop a legislative housing agenda for Milwaukie. Agenda items will reflect desired changes to state level policies and codes that if changed would expand the options for affordable housing in Milwaukie.

Task 7: Community Profiles

IMS will build custom Community Profiles for each of Milwaukie's nine neighborhoods. The Community Profiles, which will use a combination of administrative and Census data, will focus on the existing housing stock and community demographics in each neighborhood. The Profiles will serve as a baseline and can be used to measure change moving forward and to support conversations with local residents, elected officials, developers, and city staff. Profiles will be hosted on the Neighborhood Pulse website.

Timeline

Contract/IGA executed with PSU and will go until approved by Council at the first meeting in May. This work session is the first step, an additional meeting will be held with council to review a final draft and final adoption is expected to occur in early May.

BUDGET IMPACTS

The IGA of \$27,060 is valid until the end of the fiscal year with adoption of the plan to occur in early May. If we go beyond that period we have until June 30, 2018 to finalize this IGA.

WORKLOAD IMPACTS

The Community Development Director has prioritized her time to work on this plan. David Levitan spends less than 5 percent of his time in collaboration with the director.

COORDINATION, CONCURRENCE, OR DISSENT

The Community Development Director, Senior Planner, and the PSU Institute for Metropolitan Studies consultants concur with this staff report.

STAFF RECOMMENDATION

Listen to the methodology and hold a discussion on the prioritization of the tools one could use to address housing affordability in the city of Milwaukie.

ALTERNATIVES

Not move forward with the development of the Strategic plan.

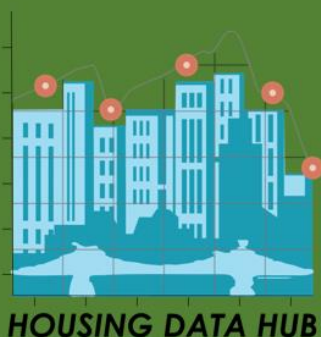
ATTACHMENTS

1. Contract with PSU Institute for Metropolitan Studies.
2. Housing Strategies Report from the Housing Needs Analysis
3. House Everyone Report—Housing Development Toolkit



Proposal: Housing Affordability Strategy

REVISED February 7, 2018



WS7



Portland State
Institute of Portland
Metropolitan Studies

Background and Project Description

The City of Milwaukie, OR identified affordable housing as a key element in their 2017 Community Vision, *Milwaukie All Aboard*.

Goal Statement 2: Milwaukie invests in housing options that provide affordability, high quality development and good design, promoting quality living environments. It maintains the small neighborhood feel through creative use of space with housing options that embrace community inclusion and promote stability.¹

To help Milwaukie achieve the goals in *Milwaukie all Aboard*, the Institute of Portland Metropolitan Studies (IMS) will work with Milwaukie Community Development to write a Housing Affordability Strategy (HAS). The HAS will serve as an overarching framework, combining existing land use inventory, needs assessments, and housing policy analysis with additional research, and an analysis of best practices from peer cities.

The Housing and Residential Needs Analysis outlines the number of housing units by unit size, tenure, and price point that Milwaukie will need between 2016 and 2036. The report identifies buildable parcels. The Milwaukie Housing Strategy Report recommends code changes that will expand the range of permissible housing types. The HAS will join the work in the two reports to create an Action Plan. The Action Plan will prioritize the policy changes recommended in the Milwaukie Housing Strategy Report.

This scope of work was revised on February 7, 2018, to include three additional focus groups, and replaces the scope of work that was approved by the Milwaukie City Council via Resolution 101-2017.

Task 1: Enhance analysis of additional tools.

The HAS will develop recommendations for new housing strategies including:

- Land Banking
- Streamlined Infill Projects
- Construction Excise Tax
- No Cause Eviction Ordinance
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Task 2: Best practices from peer communities

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¹ Milwaukie All Aboard, September 5, 2017, City Council Adoption Draft

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Project Team

Name	Role in Project	Hours	Special Qualifications
Liza Morehead	PI, responsible for all deliverables	192	10 years of experience with housing policy, data development, and self-sufficiency analysis
Randy Morris	Community Geographer, develop and host neighborhood profiles	35	5 years of experience with community geography, and GIS
Sheila Martin		47	25 years of experience with urban and regional economics; data development and analysis; economic development policy
Ryan Winterberg-Lipp	Graduate Assistant, best practices literature review	70	8 years of experience with community planning, project coordination, and transit-oriented development
Robin Harkless Facilitator, Oregon Consensus Program	Facilitate focus group	6	Prepare for and facilitate resident focus group
Kevin Rancik	GIS analyst, custom GIS work to align Census data sets to Milwaukie neighborhood boundaries	17	10 years of experience as a researcher and GIS analyst
Cat McGuinness	Editor	17	

Timeline and Deliverables

The project period is January 1, 2018 to June 30, 2018.

Cost Estimate

Total project cost: \$27,060

Milwaukie Housing Strategies Report



Prepared for the City of Milwaukie by Angelo Planning Group

December 2016



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1. Introduction and Overview

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Milwaukie is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages and specific needs. As part of the process of periodically updating its Comprehensive Plan, the City is evaluating the housing needs of its citizens and identifying strategies that the City and others can implement to achieve them. Some of the major housing issues and priorities identified by the City include:

- Develop housing strategies that respond to the opportunities presented by a variety of community assets and opportunities, including a strong employment base, recent opening of the light rail transit Orange Line, planning for the City's downtown and neighborhood commercial areas, and increasing attractiveness of Milwaukie as a home for residents from across the region
- Integrate the housing planning process with the community's current community visioning effort
- Respond to current and evolving housing market and demographic conditions and trends
- Maintain a high level of residential livability
- Balance the need to rely on infill and redevelopment to meet future housing needs with impacts on neighborhood character and livability
- Support housing affordability, special-needs housing, ownership opportunities, and housing rehabilitation, particularly for residents with limited means and/or special housing needs
- Promote innovative, well-designed, and sustainable housing developments

This report summarizes a variety of local housing issues and the strategies that are recommended to address them. It builds on a comprehensive study of the local housing market and future trends (the Housing Needs Assessment, or HNA) and an in-depth review of current local, regional, state and federal housing requirements, goals and initiatives. It was prepared in coordination with a technical advisory group of City of Milwaukie staff, Planning Commissioners and City Councilors, development experts and citizens, as well as representatives of Clackamas County, and the Oregon Department of Land Conservation and Development. A representative of Home Forward (the Multnomah County Housing Authority) also attended two meetings as a guest participant.

Section 2 of this Report summarizes key housing conditions and future trends to provide context for the strategies that follow. Section 3 briefly reviews recommendations for updates to the City's Comprehensive Plan, which are described in more detail in a companion "Compliance Analysis Report." Sections 4 through 7 outline additional strategies related to the following types of initiatives:

- Recommended amendments to the City's Development Code
- Future planning for new residential development and redevelopment
- Information sharing with housing developers and other community partners
- Intergovernmental coordination and advocacy
- Administrative and funding tools

Key strategies include:

- As part of a larger overhaul of the City’s Comprehensive Plan, create a new Housing chapter that will briefly describe existing housing conditions and past and historic trends, and will include new or revised housing goals, policies and action items that reflect the results of this planning effort.
- Update the City’s Development Code to allow for development of co-housing; enhance provisions for “cottage clusters,” transitional housing, residential homes, and “live/work” housing units; refine parking requirements for accessory dwelling units, senior and congregate housing developments in existing or future high-capacity transit areas; ensure the City provides clear and objective standards for all needed housing types; and provide for density or height bonuses to promote affordable housing in selected areas; and to ensure that new housing is compatible with the planned character of the surrounding neighborhood or area.
- As part of various planning, development and permitting processes, provide information from other sources to housing developers, home builders, and landlords regarding fair housing goals and requirements, as well as design practices that help ensure accessibility for people with physical or mobility limitations, including older residents.
- Continue to coordinate with and support Clackamas County, as well as local non-profit groups and other housing developers or providers, particularly those that provide affordable or special needs housing. Work with the County to plan for future disposition and/or redevelopment of its existing public housing facilities. Assist with siting and permitting efforts and generally support residential development projects that further the City’s housing goals and objectives and meet the City’s planning and zoning requirements.
- At an administrative and decision-making level, address housing goals and implement housing strategies in a consistent and coordinated manner, with a common understanding of the goals, priorities and approaches identified in this report.
- Consider providing a certain level of funding to support affordable and special needs housing projects, as resources allow in the future. More specific recommended actions are described in the following section.

Section 8 of the Report summarizes specific recommended strategies in an Action Plan that includes proposed activities, timelines and roles for implementing each one.

2. Housing Conditions and Trends

Demographics

Milwaukie has a current population of approximately 20,500 people.¹ As of the 2010 Census, it was the 11th largest city by population in the Portland metro area (excluding Vancouver, Washington).

Between 2000 and 2010, Milwaukie's growth was essentially flat, adding only an estimated 60 people in that time. This is less than one percent growth. In contrast, Clackamas County and the state experienced population growth of 17.5% and 17.3% respectively. The percentage of families fell somewhat between 2000 and 2010 from 61.7% to 58.6% of all households. The city has a relatively smaller share of family households than Clackamas County (69%) and the state (63%), but a greater share than Multnomah County (54%).

Milwaukie features a healthy jobs-to-households ratio. There are an estimated 12,400 jobs in the city of Milwaukie, and an estimated 9,100 Milwaukie residents in the labor force. This represents 1.4 jobs per household and more than one job per working adult. Considering the proximity of other major employers in the south Metro area, there seems to be ample employment for Milwaukie's population.

Milwaukie's estimated median household income was nearly \$57,000 in 2016, which is 3% lower than the Metro area median. However, the local median income is roughly 12% lower than the Clackamas County median of \$64,700. Median income has grown an estimated 28% between 2000 and 2016 in real dollars, while inflation was an estimated 36% over this period; as is the case nationwide, the local median income has not kept pace with inflation. 22% of households earn \$25k or less, very similar to 2000. The lowest-earning cohorts, those earning \$15,000 or less per year, grew slightly in share.

According to the US Census, the poverty rate in Milwaukie has been increasing over time, from 8% of individuals in 2000 to an estimated 13% over the most recent period reported (2014 5-year estimates).² The poverty rate in Milwaukie was 4% to 5% lower than that of the entire Metro region between 2000 and 2014. The poverty rate is highest among adults aged 18 to 64 at 13.5%, while 12% of those under 18 years of age are living in poverty. The rate is lowest for those 65 and older at 10%. The definition of the poverty rate used in these analyses is considered to under-represent the actual degree of poverty in Milwaukie and other communities because it does not adequately account for the rising cost of housing and other expenses on individual and family economic self-sufficiency. Unfortunately, there is no readily available alternative data at the local level to substitute at this time. However, the City's Housing Needs Analysis includes other metrics that can be used to generally identify the relative extent of this issue. One example is the University of Washington's Self-Sufficiency Standard, which found that in 2014, a family of four (two parents, one school age child, and one child in pre-school) needed to earn \$65,000/year to be economically self-sufficient, a figure nearly three times the federal poverty level for a four person household.

¹ 2016 population is based on the certified 2015 estimate from the Portland State University Population Research Center, projected forward to 2016 using the 2010-2015 annual growth rate.

² Census Tables: QT-P34 (2000); S1701 (2014 ACS 5-yr Estimates)

As discussed in the HNA, changing demographic trends that are likely to affect future housing needs in Milwaukie include the following:

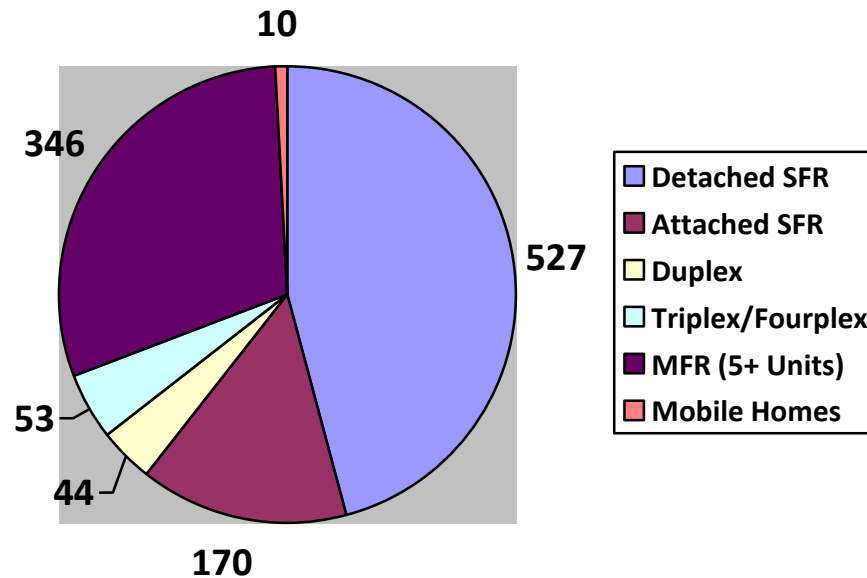
- As a close-in suburb in the Portland metro area, the City of Milwaukie will draw residents as part of the general trend of migration to urban areas. The Portland metropolitan area as a whole can expect continued growth, with different local communities filling different niches in terms of housing affordability, lifestyle amenities, and employment opportunities. Milwaukie is expected to attract residents through continued redevelopment of the Downtown area, recent addition of light rail service, and proximity to a strong employment base.
- Baby boomer households in Milwaukie and other communities will have a preference towards aging in place as long as possible, particularly for homeowners, and will on average be healthier longer than previous generations. When they do transition to other housing, their stock of older existing single family homes will be attractive starter and move-up homes to younger family households.
- Milwaukie is likely to be attractive to millennial generation residents (those born between approximately 1982 and 2000) seeking relatively affordable living near transportation options and employment centers. The city can continue to attract this cohort by encouraging mixed use areas and urban-style amenities such as multi-modal environments, shopping and entertainment, and open space. Some in this generation are already starting young families and will be well into middle age during the 20-year planning period. More of these households may move from areas like central Portland to communities like Milwaukie for affordable housing, more space, and schools.
- Milwaukie has a modest foreign-born population at 7%, less than the statewide percentage. As with the rest of the state and nation, immigrants will continue to make up an increasing share of households in coming decades. While not homogeneous, these household on average tend to be larger, have lower incomes and are more likely to rent their homes than the average household.

Projected Housing Needs

The HNA's analysis of current housing supply and current and future housing needs indicates the following:

- There is a projected need for 1,150 new housing units by 2036 based on the most current projections prepared by Metro.
- In general, there is a need for some less expensive ownership units and rental units. This is not uncommon as the lowest income households struggle to find housing of any type that keeps costs at 30% of gross income, which is a generally accepted threshold for housing to be considered affordable. Many of the units currently meeting the needs of lower-income residents are publicly subsidized units.
- Among prospective ownership households, there is a need for fewer units valued at \$190,000 to \$300,000 in comparison to other price ranges. This reflects the estimated value of the total housing stock, and not necessarily the average pricing for housing currently for sale. This analysis estimates the need for more for-sale housing at the lower and upper ends of the market.
- There is a surplus, or lack of projected new need, in the middle rental spectrum (\$900 to \$1,400 and \$1,800 to \$2,700). This reflects where the majority of market-rate rent levels are at the current time.

