

Metro Regional Affordable Housing Tools Survey Report



METRO

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Purpose

The Metro Affordable Housing Technical Advisory Committee (H-TAC) is working to create a *Regional Affordable Housing Strategy Plan*. To better evaluate the possible tools and strategies, it is important to consider and recognize what local jurisdictions are already using to encourage the development of affordable housing. This survey, which was sent to the 24 cities and 3 counties within Metro's jurisdiction, provides a background on tools currently in use by local governments. The survey was sent out in September, 1999 and responses were accepted until February, 2000. Eighteen jurisdictions responded, a 67 percent response rate.

Results

- Three types of tools, land use and regulatory, cost reduction, and funding are in place to assist jurisdictions in maintaining and building affordable housing.
- Accessory dwelling unit is the most utilized affordable housing tool. Accessory dwelling units are required by Metro. Programs for Seniors and Disabled housing and Community Development Block Grant (CDBG) Funds dedicated to housing is the second most utilized housing tools; all cities have access to CDBG funds.(See Table 1)
- The City of Portland utilizes the most affordable housing tools. (See Table 2)
- Clackamas County utilizes the second most affordable housing tools. (See Table 2)
- Gresham, Hillsboro and Clackamas County noted they utilize Home Investment Partnerships Program (HOME) funds; however, not all jurisdictions have access to HOME funds. (See Table 2)
- None of the jurisdictions utilize mandatory inclusionary zoning. Mandatory inclusionary zoning is currently illegal because of HB2658 (passed by the Oregon Legislature in summer 1999). (See Table 2)

Table 1. Tools used by one or more jurisdictions:

Tools	Number of Jurisdictions
<i>Land Use</i>	
Accessory Dwelling Unit	14
Density Transfer	4
Density Bonus for Affordable Housing	3
No Net Loss Provisions for Housing	3
Increased Density in Transit Corridors	2
Replacement Housing Ordinance	2
Conversion of Rental to Owner Occupied Unit	2
Requirements for the Relocation of Mobile Home Parks	2
Linkage Programs	1
Incentive Based Inclusionary Zoning	1
<i>Cost Reduction</i>	
Programs for Seniors and Disabled	7
Land Banking	3
Long-term or Permanent Affordability Requirements	3
Property Tax Abatement for Housing	3
System Development Charges Abatements for Affordable Housing	3
Tax Foreclosed Properties Donated for Affordable Housing	3
Building and Land Use Fee Waivers	2
<i>Funding</i>	
CDBG Funds Dedicated to Housing	7
General Funds Dedicated Specifically to Housing	3
Other Financial Incentives	3

Other Findings

Answers to Question #1: Which programs or tools have been successful in the development of affordable housing?

- **Beaverton:** Partnership/TVHP for multi-family rental rehab.
- **Gresham:** HOME and CDBG funds/ Transit-oriented tax abatement/ SIP agreement made funds available in housing/ Tax-foreclosed properties make properties available countywide.
- **Hillsboro:** The City of Hillsboro has participated extensively with Washington County in their CDBG and HOME programs and did not have a separate program. In 2000, Hillsboro will be an entitlement city and is exploring various options to encourage affordable housing.
- **Lake Oswego:** The special use housing provisions and the City zoning code provide opportunities for housing provision for low and moderate income

households. However, these provisions have not been used by developers in the past years.

- **Portland:** The tools which provide financial assistance are most effective. Regulatory tools are useful in making projects more feasible and support innovative projects, but direct or indirect (e.g., property tax exemption) funding upfront or ongoing produces tangible results. Technical assistance in a variety of forms (from free zoning verifications for grant applicants to formal partnerships) are also successful.
- **Tualatin:** Multifamily zoning as a tool has been successful because many apartments have been built in the multifamily zones.
- **Clackamas County:** HOME Funds/ Low income housing tax credit program
- **Washington County:** Land banking- acquisition/ allowing calendation (?) of payment in lieu of taxes (PILOT) payments according to HUD's public housing formula for properties which County Housing Authority is general (??).

Answers To Question #2: Which programs or tools have not been successful in encouraging the development of affordable housing?

- **Portland:** Strictly regulatory tools have proved less effective in themselves, but have with other types of assistance made projects more feasible.
- **Clackamas County:** Density bonus provisions/ Mobile home park relocations/ replacement zoning provisions/ accessory dwelling units- "the jury is out" not many requested and no useful data on affordability.

Answers To Question #3: Why?(this question is an expansion of Question #2)

No jurisdictions answered this question.

Conclusions

With the exception of Portland, very few jurisdictions use more than one or two affordable housing tools. Tools that are mandated by Metro, namely accessory dwelling units, are used twice as often as tools not mandated by Metro.

