

# AGENDA

## Keizer Housing Needs Analysis Project Advisory Committee Meeting #2

2/21/2019

5:30 PM – 6:30 PM

Location: Keizer City Hall - Civic Center (930 Chemawa Rd NE, Keizer, OR 97303)

5:30 – 5:45 p.m.	Call to Order – Blaze Itzania Approval of January Minutes Introductions Project Update	Bob Parker
5:45 – 6:15 p.m.	Buildable Land Inventory (BLI) <ul style="list-style-type: none"><li>- Methodology</li><li>- Preliminary Results</li><li>- Discussion</li></ul>	Bob Parker
6:15 – 6:25 p.m.	Brief Introduction to Housing Policies <ul style="list-style-type: none"><li>- Existing policies</li><li>- Potential new policies</li></ul>	Bob Parker
6:25 – 6:30 p.m.	Next Steps <ul style="list-style-type: none"><li>- Public Meeting this Evening</li><li>- Revision of housing needs projection and BLI</li><li>- PAC 3: March 25</li></ul>	Bob Parker



***BUILDABLE LAND INVENTORY/HOUSING NEEDS ANALYSIS  
PROJECT ADVISORY COMMITTEE MEETING MINUTES  
Monday, January 14, 2019 @ 6:00 p.m.  
Keizer Civic Center***

**CALL TO ORDER:** Meeting was called to order by Nate Brown at 6:00 p.m. Attendance was noted as follows:

**Present:**

Felicia Squires  
James Hutches  
Blaze Itzania  
David Dempster  
Mike Kerr  
Nick Stephenson  
Rick Kuehn  
Danielle Bethell

**Absent:**

Carol Doerfler  
Ron Bersin  
Stephanie Iverson

**Staff Present:**

Nate Brown, Community Development Director  
Shane Witham, Senior Planner  
Dina Russell, Associate Planner  
Debbie Lockhart, Deputy City Recorder

**ELECTION OF CHAIR/VICE CHAIR:** Blaze Itzania and Nick Stephenson were elected to serve as Chair and Vice Chair by unanimous consent.

Community Development Director Nate Brown thanked committee members and participants in the audience. He noted that this project is not light duty - it involves a lot of heavy reading, but this information will be used to make decisions for the future. The work is vital to decisions that the City has to make. He explained that the City does not get to do its own estimates on housing; that was done 18 months ago by Portland State University and it is a shared number between Salem and Keizer. In 2014 both cities reached an agreement on what the split would be.

Bob Parker from ECONorthwest explained that he would be going through the entire presentation and then take public input. He urged everyone to submit written testimony noting that it may be used if the City pursues expansion of the urban growth boundary. He then gave a presentation covering:

**Project Overview:**

- Why is Keizer doing a Housing Needs Analysis?
- Statewide Planning Goal 10 – Housing
- Needed Housing Types
- Steps in the HNA/BLI
- Outline of the Housing Needs Analysis Document

**Process Overview**

- Project Advisory Committee Role
- Schedule

## Housing Market

- Types of Housing
- Housing Mix
- Housing Tenure
- Building Permits
- Growing Population, Keizer
- Growth in Latino Population
- Factors that will affect housing demand in Keizer over the 2019-2039 period
- Aging Population, Keizer
- Household Size, 2013-2017
- Household Composition, 2012-2016
- Household Income, 2012-16
- Median Home Sales Prices
- Median Rent
- Cost Burden – Keizer is a ‘rent-burdened’ community
- Financially Attainable Housing

## Primary Housing Forecast

- Population Forecast, Keizer Portion
- Forecast of Housing Growth
- New Dwelling Units by Income
- Implications for Housing Needs
- HNA: What types of housing?

## Next steps

Discussion followed regarding migration of residents from one city to another, encouraging developers to build smaller single family dwellings, the vision for Keizer, efficiency measures vs. expanding the urban growth boundary, providing land through repurposing, allowing multi-family development in commercial zones, the Comprehensive (Comp) Plan, provision of a summary of relevant parts of the Comp Plan, redevelopment, infill assessments done on a lot-by-lot basis, income profiles, comparative cities, accessory dwelling units, vacancy rates, accuracy of the Portland State University population forecast, reducing rent through planning, city transitions, providing infrastructure, the appropriate mix of housing for Keizer, and the city’s disposition about growth.

Further conversation took place regarding preserving the agricultural lands to the north of the city, moving upwards instead of expanding the city footprint and the impact that would have on the existing residents of Keizer.

Mr. Brown explained that this process/study will ultimately bring about a change in the City’s Comp Plan to reflect the numbers in this new study. The committee will be asked to develop recommendations that will address complicated issues and this will then progress to developing policies. It is important to pay attention to what is desired for the community. He urged committee members to share their thoughts and desires with staff who will forward them to the consultant.

**ADJOURN:** The meeting adjourned at 8:00 p.m.

**Next Meeting: February 21, 2019**

*Minutes approved:* \_\_\_\_\_

DATE: February 14, 2019  
TO: City of Keizer Housing Needs Assessment Public Advisory Committee  
CC: Nate Brown, Shane Witham, Dina Russell, Megan Hurley  
FROM: Bob Parker and Margaret Raimann  
SUBJECT: **DRAFT METHODS AND PRELIMINARY RESULTS OF THE KEIZER RESIDENTIAL BUILDABLE LANDS INVENTORY**

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This memorandum summarizes the framework provided in state law for the Keizer Residential Buildable Lands Inventory (BLI)<sup>1</sup> and presents the methods ECO proposes to use to conduct the residential buildable lands inventory, including definitions and procedures we propose to use for the classifications.

## 1 Background

ECONorthwest (ECO) is preparing a Goal 10 compliant housing needs analysis (HNA) for the City of Keizer to assess the city's housing needs and whether the city has sufficient land within its Urban Growth Boundary (UGB) to accommodate population growth forecasted for the 20-year period. A key component of this study is the buildable lands inventory (BLI). The legal requirements that govern the BLI for the City of Keizer are defined in Statewide Planning Goal 10, ORS 197.296, OAR 660-008, and OAR 660-024-0050.

The BLI consists of several steps:

1. Generating UGB "land base"
2. Classifying land by development status
3. Identify constraints
4. Verify inventory results
5. Tabulate and map results

This memorandum summarizes the methods ECO recommends using to conduct the inventory, including definitions and procedures we recommend for the classifications. It also includes a list of development constraints and how we recommend addressing them in the buildable lands inventory.

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<sup>1</sup> This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

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## 2 Regulatory Guidance

Several provisions of the applicable statutes and administrative rules define and specify the meaning of buildable land, including OAR 660-008-0005(2), ORS 197.296(1), ORS 197.296(4), and OAR 660-024-0050(2). Because Keizer has a population over 25,000, it is subject to the provisions of ORS 197.296 that provide guidance on residential land inventories, among other things. ORS 197.296(1) defines “Buildable lands” as follows:

- (1) “Buildable lands” means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses. “Buildable lands” includes both vacant land and developed land likely to be redeveloped.

ORS 197.296 also identifies specific categories of land that the City is required to use in the inventory. Here are the categories described in 197.296(3) and (4):

- (3) In performing the duties under subsection (2) of this section, a local government shall:

- (a) Inventory the supply of buildable lands within the urban growth boundary and determine the housing capacity of the buildable lands; and

- (b) Conduct an analysis of housing need by type and density range, in accordance with ORS 197.303 and statewide planning goals and rules relating to housing, to determine the number of units and amount of land needed for each needed housing type for the next 20 years.

- (4)(a) For the purpose of the inventory described in subsection (3)(a) of this section, “buildable lands” includes:

- (A) Vacant lands planned or zoned for residential use;

- (B) Partially vacant lands planned or zoned for residential use;

- (C) Lands that may be used for a mix of residential and employment uses under the existing planning or zoning; and

- (D) Lands that may be used for residential infill or redevelopment.

- (b) For the purpose of the inventory and determination of housing capacity described in subsection (3)(a) of this section, the local government must demonstrate consideration of:

- (A) The extent that residential development is prohibited or restricted by local regulation and ordinance, state law and rule or federal statute and regulation;

- (B) A written long term contract or easement for radio, telecommunications or electrical facilities, if the written contract or easement is provided to the local government; and

- (C) The presence of a single family dwelling or other structure on a lot or parcel.