20 Year Housing Need by Type (1,150 Total Units)



Source: 2016 Housing Needs Analysis, City of Milwaukie

In considering future housing needs and the projected supply of land available to meet them in Milwaukie, this study found the following:

- The projected preferences for future unit types are based upon current conditions, housing trends discussed above, and historic development patterns. It is projected that in coming decades a greater share of housing will be attached types, including attached single-family.
- 54% of the new units are projected to be single-family detached homes, while the remainder of units (46%) is projected to be some form of attached housing, and under 1% are projected to be mobile homes.
- Single-family attached units (townhomes on individual lots) are projected to meet over 14% of future need.
- Duplex through four-plex units are projected to represent an additional 7% of the total need.
- 24% of all needed units are projected to be multi-family in structures of 5+ attached units.
- 0.8% of new needed units are projected to be mobile home units, which meet the needs of some low-income households for both ownership and rental.
- There is an adequate supply of land under current zoning designations to meet future housing needs and comply with state and regional housing requirements and goals. However, a significant percentage of this supply, particularly for single-family detached housing, is in the form of properties with the



potential for infill and redevelopment, rather than purely vacant land. This will represent potential challenges for the City in meeting these needs during the next 20 years.

3. Recommended Comprehensive Plan Amendments

Milwaukie is required to update its Comprehensive Plan to reflect an analysis of existing and future housing needs. In doing so, it must comply with a variety of state and regional requirements, some of which will necessitate amendments to the City's Comprehensive Plan. The City is embarking on a visioning project in 2016 that will lay the foundation for a major overhaul of the City's Comprehensive Plan. The results of this housing needs analysis will provide the technical basis for much of the content of the update of the Comp Plan and creation of a new housing chapter in the Plan.

Recommendation CP1: Update the Comprehensive Plan to briefly describe existing housing conditions and past and historic trends, as well as to include new or revised housing goals, policies and action items that reflect the results of the current planning process.

Details and Actions

This Report has been prepared in part to support the process of updating Milwaukie's Comprehensive Plan. Statewide Housing Goal 10 states that:

"Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."

To achieve this goal, cities and counties in Oregon are required to plan for future housing needs by undertaking the following efforts.

- Assess current and future housing conditions and needs, including the need for housing of different types and in different price ranges
- Ensure that the city has an adequate supply of land zoned for residential use to meet future land needs
- Adopt Comprehensive Plan policies and Development Code provisions that support future housing needs, meet state and regional requirements and guidelines and address specific local housing goals and objectives

Currently, information and policies about housing are found in the Land Use chapter of Milwaukie's Comprehensive Plan which has not seen a major overhaul since the late 1980's. To ensure compliance with state requirements, consistency with the City's forthcoming vision, and the ability to guide the City's future actions to meeting housing needs, this element of the Comp Plan will need to be updated to reflect the results of the housing needs analysis recently conducted as part of this planning effort. Amendments are expected to entail creation of a new Housing chapter with the following elements.

- a. Revised narrative and findings. The new Comprehensive Plan should include a concise summary of existing housing and population conditions and previous and projected future trends. It is recommended that this section of the Comprehensive Plan remain relatively brief and focus on the

types of information included in the Housing Needs Analysis. A preliminary draft of potential Comprehensive Plan narrative will be prepared as a subsequent product of this project.

- b. New or revised goals, policies and action measures. A variety of new or revised objectives and policies are recommended to strengthen the City's Comprehensive Planning policies related to housing. These recommendations are described in more detail in a Housing Compliance Report and a draft set of updated Comprehensive Plan Housing policies (to be prepared under separate cover). In general, these policies include the following:
 - Incorporate additional housing types (e.g., accessory dwelling units, cottage cluster housing, etc.) into policies promoting opportunities for different housing types
 - Add policies supporting development of housing for people with low incomes or special needs (seniors, people with disabilities, etc.)
 - Add policies related to supporting housing programs and initiatives carried out by partnering agencies and community groups
 - Add or supplement policies that support preservation of mobile home parks as an affordable type of housing. There is one mobile home park (60 units) within City boundaries and several hundred additional units in mobile home parks within the city's Urban Growth Management Area (UGMA)
 - Add policies directed at supporting workforce housing, typically defined as housing available to local workers, with an emphasis on moderate income working households.
 - Revise policies related to housing density and location to ensure consistency with the housing needs analysis results
 - Revise policies related to neighborhood compatibility to reference specific approaches to addressing compatibility (e.g., building heights, setbacks, stepbacks, screening and buffering)
 - Add policies explicitly stating the City's goal for affirmatively furthering fair housing objectives, providing housing in areas with access to opportunities and services, and committing to considering accessibility issues in building code processes

4. Recommended Code Amendments

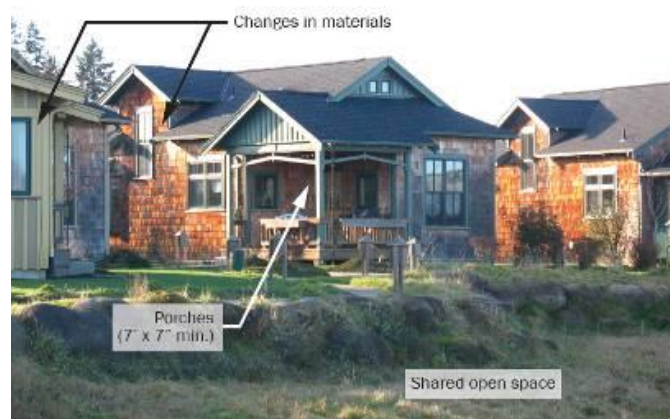
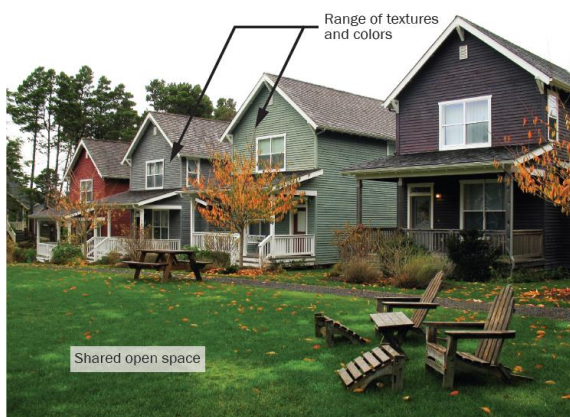
One of the primary ways in which a city can help ensure that residents have access to a variety of housing types at different price ranges is through the preparation and administration of their development code. Development codes or zoning ordinances set the stage for what types of housing can be built in which parts of the community and under what conditions. They also typically govern the design of new housing and how housing relates to other land uses and services. While the City has a limited ability to affect the ultimate cost of housing, standards related to lot sizes, architectural design features, parking and other aspects of housing can affect housing prices.

This report addresses a number of different issues associated with the Zoning Ordinance of the Milwaukie Municipal Code (MMC) and recommends a variety of strategies for addressing future housing needs. Strategies are intended to ensure access to a variety of housing types, including emerging or non-traditional housing types; to maintain and improve residential livability; to promote innovative, well-designed, and sustainable housing; and to encourage construction of needed or desired housing types in specific locations.

Cottage Cluster Housing

The cottage cluster housing type can be an economical way to provide additional housing choices, including renter or owner occupied housing that meets the needs of people with moderate incomes and/or first-time homebuyers. It also can be constructed on infill sites and designed and built to ensure compatibility with surrounding housing and residential neighborhoods. This type of housing can be built under existing MMC requirements as an allowed use in the city's higher density zones. However, it can only be built if individual units are on their own lots created through a land division process. Allowing for cottage cluster housing on a single lot and possibly allowing for it to be constructed in the R5 zone will expand opportunities for this type of housing and expand the range of housing opportunities in Milwaukie.

Recommendation CA1: Update the MMC to provide more flexibility for the development of cottage clusters, while accounting for potential impacts on existing neighboring development.



Examples of Cottage Clusters

Details and Actions: Cottage housing developments or “cottage clusters” consist of small houses, each usually with less than 1,000 square feet of floor area, oriented around a common open space area and with shared parking, and often with other common amenities. Depending on the cottage cluster development, cottages might be owned fee simple (each on its own lot) or as part of a condominium plat where the land is owned in common but the buildings are individually owned. Typically the open space and parking areas are owned and maintained in common. This housing type may be more likely to be developed in Milwaukie if the MMC were amended to do the following:

- Allow for multiple ownership and platting options. The code should allow ownership to be fee simple lots with a homeowner’s association holding common areas, or condominium ownership of the whole development.
- Allow for cottage clusters in the R5 zone, with the same average minimum lot sizes as for duplexes and with limitations on the number of units allowed within a cottage cluster development.
- Increase the side yard setback for cottage cluster development to more than five feet from the side lot lines, as is currently required by MMC Subsection 19.505.4.D.2.
- Develop additional cottage design standards for units that are not fronting a street, with the aim of matching the existing character of the neighborhood

Live/Work Units

Live/work units (especially live/work apartments or townhouses) are an emerging housing type. They can provide flexibility by combining residential and commercial uses, and can allow residential uses on the ground floor until the market is ready to support retail in these spaces. Live/work development are currently allowed in the City’s GMU, NMU and DMU mixed use zones, with specific standards in the code for their development. There has been limited development of these units other than a few that were built as part of the North Main Village project in 2004. The City has not received comments that the code requirements deter their development. Instead, their limited development is more likely due to lack of demand or challenges in financing this still somewhat new housing type.

Live/work units also could be considered in Milwaukie’s commercial districts (C-C, C-G, and C-L), which currently only allow commercial uses, with the exception of the C-L zone. Allowing for live/work units in these zones could expand the flexibility of residential and commercial uses in these zones, effectively increasing the residential capacity and meeting other housing and land use goals in the City’s mixed-use zones.

Recommendation CA2: Update the Development Code to add code provisions specific to live/work apartments or townhouses in the C-C, C-G, and C-L zones.

Details and Actions: Live/work units are dwellings in which a business may be operated on the ground floor. They are similar to a home occupation except that because they are in commercial or mixed use zones, they typically have greater allowances for commercial area, visibility, signage, and access from the primary street. Live/work units could be allowed in several of the City’s commercial zones where they are not currently permitted.



Examples of Live-Work Townhome and Apartment Units

Transitional Housing and Residential Homes

The City's Housing Needs Analysis documents that transitional/ temporary facilities are needed for specific populations with special housing needs, based on findings from the 2012-2016 Clackamas County Consolidated Plan. The Consolidated Plan's Housing Gaps Analysis found that as of 2012, the county had a shortage of 185 beds within transitional facilities. As defined in the Zoning Code, a transitional/temporary facility is: "a facility which may provide temporary or transitional services to families or individuals, including lodging where the average stay is 60 days or less. Such facilities shall be classified as community service uses and may include shelters, community counseling centers, rehabilitation centers, and detention and detoxification facilities."

Development of a transitional/temporary facility in Milwaukie is subject to Community Service Use (CSU) requirements established in Section 19.904. Approval criteria are found in Subsection 19.904.4 and standards for institutions are included in Subsection 19.904.9, including standards regarding setbacks, building height, hours and levels of operation. The approval criteria and institution standards appear appropriate. However, more clarity on whether transitional/temporary facility rooms and beds are considered lodging or dwellings will make it easier to administer associated density, parking and other requirements for this type of housing.

Residential (group) homes are defined in the MMC as: "a dwelling unit operated as a single housekeeping unit for the purpose of providing a permanent residence—which includes food, shelter, personal services, and care—for the elderly, disabled, handicapped, or others requiring such a residence, as defined by the Federal Fair Housing Amendments Acts of 1988." Pursuant to ORS 197.665, residential homes must be permitted in any residential or commercial zone where single-family dwellings are permitted, in part to ensure compliance with the Fair Housing Act. This essentially holds true for Milwaukie. However, single-family detached housing is permitted conditionally in the NMU Zone whereas residential homes are not permitted.

Recommendation CA3: Clarify the definition of and standards for transitional housing.

Details and Actions: The following amendments to the MMC are recommended to address issues with these uses:

- More clearly define whether transitional/temporary facility rooms and beds are considered lodging or dwellings, particularly for purposes such as calculating density and determining parking requirements.
- Consider establishing vehicle parking requirements (Section 19.605) specifically for transitional housing facilities. For example, if no specific standards are specified and multifamily standards are used (1 parking space per unit, for units 800 square feet or less), it may be difficult in terms of site planning and cost to provide the required amount of parking. Standards like those for extended-care facilities (1 parking per 4 beds) are recommended as more appropriate for transitional/temporary facilities.
- Permit residential (group) homes conditionally in the NMU Zone .

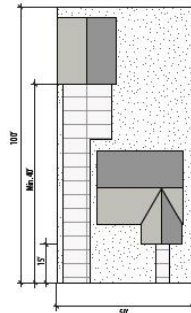
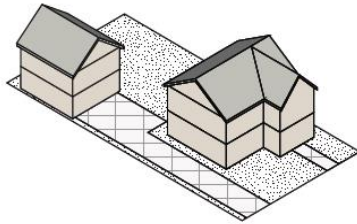
Accessory Dwelling Units

By providing small scale housing in single-family neighborhoods, accessory dwelling units provide a unique housing opportunity, particularly for aging residents and smaller households, whose housing needs are highlighted in the analysis for this study. While accessory dwelling units (ADUs) are an appropriate housing type for residential areas throughout the city, they can be particularly important in areas with good access to transit and services for aging residents or those who choose not to own a car. The City current permits ADUs in most residential zones through a Type I or Type II approval process (depending on the size of the ADU), with a Type III variance required for ADU's over 800 sf in size. While most of the City's development standards and approval criteria for ADUs appear reasonable, at least two factors may limit the development of ADUs: requiring additional off-street parking spaces and assessing system development charges (SDCs) for their development. Some jurisdictions reduce SDCs or do not apply them to ADUs, using General Fund money to encourage their development for the purposes of increasing the housing supply. While it may be beneficial to encourage ADUs, additional standards that help ensure neighborhood compatibility also may be helpful to avoid opposition from residents in established neighborhoods.

Recommendation CA4: Amend the MMC to encourage development of ADUs while continuing to address neighborhood compatibility issues. In addition, consider waiving or reducing system development charges (SDCs) for ADUs in coordination with other municipal service providers in Milwaukie.

accessory dwelling units

Lot Size	5000 sf
Number of Units	2 (including main residence and ADU)
Dwelling Units/Acre	16



Fairview Village, Fairview, Oregon

Example of Accessory Dwelling Unit Site Layout

Source: Southwest Independence Concept Plan Designing for Density Presentation (September 21, 2011)

Details and Actions: Requirements associated with Accessory Residential (Dwelling) Units (ADUs) could be updated as follows:

- Eliminate off-street parking standards for ADUs or allow for parking spaces to be located in the front setback area.
- Consider whether to increase side and rear yard setbacks beyond those required by the base zone and by standards in Table 19.910.1.E.4.b.
- Consider significantly reducing or waiving SDCs for ADUs in coordination with other local service providers which also charge SDCs for ADUs (e.g., North Clackamas Parks District and Clackamas County Water Environment Services). SDC methodologies could be revised to calculate impact and fees by building square footage or number of bedrooms, with smaller ADU units having a significantly lower cost than large new single family homes. Including the County's SDC's, an ADU currently pays approximately 65% of the SDC's paid by a new single family home.