Table 2. Regional Affordable Housing Tools Survey

Local Government Implementation	Beaverton	Cornelius	Durham	Fairview	Forest Grove	Gladstone	Gresham	Happy Valley	Hillsboro	Johnson City	King City	Lake Oswego	Maywood Park	Milwaukie	Oregon City	Portland	Rivergrove	Sherwood	Tigard	Troutdale	Tualatin	West Linn	Wilsonville	Wood Village	Clackamas County	Multnomah County	Washington County
<i>Affordable Housing Tool</i>																											
Accessory Dwelling Unit <i>How long in existence? (in years)</i>	Y 1		Y 0		Y 8	N	Y 4	Y 12	Y 3			Y 18		Y 1	N	Y 18		N	Y 1	N	Y 1		Y 4		Y 5		Y 2
Conversion of Rental to Owner Occupied Unit <i>How long in existence?</i>	N		N		N	N	Y 10	N	N			N		N	N	Y 20		N	N	N	N		N		N		N
Density Bonus for Affordable Housing <i>How long in existence?</i>	N		Y		N	N	N	N	N			N		N	N	N		N	N	N	N		Y 5		Y 15		N
Density Transfer <i>How long in existence?</i>	N		N		N	N	N	N	N			N		N	N	Y 10		Y 10	Y 10	N	N		Y 5		N		N
Mandatory Inclusionary Zoning <i>How long in existence?</i>	N		N		N	N	N	N	N			N		N	N	N		N	N	N	N		N		N		N
Incentive Based Inclusionary Zoning <i>How long in existence?</i>	N		N		N	N	N	N	N			N		N	N	Y 24		N	N	N	N		N		N		N
Land Banking (Acquisition) <i>How long in existence?</i>	N		N		N	N	N	N	N			N		N	N	Y 30		N	N	N	N		N		Y 3		Y 9
Increased Density in Transit Corridors <i>How long in existence?</i>	N		N		N	N	N	N	Y 3			N		N	N	Y 3		N	N	N	N		N		N		N
Replacement Housing Ordinance <i>How long in existence?</i>	N		N		N	N	N	N	N			N		N	N	Y 15		N	N	N	N		N		Y 6		N
Linkage Programs <i>How long in existence?</i>	N		N		N	N	Y 4	N	N			N		N	N	N		N	N	N	N		N		N		N
Long-term or Permanent Affordability Requirements <i>How long in existence?</i>	N		N		N	N	Y 2	N	N			N		N	N	Y 2		N	N	N	N		N		N		Y 7
Air Rights Opportunities <i>How long in existence?</i>	N		N		N	N	N	N	N			N		Y 1	N	Y 10		N	N	N	N		N		N		N
Programs for Seniors & Disabled <i>How long in existence?</i>	N		N		N	N	S D 4	N	#			S 18		N	#	S D 20		#	S 12	N	N		S D 20		S D 20		S D 12

	Beaverton	Cornelius	Durham	Fairview	Forest Grove	Gladstone	Gresham	Happy Valley	Hillsboro	Johnson City	King City	Lake Oswego	Maywood Park	Milwaukie	Oregon City	Portland	Rivergrove	Sherwood	Tigard	Troutdale	Tualatin	West Linn	Wilsonville	Wood Village	Clackamas County	Multnomah County	Washington County	
Building and Land Use Fee Waivers <i>How long in existence?</i>	N		N		N	N	#	N	#			#		R S	#	R W 10		#	N	N	N		#		N		#	
Property Tax Abatement for Housing <i>How long in existence?</i>	N		N		N	N	Y 1	N	N			N		N	N	Y 25		N	N	N	N		N		Y 20		N	
System Development Charges Abatements for Affordable Housing <i>How long in existence?</i>	N		N		N	N	#	N	d 5			R		N	#	R W 3		#	N	N	N	N	#		N		#	
General Funds Dedicated Specifically to Housing <i>How long in existence?</i>	Y 1		N		N	N	N	N	N			#		N	N	Y 5		N	N	N	N	N		N		Y 8		N
CDBG Funds Dedicated to Housing <i>How long in existence?</i>	Y 6		N		N	Y	Y 7	N	Y			N		N	N	Y 25		N	N	N	N	N		#		Y 21		Y 19
Tax Foreclosed Properties Donated for Affordable Housing <i>How long in existence?</i>	N		N		N	N	Y ?	N	N			N		N	N	Y 10		N	N	N	N	N		N		Y 8		N
No Net Loss Provisions for Housing (provisions to retain existing ration of housing stock, if residential units are removed additional housing must be developed elsewhere) <i>How long in existence?</i>	N		N		N	N	N	N	N			N		Y 1	N	Y 10		N	N	N	N	N		N		Y 2		N
Requirements for the Relocation of Mobile Home Parks <i>How long in existence?</i>	N		N		N	N	N	N	N			N		Y ?	N	N		N	N	N	N	N		#		Y 6		N
Other Regulatory Incentives Name of Program*1 <i>How long in existence?</i>	N		N		N	#	N	N	N			#		N	N	Y*		N	N	N	N	N		N		#		N
Other Financial Incentives Name of Program*2 <i>How long in existence?</i>	N		N		N	#	Y 5	#	N			#		N	N	Y		N	N	N	N	N		N		#		Y 3
Other*3	N		N		N	#	#	#	#			#		N	N	Y		#	N	N	N	N		#		#		#