- (c) Except for land that may be used for residential infill or redevelopment, a local government shall create a map or document that may be used to verify and identify specific lots or parcels that have been determined to be buildable lands.

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OAR 660-024-0050(2) provides safe harbors for residential land inventories, but Keizer is subject to ORS 197.296 (i.e., population over 25,000) and is not eligible for these safe harbors, which are explained further in Section 6 of this memo.

### 3 BLI Methods

The BLI for Keizer must include all residential land designated in plan designations within the Keizer UGB. From a practical perspective, this means that all lands within tax lots identified by the Marion County Assessor that fall within the UGB will be inventoried. ECO will use the most recent tax lot shapefile and assessor's roll data from Marion County for the analysis. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.

The general structure of the residential buildable land (supply) inventory is generally based on the DLCD HB 2709 workbook "*Planning for Residential Growth – A Workbook for Oregon's Urban Areas*," which specifically addresses residential lands.

#### Inventory Steps

The steps in the supply inventory are:

**Step 1: Generate "land base."** Per Goal 10 this involves selecting all of the tax lots in the Keizer UGB with residential plan designations and "lands that may be used for a mix of residential and employment uses under the existing planning or zoning."

ECO proposes to include the following plan designations in the residential inventory, based on statutory requirements in ORS 197.296(4)(a):

- Low Density Residential
- Medium Density Residential
- Medium and High Density Residential
- Mixed Use
- Commercial

**Step 2: Classify lands.** Classify each parcel into one of the following categories. The next section provides definitions for each proposed category and the statutory authority for those definitions.

- Developed land
- Vacant land
- Partially vacant land
- Public or Exempt land

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**Step 3: Identify constraints.** Identify lands with development constraints. Consistent with the Division 8 rule, this typically includes floodways, regulated wetlands, lands with slopes of 25% or greater, and land identified for future public facilities as constrained or committed lands. All constraints are merged into a single constraint file, which is then used to identify the area of each tax lot that is constrained. ECO proposes that these areas are deducted from lands that are identified as vacant or partially vacant.

**Step 4: Verification.** ECO recommends using a multi-step verification process. The first verification step would involve a “rapid visual assessment” of land classifications using GIS and recent aerial photos. The rapid visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECO will review all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification would involve City staff verifying the rapid visual assessment output. ECO will amend the BLI based on City staff review and a discussion of the City’s comments.

**Step 5: Tabulation and mapping.** The results will be presented in tabular and map format. We typically include a comprehensive plan map, the land base by classification, vacant and partially vacant lands by plan designation, and vacant and partially vacant lands by plan designation with constraints showing.

## 4 Definitions

A key component in the buildable inventory is to develop working definitions and assumptions. ECO will initially identify buildable land and classify development status consistent with the DLCD *Residential Lands Workbook*, as well as applicable administrative rules using a rule-based methodology. The rules are described below.

A key step in the buildable lands analysis is to classify each tax lot that allows residential uses into a set of mutually exclusive categories based on development status. **ECO proposes that all tax lots in the UGB will be classified into one of the following categories:**

Development Status	Definition	Statutory Authority
Developed Land	Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant or partially-vacant are considered developed.	OAR 660-008 does not provide a definition of developed land. <i>Note: OAR 660-024-0050(2)(b) safe harbor for single-family on lots &lt;0.50 acre is not available to cities subject to ORS 197.296.</i>
Vacant Land	Tax lots that have no structures or have buildings with very little improvement value. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes).	OAR 660-008-0005(2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.
Partially Vacant Land	Tax lots that have structures but also have some development capacity.  Methods for determining infill and redevelopment potential are discussed in Section 6 of this memo.	<i>Note: OAR 660-024-0050 (2)(a) safe harbor for partially vacant tax lots &gt;0.5 acres with a dwelling units is not available to cities subject to ORS 197.296.</i>
Public or Exempt Land	Lands in public or semi-public ownership are considered unavailable for development. This includes lands in Federal, State, County, or City ownership. Public lands will be identified using the Marion County Assessment property tax exemption codes and ownership field.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.

## 5 Development Constraints

Consistent with state guidance on buildable lands inventories, ECO proposes that certain constraints are deducted from the buildable lands inventory. We propose to use categories that are consistent with OAR 660-008-0005(2):

(2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;
- (c) Has slopes of 25 percent or greater;
- (d) Is within the 100-year flood plain; or
- (e) Cannot be provided with public facilities.



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Based on the Division 8 rule and ORS 197.296, we propose to use the constraints summarized below for the residential lands inventory. **We propose to deduct portions of tax lots that fall within these areas as unbuildable and that should be removed from the buildable land base.**

Constraint	Statutory Authority	Threshold
<b>Goal 5 Natural Resource Constraints</b>		
Regulated Wetlands	OAR 660-008-0005(2)(b)	Wetlands identified in the National Wetland Inventory
<b>Natural Hazard Constraints</b>		
Floodways	OAR 660-008-0005(2)(d)	Lands within FEMA FIRM identified floodway
100 Year Floodplain	OAR 660-008-0005(2)(d)	Lands within FEMA FIRM 100-year floodplain
Steep Slopes	OAR 660-008-0005(2)(c)	Slopes greater than 25%

## 6 Methods for Estimating Redevelopment and Infill

Cities subject to ORS 197.296 must consider infill and redevelopment as part of the buildable lands analysis. OAR 660-008-0005(7) defines redevelopment as follows:

“Redevelopable Land” means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

Thus, the burden is “there exists the strong likelihood that existing development will be converted to more intensive residential uses.” This has proved a difficult standard to operationalize for a number of reasons. Data about historical residential redevelopment is not generally available for most cities. In fact, a 2015 survey conducted by the University of Oregon for the Department of Land Conservation and Development found that only 10% of Oregon cities monitor residential redevelopment. Most of those cities were smaller cities with little development activity to monitor.

In previous studies by ECONorthwest and other organizations, redevelopment has been addressed by assuming that a certain percentage of residential growth will be addressed through redevelopment, generally from 5% to 20% of new residential development.<sup>2</sup>

A complex interaction of factors influences redevelopment potential:

- Achievable Pricing – Given the product type and location, what lease rates or sales prices are achievable?
- Entitlements – What do local regulations allow to be built?

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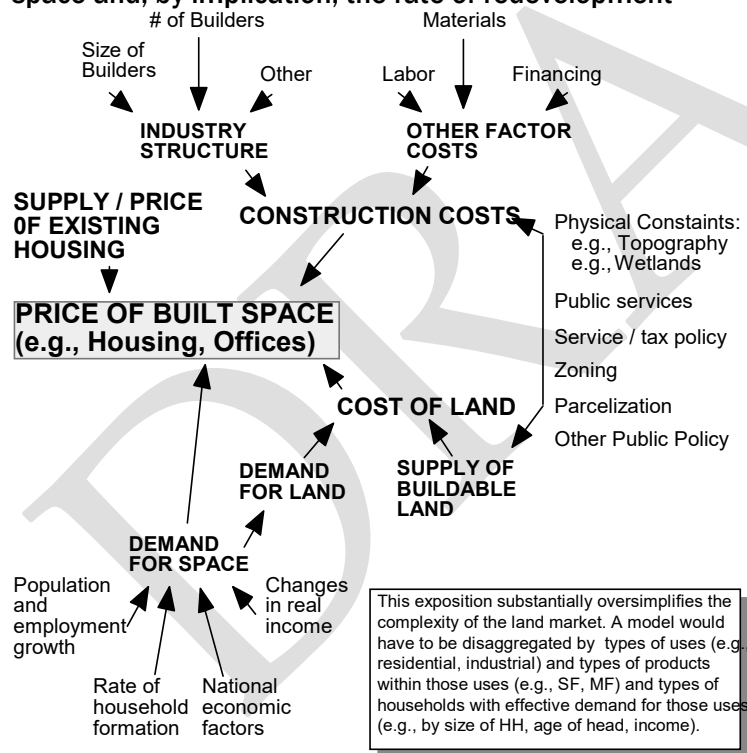
<sup>2</sup> ECONorthwest used this method in studies for the following cities: Redmond, Madras, Ontario, Lebanon, Coburg, Ashland, and McMinnville, all of which have been adopted and acknowledged by DLCD.