If the City considers reducing parking requirements for ADUs as suggested here, it may want to focus those changes in areas with frequent transit services and access to commercial or other services that reduce the need for residents to own a car. This topic in particular will require careful consideration and conversation with

decision-makers and other community members given concerns frequently raised about parking issues in residential and mixed use neighborhoods, as noted by technical advisory group members.

Finally, the City may want to consider further reducing SDCs associated with ADUs given that they must be developed in combination with an existing primary dwelling that may already have paid an SDC, they typically use fewer resources in comparison to primary dwellings, and they do not represent the development of any new land or neighborhoods. Currently, the City of Milwaukie charges a full detached SFR SDC for ADU's with the exception of the Transportation SDC, for which it charges 0.65 of the detached SFR SDC. The North Clackamas Park and Recreation District charges ADU's half their SDC for detached SFR. Clackamas County charges 0.8 of the SDC for sewer. The City of Milwaukie and these other agencies could consider further reducing SDCs for ADUs. The City of Portland has recently seen a increase in the development of ADUs and developers and affordable housing advocates attribute this in part to the City's recent decision not to apply SDCs to ADUs there. For example, before the City changed its SDC policy for ADUs, approximately 30 ADUs were built in Portland annually, but in 2013 alone, the City received almost 200 ADU permit applications.

Co-Housing

This form of housing typically includes a mix of privately owned homes along with shared facilities for meals, socializing and other activities. Co-housing developments can include a mix of housing types, including single-family homes, townhomes, duplexes or other residences. They also typically include dining rooms and other facilities for shared meals and other activities. The City of Milwaukie does not explicitly allow this form of housing in its Municipal Code and if it wants to allow it in the future, amendments to the MMC would be needed.

Recommendation CA5: Amend the MMC to allow for co-housing developments.

Details and Actions: Allowing for co-housing would entail the following updates to the code either in Section 19.505 or 19.910:

- Add a definition of co-housing.
- Determine in which residential zones co-housing would be allowed and then add it to the list of allowed uses in each residential and/or mixed use zone, possibly as an allowed use wherever cottage cluster housing is allowed.
- Create specific standards for co-housing developments related to allowed housing types, density, setbacks, building heights, building design, accessory structures, common/open space, parking and other development characteristics.

Neighborhood Compatibility Standards

A significant portion of the City's inventory of future buildable residential land is on properties with the potential to accommodate more development or redevelopment (e.g., a 30,000 square foot property that could be divided into more lots and accommodate additional homes). This means that new development will occur in existing neighborhoods, potentially sparking concerns about the compatibility of or transitions between new and existing housing. The City has a wide range of standards that address the compatibility of and transition

between different types of housing, as documented in the Housing Compliance Report prepared for this project. These provisions establish buffers and setbacks between different types of development, building height and stepback requirements, and compatibility with surrounding development. However, additional standards could be considered to further address potential community concerns about compatibility of future development.

Recommendation CA6: Consider adopting additional MMC provisions related to housing and neighborhood compatibility.

Details and Actions: Updates to the code could include the following:

- Evaluate whether adding height stepback regulations for multifamily development adjacent to Low Density Residential Zones would improve compatibility between new and existing development while not adversely affecting the cost and capacity of the new development.
- Similarly, evaluate whether adding height stepback regulations for mixed-use development abutting or adjacent to Low Density Residential Zones would improve compatibility between new and existing development while not adversely affecting the cost and capacity of the new development.
- Consider increasing the side yard setback for cottage cluster development to more than five feet from the side lot lines, as is currently required by Subsection 19.505.4.D.2, in the Moderate Density (R-5) Zone when cottage clusters are permitted in that zone.

While it is important to address neighborhood compatibility issues, it is equally important to ensure that requirements intended to address this issue do not violate the federal Fair Housing Act. Restrictions on housing that meet the needs of specific groups of people, referred to as “protected classes” under the Fair Housing Act, may violate the act if they eliminate housing opportunities or result in further segregation of housing for these groups. Additional strategies associated with the Fair Housing Act are discussed in more detail in subsequent sections of this report and in the accompanying Housing Compliance Report.

Parking Requirements

Off-street parking requirements and the way in which they are calculated can have an impact on the cost of housing and ability to develop it in certain areas, reducing the cost of housing and allowing for construction of housing that meets the needs of households with lower or moderate incomes. In addition, parking needs can vary in different parts of the community with the potential for less parking needed for certain types of uses and lower parking demand in pedestrian-oriented areas with better access to frequent transit services. Reducing parking requirements for developments that may require less parking can also serve as a potential incentive to encourage desired types of development.

Recommendation CA7: Consider reducing or eliminating required off-street parking for the following uses, either on a citywide basis or in areas with existing or planned future high-capacity or other frequent transit service:

- Accessory dwelling units
- Transitional housing and residential homes
- Senior housing and congregate care facilities

- **Live/work units**

Details and Actions: Consider the following revisions to parking requirements in the MMC as described in this and other strategies:

- Remove or otherwise provide a simple process for waiving the requirement for an additional off-street parking space for an ADU or allow parking in the front setback area.
- Reduce senior housing and congregate care facility parking requirements. The Development Code currently allows for applicants to establish site-specific parking standards by completing a Parking Study. However, given lower rates of driving and/or car ownership amongst these residents, consider examples from other uses and other jurisdictions, such as one space per four beds or residents.
- Clarify parking requirements for live/work units, and whether they would be treated as single-family attached uses or multifamily uses or some combination of residential and commercial for parking requirement purposes.
- Clarify parking requirements for transitional/temporary facilities. Similar to the discussion above regarding senior housing and congregate care facilities, consider treating transitional/ temporary facilities like Community Service Use extended-care facilities where parking requirements are one space per four beds as opposed to and preferable to multifamily dwelling or lodging parking requirements of one space per unit.

Clear and Objective Standards for Needed Housing

ORS 197.307 states that:

(4) Except as provided in subsection (6) of this section, a local government may adopt and apply only clear and objective standards, conditions and procedures regulating the development of needed housing on buildable land described in subsection (3) of this section. The standards, conditions and procedures may not have the effect, either in themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

For the most part, development standards in the MMC that apply within the residential and mixed use zoning districts appear to be clear and objective. However, in some cases, standards or review processes may need to be modified to ensure that the City provides clear and objective standards for all needed housing types per state law. Code provisions that may require changes include those for manufactured dwellings, multi-family housing, senior housing, and congregate housing facilities in selected zones.

Recommendation CA8: Review the MMC to ensure that the City is meeting state requirements for clear and objective standards for all types of housing considered to be “needed” housing.

Details and Actions: Evaluate the potential need for the following revisions to the MMC:

- In order to increase opportunities to provide affordable housing and provide more consistency between where single-family detached dwellings and manufactured home parks are permitted, consider allowing manufactured home parks in the R-10 Zone.

- Consider making the approval for senior and retirement housing a Type II procedure (rather than a Type III) procedure, using clear and objective approval criteria . The approval criteria currently include language such as “quality of project as a living environment for residents,” which is difficult to clearly evaluate.

Infill Development/Flag Lots

As detailed in the HNA and in the Neighborhood Compatibility section above, the majority of the City’s future housing capacity is located on developed lots with additional infill/redevelopment capacity, as opposed to on vacant land. This is especially true for the future supply of detached single family residences, with the City having a relatively large supply of oversized (20,000-50,000 sf) lots that have the capacity for additional units. However, the layout and orientation of the majority of these lots – they are generally much deeper than they are wide – means that flag lot partitions are often the only feasible way to add units to these sites. The City’s current flag lot development standards – which require a minimum 25 feet of street frontage, 30-foot front and rear yard setbacks (significantly higher than the setbacks for traditional partitions), and which do not count the lot’s “pole” in the lot size calculation – further reduce the infill capacity of these sites and can make it difficult for property owners to meet minimum density standards.

Recommendation CA9: Evaluate ways to increase the supply of detached infill single family housing units while recognizing neighborhood character and compatibility issues

Details and Actions: The following actions are recommended:

- Assess the City’s current flag lot standards (lot width, street frontage, setbacks, etc.), which are relatively strict when compared to those of other jurisdictions in the region.
- Encourage the consolidation of oversized lots to allow for larger scale development.
- Explore the feasibility of cottage clusters and other alternative housing types on oversized lots with dimensions/orientations that make traditional single family development difficult.
- Consider reducing yard setbacks for infill development in exchange for protecting existing trees and vegetation and providing additional landscape buffers.

Inclusionary Zoning

After being prohibited in Oregon since 1999, legislation allowing jurisdictions to adopt inclusionary zoning was passed in the Oregon Legislature in 2016. However, this legislation came with a number of limitations that are being regarded by affordable housing providers and advocates as challenging to implement this strategy in most small- and medium-sized jurisdictions in the state. The requirements only may be applied to multifamily housing development of 20 units or more. In addition, jurisdictions must provide “finance-based incentives” (e.g., property tax exemptions, fee waivers, development bonuses) to offset the cost of providing affordable units, but in an undetermined amount. They also must provide developers with the option to pay a “fee in lieu” instead of providing affordable units. Cities may also establish a local excise tax to help fund inclusionary housing program.

These provisions are expected to limit the applicability and extent of the application of inclusionary housing programs and result in administrative and financial hurdles to implementation, particularly for smaller communities. Relatively few communities are expected to have the financial and administrative resources to establish inclusionary zoning programs. That said, the City of Milwaukie should explore the relative costs and benefits of establishing inclusionary zoning requirements.

Recommendation CA10: Explore the relative costs and benefits of establishing inclusionary zoning requirements and implement if warranted.

Details and Actions: The following actions are recommended:

- Identify the approximate benefits of establishing a set of inclusionary zoning provisions based on the expected number of developments that would be subject to the standards and the approximate number of resulting new units.
- Estimate potential excise fee revenues that could be applied to covering the cost of implementing inclusionary zoning standards.
- Estimate the cost of establishing and administering the non-code based elements of an inclusionary zoning program, including a fee-in-lieu program and other finance-based incentives.
- Determine if the expected benefits outweigh the costs of establishing an inclusionary zoning program.
- If the costs outweigh the benefits and the City decides to move forward with the program, establish needed code requirements and other administrative and financial procedures and protocols needed for implementation.
-

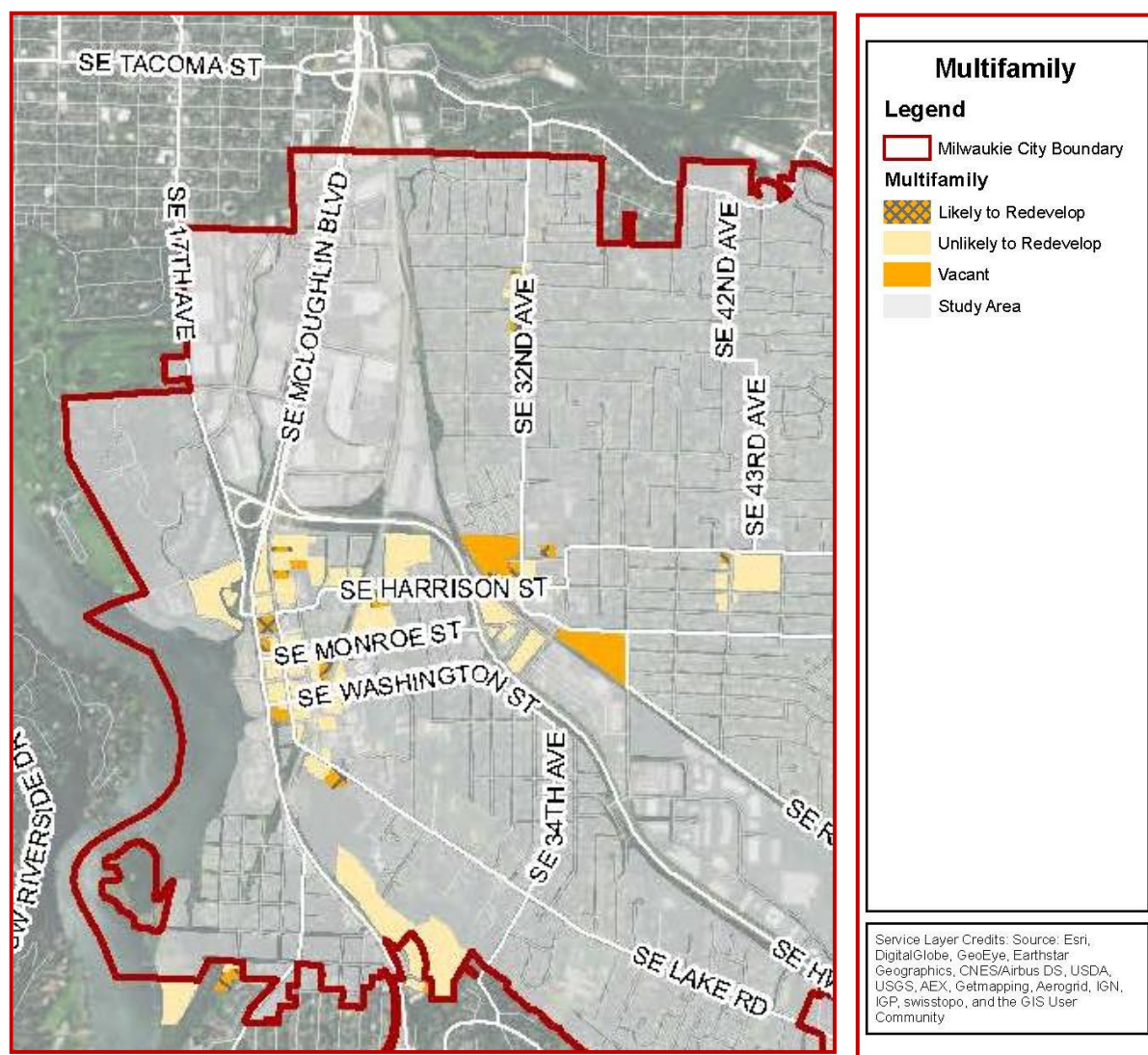
5. Future Planning for New Residential Development and Redevelopment

Given the nature of the supply of buildable land in Milwaukie that is potentially available to meet future housing needs, strategies are recommended in addition to regulatory and other programs to help meet future housing needs. Primary strategies are related to encouraging development of higher density housing on the large mixed use sites that make up a large portion of the capacity for multi-family housing, and for realizing the potential of infill and redevelopment sites in lower medium density residential zones which are scattered throughout the city.

General Recommendation FP1: Pursue a variety of strategies to support, encourage or require residential development in these areas that is consistent with city housing goals, other recent or future planning processes and additional strategies described in this Report.

Multi-Family and Mixed Use Development

The bulk of the capacity for future development of higher density housing in Milwaukie is found on a limited number of vacant or redevelopable properties in Milwaukie. Two sites zoned for mixed use development – the Murphy and McFarland properties – make up a substantial percent of this inventory (about 30-40% of the capacity). Several other properties or portions of properties in the downtown make up much of the remaining capacity for this type of housing, with several other potentially redevelopable properties found in the neighborhood mixed use zone along 32nd Avenue. Future development or redevelopment of these properties will hinge on a variety of factors, including property owner decisions, land values, and the market feasibility of mixed use or high density residential development in these locations, among others. Given the importance of this limited number of sites in meeting the city’s need for future housing, it is recommended that the City take a proactive approach to encourage future residential development on these properties.