Y = Yes
N = No
D = Disabled
S = Senior
R = Reduced
d = Deferred
W = Waived
= did not answer

***1 Portland:** Manufactured Housing in Single Family Zones/ Liberalized substandard residential lot regulations/ alternative development options in single family zones/ attached housing/ cluster development and PUDs/ duplex conversion of existing SFR in R2.5 zone/ duplexes and rowhouses on corners in single family zones/ higher density on transitional lots/ zero lot line development/ amenity bonuses in R3, R2, and R1 zones/ minimum density requirements in multi-family zones/ SRO housing as permitted structure type in R1, RH and RX zones/ minimum density requirements in single family land divisions/ required residential development areas in the Central City/ R2.5 attached single family housing (rowhouse) zone

***2 Portland:** Active use of federal and state funding opportunities (e.g., HOME, tax credits, Oregon Housing Fund, etc.) for deferred payment repair loans; below market repair loans, senior home repair, sewer hook-up loans, home security loans, Portland Housing Center, downpayment assistance, investor rehab loans, SRO maintenance (Note: not all programs currently active)/ Use of tax increment financing dedicated for housing development/ use of leveraged private sector funds and ongoing partnerships on specific projects both for-profit and non-profit development (including Housing Authority), such as Rosemont property, 60th and Glisan and many more/ Use of local bonding authority for development loans/ General fund assistance for Multnomah County homeless program

Gresham: HOME funds for housing

Washington County: PILOT



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REGIONAL AFFORDABLE HOUSING TOOLS SURVEY

Affordable Housing Tool	<u>Does your jurisdiction use this tool?</u>	How long has the program been in existence?
Accessory Dwelling Unit	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Conversion of Rental to Owner Occupied Unit <i>(restrictions on converting rental units to owner occupied units)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Density Bonus for Affordable Housing	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Density Transfer <i>(allowing a transfer of housing units from one property to another with the inclusion of affordable units)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Mandatory Inclusionary Zoning <i>(setting aside a percent of units in a market rate housing development for low income households)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Incentive Based Inclusionary Zoning	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Land Banking (Acquisition)	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Increased Density in Transit Corridors <i>(allowing additional density in transit corridors with the inclusion of affordable units)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Replacement Housing Ordinance <i>(requiring the replacement of affordable units that are either converted to market rate or destroyed)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Linkage Programs <i>(requiring commercial, retail or industrial development to provide either actual units or funds for housing in relation to a resulting increase in jobs)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Long-term or Permanent Affordability Requirements	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Air Rights Opportunities <i>(facilitating the development of affordable housing in the unused air space above existing uses)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Programs for Seniors & Disabled Housing	<input type="checkbox"/> Seniors <input type="checkbox"/> Disabled	# of Years: _____
Building & Land Use Fee Waivers	<input type="checkbox"/> Reduced <input type="checkbox"/> Deferred <input type="checkbox"/> Waived	# of Years: _____
Property Tax Abatement for Housing	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
System Development Charges Abatements for Affordable Housing	<input type="checkbox"/> Reduced <input type="checkbox"/> Deferred <input type="checkbox"/> Waived	# of Years: _____
General Funds Dedicated Specifically to Housing	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
CDBG Funds Dedicated to Housing	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Tax Foreclosed Properties Donated for Affordable Housing	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
No Net Loss Provisions for Housing <i>(provisions to retain the existing ratio of housing stock, if residential units are removed additional housing must be developed elsewhere)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Requirements for the Relocation of Mobile Home Parks	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Other Regulatory Incentives <i>Name of Program:*</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Other Financial Incentives <i>Name of Program:*</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____
Other: _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	# of Years: _____

**Please describe on an additional page.*



AFFORDABLE HOUSING TOOLS SURVEY
(PAGE 2)

Additional Questions

Which programs or tools have been successful in encouraging the development of affordable housing?

Which programs or tools have not been successful in encouraging the development of affordable housing?

Why? *(Please enclose a copy of the enabling ordinance of particularly successful programs or tools.)*

Other Information

Name: _____
Title: _____
Jurisdiction: _____
Phone: _____

If you have any questions, please call Malu Wilkinson at (503) 797-1680. Please fax completed survey form to Metro at 797-1911 by September 24, 1999.

Thank you for your help!