- Development Cost – What is the cost to build the range of product types allowed(entitled) at that location?
- Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

It is difficult, if not impossible, to consider the relationship of all these factors and how they will influence redevelopment rates within a city, and they may be constantly changing

One commonly used method to estimate capacity for infill and redevelopment is by arraying residential tax lots on the basis of the ratio of their improvement value to their land value.<sup>3</sup> A ratio of less than 1:1 (i.e., where the improvement is worth less than the land) is a typical threshold. While that method is reasonable, convenient, and relatively inexpensive, people familiar with the process of redevelopment correctly point out that the redevelopment decision is affected by many other factors (see Figure 1), and that many parcels with ratios less than 1:1 will *not* redevelop during the 20-year forecast period, and many parcels with ratios greater than 1:1 *will* redevelop. The ratio is hardly a definitive measure of “strong likelihood.”

**Figure 1: Some of the factors that fact the price of built space and, by implication, the rate of redevelopment**



<sup>3</sup> An improvement to land value ratio compares the assessed value of the improvements with the assessed value of the land. For example, an improvement to land value ratio of 0.75:1 shows that the improvement is worth the less than the land (75% as much as the land). A ratio of 2:1 shows that the improvement is worth twice the value of the land.

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The professional literature of planning, urban economics, real estate, and appraisal does not have much to say about redevelopment rates. Conceptually, the factors likely to influence redevelopment (broadly, the conditions of demand, supply, and price for built space and the factors that go into creating that built space) are clear enough, but the magnitude of the empirical relationships has few studies and no professional consensus. The property owner / developer decision to redevelop is not simply deterministic, but complexly probabilistic. The requirements of Oregon law withstanding, no real estate analyst would have any confidence in making a property-specific assessment for every property in an urban area of the likelihood that the property would redevelop over a 20-year period.

We have limited data available on which to make assumptions, yet assumptions are necessary to develop estimates. **We suggest consideration of the following methods:**

1. Treat “infill” as a subset of “redevelopment.”
2. Vacant and partially vacant lots are not infill or redevelopment lots.
3. Address infill as a function of two factors:
  - a. Accessory dwelling units
  - b. Lot partitions (single-family lots that are divided into 2 or 3 sublots)
4. Estimate redevelopment potential using the following methods:
  - a. Identify single-family residences in multifamily plan designations. To the extent possible, document an assumption about the percentage of those lots that would develop at higher densities.

In short, if using these definitions and the safe harbors<sup>4</sup> for developed and partially vacant land, this is how the terms would be applied under statutory provisions.

- New development on sites classified as “buildable sites” would be considered “new development.” Buildable sites include unconstrained portions of vacant sites and partially vacant sites (sites larger than ½ acre, with capacity deducted for the first ¼ acre for development, per the OAR 660-024-0050(2)(b) safe harbor<sup>4</sup>). Sites classified as vacant and partially vacant must all be mapped and assigned capacity.
- New or additional development that adds new units on sites classified as “fully developed” (sites with a residence, less than ½ acre per the OAR 660-024-0050(2)(a) safe harbor<sup>4</sup>), as well as larger fully developed sites such as multi-family developments, would be considered “infill” and/or “redevelopment.” Fully developed sites aren’t mapped as “buildable” and aren’t assigned capacity. Instead, informed assumptions about the extent of infill and redevelopment that will occur provide a basis for estimating how much of the new housing need will be accommodated through infill and

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<sup>4</sup> While Keizer is subject to ORS 197.296 and not eligible for the safe harbors for developed and partially vacant land identified in OAR 660-024-0050(2)(a) and (b), cities with a population over 25,000 have used similar threshold in redevelopment potential methodologies for buildable land inventories.

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redevelopment, without mapping specific sites where infill and redevelopment are likely to occur.

In some respects, “new development” on smaller partially vacant sites might be what most people would intuitively consider infill rather than new development. However, the classification above ensures mutually exclusive classifications consistent with applicable provisions of state law, including requirements for mapping and assigning capacity. Some housing strategies for smaller developments will still be appropriate regardless of the technical definition and classification used in the BLI.

## **6.1 Preliminary Residential Buildable Land Inventory Results**

ECONorthwest completed preliminary results of the residential buildable lands inventory (BLI) for the Keizer HNA in February 2019. The remainder of this memo provides tabular summaries, descriptions of the preliminary results, and a series of maps. Chapter 2 of the HNA will provide a more detailed summary of the final results.

**NOTE TO REVIEWERS: THE DATA PRESENTED IN THIS SECTION IS PRELIMINARY AND SUBJECT TO CHANGE BASED ON PAC COMMENTS, STAFF REVIEW, AND OTHER FACTORS.**

### **6.1.1 Land Base**

As defined above, the land base for the Keizer residential BLI includes all tax lots in the urban growth boundary (UGB) in residential plan designations and “lands that may be used for a mix of residential and employment uses under the existing planning or zoning.” Some lands in residential designations were in water bodies or private roads. These lands were removed from the land base since they are not in or available for residential uses.

Exhibit 1 shows the residential land base by generalized plan designation in the UGB. There are 11,095 tax lots in the land base, accounting for 3,086 acres. For reference, Keizer has 4,788 acres in the entire UGB and 4,655 acres within the Keizer City Limit. Thus, 65% of the land in Keizer’s UGB outright allows some type of residential use.

**Exhibit 1. Land base by plan designation, Keizer UGB, 2019**

Plan Designation	Tax lots	Percent of Tax Lots	Acres	Percent of Acres
Low Density Residential (LDR)	9,410	85%	2,283	74%
Medium Density Residential (MDR_	371	3%	101	3%
Medium-High Density Residential (MDHR)	784	7%	367	12%
Mixed-Use (MU)	217	2%	138	4%
Commercial (C)	313	3%	197	6%
<b>Total</b>	<b>11,095</b>	<b>100%</b>	<b>3,086</b>	<b>100%</b>

Source: City of Keizer and Mid-Willamette Council of Governments, ECONorthwest analysis

**6.1.2 Development Status**

Exhibit 2 shows total acres in tax lots classified by development status. We used a rule-based classification (defined in the methods and definitions above) to define an initial development status. Then, we used a rapid visual assessment method to confirm this development status using aerial imagery.

**Exhibit 2. Development status before constraints are applied, by plan designation, Keizer UGB, 2018**

Plan Designation	Total Acres	Lots with Development Capacity		Lots with No Development Capacity	
		Acres in Vacant Tax Lots	Acres in Partially Vacant Taxlots	Acres in Developed Taxlots	Acres in Public Tax Lots
Low Density Residential (LDR)	2,283	76	289	1,882	37
Medium Density Residential (MDR_	101	2	2	32	0
Medium-High Density Residential (MDHR)	367	12	19	97	0
Mixed-Use (MU)	138	29	3	336	0
Commercial (C)	197	13	6	178	0
<b>Total</b>	<b>3,086</b>	<b>131</b>	<b>318</b>	<b>2,525</b>	<b>37</b>