Recommendation FP2: Encourage development of higher density housing on a significant portion of the McFarland and Murphy sites, as well as on potential downtown redevelopment sites within mixed use zones.

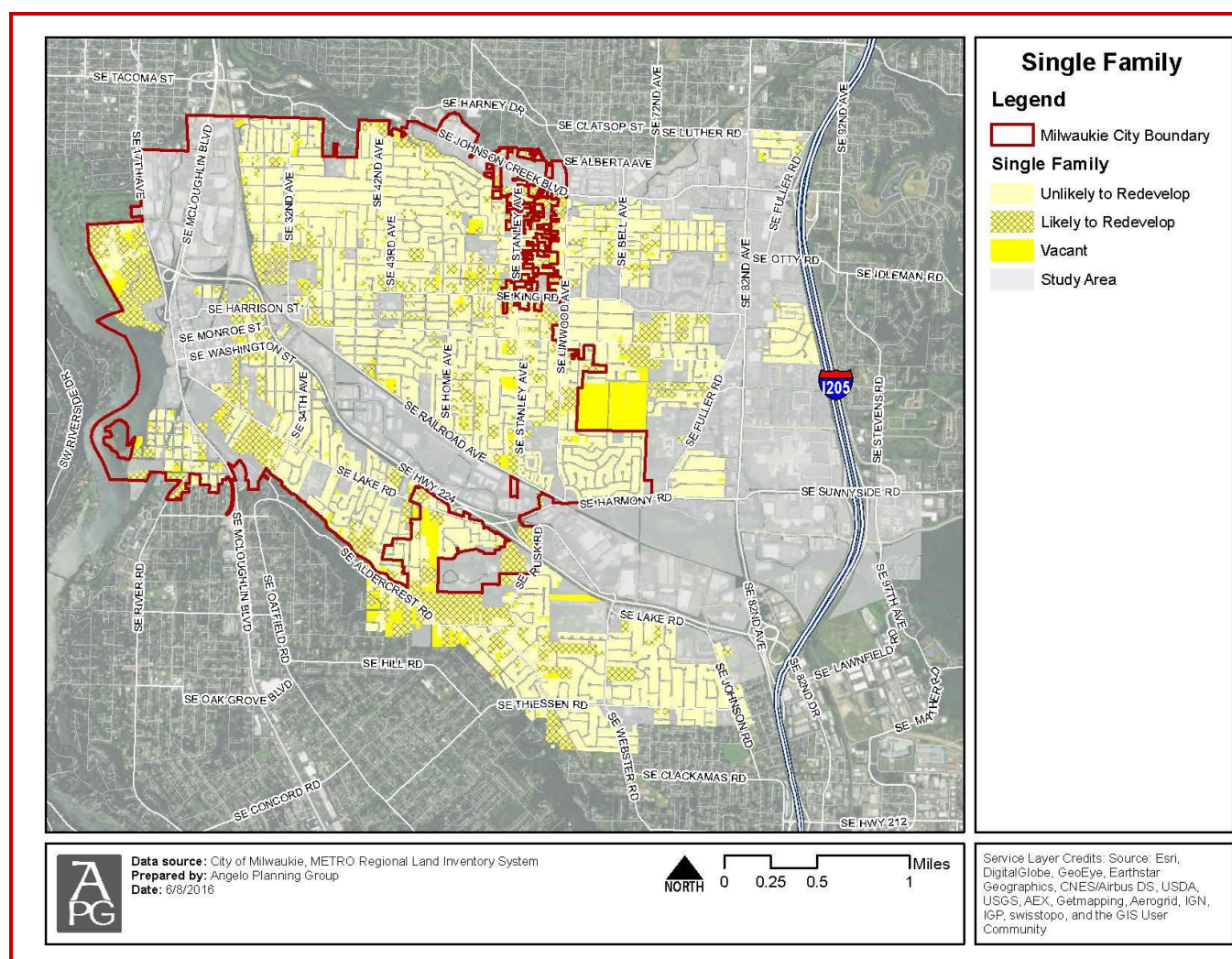
Details and Actions

Significant efforts have been made in recent years to plan for these two opportunity sites and test the feasibility of different development mixes. The current zoning (GMU) requires a minimum residential density of 25 units for stand-alone residential structures, which would ensure that residential uses in this zone will be some form of attached multi-family housing. Rowhouse development on a part of these sites would likely require that there also be additional denser forms of multi-family housing to meet this minimum standard. The zone also allows for the development of commercial uses without the inclusion of residential uses, or some mixture of the two. Steps to help ensure that these properties can meet future housing needs in Milwaukie include:

- Maintain communication with private property owners to maintain their awareness of the community's interest in these key parcels and the types of development envisioned across multiple planning efforts.
- Offer pre-development design and planning assistance to property owners who show interest in moving forward with development of key parcels. While some preliminary opportunities studies have been done, additional planning assistance should be predicated on intention to move forward.
- Allow for phased development of larger opportunity sites, so that a lesser amount of feasible development is not discouraged by the site size. Planned development agreements can ensure that the development is finished in keeping with the original intent.
- Encourage the use of incentive programs for a beneficial mixture of land uses and building forms. Use funding from Tax Increment Financing (within the recently approved Urban Renewal Area), regulatory and fee relief, tax abatement, and/or other programs to provide impetus for private developers to consider greater density, mix of uses, or other public goods. Educate key property owners to resources available and eligibility criteria.

Infill and Redevelopment in Low and Medium Density Residential Zones

Much of the City's capacity for future development of single-family detached homes, as well as duplexes and rowhouses, is found on lots that are already developed but have the potential for additional development or redevelopment. For example, many larger lots with existing homes are big enough to accommodate more houses if the property owner decides to partition (three or fewer lots) or subdivide (four or more lots) the lot and build more housing on the new lots. While many property owners may never decide to do this, many others are likely to do so, based on the potential to make money from selling a portion of their property or another home.



This type of development, often called “infill” development, is key to the City of Milwaukie’s ability to meet the housing needs of future residents. At the same time, when this type of development takes place in existing, established neighborhoods, it can raise concerns among neighboring residents, particularly if the scale or architectural character of new housing differs from that of existing homes in the area. The City can take a number of steps towards making sure that there are opportunities for infill and redevelopment to meet future housing needs while also addressing concerns about neighborhood change and compatibility. These include:

- Update the City’s Municipal Code to strengthen requirements related to transitions between different housing types and neighborhood compatibility.
- Ensure that there are clear and objective standards for the review of proposed needed housing developments.
- Conduct outreach efforts with neighborhood associations and community members to stress the importance of this supply of land for meeting future housing needs and provide information about city planning requirements and processes that are intended to address neighborhood concerns.

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 needed housing development.

Details and Actions

Proposed standards to help address neighborhood compatibility concerns and ensure that the City provides clear and objective standards for needed housing are detailed in other sections of this report (see Recommendation CA9) and in an accompanying Housing Compliance Report. Outreach efforts to inform, listen to and address concerns about neighborhood impacts of infill and redevelopment may include the following:

- Provide information that describes the need for housing to support existing and future Milwaukie residents and workers, including a full range of people who are part of the community (teachers, nurses, office workers, coffee shop owners, wait staff and others). Materials recently prepared by Metro as part of its Housing Equity program represent a good model for such materials.
- Provide examples of well-designed infill development already constructed in Milwaukie or in neighboring jurisdictions and encourage local builders to emulate those projects.
- Provide information to residents and developers about the City's standards for neighborhood compatibility and housing transitions.
- Encourage developers and builders to offer to meet with neighborhood associations to share their plans, listen to concerns, and take reasonable steps to address them as part of the planning, design and construction process.

6. Additional Non-Regulatory Strategies

The City of Milwaukie can best meet some housing goals by providing information to other parties as part of planning and development processes. In the areas of complying with the Fair Housing Act and the design of accessible housing features, the City either does not have regulatory authority to directly address these issues or doing so would create potential consistency issues with state or federal requirements. However, by providing information, particularly readily available handbooks and guidelines prepared by other entities, the City can further these housing goals.

Similar to Fair Housing practices and accessibility design, decisions about where and how to build and finance housing are made primarily by other entities. Either private or non-profit developers or public agencies such as Clackamas County directly fund and/or manage housing for people with low incomes or special needs. In addition to its general role in planning for and permitting residential uses, the City also can help advocate for or support specific projects that further the City's housing goals. In doing so, the City can provide information to prospective developers about strategies described elsewhere in this report that help serve as incentives to building needed housing in regional centers, high-capacity transit corridors and other areas that provide residents with access to transportation and access to services. In some cases, this also will include areas where the cost of infrastructure is relatively lower, potentially reducing the overall cost of development.

More specific recommended approaches and actions are described below for several sub-topics.

Fair Housing Requirements

Recommendation NR1: The City should support the objectives of the Fair Housing Act by providing information to other parties about actions or strategies that will be consistent with the Act and help achieve its goals.

Details and Actions

Several strategies related to affirmatively furthering Fair Housing goals are found in Sections 3 and 4 of this report. These strategies relate to ensuring that Comprehensive Plan policies support the Fair Housing Act and that zoning and land use permitting decisions do not limit opportunities for housing needed by protected classes or residents and do not further segregate housing for these groups. Additional strategies recommended to meet Fair Housing goals include:

- Provide affordable housing developers with information about areas or potential sites that will help link residents with access to transportation, employment, needed goods and services, quality education and personal enrichment opportunities. These would include sites with high quality schools, access to public transit, walkable neighborhoods, grocery stores, other shopping opportunities and amenities. The City of Milwaukie and/or Clackamas County could prepare a set of "Opportunity Maps" for this purpose. Washington County has prepared a similar set of maps showing proximity to transit, health care facilities, public services, parks and trails, grocery stores

and farmers markets, and high test scores in schools by Census block groups throughout the County. City of Milwaukie staff could use similar maps to meet these objectives.

- Help affordable housing advocates and developers identify vacant or redevelopable properties that would be suitable for affordable or special needs in terms of their size, zoning, proximity to services or other factors. These may include properties identified in the City’s buildable lands inventory. The majority of properties zoned for higher density or mixed use will meet a number of these criteria based on their location.
- Continue to assist residents and tenants’ rights groups with addressing Fair Housing issues. For example, continue to provide referrals to the County and to Legal Aid of Oregon, as well as directing renters to the advocacy group Community Alliance of Tenants.
- As the City adopts code amendments recommended in this report to facilitate development of a variety of housing types, provide information about these new provisions to affordable housing advocates and developers.

Design Practices to Ensure Accessibility

Recommendation NR2: The City should provide information to developers about design practices that will help ensure that new housing units are accessible to people with physical or mobility disabilities, including aging residents.

Details and Actions

An increasing percentage of the population is aging. As the baby boom generation ages, communities will continue to see a need for housing that meets the needs of people with physical and mobility limitations. Designing accessible features into housing of all types will be increasingly important, and has been recognized by organizations such as the World Health Organization (WHO) and American Association of Retired Persons (AARP), which in recent years have focused on ways to develop “age-friendly” communities.

The Oregon Building Code and the Americans with Disabilities Act both require that accessible features be incorporated in certain types of housing. For example, the Oregon Structural Specialty Code (OSSC) for multi-unit residential buildings includes a comprehensive set of accessibility requirements. However, compliance with the OSSC does not assure compliance with all accessibility laws because the OSSC includes only those standards that are required by Oregon law and does not incorporate all federal and Oregon accessibility standards.

To help organizations comply with the accessibility provisions of the Fair Housing Act and to generally promote the construction of accessible housing, the Department of Housing and Urban Development (HUD) established a set of Fair Housing Accessibility Guidelines (FHAG) that “provide builders and developers with technical guidance on how to comply with the accessibility requirements of the Fair Housing Amendments Act of 1988.”³ Use of these guidelines can support accessibility and also act as a “safe harbor” in meeting Fair Housing Act

³ Fair Housing Accessibility Guidelines

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/fhfhag

requirements.⁴ The City Building Official currently refers both to Fair Housing Act Accessibility Guidelines or American National Standards Institute (ANSI) A117.1 for accessible building practices.

It is recommended that the City do the following to promote the design of accessible homes and compliance with Fair Housing Act requirements:

- Make builders aware of Fair Housing Act requirements related to accessibility for applicable developments (i.e., residential building with four or more units). Tables presenting federal and state accessibility standards in the 2010 Fair Housing Council of Oregon Accessible Design and Construction Handbook also could be provided.
- Provide information about the Fair Housing Accessibility Guidelines to all builders and developers and encourage them to follow the guidelines in building new housing and particularly for residential development targeted to people with physical or mobility limitations. Specific features that promote accessibility and address the needs of people with other disabilities can include but are not limited to the following:
 - ✓ A bedroom, kitchen, living room, and full bathroom on one level of the home
 - ✓ Smooth walls and surfaces to reduce the accumulation of potential sources of infection for people with lower immunity, and rounded edges of walls, doors, windows, and furniture to reduce potential injuries
 - ✓ Use of sound absorbing materials in the rooms to make it easier to hear
 - ✓ Walk-in showers with height adjustable handheld showerheads
 - ✓ Walk-in bedroom closets with storage at differing heights
 - ✓ Rocker light switches instead of more common flip switches
 - ✓ Lever-style door handles and faucets.⁵

Additional Information for Private Developers

Recommendation NR3: In addition to providing information about accessible design features, the City should provide information to developers that will generally help them understand the City's land use permitting process and give them a sense of clarity and certainty about City requirements.

⁴ Fair Housing Council of Oregon Accessible Design and Construction Handbook, Fair Housing Council of Oregon and Community Development Law Center (June 2010), <http://fhco.org/pdfs/DCHandbook062010.pdf>

⁵ These design ideas are drawn from the websites of non-profit organizations dedicated to issues faced by seniors and people with disabilities.

<http://www.oldagesolutions.org/Environment/DnE.aspx>,

http://www.ageinplace.org/practical_advice/making_your_home_senior_friendly.aspx

<http://www.aarp.org/home-garden/livable-communities/info-07-2011/what-is-universal-design.html>

Details and Actions

Private market developers appreciate clarity and certainty in the design and permitting process. Certainty helps the developer save time, make decisions to proceed, and avoid costly surprises further along in the process. In some cases, a developer will prefer the certainty of a clear process even if it has greater requirements and fees, over a complex and unclear process with nominally lower requirements and fees. This means that City development code, design review process, permitting process, fees etc. should be as easy to understand and navigate for the developer as possible. The City can do this in multiple ways:

- Ensure that primary documents such as the Development Code and design standards and guidelines are easy to use for a person moderately informed in the design or development process;
- Provide knowledgeable staff to answer questions regarding the entire process from planning to permitting;
- Create additional materials such as one page handouts that summarize relevant code and process information, even if it is already available in longer documents; for example, the City already has prepared a useful handout related to ADUs that could be used a model for other informational materials (http://www.milwaukieoregon.gov/sites/default/files/fileattachments/adu_detached_attachment_1.pdf);
- Provide information about code provisions and other strategies described elsewhere in this report that can serve as incentives to develop housing in regional centers and high-capacity transit corridors;
- Assign a single contact person to facilitate the development process in the case of projects the City deems particularly important, such as a large-scale development, prominent site location, or catalyst project; and
- Provide as much of this information in advance as possible. Try to provide estimates of time, requirements and fees to the extent practicable, while emphasizing that these are all preliminary estimates that may change. Avoid processes which require developers to commit extensive time and money before key requirements or public processes become apparent.

