

To: HOAC Governing Board
From: HOAC Housing Supply Messaging Workgroup
Date: March 21,2018 (updated April 24, 2018)
Re: Advocating for Housing Priorities

In December 2017, the HOAC Governing Board adopted the Keystone Strategy C: Housing Supply (attached). The overarching goal of HOAC's housing supply and messaging workgroup is to expand housing options and other supports that increase persons' success in transitioning into or maintaining permanent housing. To this end, we are requesting the HOAC Governing Board advocate for policy change to accomplish each of the following goals: Increase the supply of developable land and needed homes; reduce the cost of building new, affordable homes; and finally help vulnerable populations secure housing and stay in their homes.

The HOAC messaging and supply workgroup are recommending eight priorities for which HOAC should advocate (attached). We ask that each member of the HOAC Governing Board read the priorities and then answer a quick Survey Monkey by Monday, March 26th.

<https://www.surveymonkey.com/r/2RCHTVL>

We are advancing these eight priorities as a package, but suggest that if any appear to be subject to controversy, they be pulled from the package and addressed separately. The workgroup acknowledges that HOAC members will not always agree on a particular action or approach. The adopted By-Laws provide that if consensus cannot be reached, a 75% majority can be used to advance an action. These priorities will be discussed at the next Governing Board meeting on March 28, 2018 and will be voted on adoption at the April meeting.

This workgroup makes the following additional recommendations:

- Advocacy efforts will use the name Housing Opportunities Action Council and will not individually identify the organizations that comprise the HOAC. The messaging group recommends a tag line such as Housing Opportunities Action Council (HOAC) – A group of 25 organizations in Benton County caring for the most vulnerable in our community. We anticipate the Governing Board will receive other advocacy recommendations from other workgroups and ours in the future.
- At times, emerging issues may arise at the state or local level that require immediate advocacy. The HOAC Leadership Group should be given authority to make time sensitive decisions regarding emerging issues/policies. In those cases, we recommend that a vote take place in person or via email and that decisions made be reported at the next meeting of the Governing Board.
- HOAC Manager and HOAC Leadership team have the authority to advocate for HOAC's policy priorities and Keystone Strategies during council and commissioner meetings, grant applications, etc. The HOAC Manager will coordinate with others to provide testimony.

We see this as an important step in putting the Ten-Year Plan into action.

Proposed HOAC housing advocacy/actions 2018

Updated April 24, 2018

The goal of HOAC housing advocacy is to accomplish each of the following goals:

- Increase the supply of developable land and needed homes.
- Reduce the cost of building new, affordable homes.
- Help vulnerable populations secure housing and stay in their homes.

Increase the supply of developable land and needed homes

1. Increase the supply of developable land by rezoning some areas to residential uses

Using the City's Buildable Lands Inventory, the Housing Needs Analysis, and other planning documents to set goals, the city should identify areas, primarily within the City limits and secondarily within the Urban Growth Boundary, which could be rezoned from less needed zoning designations to residential uses. This strategy can be paired with other policy options as well, such as City-sponsored annexations, urban renewal districts, development agreements, and parcel assembly.

Recommended by the Housing Development Task Force in Fall 2016 and passed on to the Housing and Community Development Advisory Board. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

2. Create Density Bonuses for affordable housing, small homes and housing in target locations

Density bonuses typically allow for housing development at a density higher than allowed outright in that zone in order to achieve a specified community housing goal, such as affordable or workforce housing. In some communities, density bonuses have been tied geographically to areas where additional density may be desirable, such as along transit corridors, in/near areas zoned as "major neighborhood centers," near schools, and adjacent to parks.