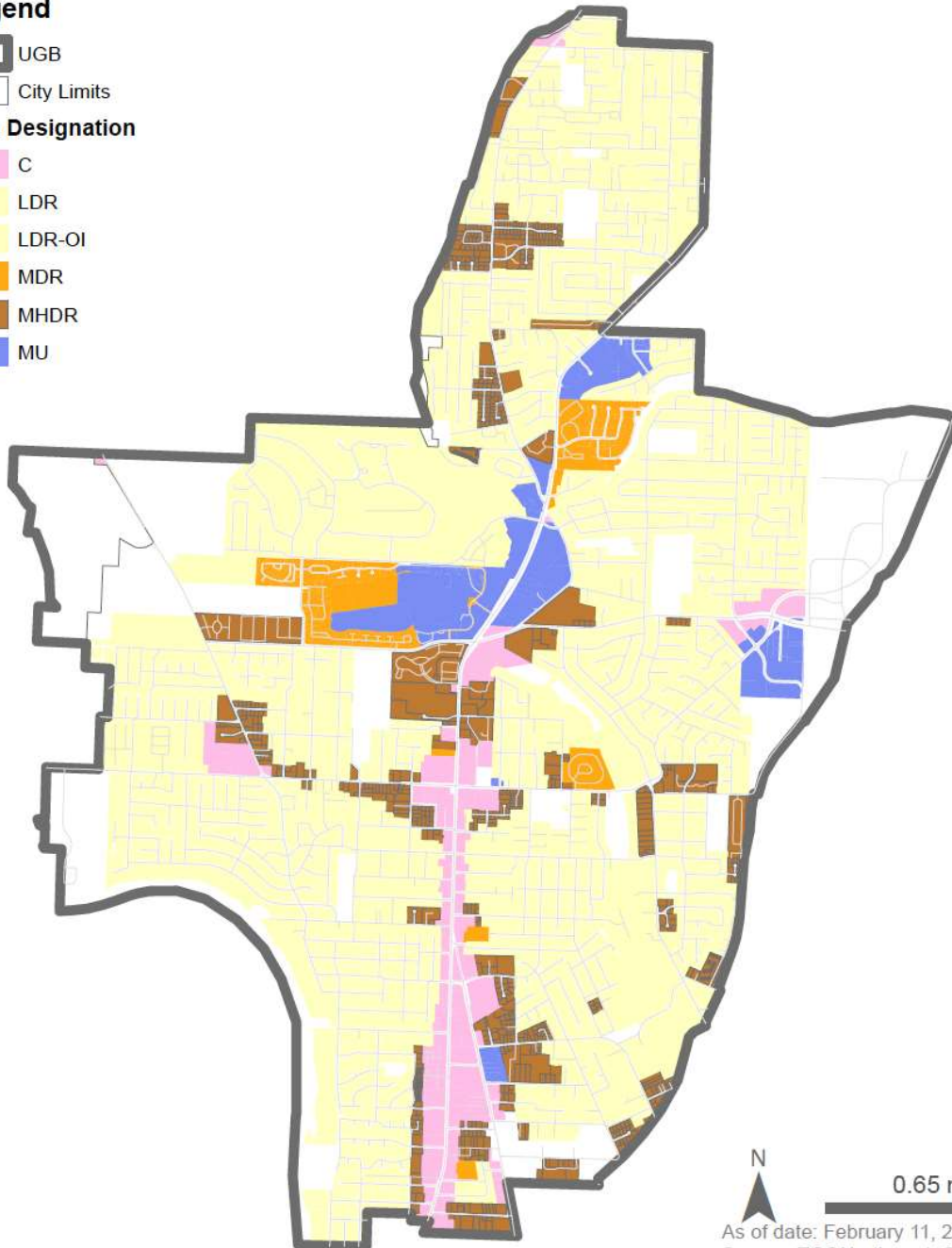
Source: Yamhill County, ECONorthwest analysis

# Keizer Buildable Lands Inventory Comprehensive Plan Designations

**DRAFT**

## Legend

-  UGB
-  City Limits
- Plan Designation**
-  C
-  LDR
-  LDR-OI
-  MDR
-  MHDR
-  MU



As of date: February 11, 2019  
Source: ECONorthwest; City of Keizer  
Mid-Willamette Council of Governments

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Exhibit 4 shows development status with constraints applied and resulting in buildable acres. Of the 3,086 total acres in the land base, 2,740 are committed acres (which includes developed and public lands), 364 are constrained acres, and 253 are buildable acres.

**Exhibit 4. Development status with constraints, by plan designation, Keizer UGB, 2018**

Plan Designation	Number of		Committed	Constrained	Buildable
	Tax Lots	Total Acres	Acres	Acres	Acres
Low Density Residential (LDR)	9,410	2,283	1,808	293	182
Medium Density Residential (MDR_	371	101	85	14	2
Medium-High Density Residential (MDHR)	784	367	323	17	27
Mixed-Use (MU)	217	138	86	29	23
Commercial (C)	313	197	167	11	18
<b>Total</b>	<b>11,095</b>	<b>3,086</b>	<b>2,470</b>	<b>364</b>	<b>253</b>

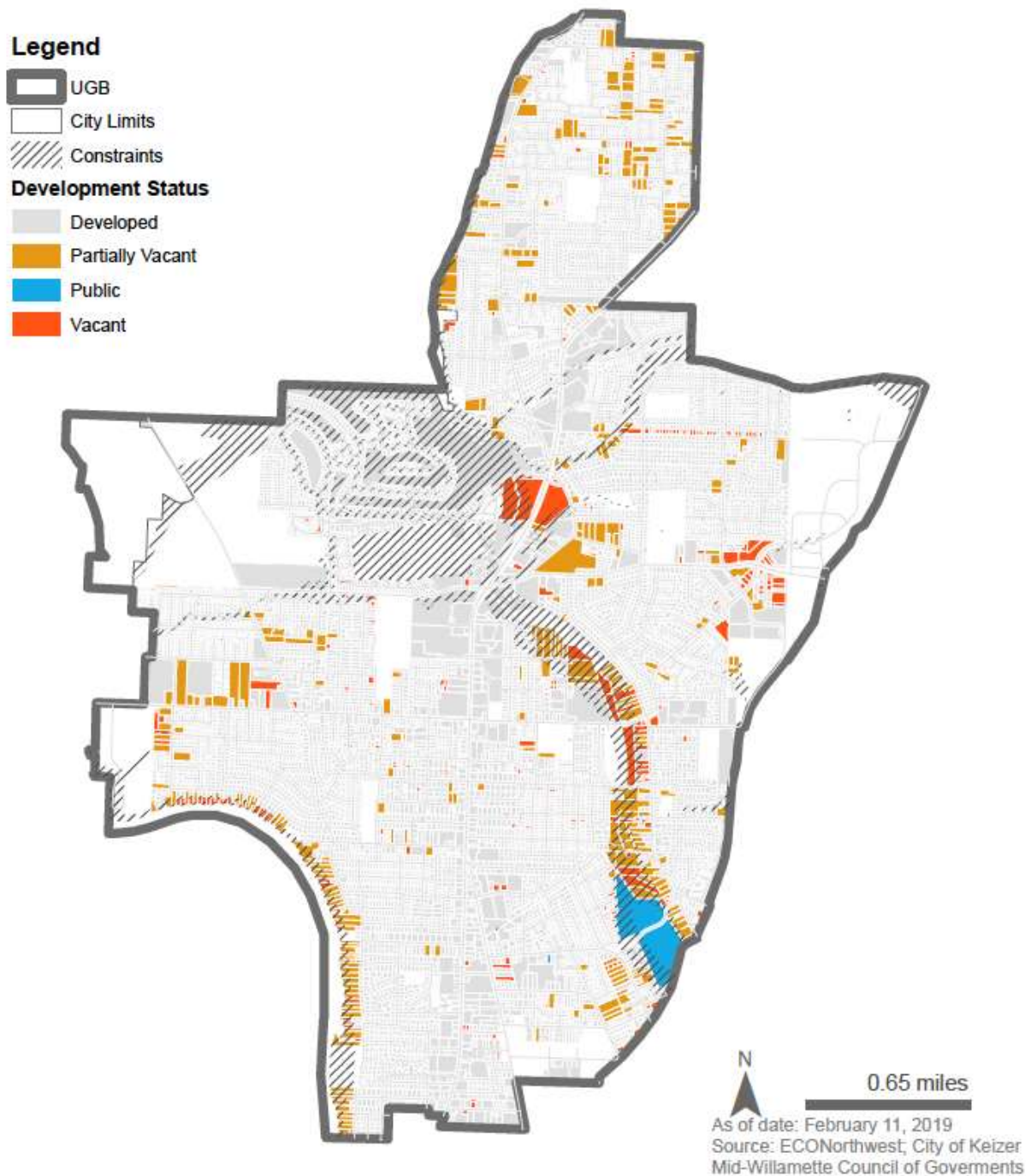
Source: Yamhill County, ECONorthwest analysis

The Exhibit on the following page shows residential land by development status with constraints overlaid.