Continued Support for Local and Regional Affordable Housing Efforts

Recommendation NR4: The City should continue to participate in and support County and regional efforts to meet current and future housing needs, particularly those targeted to affordable and special needs housing.

Details and Actions

A number of regional processes and programs are aimed at addressing housing needs in the Portland Metropolitan area and Clackamas County. The City of Milwaukie is a community partner in these efforts and should continue to participate in and support them. Clackamas County is the primary recipient of federal funding associated with housing. Through its *Consolidated Plan for Community Development and Housing* and annual Action Plans, it manages and allocates federal funds to meet a variety of housing and community development needs. It also manages construction and operation of publicly assisted housing developments and

administers Section 8 vouchers through the County’s Department of Community Development and the Housing Authority of Clackamas County (HACC). For example, according to the 2012-2016 Clackamas County Consolidated Plan and HNA:

- There are two 100-unit HACC facilities in Milwaukie (Hillside Park and Hillside Manor) and “scattered” public housing units in Milwaukie that the HACC plans to sell and replace with vouchers or other public housing units.
- Approximately 630 families in Milwaukie were receiving rental assistance in 2011 through the Housing Choice Voucher program run by HACC.
- HACC also owns 11 units of special needs housing in Milwaukie, and leases the units to other housing and service providers.
- The Oregon Housing Preservation Project, a partnership of Oregon Housing and Community Services, City of Portland, and the Network for Affordable Housing, works to preserve affordable housing and provided loans to improve and preserve the affordable housing development Seneca Terrace in Milwaukie.

Clackamas County is currently preparing to consider re-use or redevelopment of one or more of its public housing sites managed by the HACC.

At the regional level, Metro helps guide local housing efforts through requirements and guidelines in its *Urban Growth Management Functional Plan* related to zoning for a mix and density of housing to support a variety of housing needs. Other regional housing efforts have included preparation of a *Regional Affordable Housing Strategy* in 2000 and updated recommendations from the Housing Choice Task Force adopted by the Metro Council in 2006.⁶ Those recommendations included establishing regional and local targets for production of affordable housing and continuing to coordinate with Metro on other regional and local affordable housing strategies. The agency’s Housing Equity program provides planning grants to local jurisdictions to help address local housing affordability and equity issues.

The City does not have dedicated housing specialist staff or any specific housing assistance programs itself. However, it supports the county on a project-by-project and as-needed basis. The City also is striving to increase affordable housing options in the city through several public and private partnerships.

- The City was awarded a \$65,000 Metro Equitable Housing Planning and Development Grant in December 2016 to conduct a financial feasibility analysis of cottage cluster and other housing types that could be used for regulated affordable housing and workforce housing.
- In early 2017, the City expects to issue a Request for Qualifications (RFQ) for development of the city-owned property at the corner of 99E (McLoughlin Blvd) and SE Jefferson Street. Previously known as the Cash Spot site and now known as Coho Point at Kellogg Creek, the RFQ anticipates a mixed-use development (including housing) and will include the provision of affordable housing as one of the evaluation criteria.

⁶ Metro Housing Choice Task Force
<http://www.oregonmetro.gov/index.cfm/go/by.web/id=269>

- The City is currently developing an intergovernmental agreement with Metro to prepare a joint offering for property at Main and Harrison (formerly the “Texaco Site” or “Block 14”), which is jointly owned by the City and Metro. Discussions with the City Council have indicated that the provision of affordable housing should be a considered when evaluating proposals for the site.
- The City is currently evaluating the possibility of expanding its Vertical Housing Development Zone (VHDZ), which currently covers one site in Downtown Milwaukie. The VHDZ program allows for a partial property tax abatement of the improved (building) value of a property in exchange for the development of housing units on the second floor or above of a development. Developers that provide regulated affordable housing can also apply for a tax abatement of the land value.

Additional recommended actions include:

- Coordinate and collaborate with the County on efforts to reconfigure HACC public housing units to ensure that housing provided by the HACC meets the needs of City of Milwaukie residents as identified in the City’s Housing Needs Analysis.
- Continue to participate in and support the activities recommended by these organizations and planning processes.
- Prepare informational materials that summarize how the City’s policies and codes support the development of affordable housing and use these materials in future communications with developers, decision-makers and citizens.

A number of strategies identified in other sections of this report will further those actions, including development code strategies related to parking, location of housing in areas with good transit services and other amenities, as well as planning and zoning for a full range of housing types, including in existing residential and mixed use neighborhoods

Employer Assisted Housing

Recommendation NR5: The City could encourage large local employers to implement employer-assisted housing programs.

Large employers in a number of communities in Oregon, Washington and other states administer programs which provide employees with mortgage assistance or other support in securing affordable housing near their workplace. The City of Milwaukie can encourage local employers to offer similar programs. The University of Portland⁷ and Tacoma’s Downtown on the Go⁸ can serve as models for integrating housing assistance into TDM programs.

⁷ The Oregon Housing and Community Services Department (OHCS) is currently working on a program for employer assisted housing and is reviewing the University of Portland’s program (<http://www.up.edu/hr/default.aspx?cid=12551&pid=6980>) as a potential model.

⁸ Downtown On the Go is a Transportation Management Association (TMA) in partnership with Pierce Transit, the Tacoma-Pierce County Chamber of Commerce, and the City of Tacoma. Participating in Downtown On the Go allows employers to offer incentives of \$1,000 to \$7,000 or more from partnering lenders and developers for employees to live downtown. The only requirements for employers to participate are an initial meeting with Downtown On the Go, completing a

Potential strategies to promote employer assisted housing programs could include:

- Provide information to large employers about how to implement employer assisted housing programs.
- Consider requiring large employers to establish Transportation Demand Management (TDM) programs in which housing assistance is an element of the program.

memorandum of understanding, and allowing the distribution of educational and promotional program materials. The program website is <http://www.downtownonthego.com/live/live-close-to-work>.

7. Administrative and Funding Strategies

Implementing a number of the strategies described in this report will require a commitment of staff resources. In addition, the City has historically supported affordable and special needs housing projects through fee waivers and tax abatements. Those efforts are very helpful in providing needed financial support for such projects and leveraging resources provided by other entities.

Recommendation AF1: City staff should continue to address housing goals and implement housing strategies in a consistent and coordinated manner, with a common understanding of the goals, priorities and approaches identified in this report. The City also should consider providing a certain level of funding to support affordable and special needs housing projects, as resources allow in the future. More specific recommended actions are described in the following section.

Details and Actions

Following is a summary of specific recommended strategies related to staffing and financing.

Staffing

Milwaukie has a relatively small but dedicated planning staff tasked with addressing a wide variety of long range and current land use and other planning issues. The City does not currently have a single staff person dedicated to addressing long range or current housing issues. Instead, multiple staff people address residential planning and development issues through a range of activities, including reviewing residential development applications, incorporating planning for housing in specific or sub-area planning processes, administering and updating the City's Development Code, and coordinating with regional and county efforts related to housing policy and development.

We recommend that all staff continue to address housing needs in a consistent and coordinated manner, with some activities assigned to a specific staff person. This will provide for a good balance of flexibility and accountability needed to meet the City's housing needs and goals. Specific recommended approaches and activities include the following:

- Require all planning staff to review this document and regularly refer to the strategies it includes, particularly the summary table included in Section 8.
- Identify one staff person who will be responsible for coordinating with other staff to review and refine the list of strategies in this report on an annual basis. That process would not require updating the report in its entirety but should entail updating the table in Section 8 to address any emerging housing issues, needs or tools not previously identified. That process also should include an assessment of the City's progress in implementing recommended housing strategies. The staff person assigned to this task also could be a designated liaison for coordinating with Clackamas County, Metro and other local, regional or state partnerships to address housing goals and needs. It will be important for this staff person and possibly others to have a good working knowledge of affordable housing development issues and practices, including information about available financing tools, property acquisition and

development practices and necessary partnerships between affordable housing developers, lenders and builders, among other topics.

- Create a set of checklists of activities related to different types of planning efforts. The checklists should reference associated strategies identified in this report or annual updates. Project managers should review the checklists at the outset of any given planning project and continue to use them as they move forward to address project-specific housing issues.
- Establish a plan for adopting the various Development Code recommendations identified in this report, along with a strategy to fund that work. The City should explore state grant or other funding sources that could be used to supplement available local resources. Section 8 of this report includes information that could be incorporated in such a plan.
- Account for staffing needs associated with implementing housing strategies in annual budgeting and work planning activities. This would entail regularly estimating the amount of time needed to implement these strategies, prioritizing this work in relation to other duties, and ensuring that adequate time and resources are available to meet these goals within the City's overall resource limits.
- Brief Planning Commission and Council members about these housing goals and strategies on a regular basis, either as part of an annual or semi-annual event or as part of orientation and training for new members.

Financing Tools

One of the primary obstacles to achieving housing goals, particularly those for development of affordable housing, is a lack of funding at all levels of government, as the private sector is often unable to develop certain types of housing needs without public subsidy. The City of Milwaukie already implements or supports use of various financing programs to assist with the development of affordable housing, including:

- Use of urban renewal funding to construct public improvements that act as incentives for private sector residential development and to augment the costs of selected residential development projects.
- Metro grants for transit oriented development and use of Vertical Housing Tax Credits (both used on the North Main Village project, which includes 64 affordable units).

In addition to continuing to support these strategies, the City could consider a variety of other funding tools, including the following:

- Low interest loans, grants
- Down payment assistance
- Leveraging private and non-profit resources
- Establishment of a fee assistance program or implementation of a separate program to waive or defer payment of SDCs for affordable housing projects or for ADUs
- Municipal bonds or loans to finance acquisition of manufactured home parks by tenants

As noted above, the City has implemented some of these strategies for affordable housing projects, including urban renewal funding and use of Metro grants and vertical housing tax credits by developers. There are some obstacles to their implementation of some of these tools. For example, some of the SDCs assessed to new development in Milwaukie are not paid directly to the City but rather to special service districts that provide services in Milwaukie, including the North Clackamas Parks and Recreation District and Water Environment Services of Clackamas County. Currently, the only SDCs that the City collects pertain to water service, stormwater, sanitary sewer lines and transportation. Milwaukie can choose to waive or pay a portion or all of its own SDCs for affordable housing projects or ADUs. However, to cover other SDCs, the City must either convince other service providers to waive their own charges or pay the SDCs of those other providers. The current economic climate makes either of these tasks more challenging, particularly if the City chooses to cover other agencies' SDCs. Further work on this issue should be conducted as part of a coordinated process with Clackamas County and other local jurisdictions and service providers.

As noted in Section 6 of this report, the City also should continue to work closely with local non-profits, developers and others to leverage private resources to help meet a variety of housing needs, including through the following efforts, some of which are described in more detail in other sections of this report:

- Partner with area non-profit development organizations to capitalize on their capacity to raise public and private subsidies and structure financing near the break-even point that will ultimately benefit low income households.
- Support the efforts of community housing development organizations and other non-profit housing providers to identify opportunity sites, assist with the development permitting process and provide information about local and state financing programs.
- Encourage other developers to incorporate housing affordable to low and moderate income residents in their proposed developments, similar to development code provisions in other local jurisdictions.
- Encourage large employers to consider implementing employer assisted housing programs.

8. Implementation Plan

The following is a summary of housing strategies which includes information about the relative level of effort to move forward with each recommended strategy, the approximate amount of time needed to complete each activity, and other factors relevant to implementation. Completion of these tasks will ultimately depend on available staff time and resources, direction and priorities from decision-makers, feedback from community members, and a variety of other factors.

Strategy	Level of Effort	Time to Complete	Relative Impact	Notes
CP1. Update Comprehensive Plan narrative, goals, policies and action items.	Medium	3-6 months	Medium	This will be accomplished as part of the City's overall Comprehensive Plan Update process (or as a short-term follow-up action to adoption of this report).
CA1. Revise code provisions for cottage clusters.	Low - Medium	6-12 months	Medium	This will require minor updates to existing code provisions, with review by staff, the Planning Commission, Council and possibly other stakeholders or community members.
CA2/CA7. Revise code provisions for live/work units.	Low - Medium	6-12 months	Low	Same comments as for CA1.
CA3/CA7. Revise code provisions to clarify definition of transitional housing and modify parking provisions.	Medium	6-12 months	Medium	Same comments as for CA1. Revisions to parking provisions may generate additional public interests or comments and may necessitate a more robust public review process.

Strategy	Level of Effort	Time to Complete	Relative Impact	Notes
CA4/CA7. Update code provisions for accessory dwelling units, including parking and compatibility standards and reductions in SDC fees.	Low (-High)	3-6 months	Medium	This entails relatively minor amendments to existing code provisions; however, selected potential revisions (e.g., reduced parking requirements and waiving or reducing SDC fees) could be controversial; depending on the scope of the proposed revisions, may necessitate a more robust public review process. Coordination with other public agencies also will be needed if SDC fee reductions are proposed.
CA5. Draft new code provisions to allow for co-housing developments.	Medium		Low - Medium	Preparation of new code provisions will require more time than other changes which only require changes to existing provisions.
CA6/CA9. Update neighborhood compatibility standards to include stepback or other provisions.	Low - Medium	6-12 months	Low	Same comments as for CA1.
CA7/CA2/CA3/CA4. Update parking provisions for live/work units, transitional housing, ADUs, senior housing.	Medium	6-12 months	Medium	Same comments as for CA4 and CA5.
CA8. Revise code to ensure application of clear and objective standards for manufactured home parks and senior housing.	Low	3-6 months	Low	Same comments as for CA1.

Strategy	Level of Effort	Time to Complete	Relative Impact	Notes
CA10. Investigate feasibility of implementing inclusionary zoning provisions for affordable housing.	Medium	3-6 months	Low - Medium	Will require moderate level of analysis and discussions with Planning Commission and City Council; city staff is already conducting and presenting preliminary analysis of this issue. If City proceeds with program, level of effort is likely to be high.
FP 2. Encourage development of single-family attached and multi-family housing in mixed use and other zones.	Medium	12-18 months and ongoing	High	This is a key strategy in ensuring that an adequate future supply of land is available to meet the need for multi-family housing. Requiring a residential component in mixed use zones would require public and decision-maker discussions.
FP3. Support infill and redevelopment in low and medium density residential zones.	Medium	Ongoing	High	This also is a key strategy in ensuring that an adequate future supply of land is available to meet future housing needs. This will require a multi-pronged education and outreach effort with neighborhoods, developers and decision-makers in concert with code amendments noted elsewhere in this Plan.
NR1. Provide information to other parties about actions or strategies that will achieve the goals of the Fair Housing Act.	Low - Medium	3-6 months and ongoing	Medium	This would involve preparation of informational materials and outreach to stakeholders regarding fair housing compliance issues, in concert with adoption of code amendments identified elsewhere in this Plan.
NR2. Provide information to developers about design practices that will help ensure that new housing units are accessible to people with physical or mobility disabilities.	Low	1-3 months and ongoing	Medium	This would involve ongoing outreach to developers using existing readily available materials that staff could obtain with relatively minimal effort.