Recommended by the Housing Development Task Force in Fall 2016 and passed on to the Housing and Community Development Advisory Board. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

3. Include affordable housing as a goal in future Urban Renewal Plans

Urban Renewal/Tax Increment Financing (TIF) is a public financing method used by many Oregon communities to help revitalize targeted areas of a community. The types of projects that are eligible for TIF support must be identified in an Urban

Renewal Plan. In Corvallis, new Urban Renewal Districts must also be approved by voters. If and when Urban Renewal Districts are created (one will soon be considered for south Corvallis), affordable housing should be identified as a goal of the Urban Renewal Plan. Depending upon the location, boundaries, and size of the District, consideration should also be given to specifying a minimum goal for the percentage of urban renewal resources that will be dedicated to the creation of more affordable housing. (For example, urban renewal districts in Portland require that a minimum of 30% of TIF resources must be used for affordable housing.)

Recommended by the Housing Development Task Force in Fall 2016 and passed on to the Housing and Community Development Advisory Board. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

4. Utilize Development Agreements between the City of Corvallis and developers to incentivize the development of needed housing

Development agreements are used to secure some sort of public benefit from a proposed development in return for the City providing some sort of assistance to the developer. In practice, the City uses these agreements when providing CDBG or HOME funding in order to guarantee housing affordability for a specific period of time. Development agreements could also be used in conjunction with City-sponsored annexations, project financing from an urban renewal district, and other development tools used to incentivize affordable housing.

Recommended by the Housing Development Task Force in Fall 2016 and passed on to the Housing and Community Development Advisory Board. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

Reduce the cost of building new, affordable homes

5. ~~Waive-Exempt~~ System Development Charges for affordable housing

System development charges (SDCs) are one-time fees imposed on new or some types of redevelopment at the time of development. The fee is intended to recover a fair share of the costs of existing and planned facilities that provide capacity to serve new growth. The City of Corvallis currently has SDCs for parks, sewer, water, transportation, and storm water. These fees are a significant expense for all new construction. Exempting affordable housing from all or some of these fees reduces development costs and helps to leverage other state, federal and private support. The City of Corvallis has taken the position that that they cannot ~~waive-exempt~~ SDC's; however, a number of cities in Oregon have ~~waived-exempted~~ these charges for affordable housing that meets certain requirements (usually related to income limits for the renter or buyer).

As of 12/18/17 City Council directed staff to “bring back proposals for financial strategies to incentivize affordable housing through reduced SDC’s.” City staff is to

complete a report. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

6. Recalculate System Development Charges in ways that incentivize the construction of smaller homes

Most newly constructed homes are over 2,000 square feet. This increases their cost, reduces market choice, and inhibits the construction of needed homes, such as smaller starter homes, and “aging-in-place community” homes. When the City next undertakes full reviews of its SDC calculation methodologies, alternative calculation methods that incentivize small home construction should be considered.

Recommended by the Housing Development Task Force in Fall 2016 and passed on to the Housing and Community Development Advisory Board. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

7. Implement a Property Tax Exemption Program for affordable housing

The State of Oregon allows local communities to adopt more than one kind of property tax exemption program. The one most commonly used for affordable rental housing is the “Low Income Rental Housing Property Tax Exemption Program” that provides up to a 20 year exemption for rental properties owned by nonprofit organizations. This tool lowers operating costs, reduces rents, and helps leverage other sources of support for the development of affordable housing.

Recommended by the Housing Development Task Force in Fall 2016 and passed on to the Housing and Community Development Advisory Board. Supports the Top 5 Keystone strategies to increase affordable housing supply in Benton County and to track emerging policy with high potential to impact housing affordability.

Help vulnerable populations secure housing and stay in their homes

8. Secure funding for supportive services from the City of Corvallis, Benton County, and other sources

Individuals and families experiencing homelessness, or who are at-risk of homelessness, require decent housing, a way to pay the rent, and supportive services that address the person’s/family’s specific challenges. In some cases the required supports may be relatively short-term. In other cases the required supports will be life-long (as in the case with permanent disabilities). A responsive social service system will have access to dedicated, long-term revenue streams that support the most vulnerable in our community, facilitate housing stability, and prevent/reduce homelessness.