# Keizer Buildable Lands Inventory Residential Development Status

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### 6.1.3 Vacant Buildable Land

Exhibit 6 shows buildable acres (i.e., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Keizer's 748 unconstrained buildable residential acres, about 42% are in tax lots classified as vacant, and 58% are in tax lots classified as partially vacant.

The Exhibit on the following page maps Keizer's buildable vacant and partially vacant residential land.

**Exhibit 6. Buildable acres in vacant and partially vacant tax lots by plan designation, Keizer UGB, 2019**

Generalized Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Low-Density Residential	548	221	327
Medium-Density Residential	136	69	67
High-Density Residential	13	1	12
PQ Plan Des	51	20	31
<b>Total</b>	<b>748</b>	<b>311</b>	<b>436</b>

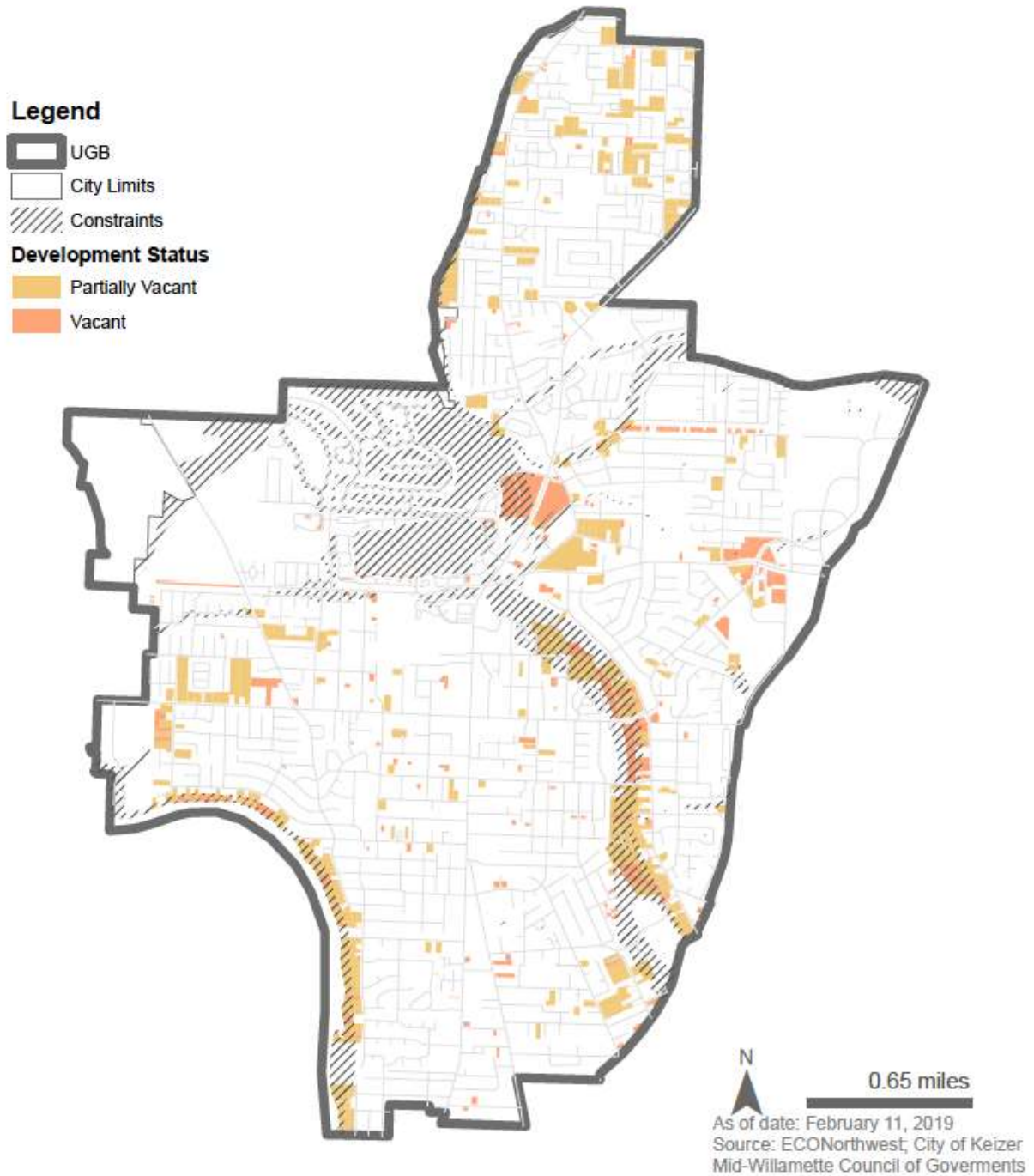
Source: Yamhill County, ECONorthwest analysis

The maps on the following page shows vacant and partially vacant residential land.

# Keizer Buildable Lands Inventory

## Residential Buildable Land

**DRAFT**



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## 6.2 Redevelopment Potential

This methodology is currently in progress, as of January 2019, and will be determined through further discussions with City staff and the PAC.

DRAFT

DATE: February 8, 2019  
TO: Keizer Housing Needs Analysis Project Advisory Committee  
CC: Nate Brown, City of Keizer  
FROM: Bob Parker and Sadie DiNatale, ECONorthwest  
SUBJECT: DRAFT KEIZER HOUSING STRATEGY: POLICIES AND ACTIONS

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The Department of Land Conservation and Development contracted ECONorthwest to develop a Housing Needs Analysis for the City of Keizer. The Housing Needs Analysis will determine whether the City of Keizer has enough land to accommodate 20-years of population and housing growth. The Housing Needs Analysis will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the Housing policies.

This memorandum presents Keizer's existing housing policies for discussion with the Project Advisory Committee (PAC) at the February and March meetings. Our expectation is that these policies may be revised or substituted based on comments from the PAC, comments from the public at the May Open House, and comments from the City of Keizer's Planning Commission or City Council.

This memorandum discusses housing affordability. It distinguishes between two types of affordable housing: (1) housing affordable to very low-income and extremely low-income households and (2) housing affordable to low-income and middle-income households. The following describes these households, based on information from the Keizer Housing Needs Analysis.

- **Very low-income and extremely low-income households** are those who have an income of 50% or less of Marion County Median Family Income (MFI)<sup>1</sup> which is an annual household income of \$33,650. About 28% of Keizer's households fit into this category. They can afford a monthly housing cost of \$840 or less.<sup>2</sup> Development of housing affordable to households at this income level is generally accomplished through development of government-subsidized income-restricted housing.
- **Low-income and middle-income households** are those who have income of 50% to 120% of Marion County's MFI or income between \$33,650 to \$80,5800. About 41% of Keizer's households fit into this category. They can afford a monthly housing cost of \$840 to \$2,000. The private housing market may develop housing affordable to households in this group, especially for the higher income households in the group.

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<sup>1</sup> Median Family Income is determined by the U.S. Department of Housing and Urban Development. In 2018, Marion County's MFI was \$67,300.

<sup>2</sup> This assumes that households pay less than 30% of their gross income on housing costs, including rent or mortgage, utilities, home insurance, and property taxes.

## Summary and Schedule of Actions

Note to reviewers: This section will present a summary of the implementation actions and the proposed schedule for the actions. It will be in the form of a matrix, with actions.

## Revised Housing Policies

Note to reviewers: This section will present the revised housing goal(s), policies, objectives, and actions. Actions will include implementation steps and priority.

## Policies, Objectives, and Actions

### POLICY 1:

#### Objective 1.1:

##### Action 1.1a:

Implementation Steps:

Priority:

## Appendix A: Keizer's Existing Comprehensive Plan Policies

Keizer's Comprehensive Plan Housing Element begins with findings of the housing needs analysis conducted in 2013. These findings will be replaced with findings from the current housing needs analysis.

### Housing Goal

Keizer's existing comprehensive plan identifies four housing goals, which are:

- Provide residential land to meet a range of needed housing types.
- Encourage the location of residential development where full urban services, public facilities, and routes of public transportation are available.
- Stabilize and protect the essential characteristics of residential environments, including natural features.
- Provide and allow for appropriate levels of residential development consistent with comprehensive plan designations.