Strategy	Level of Effort	Time to Complete	Relative Impact	Notes
NR3. Provide information to developers to help them understand the City's land use permitting process and provide clarity and certainty about City requirements.	Medium	6-9 months and ongoing	Medium	This would involve outreach to developers regarding current and future planning processes and strategies identified during this process. It also would require preparation of new informational materials.
NR4. Continue to participate in and support County and regional efforts to meet current and future affordable, special needs and other housing goals.	Low-Medium	Ongoing	Medium - High	This entails a continuation of participation in and coordination with County and regional housing planning processes. To the extent new regional requirements are adopted or new County programs are enacted, it could require an increased level of effort.
NR5. Encourage local employers to implement employer-assisted housing.	Low-Medium	Ongoing	Medium - High	This entails outreach to employers using informational materials about employer-assisted housing programs implement elsewhere.
AF 1. Continue to use staff resources to address housing goals and implement housing strategies in a consistent and coordinated manner and continue to provide funding to support affordable and special needs housing projects.	Medium-High	See below	See below	See below
a. Implement the recommendations in this plan in a proactive and coordinated manner.	Medium	Variable and ongoing	Medium	See above for more information about specific strategies; additional work will be needed to institutionalize implementation of strategies as part of the City's annual and ongoing work planning efforts.

<i>Strategy</i>	<i>Level of Effort</i>	<i>Time to Complete</i>	<i>Relative Impact</i>	<i>Notes</i>
b. Continue to implement current affordable housing funding strategies; consider establishing and undertaking an expanded set of strategies.	Medium-High	6-9 months and ongoing	High	Consideration of additional strategies identified in this report represents a relatively modest level of effort. Implementation of some strategies could result in added financial costs or contributions to help offset the costs of affordable housing development.



Affordable Housing Toolkit

*Ways in which local governments can support the development
and preservation of affordable homes in their communities*

Compiled by The Portland State Affordable Housing Toolkit Team: Luanda Fiscella, Samantha Gladu,
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under guidance from Oregon Opportunity Network



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- Bienestar, Inc.
- CASA of Oregon
- CDC of Lincoln County
- Innovative Housing, Inc.
- Metropolitan Affordable Housing Corporation
- Central City Concern
- Columbia Cascade Housing Corporation
- Community Connection of Northeast Oregon
- Community Home Builders
- Community Housing Fund
- Downtown Community Housing
- Enterprise Community Partners
- Habitat for Humanity of Oregon
- Habitat for Humanity Portland/Metro East
- Home Forward
- Housing Authority of Clackamas County
- Housing Development Center
- Neighborhood Economic Development Corporation (NEDCO)
- NeighborImpact
- Northwest Housing Alternatives
- Portland Community Reinvestment Initiatives (PCRI)
- Portland Housing Bureau
- REACH
- Salem Keizer CDC
- St Vincent de Paul Society of Lane County
- United Community Action Network (UCAN)

Section 2: Affordable Housing Tools



Introduction

The Great Recession hit Oregon hard, and while we are slowly seeing the signs of recovery, many Oregon families are struggling to pay for food, health care and shelter. It is no secret that the federal government has steadily decreased funding for programs that serve low and moderate income families, and that the State of Oregon has very limited resources to fill the gap. More and more often local governments around the state are seeking innovative ways to help meet the needs of their citizens, and some have made good progress towards helping ease the burden on families and their communities.

Oregon Opportunity Network (Oregon ON) recognizes that in order to meet the needs of Oregonians local jurisdictions can make a difference by implementing one or two affordable housing tools in their communities. These tools don't necessarily cost money, but may simply change policies and codes to allow for lower costs for development and ownership. Working with our members, Oregon ON has embarked on an effort to promote affordable housing tools in communities across Oregon. As a first step, Oregon ON approached Portland State University's Community Development department for assistance compiling a handbook of affordable housing tools.

Between January and June of 2013, seven students from Portland State University's Community Development department worked with Oregon ON to compile this toolkit of programs which incentivize the implementation of affordable housing for cities, counties and other jurisdictions. **Considering that over 47% of Oregonians are paying more than 30% of their income to cover housing costs**, such programs are desperately needed, and the goal of this project was to create a resource for community staff and leadership to promote the implementation of affordable housing tools that could encourage the development and ownership of affordable housing.

This toolkit provides the findings of the students' research, as well as identifies the challenges encountered in the process and future work needed to build on the results. It should be recognized that this report and the attendant research are not the final word on the options for implementing affordable housing projects in Oregon. Instead, this research serves as a foundation for further exploration into the variety of ways in which Oregon jurisdictions and non-profits can create and preserve housing which is affordable to all Oregonians.

The following pages describe the affordable housing tools researched by the students. We have divided these tools into two sections, Administrative Tools and Funding Tools.

We consider this a "living document" and will continue to add content as discovered. You can find the "living" version on our website at www.oregonon.org.



Administrative Tools

Reduced Parking Permits:

Local agencies permit affordable housing units to exercise discretionary reduction of parking requirements if an applicant can demonstrate that no more parking is needed.

How: Provides savings

Who: Developers of new construction

Funding Source: City level

Eligibility: Determined by agency

Challenges: Politically volatile in jurisdictions concerned about parking; may reduce parking revenue in jurisdictions where fee parking is in place

Density Bonus:

Local legislators may grant developers additional height, an increased number of units, increased floor area ratios, and other density bonuses if the developer maintains a certain percentage of affordable housing units on site or donates to a local housing trust fund.

How: Provides savings

Who: Developers of new construction

Funding Source: County level

Eligibility: Determined by agency

Challenges: Can be politically volatile, parcels in districts with a high-density standard may not find this appealing

Public Land for Affordable Housing:

Local governments can facilitate the development of affordable housing by making public land available for eligible projects (ex/ surplus or under-utilized properties, vacant, abandoned, and tax-delinquent private properties).

How: Provides savings

Who: Developers of new construction and rehabilitation

Funding Source: Local governments

Eligibility: N/A

Challenges: Often not a priority at the city level

Accessory Dwelling Units:

Small, self-contained residential units built on the same property as an existing home. These units are typically smaller than the existing home, and require a formal permitting process to be established. Once built, they provide rental money to the home-owner, while also increasing overall housing stock. They are frequently used to create space and support for elderly choosing to age in place.

How: Provides savings to the tenant as well as contributing to the rental income of the owner.

Who: Owners of single-family properties, elderly seeking to age in place, low-income renters.

Funding source: Household

Eligibility: ADUs are primarily permitted on existing single-family lots only.

Challenges: These developments are by definition small-scale; they cannot provide affordable housing options on a large scale

Expedited Permit Processing:

Section 2: Affordable Housing Tools



Fast track approval process for jurisdictions to use to incentivize affordable housing development. Portland has a streamlined permit approval process.

How: Provides a time incentive as opposed to savings or funds.

Who: Developers

Funding source: City level

Eligibility: Can be used by the city to incentivize any type of development, be that AH, green building or economic development

Challenges: Some jurisdictions do not offer

System Development / Fee waivers:

Costs associated with the development process, such as impact fees and building permit fees. They can be reduced or eliminated to encourage selected types of development. For example, jurisdictions may enact measures to reduce or waive such fees for projects that include a percentage or number of affordable housing units.

How: Provides savings

Who: Developer

Funding source: City and County level

Eligibility: Can be used to incentivize any type of development including housing; many rural areas use it to incentivize economic development

Challenges: Not used in most areas outside of Portland (possibly due to political reasons as well as lack of funds in the particular jurisdiction)

Limited tax exemption program:

Two programs offer a ten year tax exemption on affordable Multi-unit and homeowner developments through the Portland Housing Bureau.

How: Provides savings

Who: Developer of multi-unit affordable housing or to the homeowner

Funding source: City funded

Eligibility: Must comply with the Portland Housing Bureau's minimum threshold standard (these include development within particular boundary, energy efficiency and affordability covenants)

Challenges: Getting increasingly competitive as popularity grows

Credit Enhancement:

This refers to the backing of a loan or bond for affordable housing development by an outside source, frequently local government. Frequently credit enhancement is done through a loan insurance program, which guarantees that the enhancing organization (often local government, but could also be a private foundation) will pay a certain percentage of the capital of the loan in the event of a default by the homeowner or developer. In many ways it is like having a cosigner on a loan, and has the effect of making an investment more attractive and reduces the interest rate of the loan. The program can be tied to financial education programs to reduce default rates.

Who: Developers and low-income home-buyers

How: Provides savings through a reduced interest rate and reduces risk to lenders

Funding source: N/A

Eligibility: Varies based on program goals and target population

Challenges: Requires a fund to back the guarantee as well as staff resources to manage applications; risk of defaults may create challenges in developing partnerships

Section 2: Affordable Housing Tools



Community Land Trusts:

A split-ownership model where a community organization owns the land and the resident owns the development on the land. By owning the land and leasing its use, the land trust reduces the purchase cost to the developer. Affordability covenants keep the resale values low, but because the land is valued separately from the developments on it, they do not result in the same level of limited profit as they would when tied to other incentives.

How: Provides savings

Who: Low- to moderate-income residents and potential homeowners

Funding source: Organization level

Eligibility: Determined by the Land Trust; must comply with affordability covenants

Challenges: Land acquisition can be difficult, especially when external funds are needed; care must be taken in creating leases

Upzones and Rezones:

Jurisdictions may increase capacity for residential development by allowing new development types, uses and densities as well as zone-specific inclusionary provisions to promote affordable housing.

How: Provide incentives and requirements

Who: Developers of new construction

Funding Source: City level

Eligibility: Determined by agency

Challenges: Can be politically volatile in jurisdictions with competing interests and requires extensive community involvement

Transfer of Development Rights:

Allows transfers of development rights in protected, “sending” areas to targeted, “receiving” areas where development is actively promoted. Areas, such as agricultural land or existing affordable housing developments, are designated as protected, sending zones. Areas where development is being encouraged are designated as receiving areas. Development rights are separated from other property rights and sold by sending area property owners to developers in the receiving areas. The purchase of these development rights typically allows the owners to develop at a higher density than ordinarily permitted by the zoning.

How: Retains investment value

Who: Landowners in sending areas benefit from a potential revenue source; developers in receiving areas benefit from the ability to build at higher densities

Funding source: N/A

Eligibility: N/A

Challenges: Suitable sending areas and receiving areas with sufficient development demand must exist; can be technically complicated to implement

Affordability Covenants:

Legal constraints on the resale price or rental rate of a home, often incorporated into the deed or title. Income-based restrictions are written into the deed or title. These restrictions may be for a specified time period or in perpetuity, and can restrict both resale value or rental rate.

Affordability Covenants are often used in conjunction with development incentives to ensure that the incentives are supporting affordable housing. However they can be used on their own if amenable property owners choose to do so.

How: Provides restrictions

Who: Directly benefits low-income residents, particularly low-income home-buyers

Funding source: N/A

Eligibility: Varies based on crafting of the covenant

Challenges: Can limit equity for home-owners, making the property less attractive in boom years

Section 2: Affordable Housing Tools



Funding Tools

HOME funds:

A one-time grant which provides funds to finance activities that build, buy or rehabilitate affordable housing for rental or homeownership, or to provide direct rental assistance to low-income people.

How: HUD allocates to state agencies who then distribute the funds to jurisdictions based on population size

Who: For or non- profit developers seeking to build new construction or rehabilitation

Funding source: Federal level

Eligibility: Must comply with affordability restrictions. Not allowed to layer federal subsidies

Challenges: Allocated based on population size; Oregon allocated in districts (Metro, Eugene etc.); can be very competitive for rural areas as they are competing in a larger pool

Section 202 Supportive Housing for the Elderly:

HUD provides grants or loans to finance the construction or rehabilitation of structures which will serve as housing for very low-income elderly persons. Section 202 also provides rent subsidies via Project Rental Assistance Contracts (PRACs) to any low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy.

How: Provides funds

Who: For- and non-profit developers

Funding Source: Federally through the U.S. Department of Housing and Urban Development

Eligibility: Developers and private non-profits which create housing for low-income persons 62 and older

Challenges: Federal process can get competitive

Low Income Housing Tax Credit:

A 4% or 9% federal tax credit allocated by the Dept. of Treasury to States to provide an incentive to invest in low income housing development. They are given to developers who then sell to investors to build equity into the project. In doing so, a 10 year limited partnership is formed with the investor. 90% of all affordable housing developments use the LIHTC.

How: Provides equity to the developer while providing savings to the investor

Who: Developer

Funding source: Federal funds allocated by Oregon Housing and Community Services once a year

Eligibility: Developments must set aside a minimum amount of units (20%) targeted at residents earning 50-60% or less of AMI; can be used on new construction or substantial rehabilitation projects; must comply with affordability regulations.

Challenges: The 9% credit is substantially more competitive than the 4% credit as it provides the most equity. The State puts out a NOFA for the 9% and allocates funding based on applications received. As this credit can make or break a project, developers will re-apply yearly in order to receive the credit. Possible equity issues regarding capacity of smaller firms.

Oregon Affordable Housing Tax Credit:

State income tax credit given to reduce the interest rate of affordable housing loans by up to 4%. It is allocated to lenders through the Consolidated Funding Cycle.

How: Provides savings to the investor while providing equity to the developer

Who: Developers of new construction or rehabilitation projects

Funding source: Allocated at the State level through the Consolidated Funding Cycle

Eligibility: Must be used to reduce rent of residents for 20 years; residents must be less than 80% of AMI

Challenges: Non-competitive; must adhere to affordability covenants

Section 2: Affordable Housing Tools



HELP Program:

An ongoing program in which Oregon Housing and Community Services (OHCS) distributes HUD re-funding of existing bonds which were originally used to finance housing projects. Funds may be used for construction or rehabilitation of affordable housing to low income persons, people in recovery, homeless people, and for people with developmental disabilities and/or chronic mental illness.

How: Provides funding

Who: Developers and non-profits

Funding Source: Federally funded and allocated through the Oregon Housing and Community Services

Eligibility: Must serve specified population(s); maximum amount of funding per any one project is \$200,000; a Financing Adjustment Factor Savings Funds Use Agreement (FAF) must be executed before and sent to escrow for recording before funds can be disbursed; sponsors must certify tenant incomes upon initial tenant application, and annually thereafter for 10 years

Challenges: Can be difficult to attain in rural areas due to competitiveness

Farmworker Housing Tax Credit:

4% State income tax credit given to investors in agricultural workforce housing which is allocated through OHCS.

How: Provides investor savings and equity to the developer

Who: For profit developers or non-profit entities wishing to assign the credit to qualified investors

Funding source: The tax credit is for Oregon tax payers, and is approved by the State Legislature

Eligibility: Must be used to house agricultural workers either full time or seasonal

Challenges: Not as competitive as it is for a specific use

New Market Tax Credit Program:

Federal tax credit given to individuals or corporations as an incentive to invest in business and real estate projects located in low income areas. While not used specifically for housing, developers of mixed use buildings can use it as long as 20% is commercial. A key example is Madrona Studios operated by Central City Concern. It provides residential housing as well as a detox center.

How: Provides a 39% tax liability reduction for investors and increases the equity of the developer

Who: Community Development Enterprise developer

Funding source: Federally allocated through the Dept. of Treasury

Eligibility: Must include at least 20% of commercial space and be located in a low income area

Challenges: Complicated and the application fees can be costly

Low Income Weatherization Program:

Provides weatherization and energy conservation services at no cost to households earning 60% or below of statewide median income.

How: Provides funds

Who: Households

Funding source: Primarily funded through the Department of Energy: state sourced and county allocated

Eligibility: Households must earn 60% or less of SMI; preference given to elderly individuals, people with disabilities and households with children under the age of 6

Challenges: Not competitive; easy to get

Section 2: Affordable Housing Tools



Employer Assisted Housing:

Housing programs including homeownership and rental, which are at least partially funded or materially supported by an employer. This can be employer owned housing, employer sponsored individual development account, an employer grant, or even an employer cosigning on a lease or loan. Jurisdictions may offer incentives such as tax credit programs to the employer to pass down to employees.

How: Various supports

Who: Both employer and employee

Funding source: Government and employer level

Eligibility: N/A

Challenges: Often used with large scale employers or anchoring businesses; not used as frequently as it should be in Portland; costs associated with permanent housing may not be justifiable for temporary workers

Energy bonuses:

Various programs to incentivize energy efficient development. This includes, expedited permit processing, fee waivers and cash incentives. Programs include Energy Trust of Oregon and Clean Energy Works. Energy efficiency requirements are often built into existing incentive programs.

How: Gives funds and provides savings

Who: Developer and residents

Funding source: City and State funded

Eligibility: Varies depending on program

Challenges: Does not yield a great amount of money up front, but energy improvements can help to decrease future operational costs

Commercial Development Fees:

An impact fee assessed on new commercial developments to offset the costs of affordable housing. As part of their development application, new or expanding businesses are assessed a fee, which can vary depending on type of business and the type of employment opportunities the business or expansion will create (i.e. low-wage vs. high-wage). A portion of or all of the development fee may be earmarked for affordable housing efforts.

How: Provides funding

Who: The city or permitting jurisdiction receives the funding from fees

Funding source: City funded

Eligibility: Determined by agency

Challenges: This tool requires a strong commercial development market; it can act as a disincentive in attracting new businesses to a jurisdiction. It is also a one-time transfer on each new development, meaning that it is not well-suited for funding maintenance and other ongoing costs.

Community Development Block Grant:

A federal grant program created as part of the Housing and Community Development Act of 1974. The objective of the program is to develop healthy communities by providing economic and housing opportunities for low income households. The funds are allocated directly to local urban governments and distributed through an RFP process.

How: Provides funding

Who: Developers and jurisdictions for economic development

Funding source: Federally funded through HUD to entitlement areas, the State distributes to non-entitlement areas

Eligibility: At least 70% of the funds must be used to benefit low income households

Challenges: Outside of Portland, CDBG funds are generally used for economic development; can be competitive in non-entitlement (populations less than 50,000) areas

Section 2: Affordable Housing Tools



Community Savings Programs:

A funding pool created by low-income community members to loan out to individuals contributing to the fund. A group of community members each contributes a specified amount of money every week/month/quarter, and collectively decide how to distribute the funds collected. Often distribution is in the form of a loan, but could also be in the form of a grant, depending on the amount collected and the needs of the group. Timeframes may differ between savings and distribution.

How: Provides funding

Who: Members of the Community Savings Program

Funding source: Self-funded

Eligibility: Any group of motivated community members can organize, or a community organization can act as the organizing party and set eligibility requirements

Challenges: Ensuring equitable distribution can be problematic. Savings are often small at first, and may be best suited to broader affordability issues (weatherization, auto repairs, etc.). Unlikely to initially generate enough funding to create new affordable housing units, but can act as an organizing platform for creating political capacity within low-income communities.

Appendix A: Oregon ON Member Survey



Additional Tools

In the course of the research additional tools came to light which were not included in the final toolkit as further investigation was required. Interviews with Oregon ON members, the Portland Housing Bureau, and Metro revealed at least eleven potential additions:

- Rural Development USDA 523
- RD 502
- 502 Guaranteed Program
- Individual Development Account/Valley Development Account
- HUD 811
- AMH (addiction and mental health) funds
- Federal Home Loan Banks funding
- Continuum of care grants cover capital costs
- Rural development funds used for administrative costs
- USDA 514/516
- Social investment bonds

Additional information about the technical details of how these tools work including how to apply, funding caps, and the specific challenges which can be expected when attempting to use these tools must be compiled.

Member Feedback

Interviews revealed a number of challenges and concerns which Oregon ON members face when seeking the support of their local jurisdictions. A common thread throughout indicated that in some jurisdictions there are competing priorities and ideologies which prevent affordable housing from being a functional priority. This challenge was most apparent when discussing tools such as Public Land for Affordable Housing and System Development Fee Waivers which require jurisdictions to forego

revenue, and tools like New Market Tax Credits which can be used for other priorities including economic development.

Capacity limits were another recurring theme, especially in rural jurisdictions. Tools which have complicated and competitive application processes or require a critical mass of population or commercial activity are often difficult to implement in smaller jurisdictions with limited resources. This creates glaring inequities between rural and urban communities and can also create a competitive atmosphere which inhibits potential collaborations between organizations. Additional efforts are needed to identify approaches which mitigate these effects and help to balance the dynamics between urban and rural communities. The ability of a tool to be replicated in other jurisdictions is hugely dependent on the capacity of a jurisdiction.

Political volatility and overlapping jurisdictions were two other common elements to the interviews. Some local funding mechanisms would come and go based on the political environment at play - making it difficult for developers to commit to affordable housing developments. Other tools, such as Density Bonuses, could also be less than stable elements of a jurisdiction's policy - a challenge compounded by issues of overlapping jurisdictional boundaries. While a city may implement a tool, metropolitan, regional, or state-level decisions could void the effectiveness of that tool. Advocating for regional standards in goals for affordable housing as well as for things like density requirements could benefit the implementation of affordable housing tools in a larger number of jurisdictions. By contributing to a statewide sense of responsibility and overall urgency for the implementation of affordable housing, Oregon ON can create a climate in which affordable housing is a true priority.

Appendix A: Oregon ON Member Survey



Portland State University / Oregon Opportunity Network Affordable Housing Toolkit Survey

Please tell us a little about yourself...

Name: _____

Phone: _____

Email: _____

Organization: _____

May we contact you later to follow up in more detail?

☐ Yes ☐ No

What population is most in need of affordable housing in your community? (elderly, veterans, families...)

What organizations are currently providing affordable housing in your community?

What are the barriers you see to your community adopting affordable housing policies or incentives?

Who in your local government would be most interested in learning about policies or incentives to promote affordable housing development or retention?

Name: _____

Title/Position: _____

Agency/Bureau/Department: _____

Contact Phone (if known): _____

Contact Email (if known): _____

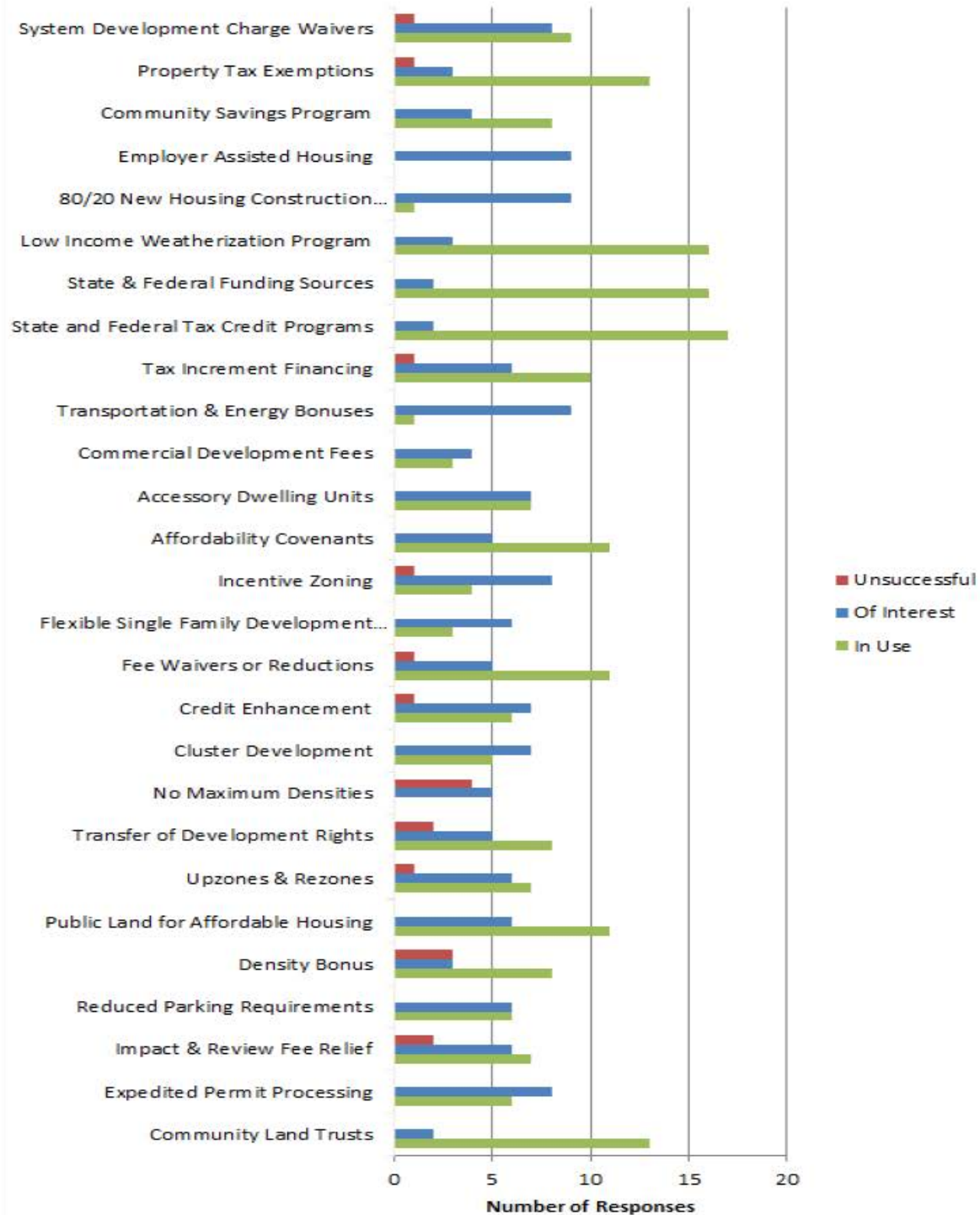
Would you be willing to introduce us to that person?

☐ Yes ☐ No

Please share your organizations experience with the following tools. Descriptions are available at the survey table and online at bit.ly/ORONtools

	This tool is currently in use in my community.	This tool has been tried unsuccessfully in my community.	This tool would be of interest to my community.
Community Land Trusts	☐	☐	☐
Expedited Permit Processing	☐	☐	☐
Impact & Review Fee Relief	☐	☐	☐
Reduced Parking Requirements	☐	☐	☐
Density Bonus	☐	☐	☐
Public Land for Affordable Housing	☐	☐	☐
Upzones & Rezones	☐	☐	☐
Transfer of Development Rights	☐	☐	☐
No Maximum Densities	☐	☐	☐
Cluster Development	☐	☐	☐
Credit Enhancement	☐	☐	☐
Fee Waivers or Reductions	☐	☐	☐
Property Tax Exemptions	☐	☐	☐
System Development Charge Waivers	☐	☐	☐
Flexible Single Family Development Regulations	☐	☐	☐
Incentive Zoning	☐	☐	☐
Affordability Covenants	☐	☐	☐
Accessory Dwelling Units	☐	☐	☐
Commercial Development Fees	☐	☐	☐
Transportation & Energy Bonuses	☐	☐	☐
Tax Increment Financing	☐	☐	☐
State and Federal Tax Credit Programs	☐	☐	☐
State & Federal Funding Sources	☐	☐	☐
Low Income Weatherization Program	☐	☐	☐
80/20 New Housing Construction Program	☐	☐	☐
Employer Assisted Housing	☐	☐	☐
Community Savings Program	☐	☐	☐

Overview of Survey Responses re: Affordable Housing Tools



Organization	Community Land Trusts	Expedited Permit Processing	Impact & Review Fee Relief	Reduced Parking Requirements	Density Bonus	Public Land for Affordable Housing	Upzones & Rezones	Transfer of Development Rights	No Maximum Densities	Cluster Development	Credit Enhancement	Fee Waivers or Reductions	Flexible Single Family Development Regulations	Incentive Zoning	Affordability Covenants	Accessory Dwelling Units	Commercial Development Fees	Transportation & Energy Bonuses	Tax Increment Financing	State and Federal Tax Credit Programs	State & Federal Funding Sources	Low Income Weatherization Program	8/2 New Housing Construction Program	Employer Assisted Housing	Community Savings Program	Property Tax Exemptions	System Development Charge Waivers			
Salem Keizer CDC		1	1			2	2	2	3			3	2	2	1	2	2	2	1	1	1	1	2		1	1	1		1 = In Use	
Central City Concern	1	2	1		1	1	2	1		1	2	1		1	1	1	1	2	1	1	1	1	2	2	1	1	1		2 = Of Interest	
Habitat for Humanity of Oregon	1	1						1	1			1			1				1	1	1	1			1	1	1			
Lincoln CDC	1		2	2		2									2	2			2	1	1	1		2			2			
Community Connection of Northeast Oregon, Inc.														2					1	1	1						2			
DOWNTOWN COMMUNITY HOUSING, INC	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1		1	1	1	1	1				1	1			
NEDCO	1			2		1				2	1	1							1	1	1	1			2	1	2			
Community Housing Fund		1	3	1	3	1	1	3	3	1	3	1	1	2	1	2		2	2	1	1	1	2	2	1	1	3			
REACH	1	2	2	1	3	1	2	2	2	2	2	2	2	3	2	1	2	2	3	1	1	1	1	2	2	2	1	2		
Northwest Housing Alternatives	1	1		1	1	1		1		1	1			1	1				1	1	1	1	1			1	1			
NeighborImpact	2	2	2	2	3	2	3	3	3	2	2	2	2	2	2	2		2	2	2	2	2	2	2	2	2	2	2		
Innovative Housing, Inc.	1	2	1	1	1	1	1	1		2	1	1		2	1	1			1	1	1	1			1	1	1			
Home Forward	1	1		1	1	1	1	1		1				1					1	1	1	1				1	1			
St. Vincent de paul Society of Lane County, Inc.	1	2	1	1	1	1	1	1	2	1	1	1	1	1	1	1	1	2	2	1	1	1	2	2	1	1	1			
Housing Authority of Clackamas County	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1	1	2	2	2	1	2			
Bienestar, Inc.																														
CASA of Oregon	1	2	3	2	2	2	2	2	2	2	2	1		1			1	2	1	1	1	2	2		1	3	2			
Housing Development Center	1		1		1	1		1	3		1	1			1	1			1	1	1	1				1	1			
Metropolitan Affordable Housing Corporation	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		

Milwaukie Housing Affordability Strategic Plan

Project Update



Alma Flores, Community
Development Director and
Liza Morehead, PhD
March 6, 2018



CITY OF MILWAUKIE



Portland State
UNIVERSITY

What can we learn from other cities?