### Residential Development Goals, objectives and Policies

The following goals, objectives, and policies are copied from Keizer's comprehensive plan:

#### A. Goal 1: Provide residential land to meet a range of needed housing types. (2013)

##### 1) Objective 1.1: Provide housing opportunities for a full range of housing needs as identified by the City's Housing Needs Analysis. (2013)

###### a) Policies 1.1:

- (1) Encourage housing opportunities for the elderly, people with disabilities, minority, single parent, and single-person households. (2013)
- (2) Account for shifts in age, ethnicity and other demographic factors, which may influence housing needs. (2013)
- (3) Plan for low, medium and high density residential uses consistent with 20-year housing needs analysis projections of demand. Periodically monitor and analyze the population and dwelling unit projections to assure sufficient residential land to maintain a balance between supply and demand. (2013)
- (4) Ensure that residential land use designations provide opportunities for non-traditional or emerging housing types such as accessory dwelling units, cottage clusters, live-work units, other mixed residential/commercial development types, multi-generational housing and other housing options. (2013)

- (5) Encourage higher density residential development near areas of employment or shopping. (2013)
- (6) Encourage in-fill of existing lots that is sensitive to the existing neighborhood patterns. (2013)
- (7) Provide for the retention of large parcels of residentially zoned land to facilitate their use, or reuse, of projects requiring such parcels. (2013)
- (8) Periodically review development densities and consider methods for increasing residential density where density targets established in the Comprehensive Plan are not being met. (2013)
- (9) Encourage infill projects on single parcels or parcels assembled for the purposes of infill and redevelopment. (2013)
- (10) Provide for and permit outright in at least one residential zone alternative housing types such as mobile home parks, zero side yards, clustering of dwelling units, and planned unit developments. (2013)
- (11) Permit rezoning to higher intensity residential uses to meet the identified housing needs provided such proposals are consistent with the policies of this plan and its implementing ordinances. (2013)

**2) Objective 1.2: Encourage and support development of housing units for low and moderate income households. (2013)**

a) Policies 1.2:

- (1) Encourage and support development of housing units for low and moderate-income households. (2013)
- (2) Support public, private, nonprofit, and joint public-private partnerships which develop and/or manage low and moderate income housing units. In particular, coordinate and collaborate with local housing providers and advocacy groups in order to leverage funding for development of such housing. (2013)
- (3) Continue to support the use of housing assistance programs to help fund housing projects for low and moderate-income households. (2013)
- (4) Investigate the desirability and fiscal feasibility of starting a housing authority to provide emergency housing assistance, housing assistance programs, etc. (2013)

- (5) Consider providing financial incentives such as waiving or deferring permitting or other fees for affordable housing developments. (2013)

**B. Goal 2: Encourage the location of residential development where full urban services, public facilities, and routes of public transportation are available. (2013)**

**1) Objective 2.1 Coordinate new residential development with the provision of an adequate level of services and facilities, such as sewers, water, transportation facilities, schools and parks. (2013)**

**a) Policies 2.1:**

- (1) Develop and periodically revise a capital improvement program to ensure that public facilities are provided for residential development in a timely and efficient manner. (2013)
- (2) Consider rezoning parcels to higher residential density to meet identified multi-family housing needs provided such proposals are consistent with the policies of this Plan and implementing ordinances. Parcels to be considered for rezoning should have access to major transportation corridors that are served by transit; are served, or can be served, by all urban services, including parks and recreational facilities; and are in close proximity to opportunities for shopping, employment and/or schools. (2013)
- (3) Consider establishing a study that would inventory and prioritize sites that may satisfy future multi-family needs in an effort to allow more certainty in the land use process. (2013)

**C. Goal 3: Stabilize and protect the essential characteristics of residential environments, including natural features. (2013)**

**1) Objective 3.1 Ensure compatibility among all types of new and existing residential uses, and between residential and non-residential uses. (2013)**

**a) Policies 3.1:**

- (1) Protect existing and proposed residential areas from conflicting non-residential land uses while providing for compatible mixed-use development (residential and non-residential). (2013)
- (2) Conserve the existing supply of housing in stable neighborhoods through code enforcement, appropriate zoning, rehabilitation programs, and by discouraging conversions to non-residential use. (2013)
- (3) Use development and subdivision code provisions and other regulations to protect residential uses from other land use activities



that generate an excessive level of noise, pollution, traffic volume, nuisances, and hazards to residents. (2013)

- (4) Discourage through traffic in residential neighborhoods. (2013)
- (5) Investigate and, when advisable, implement mixed use zoning, particularly in established neighborhoods where compatible and functional mixes of land uses are desirable. (2013)
- (6) If the City voluntarily undertakes a street improvement project, which will increase traffic noise levels, it is the policy of the City of Keizer to protect existing residential uses from traffic noise levels that exceed those noise levels, which are typical of residential areas. Traffic noise levels below Leq67dBA are considered typical in an urban area and no mitigation of them shall be required. (2013)

**D. Goal 4: Provide and allow for appropriate levels of residential development consistent with comprehensive plan designations. (2013)**

**1) Objective 4.1 Provide for three general levels of residential density (2013)**

a) Policies 4.1:

(1) Low-Density Residential (2013)

A. Allow single-family residential uses as the predominant land use type in low-density residential areas. (2013)

B. Ensure that: (2013)

- i. Land use is predominately single-family residential, with up to 8 units per gross acre. (2013)
- ii. A variety of housing types are allowed in this category such as detached, attached duplex and manufactured housing. The zoning and subdivision ordinance will more specifically describe structural types. In this district, each residential unit will be on a single lot. (2013)
- iii. Schools, neighborhood shopping facilities, parks and churches are allowed in this category subject to conditional use criteria to be defined in the zoning ordinance. (2013)

(2) Medium Density Residential

A. Allow a mix of housing types in this category at a density averaging from 6 to 10 dwelling units per acre. Identify

criteria and location for this category in the zoning ordinance. (2013)

- B. Allow detached, attached, duplex, and multiple family housing in this category. (2013)
- C. Schools, neighborhood shopping facilities, parks and churches are allowed in this category subject to conditional use criteria in the zoning ordinance. (2013)

(3) Medium and High Density Residential (2013)

- A. Allow a mix of housing types in this category in two general levels of residential density: (2013)
  - i. Medium density-over 8 and up to 16 units per gross acre. (2013)
  - ii. High density-over 16 units per gross acre. Identify criteria and location for these two sub-categories in the zoning ordinance. (2013)
- B. Allow attached, duplex and multiple housing in this category. (2013)
- C. Allow a ten-year surplus of vacant buildable land in this category. (2013)
- D. Schools, neighborhood shopping facilities, parks and churches are allowed in this category subject to conditional use criteria to be defined in the zoning ordinance. (2013)

(4) Mixed Use (2013)

- A. Provide areas intended for development that combines commercial and residential uses in a single building or complex. These areas will allow increased development on busier streets without fostering a strip commercial appearance. The designation encourages the formation of neighborhood “nodes” of activity where residential and commercial uses mix in a harmonious manner. This development type will support transit use, provide a buffer between busy streets and residential neighborhoods, and provide new housing opportunities in the City. The emphasis of the nonresidential uses is primarily on locally oriented retail, service, and office uses. Commercial development may occur within the same building or complex as residential development. Clusters of residential and commercial uses around landscaping features or parking areas will also occur. Development is intended to

be pedestrian-oriented with buildings close to and oriented to the sidewalk. Parking may be shared between residential and commercial uses. (2013)

- B. Allow detached, duplex and multiple family housing. (2013)

## Appendix A. Example Housing Strategies

This appendix provides the City with information about potential strategies that could be implemented in Keizer to address the City's housing needs. Implementing some of the strategies in this appendix may be beyond Keizer's current staff or financial resources.

### Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes, and those which increase the land available for housing.

Strategy Name	Description	Scale of Impact
<b>Regulatory Changes</b>		
Streamline Zoning Code and other Ordinances	Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development.  As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations,	<b>Scale of Impact - Small to moderate.</b> The level of impact on production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.
Administrative and Procedural Reforms	Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications. However, complicated projects frequently require additional analysis such as traffic impact studies, etc.  A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.	<b>Scale of Impact - Small.</b> The level of impact on production of housing and housing affordability will be small and will depend on the changes made to the city's procedures.
Expedited / Fast-tracked Building Permit	Expedite building permits for pre-approved development types or building characteristics (e.g. green buildings).	<b>Scale of Impact - Small.</b>

Strategy Name	Description	Scale of Impact
Allow Small Residential Lots	<p>Small residential lots are generally less than 5,000 sq. ft. This policy allows individual small lots within a subdivision or short plat. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances.</p> <p>This policy is intended to increase density and lower housing costs. Small lots limit sprawl, contribute to a more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types.</p>	<p><b>Scale of Impact – Small to moderate.</b> Cities have adopted minimum lot sizes as small as 3,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes.</p>
Mandate Maximum Lot Sizes	<p>This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre.</p> <p>This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development.</p>	<p><b>Scale of Impact—Small to moderate.</b> Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities.</p>
Mandate Minimum Residential Densities	<p>This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multifamily zones, they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones.</p> <p>This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective.</p>	<p><b>Scale of Impact—Small to moderate.</b> Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard.</p>

Strategy Name	Description	Scale of Impact
Increase Allowable Residential Densities	<p>This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones.</p> <p>For cities with maximum densities, consider removing maximum allowable densities. This change may be most relevant.</p> <p>Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.</p>	<p><b>Scale of Impact—Small to moderate.</b> This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development.</p>
Allow Clustered Residential Development	<p>Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.</p>	<p><b>Scale of Impact—Moderate.</b> Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.</p>
Reduced Parking Requirements	<p>Jurisdictions can reduce or eliminate minimum off-street parking requirements, as well as provide flexibility in meeting parking requirements. Reducing parking requirements positively impact development of any type of housing, from single-family detached to multifamily housing.</p> <p>Reduced parking requirements are most frequently used in conjunction of development of subsidized affordable housing, but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances.</p>	<p><b>Scale of Impact—Small to Moderate.</b></p> <p>The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability.</p>

Strategy Name	Description	Scale of Impact
Reduce Street Width Standards	<p>This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. This strategy could be applied to alleys, when required, to ensure that alleys are relatively narrow to reduce development and maintenance costs.</p> <p>Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.</p>	<p><b>Scale of Impact—Small.</b> This policy is most effective in cities that require relatively wide streets.</p>
Preserving Existing Housing Supply	<p>Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include:</p> <ul style="list-style-type: none"> <li>• Housing preservation ordinances</li> <li>• Housing replacement ordinances</li> <li>• Single-room-occupancy ordinances</li> <li>• Regulating demolitions</li> </ul>	<p><b>Scale of Impact—Small.</b> Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by the existing stock housing, especially smaller, more affordable housing.</p>
Inclusionary Zoning	<p>Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning provides density or other types of incentives.</p> <p>The price of low-income housing passed on to purchasers of market-rate housing. Inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.</p>	<p><b>Scale of Impact—Small to moderate.</b> Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.</p>

<b>Increasing Land Available for Housing</b>		
Redesignate or rezone land for housing	<p>The types of land rezoned for housing are vacant or partially vacant low-density residential and employment land rezoned to multifamily or mixed use. In rezoning land, it is important to choose land in a compatible location, such as land that can be a buffer between an established neighborhood and other denser uses or land adjacent to existing commercial uses. When rezoning employment land, it is best to select land with limited employment capacity (i.e., smaller parcels) in areas where multifamily housing would be compatible (i.e., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses.</p>	<p><b>Scale of Impact - Small to large:</b> Scale of impact depends on the amount and location of land rezoned and the densities allowed on the rezoned land.</p>
Encourage multifamily residential development in commercial zones	<p>This tool seeks to encourage denser multifamily housing as part of mixed-use projects in commercial zones. Such policies lower or eliminate barriers to residential development in commercial or mixed-use zones. They include: eliminating requirements for non-residential uses in commercial zones (e.g., requirements for ground floor retail) or requiring minimum residential densities. This policy can increase opportunities for multifamily development on commercial or mixed-use zones or increase the density of that development.</p>	<p><b>Scale of Impact – Small to moderate:</b> Many cities already encourage multifamily housing in commercial zones. Further encouraging multifamily housing in commercial zones would likely have a small impact, as multifamily housing is allowed in many of the commercial areas where it would be desirable.</p>
Promoting Infill Development	<p>This policy seeks to maximize the use of lands that are fully developed or underdeveloped. Make use of existing infrastructure by identifying and implementing policies that (1) improve market opportunities, and (2) reduce impediments to development in areas suitable for infill or redevelopment.</p> <p>Regulatory approaches to promote infill development include:</p> <ul style="list-style-type: none"> <li>• Administrative streamlining</li> <li>• Allowing accessory dwelling units (ADUs)</li> <li>• Allowing small lots</li> <li>• Density bonuses</li> </ul>	<p><b>Scale of Impact – Small.</b> In general, infill development, especially small-scale infill, is more expensive than other types of residential development. Some types of infill development, such as ADUs, may provide opportunities for relatively affordable housing.</p>



Transfer or Purchase of Development Rights	<p>This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to “receiving zones” and can be traded and can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed).</p>	<p><b>Scale of Impact - Small to moderate.</b> Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.</p>
Provide Density Bonuses to Developers	<p>The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones.</p> <p>Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units.</p>	<p><b>Scale of Impact - Small.</b></p>

## Increase the types of housing

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact
Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in single-family zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	<b>Scale of Impact - Small.</b> Allowing these types of housing in more zoning districts may provide a relatively small number of new, relatively affordable, housing opportunities.
Permit Accessory Dwelling Units (ADUs) in single-family zones	Communities use a variety of terms to refer to the concept of accessory dwellings: secondary residences, “granny” flats, and single-family conversions, among others. Regardless of the title, all of these terms refer to an independent dwelling unit that share, at least, a tax lot in a single-family zone. Some accessory dwelling units share parking and entrances. Some may be incorporated into the primary structure; others may be in accessory structures. Accessory dwellings can be distinguished from “shared” housing in that the unit has separate kitchen and bathroom facilities.  As of July 1, 2018, ORS 197.312 requires cities to allow at least one ADU for each detached single-family dwelling in areas zoned for detached single-family dwellings. Jurisdictions can make development of ADUs more likely by limiting restrictive standards and procedures, such as reducing systems development charges for ADUs or allowing ADUs regardless of where the primary dwelling is owner-occupied.	<b>Scale of Impact - Small.</b> Oregon law recently changed to require cities to allow ADUs.

<b>Strategy Name</b>	<b>Description</b>	<b>Scale of Impact</b>
Allow small or "tiny" homes	<p>"Tiny" homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units.</p> <p>Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.</p> <p>Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners.</p>	<p><b>Scale of Impact - Small:</b> Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.</p>
Allow Co-housing	<p>Co-housing is a type of intentional community that provides individual dwelling units, both attached and detached, along with shared community facilities. Members of a co-housing community agree to participate in group activities and members are typically involved in the planning and design of the co-housing project. Private homes contain all the features of conventional homes, but residents also have access to extensive common facilities, such as open space, courtyards, a playground, and a common house.</p> <p>This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones.</p>	<p><b>Scale of Impact - Small.</b> While co-housing may be able to achieve multi-family housing densities, it is unlikely that this housing type would make up a large portion of new housing stock, thereby diminishing its impact.</p>

## Financial assistance to homeowners and renters

The following policies focus on ways in which the City and other community stakeholders can provide financial assistance to potential residents in order to increase housing affordability and accessibility for multiple income groups.