- Help Homeowners Stay in the Homes
- Land Banks
- Fees/Taxes
- Renter Protections
- Affordable housing financing assistance tools

Example: Park City, UT

Tool/Strategy		Relevance to Milwaukie
Employer-assisted housing for Park City employees •Down payment assistance loans and a monthly housing allowance for city employees •Affordable rentals to employees in transition •Providing seasonal rental housing for city transit employees	Mountainlands Community Housing Trust •Manages deed-restricted homes on behalf of the county •Mutual Self Help Program takes sweat equity approach where future homeowners contribute labor to reduce the price of the home by 20%	Park City experiences housing shortages for seasonal workers, often employed in low-wage leisure and hospitality. There are strong negative perceptions about affordable housing, however. The Mountainlands Land Trust manages county-owned homes, which is a unique distinction, and the City has an employer-assisted housing program.
http://www.parkcity.org/home/showdocument?id=17001	http://www.housinghelp.org/own/mutual_self_help_program http://www.housinghelp.org/tools/deed_restrictions	

The City of Milwaukie would like to hear from you!
We need developers/landlords/renters/developers to
help shape the Housing Affordability Plan.



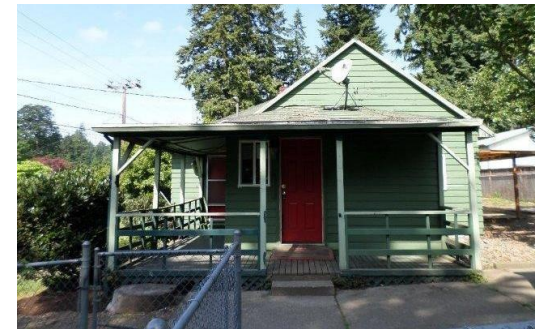
Focus Groups: Landlords

- Single and multi-family buildings
- Variety of housing types and prices points
- Pressures landlords face in the current housing market
- Landlord/tenant relations
- Places landlords access information about supportive services



Focus Group: Homeowners

- Pressures homeowners face in the current housing market
- Places homeowners access information about supportive services
 - Weatherization & Repair
 - Taxes
 - Utility Bills

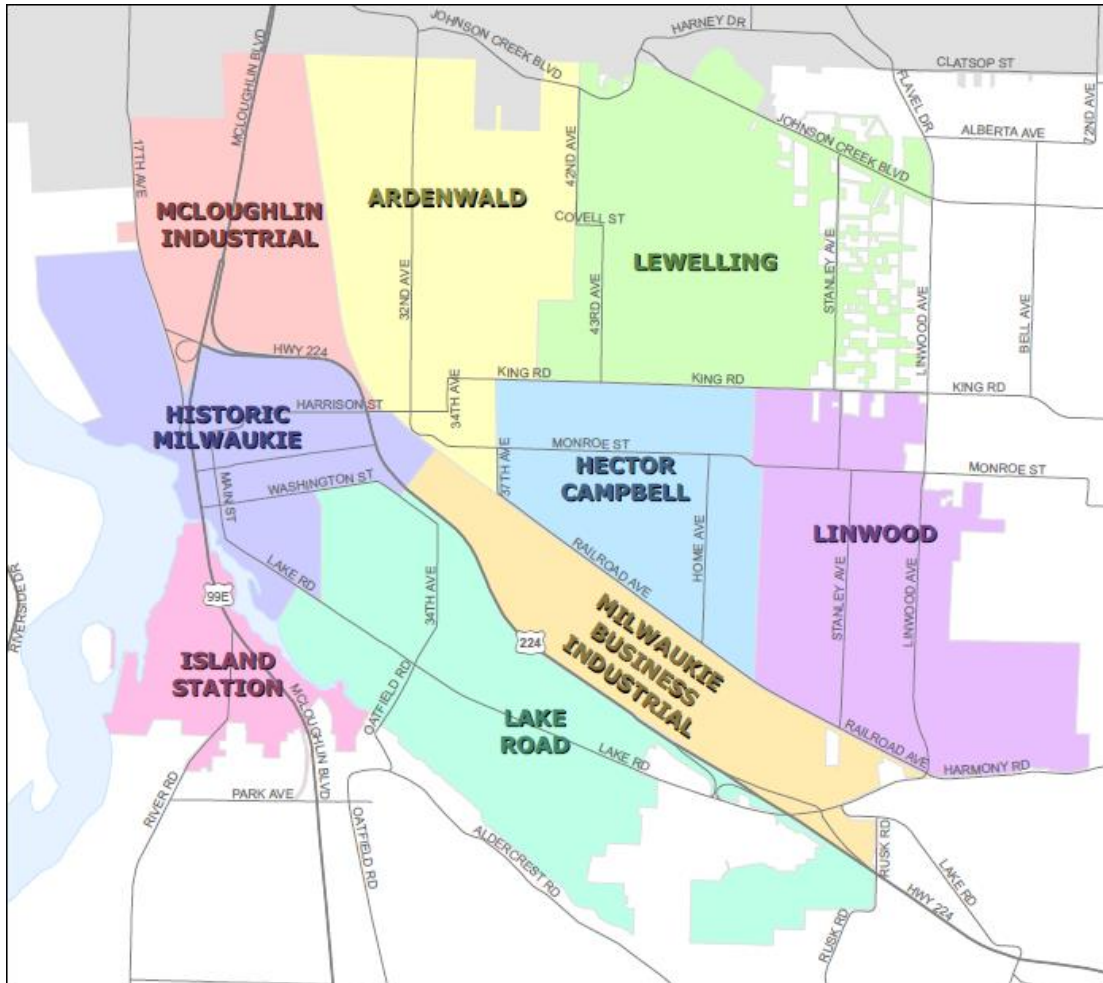


Focus Group: Developers

- For and non-profit developers of Affordable and market rate housing
- Interested in building single-family, multi-family, or mixed use buildings
- How can the city partner with developers to achieve the desired housing mix?
- Where have developers successfully worked with other cities and what did the cities do to facilitate the partnership?
- What opportunities could exist that haven't been leveraged yet?



Measuring Change on the Neighborhood Level



We will use

- Administrative data
- Census data
- ES202: Quarterly wage & employment data from the Census

To measure

- Existing housing stock
- Housing costs
- Neighborhood demographics
- Wages



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In May, 2017 the Milwaukie City Council adopted housing as its #1 priority and directed staff to

"take every opportunity to address this housing crisis, including finding and working with partners to add new affordable housing units, and to encourage the private market to develop housing options that are affordable for Milwaukians at every income level and stage of life."

As part of its Housing Affordability Strategy, Milwaukie Community Development partnered with Portland State University to write a Housing Affordability Plan. The 5-year Plan will be presented to City Council in May 2018. We are hosting a focus group to learn about the experiences of developers. Increasing the supply of housing units and maintaining the affordability of existing units are central to the city's goal of Housing Affordability for everyone.

Are you a developer who would like to build single-family, multi-family or mixed-use buildings in Milwaukie? We want to hear from you! Join us for a two hour focus group and tell us about your experience. Possible topics include:

- How can the city partner with developers to achieve the desired housing mix?
- Where have developers successfully worked with other cities and what did the cities do to facilitate the partnership?
- What opportunities could exist that haven't been leveraged yet?

Information gathered during the focus group will inform the Milwaukie Housing Affordability Strategy. It will help inform city policies and programs aimed at increasing the supply of housing and making Milwaukie a place for everyone.

Date: TBD

Time: TBD

Location: Pond House

2215 SE Harrison St. Milwaukie, OR

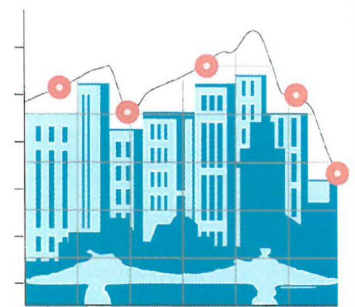
RSVP: more@pdx.edu

Questions? Contact Liza Morehead at more@pdx.edu

To learn more about Housing Affordability in Milwaukie visit:

<https://www.milwaukieoregon.gov/communitydevelopment/affordable-housing>

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HOUSING DATA HUB



CITY OF MILWAUKIE

The City of Milwaukie would like to hear from you! We need renters to help shape the Housing Affordability Plan.

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Do you rent an apartment or house in Milwaukie? We want to hear from you! Join us for a two hour focus group and tell us about your experience. Possible topics include:

- Pressures renters face in the current housing market
- Landlord/tenant relations
- Places renters access information about supportive services

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Are you a landlord in Milwaukie operating a single or multi-family rental? We want to hear from you! Join us for a two hour focus group and tell us about your experience. Possible topics include:

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- Landlord/tenant relations
- Places landlords access information about supportive services

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Do you own a home in Milwaukie? We want to hear from you! Join us for a two hour focus group and tell us about your experience. Possible topics include:

- Pressures homeowners face in the current housing market
- Places homeowners access information about supportive services

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The Sunday Oregonian

ALWAYS ON OREGONLIVE.COM



SUNDAY, FEBRUARY 25, 2018 \$3.00

READING, WRITING, EVICTED A 3-PART SERIES

Eviction's price

The high cost of high rents: With increases forcing people out of homes, it's often kids changing schools who suffer the most

Bethany Barnes The Oregonian/OregonLive

Snow covered an unprepared Portland the day 18 families learned they would soon be forced out of their homes. At the Normandy Apartments, the final day of 2016 came not with revelry but a rent hike so high it was essentially an eviction.

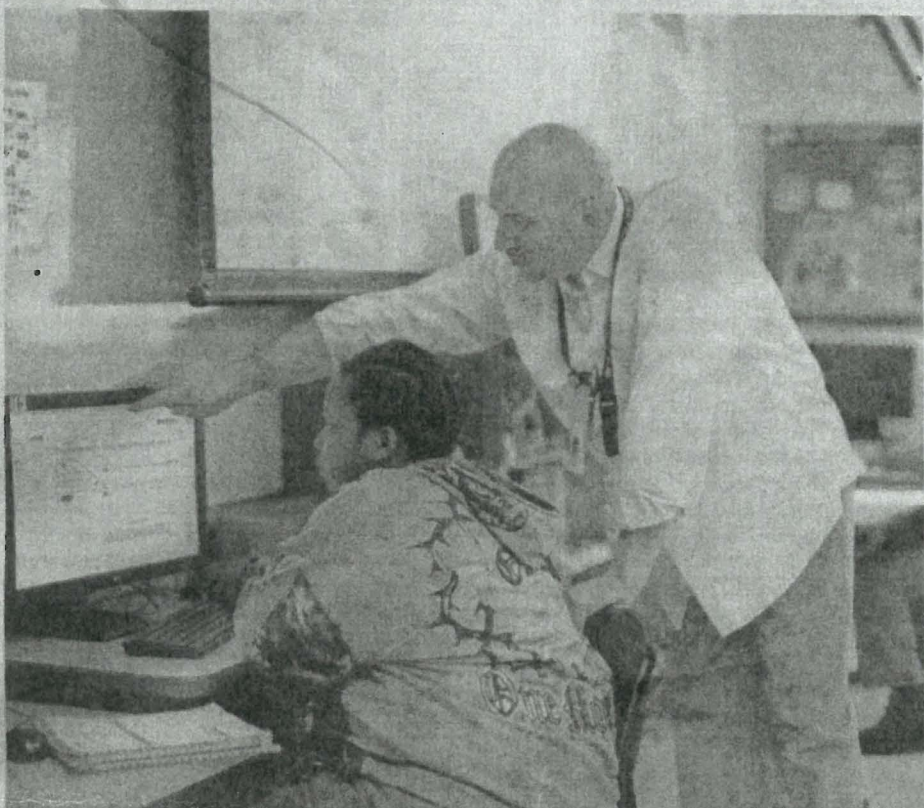
City leaders were stunned to learn Rigler Elementary stood to watch 5 percent of its students vanish by April. But it's a reality some educators know all too well: Children don't pay rent, but they are paying a steep price for Portland's failure to solve its housing crisis.

Students who are forced into new schools often lose their academic footing. They have to start all over building new relationships. Even their sense of self can suffer.

Like the snow, which iced roads to the point that hundreds of people abandoned their cars, the increasingly harsh rental climate has knocked that vulnerable, but often voiceless, segment of the "City That Works" on its heels.

In Oregon's largest school district, more than 1,700 students in kindergarten through grade eight churned through at least three schools in the last five years alone, an analysis by The Oregonian/OregonLive shows. That's enough students to fill the district's biggest K-8 school — twice.

Frankie Serrano, now 17, has cycled through three high schools in less than four years, after a spike in rents at his family's North Portland apartment complex forced them to double up with relatives in Milwaukie. Switching schools severed him from friends and mentors and has forced him and his little brother to wear the uncomfortable mantle of "new kid" multiple times.



Malik Logan left a school where he felt secure and is now the unsure new kid. If students spot "something wrong with you," he said, they'll talk about you. Beth Nakamura, staff

Like Frankie, James Atencio is attending his third school in a short time — and he's only 11. His family was evicted from their apartment by new owners who wanted to remake the place and raise rents. A disability makes it challenging for the boy to control his behavior in school, but he'd made progress and spent more and more time in a regular classroom.

When his family was uprooted and he had to switch to a new school mid-year, he lost confidence. He has had to retreat to more time in a self-contained special education class in a new school district.

"It's frustrating," says his mom, Nina Taylor. "You want to see your kid succeed and SEE EVICTION, A12

The series

Today: They may not pay the rent, but Portland's children are paying the price in an increasingly difficult rental market.

Wednesday: Students who change schools mid-year suffer academic setbacks and become more likely to drop out. Whole classrooms suffer when high rents upend lots of kids.

Friday: How one school district got past the hand-wringing stage to try to help children impacted by skyrocketing rents stay in their schools.

PORTLAND SNOW

This time, storms are weathered

Smart moves, a little luck and a lot of salt do the trick

Elliot Njus The Oregonian/OregonLive

A year ago, storms in December and January turned Portland into nothing less than an apocalyptic scene: Abandoned cars lined snow-clogged streets. Traffic backed up for miles. The city shut down and again turned Portland into a winter punchline.

So when the forecast of a late-season dump of snow arrived for last week, many envisioned another round of chaos.

But when the storms came, with snow falling in spurts from Sunday through Friday, Portland largely shrugged them off.

With salt getting widespread use, some fortunate timing and a more experienced region, mayhem on the roads was limited to a few slippery spots. TriMet bus and train riders mostly got where they needed to be. And kids weren't stranded in school gymnasiums late into the night, like they were last year.

Sure, some buses and trains suffered delays, and some roads were closed or backed up. But by and large, the city made it through like, well, like maybe it knew what it was doing.

Some was experience, some was good fortune. But the combination of factors turned the February 2018 snowstorm into something less than the Snowpocalypse experiences area residents have come to know so well.

Here's what made the difference:

ROADS GOT A HEFTY DOSE OF SALT

The city of Portland and the Oregon Department of Transportation used salt on the roads essentially for the first time.

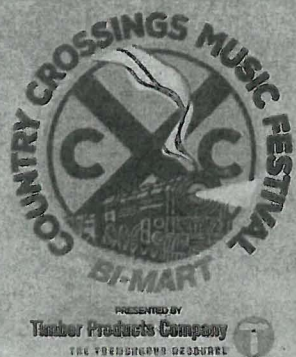
In years past, the agencies rejected road salt, saying it's an ecological nightmare waiting to happen. Drivers didn't want it anyway, they said, because it would corrode cars.

SEE SNOW, A10

Business, D1 Classifieds, F1 Crossword NYT, A&E11 Opinion, B1 Obituaries, D7 Sports, C1 Weather, C16

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Rain
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