Strategy Name	Description	Scale of Impact
Home ownership programs	<p>Cities use a variety of programs to assist with homeownership</p> <ul style="list-style-type: none"> <li>• <b>Homebuyer Assistance Programs.</b> These Down Payment Assistance loans help low- or moderate-income households cover down payment and closing costs to purchase homes on the open market. These programs either give loans or grants, most frequently to first time homebuyers.</li> <li>• <b>Inclusionary Housing Program.</b> Some cities have an Inclusionary Housing Ordinance (IH) requiring that new residential development contribute at least 20% of the total units as permanently affordable housing. Options for meeting this requirement can allow the affordable units to be located on or off site. Cities that use inclusionary housing generally have programs to ensure that housing continues to be affordable over the long-term.</li> <li>• <b>Partnerships.</b> Cities often work with partnerships with nonprofit agencies that provide homeownership assistance.</li> </ul>	<b>Scale of Impact - Small.</b> While homeownership programs are important, limited funds mean that the number of households that benefit from homeownership programs is relatively small.
Rental assistance programs	<p>Cities use a variety of programs to provide rental assistances</p> <ul style="list-style-type: none"> <li>• <b>Section 8 Voucher:</b> This assistance subsidizes the difference between 30 to 40 percent of a household's income and the area's Fair Market Rent (FMR).</li> <li>• <b>Rental assistance programs.</b> These programs offer a range of services, such as assistance with security deposits.</li> <li>• <b>Rent Control.</b> Rent control regulations control the level and increases in rent, over time resulting in rents that are at or below market rates.</li> <li>• <b>Partnerships.</b> Cities often work with partnerships with nonprofit agencies that provide rental assistance.</li> </ul>	<b>Scale of Impact - Small.</b> Renter assistance programs are important. However, limited city funds mean that the number of households that benefit from rental assistance from city funding is relatively small.
Housing Rehabilitation Programs	<p>Cities often offer home rehabilitation programs, which provide loans to low- and moderate-income households for rehabilitation projects such as making energy efficiency, code, and safety repairs. Some programs provide funding to demolish and completely reconstruct substandard housing.</p>	<b>Scale of Impact - Small.</b> Limited fund availability means that relatively few households will be able to access housing rehabilitation funds.

## Lowering development or operational costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in a city in order to increase housing affordability and available housing stock.

Strategy Name	Description	Scale of Impact
<b>Programs or policies to lower the cost of development</b>		
Parcel assembly	<p>Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units</p> <p>Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is often associated with development of government-subsidized affordable housing, where the City partners with nonprofit affordable housing developers.</p>	<b>Scale of Impact - Small to moderate:</b> Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.
Land Banking	<p>Land banks support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing. They can take several forms. Many are administered by a non-profit or non-governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly-owned land for the development of affordable housing even without a formal 'land bank' organization.</p> <p>Land banks are purposed for short-term ownership of lands. Lands acquired are often vacant, blighted, or environmentally-contaminated. Land banks may also acquire lands with title defects or of which derelict structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.</p>	<b>Scale of Impact - Small to moderate:</b> A land bank will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.

Strategy Name	Description	Scale of Impact
Land Trusts	<p>A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals.</p> <p>Land trusts are purposed for long-term stewardship of lands and buildings. Lands / buildings acquired may have need for remediation or redevelopment. Lands / buildings may have also been acquired to preserve affordability, prevent deferred maintenance, or protect against foreclosure</p>	<b>Scale of Impact - Small to moderate:</b> A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.
Public Land Disposition	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB-5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, or EB-5.	<b>Scale of Impact – Small.</b> Depends on whether the City has surplus land that would be appropriate for future housing development.
Reduced / Waived Building Permit fee, Planning fees, or SDCs	Programs that reduce various development fees as an incentive to induce qualifying types of development or building features. There are a number of avenues to seek reduced or waived fees. For example, stormwater improvements can be made through the Commercial Stormwater Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes.	<b>Scale of Impact - Small.</b>
SDC Financing Credits	<p>May help to offset the an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.</p> <p>SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.</p>	<b>Scale of Impact – Small.</b> The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.

Strategy Name	Description	Scale of Impact
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and Urban Renewal (Tax Increment Financing). Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	<b>Scale of Impact – Small.</b> Depends on how the tool is implemented and whether it is used with other tools, such as LIDs or Urban Renewal.
Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also, these fees or revenues allow for new revenue streams into the City.	

Strategy Name	Description	Scale of Impact
Reimbursement District	<p>A Reimbursement District is a cost sharing mechanism, typically Initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement</p> <p>Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements. Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin.</p> <p>Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10-15 years.</p> <p>Paid by benefitted properties at the time the property benefits from the improvement, typically at connection to the sewer, water or storm drain system.</p>	Scale of Impact – Small to moderate.
Linkage Fees	<p>Linkage fees are charges on new development, usually commercial and / or industrial development only, that can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.</p> <ul style="list-style-type: none"> <li>• Can be used for acquisition and rehabilitation of existing affordable units.</li> <li>• Can be used for new construction.</li> </ul>	
Tax abatement programs that decrease operational costs by decreasing property taxes		



Strategy Name	Description	Scale of Impact
Vertical Housing Tax Abatement (Locally Enabled and Managed)	<p>The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program.</p> <p>The legislation subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).</p>	<p><b>Scale of Impact – Small to moderate.</b> The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>
Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)	<p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines “Multi-unit rental housing” as: “(a) residential property consisting of four or more dwelling units” and; “does not include assisted living facilities.”</p> <p>All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that's rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program.</p> <p>Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p>	<p><b>Scale of Impact – Small to moderate.</b> The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>

Strategy Name	Description	Scale of Impact
Affordable Housing Property Tax Abatement	<p>Incentivizes construction of affordable housing by offering property tax abatements.</p> <p>Since 1985, the State of Oregon has allowed for affordable housing property tax abatements when they are sought separately by non-profits that develop and operate affordable rental housing. Only the residential portion of a property located within a City that is used to house very low-income people, or space that is used directly in providing housing for its low-income residents is eligible for a property tax exemption.</p>	<p><b>Scale of Impact – Small to moderate.</b> The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>
Oregon Affordable Housing Tax Credit	<p>Reduces cost of living in affordable, multi-family rental units by awarding a state income tax credit to the owner, who is required to pass the entire amount of the credit along to the residents through a reduction in rent.</p> <p>Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate a 20-year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants. The tax credits are provided for affordable housing loans where a lender has reduced the interest rate by up to 4%. The program contains a stipulation that the credit be used solely to reduce rents for tenants for a twenty-year term</p>	<p><b>Scale of Impact – Small.</b> The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.</p>

## Funding sources to support residential development

The following policies focus on ways to pay for the costs of implementing the affordable housing programs and infrastructure development.

Strategy Name	Description	Scale of Impact
Urban Renewal / Tax Increment Finance (TIF)	<p>Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"><li>• Redevelopment projects, such as mixed-use or infill housing developments</li><li>• Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs</li><li>• Streetscape improvements, including new lighting, trees, and sidewalks</li><li>• Land assembly for public as well as private re-use</li><li>• Transportation enhancements, including intersection improvements</li><li>• Historic preservation projects</li><li>• Parks and open spaces</li></ul>	<p><b>Scale of Impact – Moderate.</b></p> <p>Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.</p>

Construction Excise Tax (CET)	<p>Funds land use planning throughout the region by taxing construction permits.</p> <p>CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:</p> <ul style="list-style-type: none"> <li>• 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)</li> <li>• 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.</li> <li>• 15% flows to Oregon Housing and Community Services for homeowner programs.</li> </ul> <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.</p>	<b>Scale of Impact – Depends on the amount of funding available.</b>
General Fund and General Obligation (GO) Bonds	<p>Allows funding for a project that is not dependent on revenue from the project to back the bond.</p> <p>City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.</p> <p>Property taxes are increased to pay back the GO bonds.</p>	<b>Scale of Impact – Moderate to Large.</b> GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).

Local Improvement District (LID)	<p>Enables a group of property owners to share the cost of a project or infrastructural improvement.</p> <p>A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records.</p> <p>An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners.</p> <p>The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment were placed property owners (due to underestimation).</p>	<b>Scale of Impact – Depends on the amount of funding available.</b>
General Fund Grants or Loans	<p>A city can use general fund or tax increment dollars to directly invest in a specific affordable housing projects. These grants or loans can serve as gap funding to improve development feasibility. There are several options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time, as recently approved in the City of Portland. Another option is to use general fund dollars to contribute to other programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.</p>	<b>Scale of Impact – Depends on the amount of funding available.</b>
Transient Lodging Tax (TLT)	<p>Generates revenue by primarily taxing tourists and guests using temporary lodging services. Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.</p>	<b>Scale of Impact – Small.</b> The amount of funding from TLT is likely to be relatively small, given that only 30% of TLT funds have unrestricted use.

CDBG	The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.	<b>Scale of Impact – Depends on the amount of funding available.</b>
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